

PUBLIC DISCLOSURE

October 23, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Savers Co-operative Bank
Certificate Number: 26455

270 Main Street
Southbridge, Massachusetts 01550

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

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

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **High Satisfactory** by the Commonwealth of Massachusetts Division of Banks and **Satisfactory** by the FDIC. Although both agencies agree on the bank's overall performance, FDIC regulations do not include a High Satisfactory rating. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, 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 practices. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory by the Division and FDIC.

- The 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 its home mortgage and small business loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated High Satisfactory by the Division and Satisfactory by the FDIC.

- The institution demonstrated good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the combined assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 12, 2014, to the current evaluation dated October 23, 2017. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate Savers Co-operative Bank's CRA performance. These procedures consist of the Lending Test and Community Development Test.

The Lending Test considered the bank's performance according to the following criteria:

- LTD ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints.

The Community Development Test considered the following factors:

- Number and dollar amount of community development loans, qualified investments, and community development services
- The responsiveness of such activities to the community development needs of the assessment area.

Loan Products Reviewed

Examiners determined the bank's major product lines are home mortgage loans and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm or consumer loans, represent a major product line; therefore, they provide no material support for conclusions or ratings and are not presented. Based on higher lending activity during the review period, examiners placed greater significance on the analysis of home mortgage lending.

Information concerning the bank's home mortgage lending was derived from its 2015 and 2016 Home Mortgage Disclosure (HMDA) Loan Application Registers (LARs). The LARs include home purchase, home improvement, and refinance loans secured by one-to-four family dwellings and multifamily properties. The bank reported 211 loans totaling \$37.8 million in 2015 and 295 loans totaling \$60.9 million in 2016. Examiners used 2010 U.S. Census data, as well as 2015 and 2016 aggregate HMDA data for comparative purposes. Aggregate data includes all lending activity within the bank's assessment area from HMDA reporting institutions.

Small business loans include commercial real estate and commercial and industrial loans in the amount of \$1 million or less. Due to its asset size, the bank is not subject to data collection and reporting requirements for small business loans; however, the bank voluntarily collects and

maintains the information in the CRA-required format. In 2015 the bank originated 56 loans totaling \$8.5 million, and in 2016 it originated 21 small business loans totaling \$2.4 million.

To conduct the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While Lending Test tables present the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans better indicates the number of individuals or businesses served.

For the Community Development Test, examiners reviewed data provided by bank management on community development loans, qualified investments, and community development services since the prior CRA evaluation dated May 12, 2014.

DESCRIPTION OF INSTITUTION

Background

Founded in 1910, Savers Co-operative Bank is a Massachusetts state-chartered mutual co-operative savings bank operating in the southern part of Worcester County. The bank has one wholly-owned securities subsidiary known as Savers Securities, Inc. The FDIC assigned the bank a “Satisfactory” rating and the Division assigned the bank a “High Satisfactory” rating at the previous joint CRA evaluation dated May 12, 2014.

Operations

Savers Co-operative Bank is headquartered at 270 Main Street in Southbridge, Massachusetts and operates five additional branches located in Auburn, Charlton, North Grafton, Sturbridge, and Uxbridge. All of the bank’s branches have drive-up teller services and 24-hour deposit-taking automated teller machines (ATMs). The bank opened a limited-service branch, but did not close any branches during the evaluation period.

Savers Co-operative Bank offers residential mortgage loans, including fixed and adjustable rates, home equity lines of credit, and home equity loans. In addition, the bank offers commercial loans and personal loans. Deposit products include personal and business checking and savings accounts, certificates of deposit, money market accounts, and IRAs. Other services include free online banking, mobile banking, and 24-hour telephone banking.

Ability and Capacity

As of June 30, 2017, the bank had total assets of \$531.8 million and total deposits of \$376.9 million. Loans totaled \$437.5 million, representing 82.3 percent of total assets, and securities totaled \$54.0 million, representing approximately 10.1 percent of total assets. The bank is primarily a residential lender, with a majority of the loan portfolio secured by residential real estate. The following table shows 55.5 percent of loans are secured by one-to-four family real estate, followed by commercial real estate loans at 28.9 percent.

Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction and Land Development	25,679	5.8
Secured by 1-4 Family Residential	240,472	55.0
Secured by Multi-family (5 or more) Residential	16,608	3.8
Secured by Nonfarm Nonresidential	107,523	24.6
Total Real Estate Loans	390,282	89.2
Commercial and Industrial	18,759	4.3
Consumer	28,419	6.5
Other	53	0.0
Total Loans	437,513	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 the credit needs of the assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Savers Co-operative Bank designated a single assessment area that includes 14 Massachusetts towns in the Worcester, Massachusetts Metropolitan Statistical Area (MSA). The towns include Auburn, Charlton, Douglas, Dudley, Grafton, Millbury, Northbridge, Oxford, Southbridge, Sturbridge, Sutton, Uxbridge, Webster and Whitinsville.

Economic and Demographic Data

The bank's assessment area includes 36 census tracts that reflect the following income designations according to the 2010 U.S Census:

- 1 low-income census tract;
- 8 moderate-income tracts;
- 17 middle-income tracts; and
- 10 upper-income tracts.

The one low-income census tract is located in Southbridge and the eight moderate-income tracts are located in Southbridge, Webster, Northbridge and Auburn. The table below shows relevant demographic information regarding the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	2.8	22.2	47.2	27.8	0.0
Population by Geography	171,587	1.3	16.8	48.1	33.7	0.0
Housing Units by Geography	69,271	1.6	19.0	48.4	30.9	0.0
Owner-Occupied Units by Geography	47,648	0.4	11.8	52.8	35.1	0.0
Occupied Rental Units by Geography	17,133	4.4	35.0	40.1	20.5	0.0
Vacant Units by Geography	4,490	4.4	34.3	34.5	26.9	0.0
Businesses by Geography	10,016	1.0	16.2	50.4	32.4	0.0
Family Distribution by Income Level	45,433	16.8	16.7	23.4	43.0	0.0
Household Distribution by Income Level	64,781	21.8	14.3	18.5	45.3	0.0
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$77,128	Median Housing Value			\$290,140
			Median Gross Rent			\$823
			Families Below Poverty Level			5.0%
<i>Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2015 and 2016 Federal Financial Institutions Examination Council (FFIEC) median family income (MFI) levels were used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories based on the 2015 and 2016 FFIEC updated median family income.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Worcester, MA-CT MSA Median Family Income (49340)				
2015 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
2016 (\$78,500)	<\$39,250	\$39,250 to <\$62,800	\$62,800 to <\$94,200	≥\$94,200
<i>Source: FFIEC Estimated Median Family Income Data</i>				

The assessment area consists of 69,271 housing units, of which 76.5 percent are owner-occupied units, 27.5 percent are rental units, and 7.2 percent are vacant. There are minimal owner-occupied housing units (16.2 percent) in the one low-income census tract in Southbridge, as 66.5 percent of the units are occupied rental units and 17.3 percent are vacant units. In the eight moderate-income tracts, 45.6 percent of the units are occupied rentals and 11.7 percent are vacant units. These factors indicate limited opportunities for owner-occupied home mortgage lending within the moderate-income census tracts. The percentage of vacant properties, however, demonstrates opportunities for rehabilitating and renovating properties in the assessment area.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by Gross Annual Revenue (GAR) level. According to 2016 D&B data, there were 10,016 businesses in the assessment area. GARs for these businesses are below.

- 77.8 percent have \$1 million or less.
- 5.3 percent have more than \$1 million.
- 16.9 percent have unknown revenues.

Service industries represent the largest portion of businesses at 46.5 percent; followed by retail trade (13.7); construction (11.1 percent); and finance, insurance, and real estate (7.4 percent). In addition, 71.3 percent of area businesses have four or fewer employees, and 89.3 percent operate from a single location.

Data obtained from the U.S. Bureau of Labor and Statistics indicated that the 2016 year-end unemployment rate was 3.1 percent for Massachusetts as a whole. The unemployment rate for Worcester County was slightly lower at 3.0 percent. Both the statewide and county unemployment rates had declined steadily through December 2016 until the Worcester County unemployment rate increased to 4.2 percent in January 2017. As of July 2017, the countywide unemployment rate had increased to 4.7 percent.

Competition

The assessment area is moderately competitive in the market for financial services. According to the 2015 FDIC Deposit Market Share data, there were 20 financial institutions that operated 57 full-service branches within the bank's assessment area. Of these institutions, Savers Co-operative Bank ranked 3rd with 6 branches and a 10.5 percent deposit market share. Similarly, in 2016, Savers Co-operative Bank ranked 3rd with a 10.3 percent deposit market share. The two institutions ranked ahead of the bank are Unibank for Savings and Santander Bank, N.A.

Savers Co-operative Bank competes with large national banks, small community banks, non-depository mortgage lenders, and credit unions in its assessment area. According to 2015 aggregate HMDA data, Savers Co-operative Bank ranked 7th with a market share of 2.3 percent among 305 reporting institutions in the assessment area. The majority of institutions ranking ahead of Savers Co-operative Bank were large national banks and credit unions, with one local institution, Unibank for Savings ranked ahead of the bank at 4th. In 2016, Savers Co-operative Bank ranked 5th with a market share of 2.7 percent among 305 reporting institutions. Similar to 2015, Unibank for Savings was the only local financial institution that ranked ahead of Savers Co-operative Bank in 2016.

The bank competes in an active market for commercial loans. The bank is not required to report its small business loan data, and it has not elected to do so. Therefore, the Lending Test analysis of small business loans does not include comparisons against aggregate data. The aggregate data, however, reflects the level of demand for small business loans. Aggregate data for 2015 shows that 87 institutions reported 11,917 small business loans in Worcester County, indicating a moderate degree of competition. The top five lenders account for 58.5 percent of all small business loans, and include American Express, FSB; CitiBank, N.A.; Capital One Bank (USA), N.A.; Bank of America, N.A.; and Chase Bank, N.A.

Community Contact

As part of the CRA evaluation process, examiners contact third parties to gain performance context in the assessment of the credit and community development needs of the bank's assessment area. Relevant information from the contacts assists in determining whether local financial institutions are responsive to the credit needs of the community, and what community development opportunities, if any, are available. An existing community contact was utilized in conjunction with this evaluation.

Examiners reviewed an existing contact conducted with a representative of an affordable housing organization primarily serving Worcester, Massachusetts and its surrounding communities. The organization provides affordable housing through the rehabilitation of abandoned and vacant properties. The organization also offers basic financial services. The contact stated there is a need for affordable housing and there are plenty of opportunities for banks to become more involved in addressing vacant and abandoned properties by providing funding and charitable contributions.

Credit and Community Development Needs and Opportunities

Based on information gathered from bank management, demographic and economic data, and information provided by community contacts, examiners determined that affordable owner-occupied housing is a need in the assessment area. In addition, low- and moderate-income tracts contain vacant or abandoned properties requiring rehabilitation. Opportunities for small business loans and revitalization projects also exist in the area, particularly in Southbridge.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

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

Loan-to-Deposit Ratio

The bank's average net LTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The LTD ratio, calculated from Call Report data, averaged 106.5 percent over the past 12 calendar quarters from June 30, 2014 to June 30, 2017. This ratio is based on net loans as a percentage of total deposits. The ratio ranged from a low of 101.9 percent as of June 30, 2014, to a high of 115.1 percent as of June 30, 2017.

The ratio remained generally consistent, but increased more significantly over the past year. Over the evaluation period net loans increased 62.4 percent and deposits increased 78.8 percent. In discussions with bank management the increase in loans is due to the increase in demand for refinancing, growth in construction and development loans, and recent increase in commercial lending staff. The increase in deposits is due to brokered certificates of deposits through the Federal Home Loan Bank of Boston (FHLB).

The bank maintained a high LTD ratio and exceeded three comparable institutions, as detailed in the following table. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank Name	Total Assets \$(000s)	Average LTD Ratio (%)
Savers Co-operative Bank	531,812	106.6
Fidelity Co-operative Bank	804,047	90.9
Monson Savings Bank	353,456	86.1
Dean Co-operative Bank	290,483	83.6

Source: Consolidated Reports of Condition and Income

Assessment Area Concentration

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

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	137	64.9	74	35.1	211	25,512	67.4	12,329	32.6	37,841
2016	186	63.1	109	36.9	295	37,391	61.4	23,528	38.6	60,919
Subtotal	323	63.8	183	36.2	506	62,903	63.7	35,857	36.3	98,760
Small Business										
2015	37	66.1	19	33.9	56	5,190	60.8	3,349	39.2	8,539
2016	16	76.2	5	23.8	21	1,266	51.0	1,214	49.0	2,480
Subtotal	53	68.8	24	31.2	77	6,456	58.6	4,563	41.4	11,019
Total	376	64.5	207	35.5	583	69,359	63.2	40,420	36.8	109,779

Source: Bank Records, 2015 & 2016 HMDA Data- Due to rounding, totals may not equal 100.0

Geographic Distribution

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

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area, particularly in the low- and moderate-income census tracts. Examiners focused on the comparison to 2015 and 2016 aggregate data.

In 2015, the bank did not originate any loans to borrowers in low-income census tracts; however, aggregate performance of only 0.4 percent illustrates a lack of home mortgage lending opportunity in this tract. In 2016, bank performance in low-income census tracts showed a positive trend, increasing to 1.6 percent. This was higher than aggregate performance of only 0.2 percent. Market share data further supports the bank's reasonable performance. In 2016, the bank ranked 2nd with 11.1 percent market share in low-income census tracts. The only institution that ranked ahead of the bank was LoanDepot.com, LLC, an online consumer lender operating nationwide, with 14.8 percent market share.

In moderate-income census tracts, the bank's performance was higher than aggregate. In 2015, the bank originated 16.8 percent of home mortgage loans in moderate-income census tracts, 4.7 percentage points above aggregate performance of 12.1 percent. In 2016, originations in moderate-income census tracts decreased, but the percentage of loans in these tracts was only slightly below the aggregate's percentage.

In 2016, the bank ranked 18th with 1.8 percent market share to moderate-income census tracts. National banks, credit unions, and mortgage lenders ranked higher in moderate-income census

tracts. Loandepot.com, LLC ranked 1st with 7.6 percent, Wells Fargo Bank, N.A. ranked 2nd with 4.0 percent, and Quicken Loans ranked 3rd with 4.0 percent. Other community banks ranked ahead of Savers Co-operative Bank include Webster Five Cents Savings Bank (7th), Hometown Bank (9th), Webster First Federal Credit Union (10th), and Southbridge Credit Union (15th); however, each maintained less than 2.7 percent market share.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	0.4	0.4	0	0.0	0	0.0
2016	0.4	0.2	3	1.6	415	1.1
Moderate						
2015	11.8	12.1	23	16.8	3,054	12.0
2016	11.8	10.7	18	9.7	2,501	6.7
Middle						
2015	52.8	49.0	75	54.7	14,403	56.5
2016	52.8	48.7	96	51.6	19,005	50.8
Upper						
2015	35.1	38.4	39	28.5	8,055	31.6
2016	35.1	40.3	69	37.1	15,470	41.4
Not Available						
2015	0.0	0.0	0	0.0	0	0.0
2016	0.0	0.0	0	0.0	0	0.0
Totals						
2015	100.0	100.0	137	100.0	25,512	100.0
2016	100.0	100.0	186	100.0	37,391	100.0

Source: 2010 U.S. Census, 2015 & 2016 HMDA Data- Due to rounding, totals may not equal 100.0

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank's 2015 performance in the low-income census tract exceeded business demographic data; however, in 2016 the bank did not make any small business loans in the low-income tract. Bank management attributed the decline to a decline in small business loans overall from 2015 to 2016, and stated there is significant competition for small business loans in the area's low- and moderate-income tracts, as local banks have multiple branches in the area. Additionally, only 1.0 percent of businesses operated in low-income census tracts in 2016.

In 2015, performance in moderate-income census tracts was below business demographic data. Despite the competition in the area, in 2016 the bank's lending in moderate-income census tracts

increased to 18.8 percent, which is above the percentage of businesses. This performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2015	1.1	2	5.4	200	3.9
2016	1.0	0	0.0	0	0.0
Moderate					
2015	16.0	4	10.8	991	19.1
2016	16.2	3	18.8	78	6.2
Middle					
2015	50.1	22	59.5	3,499	67.4
2016	50.4	5	31.2	143	11.3
Upper					
2015	32.8	9	24.3	499	9.6
2016	32.4	8	50.0	1,045	82.5
Not Available					
2015	0.0	0	0.0	0	0.0
2016	0.0	0	0.0	0	0.0
Totals					
2015	100.0	37	100.0	5,190	100.0
2016	100.0	16	100.0	1,266	100.0

Source: 2015 & 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; Due to rounding, totals may not equal 100.0

Borrower Profile

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

Home Mortgage Loans

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

As noted in the following table, the bank originated 10.2 percent of its home mortgage loans to low-income borrowers in 2015, which was above aggregate performance of 5.5 percent. In 2016, the bank originated 7.0 percent of its home mortgage loans to low-income borrowers,

which, despite a declining trend, still exceeded aggregate performance of 4.5 percent. According to 2016 market share data, Savers Co-Operative Bank ranked 11th with 2.0 percent market share in lending to low-income borrowers in the assessment area. LoanDepot.com, LLC ranked 1st with 17.0 percent, Quicken Loans was 2nd with 5.3 percent, and Millbury Federal Credit Union ranked 3rd with 4.8 percent. Community banks and local credit unions that ranked ahead of the bank include Millbury Federal Credit Union (3rd), Webster First Federal Credit Union (6th), Hometown Bank (8th), and Unibank for Savings (9th), which is a much larger institution.

In 2015, the bank originated 18.2 percent of its home mortgage loans to moderate-income borrowers, which was similar to aggregate performance of 18.5 percent. The bank's lending to moderate-income borrowers increased in 2016 to 19.4 percent, which was above aggregate performance of 14.5 percent. According to 2016 market share data, Savers Co-Operative Bank ranked 8th with 2.3 percent market share in lending to moderate-income borrowers in the assessment area. LoanDepot.com, LLC ranked 1st with 10.2 percent, Quicken Loans was 2nd with 4.4 percent, and Fairway Independent Mortgage Corporation ranked 3rd with 4.0 percent. Unibank for Savings ranked 6th with 2.6 percent market share, and was the only local institution that ranked ahead of the bank.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2015	16.8	5.5	14	10.2	1,360	5.3
2016	16.8	4.5	13	7.0	1,223	3.3
Moderate						
2015	16.7	18.5	25	18.2	3,094	12.1
2016	16.7	14.5	36	19.4	5,533	14.8
Middle						
2015	23.4	21.9	35	25.5	5,632	22.1
2016	23.4	22.8	52	28.0	9,952	26.6
Upper						
2015	43.0	36.4	56	40.9	12,364	48.5
2016	43.0	42.2	74	39.8	18,497	49.5
Not Available						
2015	0.0	17.7	7	5.1	3,062	12.0
2016	0.0	16.0	11	5.9	2,186	5.8
Totals						
2015	100.0	100.0	137	100.0	25,512	100.0
2016	100.0	100.0	186	100.0	37,391	100.0

Source: 2010 U.S. Census; 2015 & 2016 HMDA Data, Due to rounding, totals may not equal 100.0

Small Business Loans

The distribution of small business loans reflects reasonable penetration to businesses with GARs of \$1 million or less. As shown in the following table, the percentage of loans to businesses with GARs of \$1 million or less was less than the percentage of businesses in this category in 2015. Although the bank originated less small business loans overall in 2016, the percentage of loans to businesses with GARs of \$1 million or less shows a positive trend. Performance in 2016 was similar to the percentage of businesses in this category. Discussions with management indicated that significant competition exists for small business loans in the assessment area, and business lending is the bank's secondary focus. Considering these factors, this level of performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2015	77.7	21	56.8	1,723	33.2
2016	82.8	13	81.3	776	61.3
>1,000,000					
2015	5.1	16	43.2	3,467	66.8
2016	5.9	3	18.8	490	38.7
Revenue Not Available					
2015	17.2	0	0.0	0	0.0
2016	11.2	0	0.0	0	0.0
Totals					
2015	100.0	37	100.0	5,190	100.0
2016	100.0	16	100.0	1,266	100.0

Source: 2015 & 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; Due to rounding, totals may not equal 100.0

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

The Community Development Test evaluates the bank's responsiveness to the community development needs of its assessment area through the provision of community development, loans, qualified investments, and community development services as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area. The bank's community development performance demonstrates good responsiveness to the community needs of its assessment area.

Community Development Loans

Savers Co-operative Bank originated seven community development loans totaling approximately \$13.5 million during the evaluation period. This activity represents 2.8 percent of average total assets and 3.5 percent of average total loans since the prior CRA evaluation. These loans primarily benefitted affordable housing and community service organizations that serve low-and moderate-income individuals in the assessment area. The table below illustrates community development lending activity by year and purpose.

Community Development Loans												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
5/13/2014-12/31/2014	0	0	1	2,600	0	0	0	0	0	0	1	2,600
2015	1	3,000	3	1,247	0	0	0	0	0	0	4	4,247
2016	1	50	0	0	0	0	1	6,600	0	0	2	6,650
YTD 2017	0	0	0	0	0	0	0	0	0	0	0	0
Total	2	3,050	4	3,847	0	0	1	6,600	0	0	7	13,497

Source: Bank Records

Below is a summary of the bank's community development loans:

- In 2014, the bank originated a \$2.6 million loan to renovate a property that primarily houses low- and moderate-income senior citizens and people with disabilities. The organization serves Southern Worcester County and provides home care, protective services, crisis intervention, transportation, counseling, nutrition programs, community support services, and adult family care. The loan promotes community services to low- and moderate-income individuals.
- In 2015, the bank originated a \$3 million loan to construct and maintain 40 Section 8 housing units in the assessment area. The community development loan promotes affordable housing.
- In 2015 the bank originated two loans for a total of \$47,000 to purchase two vehicles for an organization that provides community services to low- and moderate-income

individuals in the assessment area. This organization primarily provides low-income parents with affordable childcare services. This organization also has a food program and accepts vouchers from the Department of Transitional Assistance towards income eligible children.

- In 2015, the bank originated a \$1.2 million loan to finance the construction of a child development center in a moderate-income census tract in the assessment area. The center provides critical needs and affordable childcare services for the community. All childcare fees are based on the Department of Early Childhood and Care sliding fee scale, starting at \$0. The gross household income must be at or below 50% of the State Median Income (SMI) to receive financial assistance. Subsidies are also available through the Department of Early Education and Care, Community Partnership for Children Grant and The United Way.
- In 2016, the bank participated \$6.6 million of an \$18.5 million loan to renovate and improve a mixed-use property located in a low- and moderate-income area in central Massachusetts. The property contains a mix of office, warehouse and manufacturing space, as well as a new charter school, all of which will attract and retain residents as well as create jobs. The charter school is open to enrollment in the surrounding Worcester counties, including the bank's assessment area, and the student enrollment includes 76.9 percent economically disadvantaged children. The loan is outside of the assessment area; however, the proceeds will help to continue a period of revitalization and redevelopment occurring in the broader regional area, including the assessment area.
- In 2016, the bank originated a \$50,000 line of credit to make repairs to an inn located in a low-income census tract in Worcester. The organization assists low-income and homeless men in maximizing their ability to become independent and self-sufficient. The inn has a 29-bed recovery program for men, and three additional beds for emergency stays. The organization also serves as an emergency food pantry and an education center to educate the general public regarding issues related to hunger and homelessness. The organization is outside of the bank's assessment area; however, serves men from in and around Worcester, including parts of the assessment area such as Auburn, Millbury, and Grafton.

Qualified Investments

The bank has made 71 qualified investments totaling approximately \$663,402. This total includes two qualified equity investments of \$550,890 purchased prior to the evaluation period, and 69 donations of \$112,512 made during the evaluation period. This dollar amount equates to approximately 0.1 percent of average total assets and 1.2 percent of average securities since the last evaluation. Both equity investments support affordable housing needs in the assessment area, and the majority of the bank's grants and donations support community organizations that provide services to low- and moderate-income individuals in the assessment area.

Equity Investments

On October 13, 2010, the bank purchased two Fannie Mae securities that are secured by one-to-four family residential mortgages, all of which were made to low- and moderate-income borrowers in the assessment area. The current total book value as of September 30, 2017 is \$550,890.

Grants and Donations

The bank provided assistance to the assessment area by making charitable donations to organizations that provide education, youth programs, health and human services, and promote affordable housing and economic development. The bank made a total of 69 qualified donations for \$112,512 during the evaluation period. The following table illustrates the bank's community development donations by year and purpose.

Community Development Donations												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000)	#	\$(000s)	#	\$(000s)
5/13/2014-12/31/2014	0	0	17	11	1	5	0	0	0	0	18	16
2015	0	0	24	39	1	5	0	0	0	0	25	44
2016	1	2	16	29	0	0	0	0	0	0	17	31
YTD 2017	0	0	9	22	0	0	0	0	0	0	9	22
Total	1	2	66	101	2	10	0	0	0	0	69	113

Source: Bank Records

Below are some notable examples of the bank's grants and donations:

- **Tri Community YMCA** – The bank has a 5-year financial commitment to support the construction of the YMCA's Marcy Street Child Development Center, which is located in a low-income census tract in Southbridge. The Center will provide affordable childcare options to low- and moderate-income families and also address critical needs in the community.
- **Tri-Valley Inc.** – Established in 1976, Tri-Valley, Inc. is a private, non-profit agency providing information, referrals, and care management for in-home and community services in central Massachusetts. The bank's financial contribution assists the organization's fuel assistance program and meals on wheels program. The fuel assistance program provides fuel assistance relief for needy, typically low- and moderate-income individuals. The Meals on wheels program delivers fresh and nutritious food to citizens in need.
- **Auburn Youth and Family Services** – Auburn Youth and Family is a nonprofit organization serving low-income families in Auburn, MA and also those in need from surrounding communities. Services include; counseling, tutoring, advocacy, information and referral; afterschool and summer programs; support groups for children, adolescents

and parents; a food pantry and clothing assistance. The bank's financial contribution supports the programs benefiting low-income families.

- **Grafton Food Bank** – The Grafton Food Bank supports those in need of food assistance. The bank's contribution provides supplemental food, emergency assistance, and temporary support to low-and moderate-income Grafton residents.

Community Development Services

During the evaluation period, bank employees donated their time to community organizations that meet the definition of community development by providing technical and financial assistance. Bank employees participated in 55 community development services during this time. Many of these employees have maintained a relationship and commitment to organizations that were noted during the prior CRA evaluation. This demonstrates the responsive and willingness to serve the community the bank operates in. The following are notable examples of the bank's community development services:

- **United Way** – The United Way of Southbridge, Sturbridge and Charlton (United Way SSC) serves low-and moderate- income individuals in the community through education, financial stability, and health. The United Way SSC relies on partnerships between local non-profit organizations with a community development mission and members of the community. All collaborative efforts have a direct benefit to the low- and moderate-income residents of Southbridge, Sturbridge, and Charlton. Bank management continues to provide their financial expertise to this organization. The bank's president and chief executive officer has had a long-standing commitment to this organization and continues to serve as an advocate member of the organization. Two vice presidents serve on the board and finance committee.
- **Center for Women and Enterprise** – The Center for Women and Enterprise (CWE) is a partnership with the U.S. Small Business Administration that helps women start and grow their own businesses. The organization works to ensure that all women, regardless of their economic status, are provided access to the organization's programs and services. In fact, 57.0 percent of CWE clients are low-income, 21.0 percent are unemployed, and scholarships are available for low- and moderate-income individuals who would otherwise be unable to access the services. This organization operates throughout New England with a local affiliation in central Massachusetts. The bank's assistant vice president of business banking serves as a member of this organization.
- **Jeremiah's Inn** – An assistant vice president serves on the board for Jeremiah's Inn. The inn is a recovery home for men. The organization offers residential, nutrition, and education services to homeless and low- and moderate-income individuals in Worcester County.
- **New Hope**- The organization is dedicated to social justice and seeks to create communities free from violence where individuals and families are able to achieve their full potential regardless of income status. New Hope serves 41 communities in central

and southeastern Massachusetts with a location in Southbridge. The organization relies on government funding contracts, assistance from the United Way, donated goods and services to operate and fully carry out its mission. The bank's chief operative officer has served as a board member at New Hope for the past two years. Their technical expertise in management and financials is used to help assist the board with financial matters, decisions and seeking continued funding opportunities.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal practices. Therefore, this criterion did not impact the institution's CRA rating.

APPENDIX Division of Banks

FAIR LENDING POLICIES AND PROCEDURES

The Division of Banks provides comments regarding the bank's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106, the Division's Community Reinvestment and Fair Lending Policy. Based upon the review of the bank's public comment file and its performance relative to fair lending policies and practices, examiners did not identify any violations of anti-discrimination laws and regulations.

MINORITY APPLICATION FLOW

The bank's 2015 and 2016 HMDA data 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.

The bank's residential lending in 2015 was compared to the 2015 aggregate lending performance, the most recent year for which aggregate data was available. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants within its assessment area. Refer to the table below for further details.

MINORITY APPLICATION FLOW					
RACE	Bank 2015		2015 Aggregate Data	Bank 2016	
	#	%	%	#	%
American Indian/ Alaska Native	1	0.6	0.1	0	0.0
Asian	1	0.6	2.1	1	0.5
Black/ African American	1	0.6	1.0	0	0.0
Hawaiian/Pacific Islander	1	0.6	0.1	0	0.0
2 or more Minority	0	0.0	0.0	1	0.5
Joint Race (White/Minority)	2	1.3	0.9	7	3.7
Total Minority	6	3.7	4.1	9	4.7
White	149	94.4	76.6	173	92.0
Race Not Available	3	1.9	19.3	6	3.3
Total	158	100.0	100.0	188	100.0
ETHNICITY					
Hispanic or Latino	1	0.6	2.4	4	2.1
Not Hispanic or Latino	152	96.2	78.0	177	94.2
Joint (Hisp/Lat /Not Hisp/Lat)	2	1.3	0.7	1	0.5
Ethnicity Not Available	3	1.9	18.9	6	3.2
Total	158	100.0	100.0	188	100.0

According to the 2010 U.S. Census data, the bank's assessment area had a population of 171,587 of which 9.8 percent are minorities. The assessment area's minority and ethnic population

consists of minority population includes 0.1 percent American Indian, 1.9 percent Asian/Pacific Islander, 1.0 percent Black, 5.3 percent Hispanic, and 1.4 percent other race.

In 2015, the bank received 158 HMDA-reportable loan applications within its assessment area. Of these applications, six were received from racial minority applicants. The bank's application rate to racial minority applicants of 3.7 percent was slightly below the aggregate performance of 4.1 percent for applications received from racial minorities. In 2015, the bank received three applications (1.9 percent) representing the Hispanic or Latino ethnic groups, performing below the 2015 aggregate performance.

In 2016, the bank received in application from racial and ethnic minorities. The bank received 4.7 percent of applications from racial minorities and 2.3 percent of applications from Hispanic or Latino applicants.

The bank's minority application flow, when compared to the aggregate's lending performance levels and the assessment area demographics, is reasonable.

GLOSSARY

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

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

Core Based Statistical Areas (CBSAs): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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 nonmetropolitan 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: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan 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 nonmetropolitan 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 Massachusetts Division of Banks and Federal Deposit Insurance Corporation, at 270 Main Street, Southbridge, MA 01550."

[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.