

PUBLIC DISCLOSURE

July 17, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Canton
Certificate Number: 90175

490 Turnpike Street
Canton, MA 02021

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

The average net loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.

The bank made a majority of home mortgage loans and small business loans in the assessment area.

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, particularly to low- and moderate-income geographies.

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

The institution did not receive any CRA-related complaints during the evaluation period; therefore, this factor did not affect the rating.

The Community Development Test is rated High Satisfactory by the Division and Satisfactory by the FDIC. Although the agencies agree on the Community Development Test performance, the FDIC's rating matrix does not include a High Satisfactory rating.

The institution's community development performance demonstrates good responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities throughout the assessment area.

SCOPE OF EVALUATION

General Information

This performance evaluation, conducted jointly by the FDIC and the Commonwealth of Massachusetts Division of Banks (Division), covers the period from the prior evaluation, dated August 11, 2014, to the current evaluation dated July 17, 2017. Examiners used the Interagency Intermediate Small Institution (ISI) Examination Procedures established by the Federal Financial Institution Examination Council (FFIEC). These procedures include two tests: the Lending Test and the Community Development Test.

The Lending Test evaluates the bank's performance based on the LTD ratio, assessment area concentration, geographic distribution, borrower profile, and response to CRA complaints. The Community Development Test considers the number and dollar amount of community development loans, qualified investments, and community development services, as well as the bank's responsiveness to the community development needs of the assessment area. The evaluation does not include any lending activity conducted by affiliates.

Loan Products Reviewed

Examiners determined the bank's major product lines are home mortgage and small business loans. Examiners emphasized performance by number over dollar volume because the number of loans better indicates the number of individuals and businesses that the bank serves. The evaluation gave significantly more weight to the bank's residential lending performance based on the number and dollar volume of loans originated during the review period. Small farm loans, consumer loans, and other loan types were not considered due to the low volume of originations and the small percentage of the loan portfolio represented by these product lines.

Examiners evaluated home mortgage lending data from January 1, 2015, through December 31, 2016, as reported on the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LARs). The bank's 2015 lending performance was compared to aggregate HMDA lending data within the assessment area, as this is the most current year for which aggregate data is available. The evaluation compared bank lending in 2015 and 2016 to demographic data. In 2015, the bank originated 1,510 home mortgage loans totaling \$506.0 million. In 2016, the bank originated 1,451 loans totaling \$485.3 million.

Examiners also analyzed small business lending from 2015 and 2016. The CRA defines small business loans as commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. As an ISI, the bank is not required to report small business lending, however, the bank maintains the information in the same format as required by the CRA. Examiners validated loan data derived from the 2015 and 2016 small business loan registers and used this data to evaluate small business lending performance. The bank originated 50 loans totaling \$17.4 million in 2015 and 49 loans totaling \$14.1 million in 2016. For comparative purposes, examiners considered 2015 and 2016 D&B business demographic data.

The Community Development Test analyzed the bank's qualified community development loans, investments, and services from August 11, 2014 through July 17, 2017.

DESCRIPTION OF INSTITUTION

Background

Founded in 1835, The Bank of Canton is a Massachusetts state chartered mutual savings bank that operates in the eastern part of Massachusetts and is 100 percent owned by Massapoag Bancorp Inc. The bank has the following four subsidiaries:

- Rockland Securities Corporation is a mass securities corporation
- P. Revere Realty Corporation, real estate
- Cedric Corporation, real estate and property
- B.O.C. Life Solutions LLC, estate planning and advisory (sole member)

The bank's CRA performance was last evaluated by the Division and the FDIC on August 11, 2014, and was rated Satisfactory using ISI procedures.

Operations

The Bank of Canton offers products and services through its main office in Canton and three full-service branches located in Canton, Quincy, and Randolph, Massachusetts. The bank also operates two loan production offices located in Auburn and Marshfield, Massachusetts, which expands its lending area to central and southeastern parts of the Commonwealth. The bank has two off-site ATMs located at Crowell's Market in Canton (cash dispensing only) and 1237 Washington Street in Norwood (deposit-taking). The bank is a member of the SUM Network, and as a member, the bank's customers can use any SUM program ATM surcharge-free. On June 30, 2016, the bank closed their Brookline branch, located in a middle-income census tract.

The Bank of Canton is a full-service financial institution that offers a wide variety of products and services. Loan products include residential mortgages, including fixed and adjustable rates, MassHousing loans, Federal Housing Administration (FHA) loans, Veterans Administration (VA) loans, first-time homebuyer mortgages, home equity lines of credit, and home equity loans. The bank also offers personal loans, new and used car loans, savings account loans, and other lines of credit. In addition, the bank offers commercial and small business loans for working capital, equipment purchases, lines of credit, term loans, Small Business Administration (SBA) loans, and commercial real estate.

The bank offers deposit products and services, including checking and savings accounts, business checking and savings accounts, certificates of deposit, money market accounts, and individual retirement accounts. Other services include free online banking and bill payment, free mobile banking and bill payment, free 24-hour telephone banking, and Popmoney.

Ability and Capacity

As of March 31, 2017, the bank had total assets of \$666.1 million and total deposits of \$539.1 million. Loans totaled \$530.0 million and represented 79.6 percent of total assets. The bank is primarily a residential lender with a majority of the loan portfolio secured by residential properties. As noted in the following table, 45.8 percent of loans are one-to-four family properties followed by commercial real estate loans at 32.6 percent. However, the bank also originates a significant number of home mortgage loans sold to the secondary market.

Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction and Land Development	66,216	12.5
Secured by 1-4 Family Residential	242,835	45.8
Secured by Multi-family (5 or more) Residential	22,388	4.2
Secured by Nonfarm Nonresidential	172,612	32.6
Total Real Estate Loans	504,051	95.1
Commercial and Industrial	24,241	4.6
Consumer	1,688	0.3
Total Loans	529,980	100.0
<i>Source: Call report dated March, 31, 2017</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of the assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to designate one or more assessment area(s) within which examiners will evaluate CRA performance. The Bank of Canton designated a single assessment area that comprises portions of two metropolitan divisions (MDs), the Cambridge-Newton-Framingham, MA MD and the Boston, MA MD. Both MDs are part of the Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA). The bank's assessment area consists of 82 cities and towns located in Middlesex County, Norfolk County, Plymouth County, and Suffolk County.

The following list identifies assessment area cities and towns:

- **Middlesex County (Cambridge-Newton-Framingham MA MD (20 cities and towns))**
Arlington, Ashland, Belmont, Cambridge, Framingham, Holliston, Hopkinton, Lexington, Marlborough, Medford, Natick, Newton, Sherborn, Somerville, Sudbury, Waltham, Watertown, Wayland, Weston and Winchester.
- **Norfolk County (Boston MA MD) (28 cities and towns)** – Avon, Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Franklin, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth, and Wrentham.
- **Plymouth County (Boston MA MD) (23 cities and towns)** – Abington, Bridgewater, Brockton, Carver, Duxbury, East Bridgewater, Halifax, Hanover, Hanson, Hingham, Hull, Kingston, Marshfield, Middleborough, Norwell, Pembroke, Plymouth, Plympton, Rockland, Scituate, Wareham, West Bridgewater, and Whitman.
- **Suffolk County (Boston MA MD) (Boston neighborhoods)** - Allston/Brighton, Back Bay, Bay Village, Beacon Hill, Charlestown, Chinatown, Dorchester, Downtown, Fenway/Kenmore, Hyde Park, Jamaica Plain, Mattapan, Mission Hill, North End, Roslindale, Roxbury, South Boston, South End, West End, and West Roxbury.

Economic and Demographic Data

The bank's assessment area consists of 560 census tracts that reflect the following income designations according to the 2010 U.S. Census Data:

- 55 low-income tracts,
- 94 moderate-income tracts,
- 208 middle-income tracts,
- 193 upper-income tracts, and
- 10 tracts with no income designation.

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	560	9.8	16.8	37.1	34.5	1.8
Population by Geography	2,481,578	8.3	15.8	40.2	35.6	0.1
Housing Units by Geography	1,027,802	7.7	16.3	41.5	34.5	0.0
Owner-Occupied Units by Geography	568,321	2.6	10.5	43.9	42.9	0.0
Occupied Rental Units by Geography	387,978	14.7	24.0	38.2	23.1	0.0
Vacant Units by Geography	71,503	10.2	20.3	40.4	29.1	0.0
Businesses by Geography	193,339	5.3	11.3	34.7	48.4	0.3
Farms by Geography	3,087	1.6	8.1	45.0	45.4	0.0
Family Distribution by Income Level	571,893	21.1	15.3	19.5	44.0	0.0
Household Distribution by Income Level	956,299	25.1	14.0	16.7	44.3	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$83,664	Median Housing Value			\$448,662
Median Family Income MSA – 15764 Cambridge-Newton-Framingham, MA MD		\$90,625	Median Gross Rent			\$1,223
			Families Below Poverty Level			6.8%
<i>Source: 2010 U.S. Census and 2016 D&B Data. Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The FFIEC median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for Bank of Canton are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA MD Median Family Income (14454)				
2015 (\$90,000)	<\$45,000	\$45,000 to <\$72,000	\$72,000 to <\$108,000	≥\$108,000
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2015 (\$101,700)	<\$50,850	\$50,850 to <\$81,360	\$81,360 to <\$122,040	≥\$122,040
2016 (\$98,600)	<\$49,300	\$49,300 to <\$78,880	\$78,880 to <\$118,320	≥\$118,320
<i>Source: FFIEC</i>				

Of total family households in the area, 21.1 percent are low-income, 15.3 percent are moderate-income, 19.5 percent are middle-income, and 44.0 percent are upper-income. These figures include 6.8 percent of families that are below the poverty level. This poverty rate typically indicates a reduced ability for low-income families to secure a mortgage loan, thereby reducing residential lending opportunities for low-income borrowers, especially considering the cost of housing. The median sales price of a single family home varies throughout the area. Per the Warren Group report, the median sales price for a single family home in 2016 for Plymouth

County was \$325,000; Norfolk County was \$445,000; Suffolk County \$450,000, and Middlesex County \$480,000.

Of total housing units, 55.3 percent are owner-occupied, and the median housing value in 2010 for the assessment area was \$448,662. The demographic information table shows lower than expected distributions of owner-occupied housing units in the low- and moderate-income tracts when compared to the population percentage in these tracts. The low percentage of owner-occupied units in low- and moderate-income tracts limits opportunities to make home mortgage loans in these geographiess.

Data from the U.S. Bureau of Labor Statistics indicates that the 2016 unemployment rate for the bank's assessment area (3.0 percent for Middlesex County, 3.2 percent for Norfolk County, and 3.4 percent for Suffolk County), is lower than the statewide rate of 3.7 percent. Plymouth County, at 3.9 percent, is slightly higher.

According to 2016 D&B data, 193,339 non-farm businesses operated within the assessment area. The analysis of small business loans under the Borrower Profile section of the Lending Test compares the distribution of businesses by gross annual revenue (GAR) level. GAR data for businesses in the assessment area are estimated below.

- 82.9 percent have \$1 million or less.
- 7.5 percent have more than \$1 million.
- 9.7 percent did not report revenues.

Service industries represent the largest portion of businesses at 50.5 percent, followed by retail trade at 12.1 percent and finance, insurance and real estate at 10.7 percent. In addition, 70.8 percent of area businesses employ four or fewer people and 88.1 percent operate from a single location. These particularly small businesses may use alternative financing, such as home-secured or credit card loans, to fund business operations. Brigham & Women's Hospital; Dell EMC Corporation; Staples; Clean Harbors, Inc.; Advantage Resourcing; and Medical Information Technology represent the area's largest employers.

Competition

According to FDIC Deposit Market Share Data as of June 30, 2016, there were 138 depository institutions operating 1,527 offices within the bank's assessment area. The Bank of Canton ranked 41st with deposit market share of 0.2 percent. The top three depository institutions in the area were State Street Bank and Trust (30.0 percent), Bank of America (20.0 percent) and Citizens Bank (9.9 percent) with a combined 59.9 percent of market share.

The bank faces strong competition from other larger financial institutions that originate loans within the assessment area. Bank competitors include Guaranteed Rate Inc.; Leader Bank; Blue Hills Bank; Salem Five Mortgage Company; Fairway Independent Mortgage Corporation; Residential Mortgage Services; and LoanDepot.com LLC.

Aggregate home mortgage lending data for 2015 shows that 577 lenders originated 87,914 loans within the assessment area. The top three lenders were JP Morgan Chase Bank (7.3 percent

market share); Wells Fargo Bank (4.9 percent market share); and Loan Depot.com LLC, (4.3 percent market share). The Bank of Canton ranked 16th with 1,010 loans and a 1.2 percent market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help assess credit and community development needs. The information obtained helps to determine whether local financial institutions are responsive to these needs and to determine what credit and community development opportunities, if any, are available.

Examiners contacted a non-profit organization that develops and manages affordable housing, educates and assists homeowners and homebuyers, and helps homeowners repair and maintain their homes. The contact identified the lack of affordable housing as the biggest obstacle to homeownership. The lack of affordable units, both rental and for purchase, has increased competition for limited market inventory, further increasing home prices. Overall, the contact credited local financial institutions with responding to lending and community development needs considering available opportunities.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact, the bank, and available economic data to determine the primary credit needs of the assessment area. The bank and the community contacts indicated there is a large gap between the supply and demand of affordable housing. While institutions offer flexible programs, the lack of affordable housing inventory prevent many low- and moderate-income families from purchasing homes. Development projects that include affordable units represent the area's greatest community development need.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bank of Canton demonstrated reasonable performance under the Lending Test. The bank's geographic distribution and borrower profile performance provide primary support for this conclusion.

Loan-to-Deposit Ratio

The bank's average net LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 98.8 percent over the past 12 calendar quarters from June 30, 2014, to March 31, 2017. The ratio ranged from a low of 95.9 percent as of March 31, 2016, to a high of 101.8 percent as of September 30, 2015, and remained consistent during the evaluation period. Furthermore, the bank sold 3,799 loans totaling \$1.2 billion during the review period. The volume of sold home mortgage loans highlights the bank's commitment to lending.

Examiners selected comparable institutions based on their asset size and geographic location. The bank maintained a high LTD ratio that was similar to or exceeded comparable institutions' ratios, as detailed in the following table.

Loan-to-Deposit Ratio Comparison		
Bank Name	Total Assets as of March 31, 2017 \$(000s)	Average Net LTD Ratio from 6/30/14 - 3/31/17 (%)
MutualOne Bank	753,806	105.5
The Bank of Canton	666,132	98.8
Bridgewater Savings Bank	549,566	89.9
Norwood Co-operative Bank	475,635	88.1

Source: Consolidated Reports of Condition and Income

Assessment Area Concentration

The bank made a majority of home mortgage and small business loans, by number and dollar volume, within its assessment area. The following table details the bank's home mortgage and small business lending activity inside and outside of the assessment area in 2015 and 2016.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	1,010	66.9	500	33.1	1,510	364,021	71.9	142,022	28.1	506,043
2016	974	67.1	477	32.9	1,451	346,467	71.4	138,845	28.6	485,312
Subtotal	1,984	67.0	977	33.0	2,961	710,488	71.7	280,867	28.3	991,355
Small Business										
2015	44	88.0	6	12.0	50	14,792	84.9	2,634	15.1	17,426
2016	45	91.8	4	8.2	49	12,380	87.8	1,724	12.2	14,104
Subtotal	89	89.9	10	10.1	99	27,172	86.2	4,358	13.8	31,530
Total	2,073	67.7	987	32.3	3,060	737,660	72.1	285,225	27.9	1,022,885

Source: Evaluation Period: 1/1/2015 - 12/31/2016.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflect reasonable dispersion throughout the assessment area. Examiners emphasized the percentage by number of home mortgage and small business loans in low- and moderate-income geographies.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area, particularly in the low- and moderate-income census tracts. As detailed in the following table, the bank's lending within low- and moderate-income census tracts is similar to aggregate lending performance and is slightly higher than the percentage of owner-occupied housing within these geographies.

In 2015, the bank originated 32 loans, or 3.2 percent, to borrowers in low-income census tracts. This is similar to the 2015 aggregate of 3.3 percent. In 2016, originations in low-income census tracts was the same. In 2015, the bank ranked 17th with a 1.1 percent market share for loans in low-income census tracts. The substantial majority of those ranking higher were larger regional or national banks and mortgage lenders.

In the moderate-income census tracts, the bank's 2015 lending was slightly lower than the aggregate. The bank originated 10.7 percent to borrowers in moderate-income census tracts versus the aggregate's 11.0 percent. In 2016, originations in moderate-income census tracts decreased slightly to 10.1 percent. The bank ranked 19th with a 1.1 percent market share for loans in moderate-income census tracts. Similarly to low-income geographies, many of the same national banks and mortgage lenders ranked higher in moderate-income tracts.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	2.6	3.3	32	3.2	11,050	3.0
2016	2.6	--	31	3.2	10,165	2.9
Moderate						
2015	10.5	11.0	108	10.7	39,709	10.9
2016	10.5	--	98	10.1	34,612	10.0
Middle						
2015	43.9	42.3	503	49.8	161,336	44.3
2016	43.9	--	477	49.0	154,817	44.7
Upper						
2015	42.9	43.4	367	36.3	151,926	41.7
2016	42.9	--	368	37.8	146,873	42.4
Not Available						
2015	0.0	0.0	0	0.0	0	0.0
2016	0.0	--	0	0.0	0	0.0
Totals						
2015	100.0	100.0	1,010	100.0	364,021	100.0
2016	100.0	--	974	100.0	346,467	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows the bank's performance in 2015 for both low- and moderate-income census tracts is slightly below business demographic data. In 2016, although bank performance was still below the percentage of businesses in low-income tracts, the bank's lending significantly increased to 22.2 percent in moderate-income tracts, doubling the percentage of businesses in these tracts.

Bank management stated there is significant competition for small business loans in the area's low- and moderate-income tracts, and the lack of branch locations in these tracts makes lending in these geographies more difficult.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2015	5.3	2	4.5	1,319	8.9
2016	5.3	2	4.4	829	6.7
Moderate					
2015	11.3	4	9.1	1,979	13.4
2016	11.3	10	22.2	2,142	17.3
Middle					
2015	34.9	24	54.5	6,840	46.2
2016	34.7	22	48.9	5,712	46.1
Upper					
2015	48.2	14	31.8	4,654	31.5
2016	48.4	11	24.4	3,697	29.9
Not Available					
2015	0.3	0	0.0	0	0.0
2016	0.3	0	0.0	0	0.0
Totals					
2015	100.0	44	100.0	14,792	100.0
2016	100.0	45	100.0	12,380	100.0
<i>Source: 2015 & 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Examiners emphasized the bank's record of home mortgage lending to low- and moderate-income borrowers and small business lending to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to borrowers of different income levels, including low- and moderate-income, is reasonable.

As noted in the table below, the bank originated 2.8 percent of its 2015 home mortgage loans to low-income borrowers, which is slightly below aggregate data of 3.2 percent. The bank increased this percentage in 2016 to 3.2 percent. In 2016, a low-income family in the assessment area, with an income of \$49,300, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value ranges from \$325,000 to \$480,000, as noted in the Description of the Assessment Area. Therefore, the demand and opportunity for lending to low-income families is limited.

Additionally, market share data further supports the bank's reasonable performance. In 2015, The Bank of Canton ranked 20th with a 1.0 percent market share in lending to low-income borrowers. The substantial majority of those ranking higher than the bank were larger regional and national banks and mortgage companies.

The bank originated 14.9 percent of its 2015 home mortgage loans to moderate-income borrowers, which is above the aggregate's 12.3 percent. The bank's lending to moderate-income borrowers slightly decreased in 2016 to 12.8 percent. Market share data for 2015 ranked The Bank of Canton 19th with a 1.4 percent market share in lending to moderate-income borrowers.

The bank partners with MassHousing to provide flexible loans to low- and moderate-income borrowers. MassHousing is a non-profit, public agency that supports the creation, preservation, and long-term viability of affordable homeownership and rental housing opportunities for Massachusetts residents with modest incomes who are under-served by conventional housing markets. During the evaluation period, the bank originated 71 loans totaling \$42.6 million through MassHousing programs, which indicates the bank's commitment to meeting credit needs of low- and moderate-income homebuyers.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	21.1	3.2	28	2.8	4,013	1.1
2016	21.1	--	31	3.2	5,184	1.5
Moderate						
2015	15.3	12.3	150	14.9	36,015	9.9
2016	15.3	--	125	12.8	29,638	8.6
Middle						
2015	19.5	20.2	268	26.5	80,644	22.2
2016	19.5	--	270	27.7	82,486	23.8
Upper						
2015	44.0	45.3	512	50.7	209,648	57.6
2016	44.0	--	495	50.8	195,754	56.5
Not Available						
2015	0.0	19.0	52	5.1	33,701	9.3
2016	0.0	--	53	5.4	33,405	9.6
Totals						
2015	100.0	100.0	1,010	100.0	364,021	100.0
2016	100.0	--	974	100.0	346,467	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1 million or less. As shown in the following table, the percentage of loans to businesses with GARs of \$1 million or less is less than the percentage of businesses in this category.

Discussions with management indicated that significant competition exists for small business loans. Many lenders compete for small business loans in a low-interest rate environment. Management stated competitors are making loans with the credit score models for loans \$100,000 or less, but the bank's underwriting standards are more labor intensive. Heavy competition, coupled with the fact that business lending is the bank's secondary product, mitigates the bank's level of lending to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000					
2015	75.2	23	52.3	8,322	56.3
2016	82.9	20	44.4	7,423	60.0
> \$1,000,000					
2015	6.4	20	45.5	5,786	39.1
2016	7.5	23	51.1	4,346	35.1
Revenue Not Available					
2015	18.4	1	2.3	684	4.6
2016	9.7	2	4.4	611	4.9
Total					
2015	100.0	44	100.0	14,792	100.0
2016	100.0	45	100.0	12,380	100.0
<i>Source: 2015 D&B Data, 2015 small business bank records</i>					

Response to Complaints

The bank did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not impact the CRA rating.

COMMUNITY DEVELOPMENT TEST

Bank of Canton demonstrated good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

The bank originated 15 community development loans totaling approximately \$5.2 million. This level of activity represents 0.7 percent of average total assets and 0.9 percent of average total loans. During the previous evaluation the bank originated nine community development loans totaling \$7.8 million.

The following table illustrates bank community development lending by year and purpose.

Community Development Loans												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
*2014												
2015	3	917	-	-	2	1,638	-	-	-	-	5	2,555
2016	5	1,610	2	60	2	486	-	-	-	-	9	2,156
**2017	1	577	-	-	-	-	-	-	-	-	1	577
Total	9	3,104	2	60	4	2,124	-	-	-	-	15	5,228

*Source: Bank Records - *From August 11, 2014 through December 31, 2014. **From January 1, 2017 through July 17, 2017.*

Of the 15 community development loans, nine or 60.0 percent, were made to create or rehabilitate affordable housing in the assessment area. These loans demonstrate the bank’s responsiveness to the area’s primary community development need.

Below are notable examples of community development loans.

- In 2016, the bank made two loans in the amounts of \$20,000 and \$40,000 to a not-for-profit organization to purchase a food storage trailer and vending/concessions trailer. The organization provides meals to homeless individuals.
- In 2016, the bank made two loans in the amounts of \$305,000 and \$165,667 to a for-profit business for the acquisition of land on which a 12-unit residential building was constructed. Two units were sold as affordable housing resulting in bank credit for pro rata share of the total loan amounts.
- In 2015, the bank made an SBA 504 loan to a small business to allow the entity to expand into a larger facility. The expansion created and retained permanent jobs for low- and

moderate-income individuals.

Qualified Investments

The Bank of Canton made 80 qualified investments totaling \$3.1 million. This total includes qualified equity investments of \$2.9 million and donations of \$143,865. The dollar amount of qualified investments equates to 0.5 percent of average total assets and 4.2 percent of average total securities. Of the total dollar amount, 96.3 percent benefited affordable housing initiatives, which is the area’s primary community development need. The \$3.1 million in qualified investments and donations represents a decrease since the last evaluation period when qualified investments totaled \$4.3 million.

The following table illustrates community development investments by year and purpose.

Qualified Investments								
Activity Year	Affordable Housing		Community Services		Economic Development		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	4	2,432	-	-	-	-	4	2,432
*2014	1	480	-	-	-	-	1	480
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
**2017	-	-	-	-	-	-	-	-
Subtotal	5	2,912	-	-	-	-	5	2,912
Qualified Grants & Donations	20	31	54	111	1	2	75	144
Total	25	2,943	54	111	1	2	80	3,056

*Source: Bank Records - *From August 11, 2014 through December 31, 2014. **From January 1, 2017 through July 17, 2017.*

Equity Investments

The Commonwealth of Massachusetts established MassHousing to provide financing for affordable housing. MassHousing sells federally authorized tax-exempt and taxable bonds to individual and corporate investors. The current book value of prior period investments with MassHousing is \$2.4 million. In December 2014, the bank invested \$480,000 in new money to provide permanent financing for the development of affordable housing units in Lynn and Brockton, Massachusetts.

Charitable Contributions

The bank contributed \$143,865 in qualified grants and donations to organizations that provide affordable housing, economic development, and community services to low- or moderate-income persons.

Below are examples of the bank’s qualified donations and grants:

- The bank donated \$31,500 to the Canton Food Pantry via the bank’s affinity credit card donation program. The Canton Food Pantry primarily serves low- and moderate-income individuals and families.
- The bank donated \$30,000 to The New England Center and Home for Veterans. The Center provides temporary housing, education, and clinical support services to low-income veterans.
- The bank donated \$1,500 to Dove Inc., an organization that provides emergency shelter and prevention efforts to victims of domestic violence, serving primarily low- and moderate-income individuals.
- The bank funded shortfalls in the MassHousing “Soft Second” loan program. Typically, the Commonwealth of Massachusetts funds shortfalls through investments; however, The Bank of Canton agreed to fund the shortages. The bank funded 26 shortages totaling \$1,115.

Community Development Services

Twenty-four employees provided 598 instances of financial expertise or technical assistance to 28 qualified community development organizations in the assessment area, a significant increase since the prior evaluation. Bank employees provide financial and management expertise in various capacities by serving as directors, officers, and fundraising committee members. A number of the instances are ongoing from week-to-week or monthly and amount to thousands of volunteer hours by bank employees.

The following table illustrates the bank’s community development services by year and purpose.

Community Development Services						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
*2014	7	64	5	0	0	76
2015	18	180	5	0	0	203
2016	21	186	5	0	0	212
**2017	17	85	5	0	0	107
Total	63	515	20	0	0	598

*Source: Bank Records - *From August 11, 2014 through December 31, 2014. **From January 1, 2017 through July 17, 2017.*

Below are examples of qualified services provided by the bank's officers and employees:

- The president/CEO is a board member on the Norwood Housing Authority. The Housing Authority was established in 1948 to provide and maintain affordable housing for low- and moderate-income individuals and families.
- A senior vice president conducted a first-time homebuyer seminar in January 2017 in conjunction with Brockton Housing Partnership. Brockton Housing Partnership is a partnership between the City of Brockton, MassHousing, and Brockton area lenders working together to provide affordable housing and improve economic conditions in the City of Brockton.
- A Branch Manager served as the Treasurer of Greater Youth Resource Services (GYRS). GYRS provides tutoring, mentoring, and other resources to Randolph High School students from low- and moderate-income families.

Below are examples of other community development services provided by the bank:

- The bank meets the *Basic Banking for Massachusetts* guidelines certified by the Massachusetts Community & Bank Council (MCBC). Banks participating in *Basic Banking for Massachusetts* voluntarily provide low-cost checking and savings accounts to encourage banking relationships with modest income persons. The bank provides a checking account that requires no more than \$10 to open the account, does not have a monthly fee, and allows for unlimited check writing; all within MCBC guidelines for checking accounts.
- The bank administers an Interest on Lawyers' Trust Accounts (IOLTA) program. Under this program, interest earned on IOLTA accounts is used to provide modest income persons with access to education and legal services.
- The bank's main office in Canton and the Quincy and Randolph branches serve as a drop-off location for local food pantries. Staff collect items in the branches and deliver them to the food pantries on a regular basis.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

APPENDIX A

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

MINORITY APPLICATION FLOW

The bank's HMDA LARs for 2015 and 2016 were reviewed to determine if the application flow from the different racial groups within the bank's assessment area was reflective of the assessment area's demographics.

According to the 2010 U.S. Census Data, the bank's assessment area contained a total population of 2,481,578 individuals of which 28.3 percent are minorities. The assessment area's minority and ethnic population is 9.8 percent Black/African American, 7.7 percent Asian, 0.1 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 7.1 percent Hispanic or Latino and 3.6 percent other.

In 2015, the bank received 1,415 HMDA reportable loan applications from within its assessment area. Of these applications, 252 or 17.8 percent were received from minority applicants, of which 181 or 71.8 percent resulted in originations. The aggregate received 117,859 HMDA reportable loan applications of which 16,042 or 13.6 percent were received from minority applicants and 10,597 or 66.1 percent were originated. For the same time period, the bank also received 18 or 1.3 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 12 or 66.7 percent were originated versus the aggregate that received 3,998 applications or 3.4 percent of which 2,540 or 63.5 percent were originated.

For 2016, the bank received 1,391 HMDA reportable loan applications from within its assessment area. Of these applications, 284 or 20.4 percent were received from minority applicants, of which 213 or 75.0 percent resulted in originations. For the same time period, the bank received 24 or 1.7 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 15 or 62.5 percent were originated.

The bank's level of lending was compared with that of the aggregate's lending performance level for the most recent year that data was available, the year 2015. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants. Refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	Bank 2015		2015 Aggregate Data	Bank 2016	
	#	%	%	#	%
American Indian/ Alaska Native	3	0.2	0.1	0	0.0
Asian	190	13.4	6.8	227	16.3
Black/ African American	30	2.1	4.8	30	2.2
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	2	0.1	0.1	0	0.0
Joint Race (White/Minority)	27	1.9	1.7	27	1.9
Total Minority	252	17.8	13.6	284	20.4
White	1,002	70.8	62.3	922	66.3
Race Not Available	161	11.4	24.1	185	13.3
Total	1,415	100.0	100.0	1,391	100.0
ETHNICITY					
Hispanic or Latino	9	0.65	2.5	15	1.1
Not Hispanic or Latino	1,233	87.1	72.7	1,175	84.5
Joint (Hisp/Lat /Not Hisp/Lat)	9	0.65	0.9	9	0.6
Ethnicity Not Available	164	11.6	23.9	192	13.8
Total	1,415	100.0	100.0	1,391	100.0

Source: US Census 2010, HMDA Aggregate Data 2015, HMDA LAR Data 2015 and 2016 *Due to rounding, totals may not equal 100.0 percent.

Considering the demographic composition of the assessment area and comparisons to aggregate data in 2015, the bank's minority application flow is reasonable.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) an unemployment rate of at least 1.5 times the national average;
- (2) a poverty rate of 20 percent or more; or,

(3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: Performance under the applicable tests is analyzed considering performance context, quantitative factors (geographic loan distribution, borrower profile loan distribution, and total number and dollar amount of investments), and qualitative factors (innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: Performance under the applicable tests is analyzed using only quantitative factors (for example, geographic loan distribution, borrower profile loan distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Non-metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and non-metropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income nonmetropolitan geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for

- Population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and
- Distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Federal Deposit Insurance Corporation and the Massachusetts Division of Banks, at 490 Turnpike Street, Canton, MA 02021.

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.