

PUBLIC DISCLOSURE

September 11, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

MountainOne Bank
Certificate Number: 90253

93 Main Street
North Adams, MA 01247

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.

TABLE OF CONTENTS

Institution

Institution Rating	1
Scope of Evaluation	2
Description of Institution	4
Description of Assessment Area	6
Conclusions on Performance Criteria	10
Discriminatory or Other Illegal Credit Practices Review	21

Pittsfield, MA Metropolitan Statistical Area (full-scope review)

Description of Institution's Operations	22
Conclusions on Performance Criteria	23

Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (full-scope review)

Description of Institution's Operations	32
Conclusions on Performance Criteria	35

Appendix

Fair Lending Policies and Procedures (Division of Banks)	49
Glossary	51

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, small business loans and home equity lines of credit 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 Satisfactory.

The institution's community development performance demonstrates reasonable responsiveness to community development needs 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 Federal Deposit Insurance Corporation (FDIC) and the Commonwealth of Massachusetts Division of Banks (Division), covers the period from the prior evaluation, dated June 9, 2014, to the current evaluation dated September 11, 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 loan-to-deposit 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 areas.

Loan Products Reviewed

Examiners determined the bank's major product lines are home mortgage and small business loans. Home equity lines of credit (HELOC) were also analyzed, as the bank collects applicable loan data and requested the review of HELOCs. Small farm loans, consumer, 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 loan types.

Home mortgage lending performance received greater weight when determining the Lending Test rating, as this product was the bank's primary lending focus throughout the evaluation period. 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.

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 with aggregate lending data for all HMDA reporting lenders and assessment area demographics, as this is the most current year for which aggregate data is available. The bank originated 667 home mortgage loans totaling \$208.2 million in 2015 and 663 loans totaling \$211.5 million in 2016. HELOC loans were reviewed for 2015 and 2016. The bank originated 132 HELOCs totaling \$13.9 million in 2015 and 105 lines totaling \$13.6 million in 2016.

Examiners also analyzed small business lending. The CRA defines small business loans as commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. The bank maintained accurate data on borrower revenues and location for small business loans, so examiners analyzed all 2015 and 2016 small business loans for purposes of the evaluation. The bank originated 96 small business loans totaling \$28.3 million in 2015 and 79 loans totaling \$25.0 million in 2016. Examiners compared the bank's small business lending data to 2015 and 2016 D&B demographic data.

The Community Development Test assessed community development loans, investments, and services from June 9, 2014 through September 11, 2017 presented by bank management.

Assessment Areas Reviewed

In addition to assigning a rating for the bank’s overall performance in the combined assessment areas, the CRA requires separate performance discussions for each Metropolitan Statistical Area (MSA) where the bank maintains a deposit-taking facility. The bank maintains three branches in the Pittsfield, MA MSA (Pittsfield MSA) and four branches in the Boston-Cambridge-Newton, MA-NH MSA (Boston MSA). The evaluation includes separate performance discussions for each MSA, but only assigns a rating for overall performance.

While MountainOne Bank operates in two MSAs, it has three distinct assessment areas: Western, Eastern South Shore, and Eastern North Shore. The evaluation included a full-scope review of each assessment area. Three branches in the Boston MSA are within the Boston, MA Metropolitan Division (MD) and one is in the Cambridge-Newton-Framingham, MA MD. Therefore, the bank delineated two non-contiguous assessment areas within the Boston MSA: Eastern South Shore and Eastern North Shore. The review of both Boston MSA assessment areas collectively contributed to performance conclusions within the Boston MSA.

Bank performance in the Pittsfield MSA and Boston MSA received similar weight when assigning the overall rating. While the bank is headquartered and has a majority of its deposits in the Pittsfield MSA, a slight majority of branches and loans are in the Boston MSA assessment areas. The following table shows a breakdown of deposits, branches, and loans by assessment area.

Assessment Area Breakdown of Deposits, Branches, and Loans										
Assessment Area	Deposits		Branches		HMDA Loans		SB Loans		HELOCs	
	\$(000s)	%	#	%	#	%	#	%	#	%
Western	391,630	60.7	3	42.9	276	38.9	46	40.4	98	53.8
Eastern South Shore	227,471	35.2	3	42.9	178	25.1	64	56.1	43	23.6
Eastern North Shore	26,612	4.1	1	14.2	255	36.0	4	3.5	41	22.5
Total	645,713	100.0	7	100.0	709	100.0	114	100.0	182	100.0

Source: FDIC Summary of Deposits (6/30/17); 2015 and 2016 HMDA LARs; 2016 and 2016 Bank Records.

DESCRIPTION OF INSTITUTION

Background

Founded in 1848, MountainOne Bank is a Massachusetts state-chartered mutual savings bank and a wholly owned subsidiary of MountainOne Financial, Inc., which is a wholly owned subsidiary of MountainOne Financial, MHC. MountainOne Capital Trust I and II are Delaware statutory trusts administered by MountainOne Financial, MHC for the purpose of holding trust preferred securities.

The bank has three subsidiaries:

- NAHSB Security Corp. for investments purposes.
- RSB Properties, LLC for the purpose of holding bank-owned real estate.
- MountainOne Insurance, Inc. provides personal and business insurance, bonding services and group benefits solutions.

The bank's CRA performance was last evaluated by the Division and the FDIC on June 9, 2014, and was rated Satisfactory.

Operations

The bank's main office is located in a middle-income census tract at 93 Main Street in North Adams. In addition to the main office, the bank operates six full-service branches located in Danvers, Pittsfield, Quincy, Rockland, Scituate and Williamstown. The Danvers branch opened in December 2014. None of the branches are located in low-income census tracts. The Rockland branch is located in a moderate-income census tract, four branches are located in middle-income census tracts, and two are located in upper-income census tracts.

The bank is a full-service financial institution that offers a wide variety of products and services. The bank offers residential mortgage loans, including state and federal programs, first-time homebuyer mortgages, home equity lines of credit, and home equity loans. MountainOne Bank also offers secured and unsecured consumer loans. In addition, the bank offers commercial and small business loans for asset purchase term financing, lines of credit, Small Business Administration (SBA) loans, and letters of credit.

Deposit products and services include personal and business checking and savings accounts, certificates of deposit, money market accounts, and IRAs. Other services include personal and business online banking for account inquiries, bill pay, internal transfers, mobile banking, mobile deposits and e-Statements. MountainOne Investments provides investment advisory services and products to individuals and businesses.

Ability and Capacity

As of June 30, 2017, the bank had total assets of \$873.9 million and total deposits of \$645.7 million. Loans totaled \$709.3 million and represented 81.2 percent of total assets.

The bank is primarily a residential lender with approximately half of the loan portfolio secured by residential properties. As noted in the following table, 46.9 percent of loans are one-to-four family properties followed by commercial real estate loans at 27.1 percent.

Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction and Land Development	71,824	10.1
Secured by 1-4 Family Residential	332,615	46.9
Secured by Multi-family (5 or more) Residential	25,820	3.6
Secured by Nonfarm Nonresidential	192,460	27.1
Total Real Estate Loans	622,719	87.7
Commercial and Industrial	85,257	12.0
Consumer	1,103	0.2
Loans to Nondepository Financial Institutions	250	0.1
Total Loans	709,329	100.0
<i>Source: Call report dated June 30, 2017</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to designate one or more assessment areas within which it will focus its lending efforts and examiners will evaluate its CRA performance. MountainOne Bank's (MOB) combined assessment area comprises three individual assessment areas encompassing five counties throughout Massachusetts and Vermont. Each assessment area complies with CRA technical requirements and is described below:

- **Western** – a contiguous area consisting of nine communities from Berkshire County, Massachusetts and eight communities from Bennington County, Vermont. Although MOB does not have a deposit-taking facility in Bennington County, this assessment area included portions of Bennington County that do not extend substantially beyond the Pittsfield MSA. The Western assessment area consists of many rural communities in the northwest corner of Massachusetts and southeast corner of Vermont.
- **Eastern South Shore** – a contiguous area consisting of 5 communities from Norfolk County and 17 communities from Plymouth County Massachusetts, which are in the Boston MSA. The Eastern South Shore assessment area contains Boston suburban communities.
- **Eastern North Shore** – a contiguous area consisting of 18 communities from Essex County Massachusetts, which is in the Boston MSA. The Eastern North Shore assessment area also contains Boston suburban communities.

The assessment areas reflect expansions since the prior CRA evaluation. MOB opened a branch in Danvers, Massachusetts in December 2014, which prompted the addition of the Eastern North Shore assessment area. Additionally, the bank included the Town of Milton in its Eastern South Shore assessment area in June 2016, adding five upper-income census tracts. Demographic information below reflects the current combined assessment area, which includes the Town of Milton. No significant changes to assessment area demographics occurred by adding Milton.

Demographic Data

Based on 2010 United States (U.S.) Census data, MOB's combined assessment area consists of 193 census tracts with the following income designations: 5 low-income, 25 moderate-income, 114 middle-income, and 49 upper-income. None of the assessment areas has more than two low-income tracts. The Eastern North assessment area contains over half of the combined area's moderate-income tracts. MSA-specific performance sections provide additional information on low- and moderate income geographies, as performance context for these tracts varies in each assessment area.

The following table presents demographic data for the combined assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	193	2.6	13.0	59.1	25.4	0.0
Population by Geography	909,731	1.9	11.8	59.2	27.2	0.0
Housing Units by Geography	391,862	2.2	12.9	59.6	25.3	0.0
Owner-Occupied Units by Geography	253,953	0.8	8.8	60.8	29.6	0.0
Occupied Rental Units by Geography	104,125	5.5	22.9	56.4	15.3	0.0
Vacant Units by Geography	33,784	2.6	12.3	60.4	24.7	0.0
Businesses by Geography	66,679	2.8	11.7	55.9	29.6	0.0
Family Distribution by Income Level	231,137	18.4	17.1	22.3	42.3	0.0
Household Distribution by Income Level	358,078	23.3	14.6	18.0	44.1	0.0
Median Family Income MSA – 14454 Boston, MA MD		\$83,664	Median Housing Value			\$371,017
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$90,625	Median Gross Rent			\$1,028
Median Family Income MSA - 38340 Pittsfield, MA MSA		\$64,783	Families Below Poverty Level			5.1%
Median Family Income Non-MSA – VT		\$60,519				

Source: 2010 U.S. Census; 2016 D&B Data
 (*) The NA category consists of geographies that have not been assigned an income classification.

There are 391,862 housing units. Of these, 64.8 percent are owner-occupied, 26.6 percent are occupied rental units, and 8.6 percent are vacant. The geographic distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. The percentage of owner-occupied units in low- and moderate-income geographies is less than the percentage of overall housing units in these tracts, which may reduce opportunities to make home mortgage loans in these geographies.

According to 2016 D&B data, there were 66,679 businesses in the combined assessment area. The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. GARs for these businesses are as follows:

- 84.3 percent have \$1 million or less,
- 6.3 percent have more than \$1 million, and
- 9.5 percent have unknown revenues.

Service industries represent the largest portion of assessment area businesses at 47.8 percent; followed by retail trade at 13.7 percent; construction at 9.6 percent; finance, insurance and real estate at 8.5 percent; and non-classifiable establishments at 6.3 percent. Additionally, 72.6

percent of combined assessment area businesses have four or fewer employees, and 89.0 percent operate from a single business location.

The FFIEC-updated median family income level is used to analyze home mortgage loans under the borrower profile criterion. The following table defines low-, moderate-, middle- and upper-income categories for each MSA, MD, or statewide nonmetropolitan area in the assessment area.

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
Pittsfield, MA MSA Median Family Income (38340)				
2015 (\$67,700)	<\$33,850	\$33,850 to <\$54,160	\$54,160 to <\$81,240	≥\$81,240
2016 (\$68,400)	<\$34,200	\$34,200 to <\$54,720	\$54,720 to <\$82,080	≥\$82,080
Vermont Nonmetropolitan Median Family Income (99999)				
2015 (\$64,700)	<\$32,350	\$32,350 to <\$51,760	\$51,760 to <\$77,640	≥\$77,640
2016 (\$64,400)	<\$32,200	\$32,200 to <\$51,520	\$51,520 to <\$77,280	≥\$77,280
<i>Source: FFIEC</i>				

Economic Data

In general, the Eastern South Shore and Eastern North Shore assessment areas have stronger economic conditions than the Western assessment area. The eastern assessment areas benefit from their proximity to Boston. Refer to comments in the individual assessment area sections of this PE for economic data details.

Competition

MOB operates in a highly competitive market for financial services, particularly within the Boston MSA. According to the June 30, 2016 Deposit Market Share Report, the bank's combined assessment area had 84 financial institutions that operated 718 full-service branches within the combined assessment area. MOB ranked 20th with a 1.0 percent market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2015, 535 lenders originated or purchased 46,849 HMDA-reportable loans. MOB ranked 28th out of this group of lenders, with a market share of 1.0 percent. The three most prominent home mortgage lenders accounted for 14.5 percent of total market share. Aggregate data for 2015 shows that 148 institutions reported 43,840 small business loans in the combined assessment area; this indicates a high degree of competition for this product. The three most prominent small business lenders accounted for 45.7 percent of the total market share.

Community Contacts

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 community needs and to determine what credit and community development opportunities, if any, are available. Please refer to sections discussing bank operations and performance in the Pittsfield MSA and Boston MSA for a summary of community contacts.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that the combined assessment area has similar credit needs as most metropolitan areas. Small business loans, particularly those that do not include traditional underwriting standards, are in high demand. Boston MSA assessment areas have high home prices, reflecting the need for loans requiring low down payments in order to assist potential low- and moderate-income homebuyers.

Opportunity exists to provide lending and financial education throughout the combined assessment area. The significant percentage of businesses with GARs of \$1 million or less and the large number of businesses (74.4 percent) with four or fewer employees support this conclusion. Furthermore, as indicated by demographic and economic data, the combined assessment area has community development needs. Affordable housing represents the primary need in the Boston MSA assessment areas, while economic development and community services to low- and moderate-income borrowers represent primary needs in the Pittsfield MSA.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

MountainOne Bank demonstrated reasonable performance under the Lending Test. Geographic distribution and borrower profile performance primarily support this conclusion.

Loan-to-Deposit Ratio

The average net LTD ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 108.7 over the past 13 calendar quarters from June 30, 2014, to June 30, 2017. The ratio ranged from a low of 103.7 percent as of March 31, 2017, to a high of 113.9 percent as of March 31, 2015. The ratio remained generally stable during the evaluation period. MOB maintained a similar ratio to those of comparable institutions, as shown in the following table. Examiners selected comparable institutions based on their asset size and lending focus.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets as of 6/30/2017 \$ (000s)	Average Net LTD Ratio (%)
MountainOne Bank	873,879	108.7
North Shore Bank	818,775	96.8
Newburyport Five Cents Savings Bank	778,150	115.9

Source: Reports of Income and Condition 6/30/2014 through 6/30/2017

Assessment Area Concentration

The bank made a majority of home mortgage loans, small business loans, and HELOCs by number within its combined assessment area. Overall, the bank originated 57.7 percent of loans by number and 47.7 percent by dollar volume in its combined assessment area.

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	330	49.5	337	50.5	667	84,892	40.8	123,338	59.2	208,230
2016	379	57.2	284	42.8	663	103,689	49.0	107,823	51.0	211,512
Subtotal	709	53.3	621	46.7	1,330	188,581	44.9	231,161	55.1	419,742
Small Business										
2015	60	63.5	36	37.5	96	14,324	50.7	13,940	49.3	28,264
2016	54	68.4	25	31.6	79	15,103	60.3	9,942	39.7	25,045
Subtotal	114	65.1	61	34.9	175	29,427	55.2	23,882	44.8	53,309
HELOC										
2015	98	74.2	34	25.8	132	10,044	72.2	3,864	27.8	13,908
2016	84	80.0	21	20.0	105	10,614	78.0	2,996	22.0	13,610
Subtotal	182	76.8	55	23.2	237	20,658	75.1	6,860	24.9	27,518
Total	1,005	57.7	737	42.3	1,742	238,666	47.7	261,903	52.3	500,569
<i>Source: Evaluation Period: 1/1/2015 - 12/31/2016</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the combined assessment area. Despite poor small business loan and HELOC dispersion, home mortgage lending performance received the most weight in determining this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of loans reflects reasonable dispersion throughout the combined assessment area. Examiners focused on comparisons to aggregate data for 2015 and the percentage of owner-occupied housing units for 2015 and 2016. The bank's 2015 performance in low-income census tracts at 0.6 percent compares reasonably to the aggregate level at 0.9 percent. Its percentage increased slightly in 2016 and was slightly above the percentage of owner-occupied housing units. These comparisons reflect reasonable performance.

The bank's 2015 performance in moderate-income census tracts was slightly below the aggregate level and owner-occupied housing units. In 2016, the bank's loan percentage in moderate-income tracts slightly exceeded the percentage of owner-occupied units. Again, these comparisons reflect reasonable performance.

Market share data reflects the competitive environment in which the bank operates. Based on MOB's lending performance and competition, the bank's performance is reasonable. The following table shows bank lending by geography income level.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Combined						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	0.9	0.9	2	0.6	331	0.4
2016	0.8	--	4	1.1	1,070	1.0
Moderate						
2015	9.1	9.5	24	7.3	4,694	5.5
2016	8.8	--	38	10.0	8,361	8.1
Middle						
2015	62.7	60.4	169	51.2	38,810	45.7
2016	60.8	--	195	51.5	49,538	47.8
Upper						
2015	27.4	29.2	135	40.9	41,057	48.4
2016	29.6	--	142	37.5	44,720	43.1
Totals						
2015	100.0	100.0	330	100.0	84,892	100.0
2016	100.0	--	379	100.0	103,689	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion. The bank's 2015 and 2016 performance in low-income census tracts compares reasonably to the percentage of businesses. In moderate-income tracts, however, the bank's percentage of loans in 2015 was below the percentage of businesses. The bank's 2016 performance in moderate-income tracts decreased to 1.8 percent, falling well below the percentage of businesses in these tracts. The following table shows small business lending by tract income level.

Geographic Distribution of Small Business Loans					
Assessment Area: Combined					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2015	2.8	1	1.7	212	1.5
2016	2.8	1	1.8	960	6.3
Moderate					
2015	11.8	4	6.7	194	1.4
2016	11.7	1	1.8	760	5.0
Middle					
2015	57.3	38	62.3	10,431	72.8
2016	55.9	36	65.5	8,887	58.3
Upper					
2015	28.1	17	28.3	3,487	24.3
2016	29.6	17	30.9	4,646	30.5
Totals					
2015	100.0	60	100.0	14,324	100.0
2016	100.0	54	100.0	15,253	100.0

Source: 2015 and 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data;

Home Equity Loans

The geographic distribution of HELOCs reflects poor dispersion throughout the combined assessment area. The bank's 2015 performance in low-income census tracts at 2.0 percent compares reasonably to the percentage of households at 2.2 percent. The bank did not originate any HELOCs in low-income census tracts in 2016. The bank's 2015 and 2016 performances in moderate-income census tracts do not compare reasonably to the percentage of households. The following table details HELOCs by geography income level.

Geographic Distribution of Home Equity Lines of Credit					
Assessment Area: Combined					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	2.2	2	2.0	35	0.3
2016	2.2	0	0.0	0	0.0
Moderate					
2015	13.3	5	5.1	310	3.1
2016	12.9	4	4.8	188	1.8
Middle					
2015	61.1	46	46.9	3,616	36.0
2016	59.5	44	52.4	4,563	43.0
Upper					
2015	23.4	45	45.9	6,083	60.6
2016	25.4	36	42.9	5,863	55.2
Totals					
2015	100.0	98	100.0	10,044	100.0
2016	100.0	84	100.0	10,614	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Examiners focused on the percentage by number of home mortgage loans and HELOCs to low- and moderate-income borrowers and small business loans to businesses with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income, is reasonable. Examiners focused on the comparison to 2015 aggregate data and the percentage of families. The bank's 2015 performance for low-income borrowers was similar to aggregate data, and its 2016 performance remained consistent.

The bank's 2015 performance for moderate-income borrowers at 19.4 percent exceeds aggregate data at 16.4 percent. The bank's 2016 performance for moderate-income borrowers at 16.1 percent compares reasonably to the percentage of families at 17.1 percent. These comparisons reflect reasonable performance. Market share data reflects the competitive environment in which the bank operates. Based on MOB's lending performance and competition, the bank's performance is reasonable. The following table shows home mortgage lending by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Combined						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	18.6	4.4	17	5.2	1,692	2.0
2016	18.4	--	23	6.1	2,263	2.2
Moderate						
2015	17.3	16.4	64	19.4	11,916	14.0
2016	17.1	--	61	16.1	11,885	11.5
Middle						
2015	22.4	23.1	84	25.5	20,179	23.8
2016	22.3	--	90	23.7	22,280	21.5
Upper						
2015	41.7	37.1	153	46.4	46,931	55.3
2016	42.3	--	187	49.3	58,038	56.0
Not Available						
2015	0.0	19.0	12	3.6	4,174	4.9
2016	0.0	--	18	4.7	9,223	8.9
Totals						
2015	100.0	100.0	330	100.0	84,892	100.0
2016	100.0	--	379	100.0	103,689	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.

Small Business Loans

The distribution of loans reflects reasonable penetration to businesses with GARs of \$1 million or less. In 2015, 48.3 percent of loans were originated to businesses with GARs of \$1 million or less. This number compares reasonably to aggregate lending data of 48.7 percent. The bank's performance in 2016 increased to 58.2, but remained below the percentage of businesses. D&B data indicates small business credit opportunities; however, not all businesses are creditworthy or have credit needs. Aggregate lending data, although not used as a benchmark for small bank lending performance, indicates business credit demand, local competition, and lending opportunities within the combined assessment area. The following table details lending by revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Combined					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2015	77.6	29	48.3	6,047	42.2
2016	84.3	32	58.2	9,477	62.1
>1,000,000					
2015	5.5	31	51.7	8,277	57.8
2016	6.3	22	40.0	5,176	33.9
Revenue Not Available					
2015	16.9	0	0.0	0	0.0
2016	9.5	1	1.8	600	3.9
Totals					
2015	100.0	60	100.0	14,324	100.0
2016	100.0	54	100.0	15,253	100.0

Source: 2015 and 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; 2015 CRA Aggregate Data; "--" data not available.

Home Equity Loans

The distribution of HELOCs to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The bank's 2015 performance for low-income borrowers was below the percentage of households, but the percentage of 2016 HELOCs to low-income borrowers increased to 11.9 percent. The bank's 2015 performance for moderate-income borrowers compares reasonably to the percentage of households, and 2016 performance for moderate-income borrowers increased to 15.5 percent. Refer to the following table for details.

Distribution of Home Equity Lines of Credit by Borrower Income Level					
Assessment Area: Combined					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	23.5	8	8.2	611	6.1
2016	23.3	10	11.9	701	6.6
Moderate					
2015	14.8	13	13.3	732	7.3
2016	14.6	13	15.5	1,092	10.3
Middle					
2015	18.1	21	21.4	1,104	11.0
2016	18.0	16	19.0	1,934	18.2
Upper					
2015	43.6	55	56.1	7,481	74.5
2016	44.1	44	52.4	6,837	64.4
Not Available					
2015	0.0	1	1.0	116	1.2
2016	0.0	1	1.2	50	0.5
Totals					
2015	100.0	98	100.0	10,044	100.0
2016	100.0	84	100.0	10,614	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.

Response to Complaints

MOB has not received any CRA-related complaints since the previous CRA Evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

MOB demonstrates reasonable responsiveness to the community development needs of its assessment areas 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 16 community development loans totaling \$21.5 million. This level of activity represents 2.5 percent of total assets and 3.1 percent of net loans as of June 30, 2017. The bank more than doubled the dollar volume of community development loans during the prior evaluation period. The vast majority of loans by dollar amount supported revitalization and stabilization in low- or moderate-income census tracts. The following table illustrates the bank’s community development lending activity by year and purpose.

Community Development Loans – Combined Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
*2014	0	0	0	0	7	1,411	0	0	7	1,411
2015	0	0	0	0	1	4	5	10,478	6	10,482
2016	1	300	0	0	0	0	2	9,300	3	9,600
**2017	0	0	0	0	0	0	0	0	0	0
Total	1	300	0	0	8	1,415	7	19,778	16	21,493

*Source: Bank Records - *From June 9, 2014 through December 31, 2014. **January 1, 2017 through September 11, 2017.*

Performance discussions for the Pittsfield MSA and Boston MSA indicate notable examples of MOB’s community development loans. By number, the bank made a significant majority of community development loans in the Pittsfield MSA; however, almost half of community development loans by dollar amount benefitted the Boston MSA.

Qualified Investments

MountainOne Bank made 180 qualified investments totaling approximately \$2.3 million. This total includes three qualified equity investments of approximately \$1.9 million and donations of \$413,799. The bank maintained two equity investments from the previous evaluation period with a book value of \$104,750. MOB also made one new investment totaling \$1.7 million. Qualified equity investments increased since the prior evaluation and represent 0.3 percent of average total assets and 2.3 percent of securities.

Berkshire Fund, Inc. Good Samaritan Homeownership Program

The bank renewed the Mortgage and Collateral Trust Series E, No. E-3 Bonds in the amount of \$47,000 for the Good Samaritan Homeownership Program during the evaluation period. The Good Samaritan Homeownership Program is a non-profit venture helping low- and moderate-income families, who meet bank and program guidelines, purchase their first homes. Families also receive financial education and counseling. The investment benefitted the Western assessment area.

Berkshire Housing Development Corporation (BHDC)

The bank renewed Mortgage and Collateral Trust Series A and B Bonds for a total of \$57,750. The bonds support affordable housing development in the Western assessment area.

Federal National Mortgage Association (FNMA) Mortgage-Backed Securities

In 2016, the bank purchased a mortgage-backed security with a qualifying amount totaling \$1.7 million. Underlying loans were made to low- and moderate-income borrowers in the Eastern South Shore and Eastern North Shore assessment areas.

Qualified Donations

During the examination period, the bank donated \$623,270 to charitable organizations, of which 177 contributions totaling \$413,799, or 66.4 percent, were qualified CRA contributions. During the last examination, the bank made 95 qualifying contributions totaling \$250,118. These funds primarily support organizations that provide affordable housing and community services to low- and moderate-income individuals and families.

The table below details all qualified donations made by the bank by year and community development category.

Qualified Grants and Donations Activity By Year – Combined Assessment Area												
Activity Year	Qualifying Category										Totals	
	Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization		Neighborhood Stabilization Projects			
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Qualified Investments	3	1,848,673	0	0	0	0	0	0	0	0	3	1,848,673
*2014	2	6,500	33	76,711	1	5,000	0	0	0	0	36	88,211
2015	8	11,750	35	73,921	1	1,000	0	0	0	0	44	86,671
2016	12	21,000	54	130,167	2	8,000	0	0	0	0	68	159,167
**2017	3	3,500	25	75,250	1	1,000	0	0	0	0	29	79,750
Total Donations	25	42,750	147	356,049	5	15,000	0	0	0	0	177	413,799
Grand Total	28	1,891,423	147	356,049	5	15,000	0	0	0	0	180	2,262,472

Source: Bank Records - *From June 9, 2014 through December 31, 2014. **From January 1, 2017 through September 11, 2017.

Performance discussions for the Pittsfield MSA and Boston MSA provide examples of notable donations supporting community development.

Community Development Services

MountainOne Bank provides community development services in the form of employee involvement, educational seminars, and other services. During the evaluation period, 41 bank employees provided 162 instances of financial expertise or technical assistance to 35 community development organizations within the combined assessment area for the purpose of community development. The following table illustrates the bank's community development services by year and purpose.

Community Development Services – Combined Assessment Area						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
*2014	5	35	3	0	0	43
2015	5	29	2	0	0	36
2016	9	29	6	0	0	44
**2017	5	31	3	0	0	39
Total	24	124	14	0	0	162

*Source: Bank Records - *From June 9, 2014 through December 31, 2014. **From January 1, 2017 through September 11, 2017.*

Performance discussions for the Pittsfield MSA and Boston MSA provide examples of notable community development services.

Other Services

The bank is a member of the Federal Home Loan Bank and has been approved for the Equity Builder Program (EBP). The EBP provides the bank with grants to assist borrowers earning no more than 80 percent of the area median income with down payment, closing-cost, home-buyer counseling, and rehabilitation assistance on units that borrowers will occupy as their primary residence. To be eligible to receive assistance through the EBP, borrowers must complete a homebuyer counseling program administered by an approved agency.

The bank participates in the Interest on Lawyers' Trust Accounts (IOLTA). Lawyers place large client deposits, such as escrow accounts, in interest bearing accounts, with the interest to be paid to the client. Deposits that would individually be too small or too short-term to generate interest are pooled into IOLTA accounts. Interest earned on the account is utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients.

The bank participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking in Massachusetts program. This statewide program is designed to offer low cost checking and savings accounts to low- and moderate-income individuals.

The bank offers its branch locations to several CRA-qualified organizations for meetings, event planning and drop off centers for food, clothing, and holiday gifts. Organizations include

Goodwill, Childcare of the Berkshires, Veterans Sock Drive, Viv's Give, The Berkshire Community Action Council and the Community Access to the Arts.

Bank branches are accessible to low- and moderate-income individuals, and the bank's Rockland branch is located in a moderate-income census tract. Branch hours are convenient and comparable to other institutions, and bank services are more than sufficient to meet the needs of the assessment area. All branches have drive-up teller services. The bank has two remote ATMs: one at 1340 Curran Highway in North Adams, a deposit taking ATM located in a moderate-income census tract; and the other ATM is located on campus at Williams College in Williamstown, a cash dispensing ATM. Of the bank's 14 ATMs, 11 are deposit taking.

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.

Pittsfield, MA MSA
(Full-Scope Review)

DESCRIPTION OF BANK OPERATIONS IN Pittsfield, MA MSA

Examiners performed a full-scope review of the bank’s performance in the Pittsfield MSA, which contains the Western assessment area. In addition to the main office located in a middle-income census tract in North Adams, the bank operates two full-service branches in the Western assessment area: Pittsfield (middle-income tract) and Williamstown (upper-income tract).

The Western assessment area includes 19 municipalities within Berkshire County and 8 municipalities in Bennington County, Vermont (a non-MSA area). Although the Western assessment area contains just under half of MOB’s branches and an even smaller portion of the combined assessment area’s census tracts, it holds 60.7 percent of bank deposits and a fair portion of home mortgage and small business loans, and over half of MOB’s HELOCs. The following sections discuss performance context for the Western assessment area.

Demographic Data

The Western assessment area includes 36 census tracts with the following income designations: 1 low-income, 6 moderate-income, 22 middle-income, and 7 upper-income. Pittsfield, MA contains the low-income tract and two moderate-income tracts. Low- and moderate-income census tracts account for 8.3 percent and 13.9 percent, respectively, of total census tracts in the Western assessment area. The following table shows demographic information for this area.

Demographic Information of the Assessment Area						
Assessment Area: Western						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	8.3	13.9	58.3	19.4	0.0
Population by Geography	125,091	8.7	15.7	55.7	19.9	0.0
Housing Units by Geography	62,184	9.9	15.5	55.0	19.6	0.0
Owner-Occupied Units by Geography	35,715	3.3	13.3	62.0	21.5	0.0
Occupied Rental Units by Geography	17,591	23.6	22.8	42.1	11.4	0.0
Vacant Units by Geography	8,878	9.1	9.7	52.8	28.4	0.0
Businesses by Geography	8,400	9.2	17.3	50.9	22.7	0.0
Family Distribution by Income Level	31,902	23.9	17.9	20.9	37.2	0.0
Household Distribution by Income Level	53,306	27.0	15.9	17.4	39.7	0.0
Median Family Income - Pittsfield MSA		\$66,604	Median Housing Value			\$193,649
Median Family Income - VT Non-MSA		\$64,849	Median Gross Rent			\$765
			Families Below Poverty Level			11.1%

Source: 2015 ACS U.S. Census and 2016 D&B Data

(*) The NA category consists of geographies that have not been assigned an income classification.

According to 2016 D&B data, 81.5 percent of area businesses had GARs of \$1 million or less.

Economic Data

According to Moody's Analytics, the Pittsfield MSA economy faces several challenges. Unemployment has increased above the national average to 4.1 percent as of May 2017, partly due to a rising labor force. In addition, home sales are flat, house prices are rising more slowly than state and U.S. averages, and the population shows decreasing trends. The area relies on summer tourism to offset weak demographics that limit gains in consumer industries and housing. Furthermore, a large retiree population, high energy and labor costs, and difficulties retaining skilled labor limit economic growth.

Nonetheless, the Pittsfield MSA has several economic strengths according to Moody's. These include below-average employment volatility, stability from an outsized healthcare industry, and above-average housing affordability. The three largest employers are B. Mango and Bird (consumer goods), Berkshire Healthcare Systems, and BMC Hillcrest Campus. The largest employment sector is education and health services at 25.9 percent, followed by government at 13.7 percent, and retail trade and leisure and hospitality services at 13.6 percent.

Community Contact

Examiners contacted a representative of a non-profit organization that helps the low-income, elderly, and working-poor of Berkshire County achieve sustainability and self-sufficiency. The contact noted a steady migration out of the Berkshires in recent years due to a lack of opportunity for skilled work and career growth. The immigrant population is rising due to demand for unskilled laborers and hospitality workers.

The contact stated that financial institutions could assist low-income individuals with credit counseling and independence from high-cost consumer credit. The contact suggested that banks provide in-bank event space for free income tax preparation services. Institutions could use this opportunity to provide financial education and discuss the importance of saving. One financial institution partnered with the contact for their C.A.R.S program, which offers low interest rate automobile loans to qualified low-income individuals needing suitable transportation.

CONCLUSIONS ON PERFORMANCE CRITERIA IN Pittsfield, MA MSA

LENDING TEST

The bank demonstrated reasonable Lending Test performance in the Western assessment area. The following sections discuss the distribution of loans by geography and borrower income levels.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Western assessment area. Despite poor performance for small business loans and HELOCs, the bank's reasonable home mortgage lending performance received the most weight in determining this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Western assessment area. With less than one percent of aggregate lending and total owner-occupied units in the low-income tract in Pittsfield, the conclusion was based on lending performance in the area's moderate-income tracts. The low-income tract had only 15 HMDA loans from 12 lenders in 2015.

The bank's 2015 performance in moderate-income census tracts at 8.5 percent compares reasonably to the aggregate level at 10.4 percent. The percentage of loans in moderate-income tracts increased in 2016 to 10.4 percent, just below the percentage of owner-occupied units. The following table shows bank lending by geography income level.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Western						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	0.7	0.6	0	0.0	0	0.0
2016	0.7	--	0	0.0	0	0.0
Moderate						
2015	11.6	10.4	12	8.5	1,201	5.0
2016	11.6	--	14	10.4	1,559	6.7
Middle						
2015	64.7	63.2	63	44.7	8,548	35.5
2016	64.7	--	66	48.9	9,683	41.9
Upper						
2015	23.1	25.8	66	46.8	14,310	59.5
2016	23.1	--	55	40.7	11,872	51.4
Totals						
2015	100.0	100.0	141	100.0	24,059	100.0
2016	100.0	--	135	100.0	23,114	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion in the Western assessment area. The bank's 2015 performance in low-income census tracts at 3.3 percent is below D&B data at 8.8 percent. The bank did not originate any loans in low-income census tracts in 2016. The bank's 2015 performance in moderate-income census tracts was slightly below the percentage of businesses. The bank did not originate any loans in moderate-income census tracts in 2016. Refer to the following table for details.

Geographic Distribution of Small Business Loans					
Assessment Area: Western					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2015	8.8	1	3.3	212	3.5
2016	9.2	0	0.0	0	0.0
Moderate					
2015	16.9	4	13.3	194	3.2
2016	17.3	0	0.0	0	0.0
Middle					
2015	51.5	16	53.3	4,058	67.9
2016	50.9	12	75.0	1,648	88.9
Upper					
2015	22.8	9	30.0	1,510	25.3
2016	22.7	4	25.0	205	11.1
Totals					
2015	100.0	30	100.0	5,974	100.0
2016	100.0	16	100.0	1,853	100.0

Source: 2015 & 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; 2015 CRA Aggregate Data, "--" data not available.

Home Equity Lines of Credit

The geographic distribution of HELOCs reflects poor dispersion. The bank did not originate any loans in the low-income tract in 2015 or 2016, although only 4.0 percent of households are in the low-income tract. Its percentage of HELOCs in 2015 and 2016 was below the percentage of households. The following table details HELOCs by tract income level.

Geographic Distribution of Home Equity Lines of Credit					
Assessment Area: Western					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	4.0	0	0.0	0	0.0
2016	4.0	0	0.0	0	0.0
Moderate					
2015	17.6	3	5.6	85	2.1
2016	17.6	2	4.5	108	2.2
Middle					
2015	59.8	30	55.6	1,837	45.1
2016	59.8	23	52.3	1,925	38.5
Upper					
2015	18.6	21	38.9	2,153	52.8
2016	18.6	19	43.2	2,972	59.4
Totals					
2015	100.0	54	100.0	4,075	100.0
2016	100.0	44	100.0	5,005	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the Western assessment area. The bank's reasonable performance of home mortgage loans, small business loans, and HELOCs support this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income, is reasonable. The bank's 2015 performance for low-income borrowers at 9.9 percent compares reasonably to the aggregate level. The percentage of loans increased in 2016 to 11.9 percent. The bank's 2015 performance for moderate-income borrowers at 19.1 percent compares reasonably to aggregate data. The percentage of loans in 2016 remained consistent. The following table details home mortgage loans by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Western						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	22.6	8.9	14	9.9	1,304	5.4
2016	22.6	--	16	11.9	1,333	5.8
Moderate						
2015	18.2	20.9	27	19.1	3,120	13.0
2016	18.2	--	26	19.3	3,164	13.7
Middle						
2015	23.1	20.6	30	21.3	4,245	17.6
2016	23.1	--	24	17.8	2,991	12.9
Upper						
2015	36.1	33.3	66	46.8	14,715	61.2
2016	36.1	--	62	45.9	13,340	57.7
Not Available						
2015	0.0	16.2	4	2.8	675	2.8
2016	0.0	--	7	5.2	2,286	9.9
Totals						
2015	100.0	100.0	141	100.0	24,059	100.0
2016	100.0	--	135	100.0	23,114	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1 million or less. In 2015, 61.3 percent of small business loans were originated to businesses with GARs of \$1 million or less. This number exceeds aggregate lending data of 49.8 percent. The bank's performance in 2016 increased to 68.8 percent, but remained below the percentage of businesses. D&B data indicates small business credit opportunities; however, not all businesses are creditworthy or have credit needs. Aggregate lending data, although not used as a benchmark for small bank lending performance, is indicative of business credit demand, local competition, and lending opportunities within the Western assessment area. See the following table for details on lending by business revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Western					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2015	76.3	18	60.0	2,829	47.4
2016	81.5	11	68.8	1,496	80.7
>1,000,000					
2015	5.7	12	40.0	3,145	52.6
2016	6.3	5	31.3	357	19.3
Revenue Not Available					
2015	18.0	0	0.0	0	0.0
2016	12.2	0	0.0	0	0.0
Totals					
2015	100.0	30	100.0	5,974	100.0
2016	100.0	16	100.0	1,853	100.0

Source: 2015 & 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; 2015 CRA Aggregate Data; "---" data not available.

Home Equity Lines of Credit

The distribution of HELOCs to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The bank's 2015 performance for low-income borrowers at 7.4 percent falls below the percentage of households, but 2016 performance increased to 13.6 percent. The bank's 2015 performance for moderate-income borrowers at 18.5 percent exceeds the percentage of households, and 2016 performance increased to 22.7 percent. See the following table for the distribution of HELOCs by borrower income level.

Distribution of Home Equity Lines of Credit by Borrower Income Level					
Assessment Area: Western					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	26.7	4	7.4	238	5.8
2016	26.7	6	13.6	296	5.9
Moderate					
2015	15.9	10	18.5	536	13.2
2016	15.9	10	22.7	610	12.2
Middle					
2015	17.5	11	20.4	618	15.2
2016	17.5	8	18.2	748	14.9
Upper					
2015	39.9	29	53.7	2,683	65.8
2016	39.9	19	43.2	3,301	66.0
Not Available					
2015	0.0	0	0.0	0	0.0
2016	0.0	1	2.3	50	1.0
Totals					
2015	100.0	54	100.0	4,075	100.0
2016	100.0	44	100.0	5,005	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.</i>					

COMMUNITY DEVELOPMENT TEST

The bank demonstrates reasonable responsiveness to community development needs in the Western assessment area through community development loans, investments, and services.

Community Development Loans

During the evaluation period, the bank originated 13 community development loans totaling \$11.1 million in this area. The loans promoted economic development and revitalized low-income geographies. The following describes notable examples of community development loans in the Western assessment area.

- In 2014, the bank originated an SBA 504 loan for \$330,600 to a local small business owner to erect three additional buildings for the expansion of his business located in a moderate-income census tract. SBA 504 loans promote economic development.
- In 2015, the bank originated four loans totaling \$10.3 million to a developer to finance the construction of a hotel located in a low-income census tract. The hotel will provide

permanent full-time employment for many local residents, primarily benefitting low- and moderate-income individuals. These loans qualify because they revitalize a low-income census tract.

- In 2015, the bank originated a \$140,000 loan for the purchase and renovation of a property located on Tyler Street in Pittsfield. The Tyler Street District is part of the Transformative Development Initiative (TDI), which is a three-year initiative providing assistance in completing an actionable plan for revitalizing the neighborhood.

Qualified Investments

In addition to two qualified equity investments maintained from the prior evaluation period, the bank made 111 qualifying donations totaling \$268,749 in this area as noted in the table below.

Qualified Grants and Donations Activity By Year – Western Assessment Area												
Activity Year	Qualifying Category										Totals	
	Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization		Neighborhood Stabilization Projects			
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
*2014	0	0	21	48,661	1	5,000	0	0	0	0	22	53,661
2015	4	5,250	21	44,321	1	1,000	0	0	0	0	26	50,571
2016	5	6,500	39	94,267	2	8,000	0	0	0	0	46	108,767
**2017	2	2,500	14	52,250	1	1,000	0	0	0	0	17	55,750
Total	11	14,250	95	239,499	5	15,000	0	0	0	0	111	268,749

*Source: Bank Records - *From June 9, 2014 through December 31, 2014. **From January 1, 2017 through September 11, 2017.*

Examples of organizations receiving donations are noted below:

Higher Ground, Inc. – Higher Ground provides services and funds to meet needs of low-income people affected by Tropical Storm Irene. The organization developed disaster replacement housing for those who lost homes. The bank’s donation supported the Highland Woods project, which created affordable housing for displaced low-income seniors.

The Brien Center – With more than 27 locations in Berkshire County, The Brien Center partners with area hospitals, social service agencies, physicians, local and state agencies, law enforcement, local schools and businesses, and donors to provide affordable accessible mental health and addiction services for children, youth, adults and families suffering from serious persistent behavioral disorders. The center primarily serves low- and moderate-income individuals.

North Adams Farmers Market – The city of North Adams coordinates the SNAPx2 program allowing low- and moderate-income individuals and families to purchase fresh produce and food at the local farmers market.

Community Development Services

MountainOne Bank provides community development services in the form of employee involvement, educational seminars, and other services. During the evaluation period, 29 bank employees provided 142 instances of financial expertise or technical assistance to 25 community development organizations within the assessment area. Most services supported community services for low- and moderate-income people.

The following illustrates notable examples of the bank's community development services:

Holiday Walk Soup-er Bowl - The Community Banking Officer developed this fundraising program for two local food pantries. The food pantries serve the area's low-income population.

Louison House, Inc. - Louison House, Inc. is a private, non-profit organization that was established in 1990 by local agencies to address the issue of homelessness in Northern Berkshire County. Over the past 20 years, Louison House has provided homelessness prevention and housing services to over 3,500 individuals and families throughout Berkshire County. The Assistant Vice President Marketing Manager is a member of the fundraising committee and provides financial and marketing expertise to the Board.

Community Health Program (CHP) – CHP helps low- and moderate income individuals to afford health insurance coverage. Counselors help individuals apply for government subsidized health insurance and choose the right insurance plan to meet their family needs. The Executive Vice President/Senior Risk Officer is the Vice President of the Board of Directors and a member of the Finance Committee and the Performance Improvement Committee.

Berkshire Housing Development Corporation (BHDC) - The mission of BHDC is to improve the quality of life for residents of Berkshire County by increasing affordable housing opportunities, delivering community development programs and projects, and operating a professional management company. The CFO is a member of the Board of Directors.

Educational Seminars

Listed below are examples of seminars and workshops provided by the bank.

- Bank management and staff provided financial literacy training using the FDIC's Money Smart Program. The Money Smart Program is a comprehensive financial education curriculum designed to help low- and moderate-income individuals enhance their financial skills and create positive banking relationships. The program includes an introduction to bank services and credit, how to choose and keep a checking account, how to keep track of money, how credit history affects credit future, and how to make a credit card work for you.
- In 2014, the bank presented a two-day first-time homebuyer's seminar to the Berkshire Housing Authority. Topics included mortgage options, pre-application, applications, closing costs, and fees.

Boston-Cambridge-Newton, MA-NH MSA *(Full-Scope Review)*

DESCRIPTION OF BANK OPERATIONS IN Boston, MA MSA

Examiners performed a full-scope evaluation of the bank's performance in the Boston MSA, which includes MOB's Eastern South Shore and Eastern North Shore assessment areas. Three of the bank's full-service branches are located in the Eastern South Shore assessment area. The Rockland branch is located in a moderate-income tract, the Quincy branch is located in a middle-income tract, and the Scituate branch is located in an upper-income tract. In December 2014, the bank opened a new branch in Danvers, located in a middle-income census tract. The Danvers branch is MOB's lone office in the Eastern North Shore assessment area.

Collectively, Boston MSA assessment areas contain just over half of MOB's branches and a significant majority of the combined assessment area's census tracts. However, only 39.3 percent of bank deposits are in the Boston MSA. MOB made slightly more than half of its home mortgage and small business loans in the Boston MSA assessment areas, while just under half of its HELOCs were in these areas.

The following sections discuss performance context for Boston MSA assessment areas. In general, the assessment areas have similar characteristics, including high home values and relatively limited owner-occupied housing in low- and moderate-income geographies.

Demographic Data

Eastern South Shore Assessment Area

The Eastern South Shore assessment area consists of 98 census tracts with the following income designations: 2 low-income, 5 moderate-income, 59 middle-income, and 32 upper-income. Quincy contains both low-income tracts and three of the five moderate-income tracts. Low- and moderate-income census tracts account for 2.0 percent and 5.1 percent, respectively, of total census tracts in the Eastern South Shore assessment area. The following table shows demographic information for this assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Eastern South Shore						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	98	2.0	5.1	60.2	32.7	0.0
Population by Geography	498,415	1.5	5.1	60.1	33.3	0.0
Housing Units by Geography	208,188	1.6	5.8	61.1	31.5	0.0
Owner-Occupied Units by Geography	141,264	0.7	3.7	59.7	35.9	0.0
Occupied Rental Units by Geography	51,287	4.2	11.5	64.9	19.4	0.0
Vacant Units by Geography	15,637	1.7	5.3	62.9	30.1	0.0
Businesses by Geography	34,849	1.2	3.9	58.5	36.4	0.0
Family Distribution by Income Level	127,274	16.1	15.9	22.5	45.5	0.0
Household Distribution by Income Level	192,551	20.4	13.9	18.0	47.7	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$83,664	Median Housing Value			\$417,477
			Median Gross Rent			\$1,132
			Families Below Poverty Level			4.3%
<i>Source: 2010 U.S. Census and 2016 D&B Data</i>						

According to 2016 D&B data, 84.7 percent of businesses within this assessment area had GARs of \$1 million or less.

Eastern North Shore Assessment Area

The Eastern North Shore assessment area consists of 59 census tracts with the following income designations: 2 low-income, 14 moderate-income, 33 middle-income, and 10 upper-income. Salem and Gloucester each have one low-income tract and four moderate-income tracts. Peabody and Beverly each have three moderate-income tracts. Low- and moderate income census tracts account for 5.1 percent and 22.0 percent, respectively, of total census tracts in the Eastern North Shore assessment area. The following table shows demographic information for this assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Eastern North Shore						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	59	3.4	23.7	55.9	17.0	0.0
Population by Geography	284,489	2.2	21.2	56.7	19.9	0.0
Housing Units by Geography	122,179	2.3	23.1	56.7	17.8	0.0
Owner-Occupied Units by Geography	77,010	1.2	16.9	61.1	20.8	0.0
Occupied Rental Units by Geography	35,373	4.7	36.1	47.2	12.0	0.0
Vacant Units by Geography	9,796	2.3	25.0	57.3	15.4	0.0
Businesses by Geography	23,430	2.8	21.4	54.0	21.8	0.0
Family Distribution by Income Level	71,909	20.5	18.8	21.5	39.2	0.0
Household Distribution by Income Level	112,383	26.7	15.3	18.1	40.0	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$90,625	Median Housing Value			\$431,318
			Median Gross Rent			\$1,042
			Families Below Poverty Level			4.7%
<i>Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0</i>						

According to 2016 D&B data, 84.6 percent of businesses within this assessment area had GARs of \$1 million or less.

Economic Data

According to Moody's Analytics, the Boston MSA has strong economic conditions. Job growth is well ahead of the national average and twice the regional average, bolstered primarily by thriving finance and education/healthcare industries. The Boston MSA has low unemployment rates promoting wage increases, and limited real estate supply has contributed to high housing costs. Boston has strong access to skilled labor and venture capital for emerging companies. Weaknesses include high business and living costs.

The area's largest employers are Partners HealthCare, University of Massachusetts, Harvard University, and Massachusetts Institute of Technology. The largest employment sectors are education and health services and professional and business services, followed by government. The presence of some of the world's most prestigious universities and hospitals has a significant impact on the Boston MSA economy. As a result, many residents in the Eastern South and Eastern North assessment areas commute to Boston and Cambridge and work in education, health services, or biotechnology. While both assessment areas have relatively high family incomes, they also have high living costs.

Community Contacts

Eastern South Shore Assessment Area

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. Heavy competition for a limited supply of both rental and purchase units has driven up market values. Considering these challenges, the contact praised local financial institutions for their efforts to assist low- and moderate-income families that require flexible financing for home purchases.

Eastern North Shore Assessment Area

Examiners contacted a non-profit housing organization that provides services to adolescents and the homeless through group homes. The organization cited reduced manufacturing jobs as a cause of homelessness. According to the contact, these jobs decreased from over 20,000 to approximately 6,000 in the last decade. Without obtaining new skills, manufacturing workers have not been able to obtain new jobs. The contact also noted affordable housing needs in the area, but more specifically, quality jobs.

The organization had a positive perception of local financial institutions' efforts to meet community needs, particularly through grants and donations. However, the volatility of donations makes it difficult for community development organizations to ensure sustainable funding for projects.

CONCLUSIONS ON PERFORMANCE CRITERIA IN Boston, MA MSA

LENDING TEST

MOB demonstrated reasonable Lending Test performance in the Boston MSA. The following sections describe the geographic distribution and borrower profile of MOB lending for each Boston MSA assessment area.

Geographic Distribution

The distribution of loans reflects reasonable dispersion throughout the Boston MSA. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Eastern South Shore Assessment Area

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Eastern South Shore assessment area. Examiners compared bank performance to aggregate data for 2015 and the percentage of owner-occupied housing units. The bank's 2015 and 2016 performance in low-income census tracts at 2.8 percent exceeded aggregate lending data and the percentage of owner-occupied housing units at 0.7 percent.

The bank's 2015 performance in moderate-income census tracts at 4.2 percent exceeded the aggregate level at 3.8 percent. The bank's 2016 performance in moderate-income census tracts increased to 5.7 percent, exceeding the percentage of owner-occupied housing units at 3.7 percent. These comparisons reflect reasonable performance. The following table details bank lending by tract income level.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Eastern South Shore						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	0.7	0.7	2	2.8	331	1.4
2016	0.7	--	3	2.8	844	2.3
Moderate						
2015	3.9	3.8	3	4.2	854	3.5
2016	3.7	--	6	5.7	1,307	3.6
Middle						
2015	63.1	61.2	26	36.1	6,140	25.4
2016	59.7	--	41	38.7	11,908	32.5
Upper						
2015	32.3	34.3	41	56.9	16,843	69.7
2016	35.9	--	56	52.8	22,540	61.6
Totals						
2015	100.0	100.0	72	100.0	24,168	100.0
2016	100.0	--	106	100.0	36,599	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion. The Eastern South Shore assessment area contains a very low percentage of businesses in both low- and moderate-income tracts. Although the bank did not originate any small business loans in low-income tracts in 2015, its 2.9 percent of loans in these tracts in 2016 slightly exceeded the percentage of businesses in low-income tracts. The bank did not originate any small business loans in moderate-income tracts in 2015, and the one moderate-income tract loan in 2016 reflected a percentage slightly below the percentage of businesses in moderate-income tracts. The following table shows bank lending by geography income level.

Geographic Distribution of Small Business Loans					
Assessment Area: Eastern South Shore					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2015	1.2	0	0.0	0	0.0
2016	1.2	1	2.9	960	8.0
Moderate					
2015	4.1	0	0.0	0	0.0
2016	3.9	1	2.9	760	6.3
Middle					
2015	61.2	22	73.3	6,373	76.3
2016	58.5	20	58.8	5,989	49.9
Upper					
2015	33.5	8	26.7	1,977	23.7
2016	36.4	12	35.3	4,291	35.8
Totals					
2015	100.0	30	100.0	8,350	100.0
2016	100.0	34	100.0	12,000	100.0

Source: 2015 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; 2015 CRA Aggregate Data, "--" data not available.

Home Equity Lines of Credit

The geographic distribution of HELOCs is reasonable. The bank's 2015 performance in low-income tracts at 4.3 percent exceeded the percentage of households, but MOB did not originate any HELOCs in low-income census tracts in 2016. The bank did not originate any HELOCs in moderate-income census tracts in 2015 or 2016. However, the bank could have had a lending percentage comparable to the demographic comparator by making just one loan in a moderate-income tract. The following table shows the distribution of HELOCs by tract income level.

Geographic Distribution of Home Equity Lines of Credit					
Assessment Area: Eastern South Shore					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	1.7	1	4.3	15	0.4
2016	1.6	0	0.0	0	0.0
Moderate					
2015	6.1	0	0.0	0	0.0
2016	5.8	0	0.0	0	0.0
Middle					
2015	64.2	6	26.1	987	24.3
2016	61.1	8	40.0	835	27.2
Upper					
2015	28.1	16	69.6	3,055	75.3
2016	31.6	12	60.0	2,234	72.8
Totals					
2015	100.0	23	100.0	4,057	100.0
2016	100.0	20	100.0	3,069	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.

Eastern North Shore Assessment Area

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Eastern North Shore assessment area. MOB made no loans in low-income tracts in 2015 and one loan in low-income tracts in 2016. Aggregate data in 2015 and the percentage of owner-occupied units reflect very low opportunities for home mortgage loans in low-income tracts.

The bank's 2015 performance in moderate-income tracts at 7.7 percent fell below aggregate data at 18.9 percent. The fact that the bank only has one branch in the assessment area that opened in 2014 mitigates the unfavorable 2015 aggregate comparison. However, MOB's 2016 percentage in moderate-income tracts increased to 13.0 percent, which is only slightly below the percentage of owner-occupied housing units in these tracts.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Eastern North Shore						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	1.2	1.3	0	0.0	0	0.0
2016	1.2	--	1	0.7	226	0.5
Moderate						
2015	16.9	18.9	9	7.7	2,639	7.2
2016	16.9	--	18	13.0	5,495	12.5
Middle						
2015	61.1	58.5	80	68.4	24,122	65.8
2016	61.1	--	88	63.8	27,947	63.6
Upper						
2015	20.8	21.3	28	23.9	9,904	27.0
2016	20.8	--	31	22.5	10,308	23.4
Totals						
2015	100.0	100.0	117	100.0	36,665	100.0
2016	100.0	--	138	100.0	43,976	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.

Small Business Loans

Examiners did not perform an analysis on geographic distribution of small business loans in the Eastern North Shore assessment area due to the nominal volume of originated loans (four) during the review period. Such limited loan activity did not provide enough data to come to a meaningful conclusion.

Home Equity Lines of Credit

The geographic distribution of HELOCs reflects reasonable dispersion throughout the Eastern North Shore assessment area. The following table shows that the bank's 2015 performance in low-income census tracts at 4.8 percent exceeds percent of households at 2.3 percent. The bank did not originate any HELOCs in low-income census tracts in 2016.

The bank's 2015 performance in moderate-income census tracts at 9.5 percent is well below percent of households at 23.0 percent. The bank's 2016 performance in moderate-income census tracts at 10.0 percent is well below percent of households at 23.0 percent. However, the bank only established a branch in this assessment area in 2014. MOB's recent entry into this market and the limited number of HELOCs originated supports reasonable performance. With just two additional loans, the bank could have had a similar percentage as the demographic comparator.

Geographic Distribution of Home Equity Lines of Credit					
Assessment Area: Eastern North Shore					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	2.3	1	4.8	20	1.0
2016	2.3	0	0.0	0	0.0
Moderate					
2015	23.0	2	9.5	225	11.8
2016	23.0	2	10.0	80	3.2
Middle					
2015	56.7	10	47.6	792	41.4
2016	56.7	13	65.0	1,803	71.0
Upper					
2015	18.1	8	38.1	875	45.8
2016	18.1	5	25.0	657	25.9
Totals					
2015	100.0	21	100.0	1,912	100.0
2016	100.0	20	100.0	2,540	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's reasonable performance of home mortgage loans, small business loans, and HELOCs support this conclusion. Examiners focused on the percentage by number of small business loans to businesses with GARs of \$1 million or less. They also focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers.

Eastern South Shore Assessment Area

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. The bank's 2015 performance for low-income borrowers at 2.8 percent compares reasonably to the aggregate level of 3.6 percent. The bank's 2016 performance for low-income borrowers at 3.8 percent was below the percentage of families at 16.1 percent.

The bank's 2015 performance for moderate-income borrowers at 18.1 percent exceeds aggregate data at 14.7 percent. The bank's 2016 performance for moderate-income borrowers at 11.3 percent was slightly below the percentage of families at 15.9 percent. These comparisons reflect reasonable performance. Bank lending to low-income borrowers increased while lending to

moderate-income borrowers decreased in 2016. The following table shows bank lending by borrower income level.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Eastern South Shore						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	16.4	3.6	2	2.8	203	0.8
2016	16.1	--	4	3.8	335	0.9
Moderate						
2015	16.2	14.7	13	18.1	2,818	11.7
2016	15.9	--	12	11.3	2,612	7.1
Middle						
2015	22.7	22.9	15	20.8	3,805	15.7
2016	22.5	--	24	22.6	6,087	16.6
Upper						
2015	44.7	39.9	34	47.2	13,843	57.3
2016	45.6	--	55	51.9	20,628	56.4
Not Available						
2015	0.0	19.0	8	11.1	3,499	14.5
2016	0.0	--	11	10.4	6,937	19.0
Totals						
2015	100.0	100.0	72	100.0	24,168	100.0
2016	100.0	--	106	100.0	36,599	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1 million or less. The percentage of bank loans in 2015 was below the percentage of businesses, but MOB's percentage in 2016 increased to 55.9 percent. Although still below the percentage of businesses in this revenue category, bank performance is reasonable. D&B data provides an indicator of small business credit opportunities; however, not all businesses are creditworthy or have credit needs. Aggregate lending data, although not used as a benchmark for small bank lending performance, indicates fewer opportunities to make loans to businesses with GARs or \$1 million or less in the Eastern South Shore assessment area. See the following table.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Eastern South Shore					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2015	77.9	11	36.7	3,218	38.5
2016	84.7	19	55.9	7,631	63.6
>1,000,000					
2015	5.2	19	63.3	5,132	61.5
2016	5.9	14	41.2	3,769	31.4
Revenue Not Available					
2015	16.9	0	0.0	0	0.0
2016	9.4	1	2.9	600	5.0
Totals					
2015	100.0	30	100.0	8,350	100.0
2016	100.0	34	100.0	12,000	100.0

Source: 2015 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; 2015 CRA Aggregate Data; "--" data not available.

Home Equity Lines of Credit

The distribution of HELOCs to individuals of different income levels, including low- and moderate-income, is reasonable. The following table shows that the bank's 2015 performance for low-income borrowers was below the percentage of households. However, this percentage increased in 2016 to 20.0 percent, which reasonably compares to the percentage of households. Similarly, the bank's percentage of HELOCs to moderate-income borrowers was below demographics in 2015 but improved in 2016 to exceed demographics. See the following table.

Distribution of Home Equity Lines of Credit by Borrower Income Level					
Assessment Area: Eastern South Shore					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	20.6	3	13.0	311	7.7
2016	20.4	4	20.0	405	13.2
Moderate					
2015	14.2	1	4.3	150	3.7
2016	13.9	3	15.0	482	15.7
Middle					
2015	18.3	5	21.7	215	5.3
2016	18.0	5	25.0	780	25.4
Upper					
2015	46.9	13	56.5	3,265	80.5
2016	47.7	8	40.0	1,402	45.7
Not Available					
2015	0.0	1	4.3	116	2.9
2016	0.0	0	0.0	0	0.0
Totals					
2015	100.0	23	100.0	4,057	100.0
2016	100.0	20	100.0	3,069	100.0

Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.

Eastern North Shore Assessment Area

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income, is reasonable. MOB's 2015 lending percentage to low-income borrowers was lower than aggregate data at 4.9 percent. The bank's 2016 percentage decreased to 2.2 percent, well below the percentage of low-income families. For moderate-income borrowers, however, 2015 lending exceeded the aggregate's performance, and 2016 lending to moderate-income borrowers was comparable to the percentage of families.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Eastern North Shore						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	20.6	4.9	1	0.9	185	0.5
2016	20.6	--	3	2.2	595	1.4
Moderate						
2015	18.8	18.2	24	20.5	5,978	16.3
2016	18.8	--	23	16.7	6,109	13.9
Middle						
2015	21.5	24.0	39	33.3	12,129	33.1
2016	21.5	--	42	30.4	13,202	30.0
Upper						
2015	39.2	33.2	53	45.3	18,373	50.1
2016	39.2	--	70	50.7	24,070	54.7
Not Available						
2015	0.0	19.6	0	0.0	0	0.0
2016	0.0	--	0	0.0	0	0.0
Totals						
2015	100.0	100.0	117	100.0	36,665	100.0
2016	100.0	--	138	100.0	43,976	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 HMDA Aggregate Data, "--" data not available.</i>						

Small Business Loans

Examiners did not analyze the distribution of small business loans by GAR level in the Eastern North Shore assessment area due to the nominal volume of originated loans (four) during the review period. There was not enough lending activity to come to a meaningful conclusion.

Home Equity Lines of Credit

The distribution of HELOCs reflects poor penetration throughout the Eastern North Shore assessment area. The bank made one HELOC to a low-income borrower and two to moderate-income borrowers in 2015. MOB did not make any HELOCs to low- or moderate-income borrowers in 2016. Although this performance is poor, several factors mitigate this performance on overall conclusions. First, the bank only established a branch in this assessment area in 2014. Second, HELOCs are not the bank's primary product. Finally, the relatively small number of HELOCs originated means that just one or two additional loans in an income category could have a large impact on percentages. The following table shows bank HELOCs by borrower income level.

Distribution of Home Equity Lines of Credit by Borrower Income Level					
Assessment Area: Eastern North Shore					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2015	26.7	1	4.8	62	3.2
2016	26.7	0	0.0	0	0.0
Moderate					
2015	15.3	2	9.5	46	2.4
2016	15.3	0	0.0	0	0.0
Middle					
2015	18.1	5	23.8	271	14.2
2016	18.1	3	15.0	406	16.0
Upper					
2015	40.0	13	61.9	1,533	80.2
2016	40.0	17	85.0	2,134	84.0
Not Available					
2015	0.0	0	0.0	0	0.0
2016	0.0	0	0.0	0	0.0
Totals					
2015	100.0	21	100.0	1,912	100.0
2016	100.0	20	100.0	2,540	100.0
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data.</i>					

COMMUNITY DEVELOPMENT TEST

MOB demonstrates reasonable responsiveness to the Boston MSA's community development needs through community development loans, investments, and services.

Community Development Loans

Eastern South Shore Assessment Area

During the evaluation period, the bank originated one community development loan for \$1.1 million to a local business owner for the construction of a new building under the SBA 504 program. The loan provided economic development and created and retained permanent jobs within the assessment area.

Eastern North Shore Assessment Area

The bank originated two community development loans totaling \$9.3 million in the Eastern North Shore assessment area. In 2016, the bank originated a \$1.8 million SBA 504 loan for the development of a hotel located in a low-income census tract. MOB also originated a \$7.5 million loan for the construction of a 24,000 square foot mixed-use building located in a moderate-income census tract for the development of office and retail space that will replace a rundown commercial block. Both loans revitalized low- or moderate-income geographies.

Qualified Investments

Eastern South Shore Assessment Area

The bank made 48 qualified CRA donations totaling \$119,550 during the evaluation period to the Eastern South Shore assessment area. Most qualified donations benefitted community services to low- and moderate-income people. The following describes notable organizations receiving bank donations.

Neighborworks Southern Mass (NWSOMA) – A non-profit charter member of the national Neighborworks Network, NWSOMA operates three full-service centers that develop and manage affordable housing, educate and assist homeowners and homebuyers with home purchase and maintenance. The group has educated over 7,000 prospective homebuyers, assisted 3,000 buyers purchase a first home, offered foreclosure prevention counseling to 2,200+ homeowners, provided personal finance training to 1,000+ households, helped 1,000+ homeowners make home repairs, and provided lead abatement loans to 250+ homes.

Friendship Home – Friendship Home provides respite care and support services for individuals with developmental disabilities and their families primarily from southeastern Massachusetts but include Boston and central Massachusetts. Programs teach new skills while family caregivers tend to other priorities and nurture themselves. Eighty-five percent of the organization's clients served fall into the low- and moderate-income brackets.

Eastern North Shore Assessment Area

MOB made 18 donations totaling \$25,500 in this assessment area. Most qualified donations benefitted community services to low- and moderate-income people. The following describes notable organizations receiving bank donations.

Citizens Inn –Citizen Inn's mission is to help local families and individuals leave hunger and homelessness behind by operating a food pantry, providing community meals, hunger prevention and social transitional programs, addiction treatment, emergency housing shelter, case management, and a portfolio of rental units.

North Shore Community Action Programs, Inc. (NSCAP) – A non-profit organization, NSCAP provides social services that enable low-income families and individuals to obtain the skills and knowledge needed to become economically self-sufficient, civically engaged, and to

rise out of poverty. They provide programs in education and training, economic stabilization, housing and homelessness prevention, energy services, financial literacy classes, fuel assistance, and temporary shelter.

Community Development Services

Eastern South Shore Assessment Area

Eight bank employees provided 16 instances of financial expertise or technical assistance to eight community development organizations. Most services benefitted organizations that provide community services to low- and moderate-income people. The following describes notable community development services in the Eastern South Shore assessment area.

Viv's Give - Viv's Give is a non-profit organization that provides diapers, formula and baby food to families in need. The Assistant Vice President/Banking Officer is the founder and a member of the Board of Directors of this organization. The Community Banking Officer is on the Board of Directors and handles all banking and financial aspects of the organization.

Habitat for Humanity – Habitat for Humanity builds homes for families in need, using volunteers to construct homes. They sell the homes with an affordable mortgage to hard working local families so they can stay in their community. The Senior Vice President of Retail Lending is a member of the Board of Directors and provides financial and management expertise to the Board.

Catholic Charities – The mission of Catholic Charities is to provide services to people in need, to advocate for justice in social structures, and work with individuals, families, parishes and communities to help them meet their needs, identify their strengths, address oppression, and overcome barriers to build a just and compassionate society. The Vice President of Commercial Lending is a member of the Board of Directors.

Financial Literacy

- In 2015, the bank presented a first time homebuyer's workshop to the Quincy Community Action Program (QCAP). QCAP is the leading private non-profit organization in the Greater Quincy area dedicated to reducing poverty and helping low-income people achieve self-sufficiency. Topics included: the home buying process and terminology, how to locate a property in your price range, which mortgage program is right for you, down payment, and closing cost assistance grants.
- In 2017, the bank participated with NWSOMA to present a first time homebuyer seminar. NWSOMA is a non-profit organization that creates housing opportunities by educating and assisting first time homebuyers to purchase their homes, developing affordable housing for those in need, and making home rehabilitation loans.

Eastern North Shore Assessment Area

MOB employees provided four instances of financial expertise or technical assistance to two community development organizations within this assessment area. The following describes notable community development services in the Eastern North Shore assessment area.

North Shore Community Development Coalition (CDC) – As the only regional community development organization serving the North Shore, North Shore CDC is positioned to bring neighborhood development model to communities throughout the region. Focusing on low-income and distressed neighborhoods, they have committed to transformational, sustainable revitalization in Salem, Peabody, and Beverly. A Community Banking Officer is a committee member.

Financial Literacy

- In 2015, the bank conducted a first time homebuyer's seminar in the Danvers' branch office. All attendees were low- and moderate-income individuals. Topics focused on how to obtain a mortgage, mortgage options available, application process, and closing costs and fees.
- In 2016, in conjunction with MassHousing, the bank presented a homebuyer's seminar to the Gloucester Housing Authority. The seminar's topics included: the home buying process and terminology, how to locate a property in your price range, which mortgage program is right for you and down payment and closing cost assistance grants.

APPENDIX A

Fair Lending Policies and Procedures – MA Division of Banks

The Division 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 925,577 individuals of which 12.9 percent are minorities. The assessment area's minority and ethnic population is 2.6 percent Black/African American, 4.6 percent Asian, 0.1 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 3.6 percent Hispanic or Latino and 2.0 percent other.

In 2015, the bank received 462 HMDA reportable loan applications from within its assessment area. Of these applications, 32 or 6.9 percent were received from minority applicants, of which 22 or 68.8 percent resulted in originations. The aggregate received 46,849 HMDA reportable loan applications of which 2,796 or 6.0 percent were received from minority applicants and 1,877 or 67.1 percent were originated. For the same time period, the bank also received 10 or 2.2 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 8 or 80.0 percent were originated versus the aggregate that received 982 applications or 2.1 percent of which 653 or 66.5 percent were originated.

For 2016, the bank received 504 HMDA reportable loan applications from within its assessment area. Of these applications, 22 or 4.4 percent were received from minority applicants, of which 15 or 68.2 percent resulted in originations. For the same time period, the bank received 19 or 3.8 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 11 or 57.9 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 good 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	2	0.4	0.2	1	0.2
Asian	13	2.8	3.5	8	1.6
Black/ African American	6	1.3	1.2	3	0.6
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.0	0	0.0
Joint Race (White/Minority)	11	2.4	1.0	10	2.0
Total Minority	32	6.9	6.0	22	4.4
White	401	86.8	72.5	457	90.7
Race Not Available	29	6.3	21.5	25	5.0
Total	462	100.0	100.0	504	100.0
ETHNICITY					
Hispanic or Latino	5	1.1	1.4	10	2.0
Not Hispanic or Latino	423	91.5	76.3	455	90.3
Joint (Hisp/Lat /Not Hisp/Lat)	5	1.1	0.7	9	1.8
Ethnicity Not Available	29	6.3	21.6	30	5.9
Total	462	100.0	100.0		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 good.

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.