



THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS
&
BOARD OF BANK INCORPORATION

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July 29, 2016

ACTIVITY REPORT

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This notice serves to inform you concerning activity involving hearings, decisions, and matters pending before either the Commissioner of Banks or the Board of Bank Incorporation.

DIVISION OF BANKS

Decisions

Holyoke Credit Union, Holyoke – notice to establish a branch office at 14 North Westfield Street, Feeding Hills - non-objection issued July 25, 2016.

Holyoke Credit Union, Holyoke – permission to close its branch office located at 4 Washington Avenue Extension, Agawam – approved July 25, 2016.

Rockland Trust Company, Rockland – notice to establish a branch office at 170 Cambridge Street, Burlington – non-objection issued July 5, 2016.

Rockland Trust Company, Rockland – permission to close its branch office located at 85 Wilmington Road, Burlington – approved July 5, 2016.

Weymouth Bank (Weymouth), Weymouth and Equitable Co-operative Bank (Equitable), Lynn – permission for Equitable to merge with and into Weymouth under the charter and by-laws of Weymouth and under the name Equitable Bank. The main office of Weymouth would remain the main office of the continuing institution and the banking offices of Equitable would be retained as branch offices – approved July 14, 2016.

Applications/Notices Pending

BayCoast Bank, Swansea – permission to relocate its branch office from 95 William Street, New Bedford to 25 Elm Street, New Bedford. Comment period ends August 2, 2016.

Berkshire Bank, Pittsfield – notice to establish a branch office at 121 Congress Street, Boston. Filed July 8, 2016.

Century Bank and Trust Company, Somerville – notice to establish a branch office at 258 Washington Street, Wellesley. Filed June 21, 2016.

This Activity Report can be accessed within six business days after the above date at the Division's web site found at <http://www.mass.gov/dob/>

Century Bank and Trust Company, Somerville – permission to close its branch office located at 75 Central Street, Wellesley. Comment period ended July 14, 2016.

Polish National Credit Union (Polish National), Chicopee and Chicopee Municipal Employees Credit Union (Chicopee Municipal), Chicopee - permission for Chicopee Municipal to merge with and into Polish National under the charter, by-laws and name of Polish National. The main office of Polish National would remain the main office of the continuing institution and the sole banking office of Chicopee Municipal would be retained as a branch office of Polish National. Comment period ended July 28, 2016.

Rockland Trust Company (Rockland), Rockland and Bank of Cape Cod, Hyannis – permission to merge under the charter, by-laws and name of Rockland. The main office of Rockland would remain the main office of the continuing institution. As part of this merger transaction, Bank of Cape Cod has petitioned to close its banking offices located at: (1) 1582 Iyanough Road, Hyannis; (2) 232 Main Street, Hyannis; and (3) 445 Main Street, Falmouth. The remaining banking office of Bank of Cape Cod would be retained as a branch office of Rockland. Comment period ends August 3, 2016.

AUGUST 2016 FILING DATE

Complete applications for the August Activity Report must be received by the Division or the Board on or before 5:00 p.m., Monday, August 15, 2016.

COMMUNITY REINVESTMENT ACT DESCRIPTIVE RATINGS AND EVALUATIONS
WHICH BECAME PUBLIC DURING THE MONTH

The following state-chartered banks and credit unions and licensed mortgage lenders have Community Reinvestment Act descriptive ratings and evaluations describing the basis for the rating issued by the Division of Banks. The ratings, as set out in statute, for a bank's or credit union's record of meeting community credit needs are: Outstanding (O); High Satisfactory (HS); Satisfactory (S); Needs to Improve (NI); and Substantial Noncompliance (SNC). Licensed mortgage lenders are also assigned one of these ratings to describe their record of meeting the mortgage credit needs in the Commonwealth of Massachusetts.

A consolidated list of all ratings can be found at www.mass.gov/dob.

A copy of an individual CRA evaluation is available directly from the bank, credit union, or mortgage lender which is required by law to make the material available upon request, or from the Division's web site.

<u>BANK/CREDIT UNION</u>	<u>RATING</u>	<u>DATE OF EXAMINATION</u>
Canton Co-operative Bank, Canton	S	05/21/2016
Worcester Fire Department Credit Union, Worcester	S	04/11/2016

REGULATIONS

FILING OF AMENDMENTS EFFECTIVE AUGUST 12, 2016

The Division has filed final amendments to the following regulations:

- 209 CMR 46.00: *Community Reinvestment*; and
- 209 CMR 50.00: *Parity with Federal Credit Unions*.

209 CMR 46.00: *Community Reinvestment*

209 CMR 46.00 carries out the purposes of the Community Reinvestment Act (CRA) by establishing the framework and criteria by which the Commissioner assesses a state-chartered bank's or state-chartered credit union's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. The regulation also provides that the Commissioner take that record into account in considering certain applications pursuant to 209 CMR 46.29. The Division has amended 209 CMR 46.00 to establish consideration under CRA for low-cost education loans and activities in cooperation with minority- or women-owned financial institutions and low-income credit unions, and made various technical amendments.

209 CMR 50.00: *Parity with Federal Credit Unions*

The purpose of 209 CMR 50.00 is to implement G.L. c. 171, s. 6A, which authorizes the Commissioner of Banks to promulgate regulations to grant state-chartered credit unions certain expanded powers in parity with federally-chartered credit unions. The Division has amended 209 CMR 50.00 to add several new types of authorities. In addition, the amendments significantly restructure and streamline procedural requirements by allowing credit unions to exercise certain authorities after notice to the Division or with no notice requirements, rather than requiring that the credit unions receive advance approval from the Division. The amendments also clarify the authority of state-chartered credit unions relative to making or investing in loan participations, and make additional technical changes. Click [here](#) for a detailed summary of the final amendments.

The final amendments to both regulations will become effective on August 12, 2016. This filing completes the regulatory process for the amendments to 209 CMR 46.00 and 209 CMR 50.00.

FILING OF AMENDMENTS EFFECTIVE JULY 29, 2016

The Division has filed final amendments to the following regulation:

- 209 CMR 54.00: *Mortgage Lender Community Investment*

The purpose of 209 CMR 54.00 is to carry out the Mortgage Lender Community Investment (MLCI) purposes of Massachusetts General Laws chapter 255E, section 8 by establishing the framework and criteria by which the Commissioner assesses a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth, including low- and moderate-income neighborhoods and individuals, consistent with the safe and sound operation of the mortgage lender. The regulation also provides that the Commissioner take that record into account in considering certain applications pursuant to 209 CMR 54.26. Under this regulation, there are two tests, the Lending Test at 209 CMR 54.22, and the Service Test, at 209 CMR 54.23. The Lending Test evaluates a mortgage lender's record of helping to meet the mortgage credit needs of the Commonwealth through its lending activities by considering a mortgage lender's home mortgage and community development lending. The Service Test evaluates a mortgage lender's record of helping to meet the mortgage credit needs in the Commonwealth by

analyzing both the availability and effectiveness of a mortgage lender's systems for delivering mortgage loan products, the extent and innovativeness of its community development services, and loss mitigation services to modify loans or otherwise keep delinquent home loan borrowers in their homes. The amendments to 209 CMR 54.00 will allow mortgage lenders who made fewer than 100 loans in the prior calendar year (eligible lenders) to be excluded from the criteria of the Service Test, with one exception. The loss mitigation services component of the Service Test will be added to the criteria of the Lending Test, and will therefore remain part of the MLCI examination for eligible lenders.

The final amendments became effective on July 29, 2016. This filing completes the regulatory process for the amendments to 209 CMR 54.00.

FILING OF AMENDMENTS/REPEALS EFFECTIVE JULY 1, 2016

The Division of Banks has filed final amendments to the following regulation:

- 209 CMR 49.00: *Insurance Sales by Banks, Credit Unions, and Lenders*

In addition, the Division also repealed the following regulations:

- 209 CMR 35.00: *Check Cashing Procedures for Certain Banks Required To Honor and Cash Certain Checks of Pensioners and Retirees*; and
- 209 CMR 52.00: *Credit Insurance Disclosure Requirements*.

The final amendments and repeals became effective on July 1, 2016.

Amendment of 209 CMR 49.00: *Insurance Sales by Banks, Credit Unions, and Lenders*

The purpose of 209 CMR 49.00, Insurance Sales by Banks and Credit Unions, is to establish the application and approval procedures for banks, credit unions and lenders to exercise insurance sales agency powers and to ensure that such business is conducted in compliance with the consumer protection laws of the Commonwealth. Since 2006, the Division of Banks' regulation at 209 CMR 49.00 has included two separate sections governing consumer protection terms and conditions for banks and credit unions. The main purpose of the final amendments is to combine these two separate sections, 209 CMR 49.06 for banks and 209 CMR 49.06A for credit unions, back into one section to implement the provisions of the Waiver issued by the Commissioner of Banks and the Commissioner of Insurance pursuant to Chapter 423 of the Acts of 2008. Certain technical amendments are included for consistency throughout the regulation. One substantive update is to revise 209 CMR 49.03 and 209 CMR 49.04(3) to include applicable lenders in the provisions governing CRA requirements, known as Mortgage Lender Community Investment (MLCI), pursuant to G.L. c. 255E, § 8. Another substantive amendment removes references to Savings Bank Life Insurance (SBLI) in 209 CMR 49.02(6) and 209 CMR 49.03 in light of St. 2010, c. 176, which amended the distinction in the law between SBLI and any other domestic insurance agency. In addition, the title of the regulation is changed to "Insurance Sales by Banks, Credit Unions, and Lenders".

Repeal of 209 CMR 35.00: *Check Cashing Procedures for Certain Banks Required to Honor and Cash Certain Checks of Pensioners and Retirees*

The purpose of 209 CMR 35.00 was to establish certain check cashing procedures for every bank and credit union doing business in the Commonwealth to cash Social Security and other government benefit checks as well as pension checks issued by the federal government or any agency thereof, or by the Commonwealth or any agency

or political subdivision for customers and non-customers of the bank or credit union. The Division is repealing 209 CMR 35.00 because methods for check cashing and depositing have changed significantly since 1983 when the law requiring 209 CMR 35.00, G.L. c. 167, s. 46, was enacted. Pension and other government benefits are now delivered primarily by direct deposit into a consumer's account as opposed to by a paper check. In conjunction with repealing 209 CMR 35.00, the Division will issue industry guidance that will explain the procedures that banks and credit unions must continue to have in place for those consumers who still wish to cash a paper check for pension or other governmental benefits.

Repeal of 209 CMR 52.00: *Credit Insurance Disclosure Requirements*

The purpose of 209 CMR 52.00: *Credit Insurance Disclosure Requirements* was to require disclosure to consumers of the coverage, costs and other aspects of credit insurance related to a credit transaction so that a consumer may make a more informed decision. The Division is repealing this regulation because it is essentially duplicative to a regulation of the Division of Insurance and provides no additional consumer protections. The Division will also issue administrative guidance in conjunction with this repeal.

These filings complete the regulatory process for the amendments to 209 CMR 49.00 and the repeal of 209 CMR 35.00 and 209 CMR 52.00.

BANK AND CREDIT UNION APPLICATION PROCESS TIMING

As a general rule, applications by banks and credit unions other than those that are subject to a review period set out in statute are intended to be processed and completed within the monthly cycle for which the bank and credit union applies. That review period for such processing is approximately 45 days or less from the date the application is filed with the Division. A decision on the application is generally issued within 5 business days after the review period is completed. The decision then will be reported on the monthly Activity Report for the month in which the decision was issued. The timing of the overall review process including the issuance of a decision and the listing on the monthly Activity Report will be dependent on the applicant's compliance with all statutory, regulatory and administrative requirements. Applications before the Massachusetts Board of Bank Incorporation are subject to separate timing schedules as set out in the applications of the Board.

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