

PUBLIC DISCLOSURE

June 3, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Patriot Community Bank
Certification Number: 58133

237 Lexington Street,
Woburn, Massachusetts 01801

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

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 concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

This document is an evaluation of the CRA performance of **Patriot Community Bank** prepared by the Division, the institution's supervisory agency, as of **June 3, 2019**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

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. The bank's performance is summarized below:

- The bank's average net loan-to-deposit ratio (91.4 percent) is reasonable given the institution's size, financial condition, and credit needs of its assessment area.
- A majority (58.7 percent) of the bank's home mortgage and small business loans are inside the assessment area.
- The geographic distribution of loans reflects adequate dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, an adequate penetration among individuals of different income levels (including low- and moderate-income).
- The bank has not received any CRA-related complaints since the last CRA evaluation.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (“Division”) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution.

This evaluation covers the period from the prior evaluation dated April 21, 2015, to the current evaluation dated June 3, 2019. Small Bank CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Deposit Analysis, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrower’s Characteristics and Response to CRA Complaints.

The evaluation references demographic and economic information from the 2010 United States (U.S.) Census, 2015 American Community Survey (ACS), Dun & Bradstreet (D&B), and the U.S. Bureau of Labor Statistics (BLS). Bank financial data reflects the March 31, 2019, Call Report.

Loan Products Reviewed

Examiners determined that the bank’s major product lines are home mortgage and commercial loans. This conclusion considered the bank’s business strategy and the number and dollar volume of loans originated during the evaluation period. Examiners did not consider other product lines, such as small farm and consumer loans, due to the low volume and the overall small portion of the loan portfolio represented by these loan types. Since small farm and consumer lending provide no material support for conclusions or ratings, this evaluation does not address these loan types.

Home mortgage lending data analyzed included full-year data from January 1, 2017 through December 31, 2018. Information related to home mortgage lending was derived from the Loan Application Registers (LARs) maintained by the bank pursuant to HMDA. For 2017 the bank reported 283 originations totaling \$130.0 million and for 2018 the bank reported 202 originations totaling \$91.6 million. Examiners did not identify any trends between 2017 and 2018 that materially affected conclusions.

Examiners reviewed the number and dollar volume of home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals served.

In addition, examiners reviewed small business loans originated in 2017 and 2018. A small business loan has an original loan amount of \$1 million or less and is secured by nonfarm nonresidential properties or is classified as a commercial and industrial loan. As a small institution, the bank is not required to report small business loan data and it has not elected to do so. However, the bank collects small business lending data for its own purposes. Examiners

validated and analyzed the small business loan data provided for 2017 and 2018. In 2017, the bank originated 20 small business loans totaling approximately \$3.7 million. In 2018, the bank originated 11 small business loans totaling approximately \$2.4 million. Since the bank is not a small business data reporter, examiners did not use small business aggregate data for comparison. Instead, examiners used D&B demographic data as a standard of comparison.

DESCRIPTION OF INSTITUTION

Background

Patriot Community Bank, established in 2006, is a state-chartered cooperative bank headquartered at 237 Lexington Street in Woburn, MA. This is the bank's sole office.

The institution received a "Satisfactory" CRA rating from the Division of Banks during its previous evaluation dated April 21, 2015.

Operations

The bank's sole office is located in a middle-income census tract. The bank did not open or close any branches during the evaluation period. Business hours are 8:00 a.m. to 5:00 p.m. Monday, Tuesday, Wednesday, and Friday. The bank offers extended hours to 7:00 p.m. on Thursday. Saturday hours are from 8:30 a.m. to 12:00 p.m. The bank operates a walk up ATM located in the office lobby.

Patriot Community Bank is a full-service financial institution that offers a variety of products and services. The bank offers residential and commercial mortgages, home equity loans, personal loans, and automobile loans. The bank also offers checking accounts, statement savings accounts, passbook savings accounts, money market accounts, business checking accounts, business money market accounts, Individual Retirement Accounts (IRA), certificates of deposit, a 24-hour telephone banking service, free on-line banking, wire transfers, direct deposit, and ATM/debit cards. The bank maintains a website at www.patriotcb.com.

Ability and Capacity

As of March 31, 2019, the bank had total assets of \$176.8 million and total deposits of \$151.1 million. Loans totaled \$141.0 million and represented 79.8 percent of total assets. Since the previous exam, assets have grown by approximately 21.0 percent.

The bank is primarily a residential and commercial lender. Approximately 35.3 percent of the loans are secured by first lien 1-4 family residential properties, followed by loans secured by nonfarm nonresidential properties at 32.6 percent.

The following table illustrates the distribution of the loan portfolio as of March 31, 2019.

Loan Portfolio Distribution as of 3/31/2019		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	27,804	19.7
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	49,744	35.3
Secured by Multi-Family (5 or more) Residential Properties	10,693	7.6
Secured by Non-Farm Non-Residential Properties	45,991	32.6
Commercial and Industrial Loans	6,726	4.8
Consumer	62	0.0
Obligations of States and Political Subdivisions in the United States	0	0.0
Other Loans	15	0.0
Lease Financing Receivables (net of unearned income)	0	0.0
Total Loans	141,035	100.0
<i>Source: 03/31/2019 Call Report</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 define one or more assessment areas within which its CRA performance will be evaluated. The bank has designated its assessment area to include all of Middlesex County, which is a part of the Cambridge-Newton-Framingham, MA Metropolitan Division (MD).

The bank has significantly expanded its assessment area since the previous evaluation. The institution changed its assessment area on January 16, 2019. During the previous evaluation, the bank's assessment area consisted of the following 23 cities and towns: Acton, Arlington, Bedford, Belmont, Billerica, Burlington, Carlisle, Concord, Lexington, Medford, Reading, North Reading, Stoneham, Sudbury, Tewksbury, Wakefield, Waltham, Westford, Wilmington, Winchester, and Woburn, Andover, and North Andover.

The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The assessment area includes 318 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 22 low-income tracts,
- 55 moderate-income tracts,
- 126 middle-income tracts,
- 114 upper income tracts, and
- 1 tract without an income designation.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	318	6.9	17.3	39.6	35.8	0.3
Population by Geography	1,556,116	6.2	16.9	41.4	35.4	0.0
Housing Units by Geography	617,089	6.1	17.2	42.4	34.3	0.0
Owner-Occupied Units by Geography	365,501	2.4	11.9	43.1	42.6	0.0
Occupied Rental Units by Geography	220,141	12.0	25.5	41.5	21.0	0.0
Vacant Units by Geography	31,447	7.6	21.2	40.1	31.1	0.0
Businesses by Geography	121,526	5.3	12.9	41.6	40.1	0.0
Farms by Geography	2,311	2.1	9.3	41.2	47.4	0.0
Family Distribution by Income Level	376,456	20.5	15.7	19.8	44.1	0.0
Household Distribution by Income Level	585,642	24.0	14.3	16.3	45.4	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$100,380	Median Housing Value			\$448,925
Families Below Poverty Level		5.6%	Median Gross Rent			\$1,359
<i>Source: 2015 ACS Census and 2018 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>						

According to 2018 D&B data, there were 121,526 non-farm businesses in the assessment area. Service industries represent the largest portion of businesses in the assessment area at 49.2 percent, followed by retail trade (11.4 percent), and non-classifiable establishments (10.9 percent). According to data obtained from Moody's Analytics as of September 2018, the top employers in the Cambridge-Newton-Framingham, MA MD, included Harvard University, Massachusetts Institute of Technology, TJX CO. Inc., and DeMoulas Supermarkets, Inc.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of the bank's small business loans to the distribution of businesses by gross annual revenue (GAR) level. Listed below are the GARs for the area's businesses based on 2018 D&B data:

- 84.0 percent have GARs of \$1 million or less.
- 7.2 percent have GARs more than \$1 million.
- 8.8 percent have unknown revenues

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
2018 (\$110,300)	<\$55,150	\$55,150 to <\$88,240	\$88,240 to <\$132,360	≥\$132,360
<i>Source FFIEC</i>				

The Geographic Distribution criterion compares the distribution of the bank’s home mortgage loans to the distribution of owner-occupied housing units. There are 617,089 housing units in the assessment area. Of these units, 59.2 percent are owner-occupied and 35.7 percent are occupied rental units. The remaining 5.1 percent of housing units are vacant.

Data obtained from the U.S. Bureau of Labor Statistics indicated that the 2018 year-end unemployment rate was 2.1 percent in Middlesex County, which is below the state unemployment rate at 3.1 percent as of 2018 year-end. The unemployment rate decreased each year over the evaluation period, reflecting improving economic conditions.

Competition

There is a high level competition for home mortgage loans among banks, credit unions, and non-depository lenders in the assessment area. Market share data for 2017 indicates that 514 lenders originated 45,176 mortgage loans in the assessment area. Patriot Community Bank ranked 58th with 0.4 percent market share. The top lenders in the assessment area include Wells Fargo Bank NA, JPMorgan Chase Bank NA, and Guaranteed Rate Inc.

Patriot Community Bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the 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 and is therefore noted here. The 2017 aggregate data shows that 144 institutions reported 39,712 small business loans in Middlesex County, indicating a high degree of competition for this product.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners contacted a representative of a housing and community service organization serving the bank’s assessment area. The organization provides emergency shelter and affordable housing for homeless and low-income individuals and families. The contact cited a need for affordable owner-occupied housing and affordable rental housing; real estate prices in the area are high, making home ownership for low- and moderate-income individuals difficult. With increased

demand for rental units, rents have also been increasing. The contact noted a need for financial literacy, credit counseling, and products that would allow individuals to build and repair their credit history.

CONCLUSIONS ON PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

This performance criterion determines what percentage of the bank's deposit base is reinvested in the form of loans and evaluates its appropriateness. The average net loan-to-deposit (LTD) ratio since the previous evaluation is reasonable given the institution's size, financial condition, and assessment area credit needs.

The bank's net LTD ratio averaged 91.4 percent over the past 17 calendar quarters from March 31, 2015 through March 31, 2019. The ratio ranged from a low of 80.8 percent on June 30, 2016, to a high of 100.1 percent on December 31, 2015. The ratio has remained relatively stable over the evaluation period.

The bank's average net LTD ratio over the evaluation period was compared to that of three similarly situated institutions. The institution selection is based on asset size, geographic location and lending focus. Patriot Community Bank's average net LTD ratio is similar to that of the other three institutions. Please refer to the table below for more information.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2019 \$(000s)	Average Net LTD Ratio (%)
Patriot Community Bank	176,815	91.4
Wakefield Cooperative Bank	223,367	87.5
Melrose Bank	322,295	96.5
Washington Savings Bank	250,388	98.2
<i>Source: Call Reports, 03/31/2015 through 03/31/2019</i>		

Assessment Area Concentration

A majority of the bank's lending activity occurs within the institution's 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										
2017	170	60.1	113	39.9	283	80,086	61.6	49,916	38.4	130,002
2018	107	53.0	95	47.0	202	50,887	55.5	40,739	44.5	91,626
Subtotal	277	57.1	208	42.9	485	130,973	59.1	90,655	40.9	221,628
Small Business										
2017	15	75.0	5	25.0	20	2,044	55.3	1,650	44.7	3,694
2018	11	100.0	0	0.0	11	2,353	100.0	0	0.0	2,353
Subtotal	26	83.9	5	16.1	31	4,397	72.7	1,650	27.3	6,047
Total	303	58.7	213	41.3	516	135,370	59.5	92,305	40.5	227,675
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2018 Bank Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

Considering the bank's assessment area demographics, aggregate data, and performance context factors, the distribution of home mortgage and small business loans reflects an adequate dispersion throughout the assessment area.

Home Mortgage Lending

The distribution of home mortgage loans reflects an adequate dispersion throughout the assessment area.

In 2017, the bank's lending in low-income census tracts at 0.6 percent was below the aggregate at 3.4 percent and below the percentage of owner occupied housing at 2.4 percent.

The bank originated 10.0 percent of its home mortgage loans within moderate-income census tracts in 2017. This is lower than both the aggregate lending at 14.0 percent and the owner-occupied housing percentage at 11.9 percent within the assessment area.

In 2018, the bank's lending to low-income tracts was at 3.7 percent, which is higher than the percentage of owner-occupied housing. Lending to moderate-income tracts for the same year was 7.5 percent, which is lower than the percentage of owner-occupied housing units.

Please refer to the table below for more information.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	2.4	3.4	1	0.6	265	0.3
2018	2.4	--	4	3.7	1,377	2.7
Moderate						
2017	11.9	14.0	17	10.0	8,697	10.9
2018	11.9	--	8	7.5	3,194	6.3
Middle						
2017	43.1	43.5	67	39.4	26,489	33.1
2018	43.1	--	41	38.3	15,814	31.1
Upper						
2017	42.6	39.1	85	50.0	44,635	55.7
2018	42.6	--	54	50.5	30,502	59.9
Not Available						
2017	0.0	0.0	0	0.0	0	0.0
2018	0.0	--	0	0.0	0	0.0
Totals						
2017	100.0	100.0	170	100.0	80,086	100.0
2018	100.0	--	107	100.0	50,887	100.0

*Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Small Business Lending

The geographic distribution of small business loans reflects adequate dispersion throughout the assessment area.

The bank originated 13.3 percent of small business loans in low-income tracts in 2017, which is higher than the percentage of businesses. For the same year, the bank originated 6.7 percent of small business loans in moderate-income tracts, which is lower than the demographics.

The bank did not originate any small business loans in low- and moderate-income tracts in 2018. Due to the small volume of small business loans, a change in the number of loans will lead to a correspondingly larger change in the percentages. Furthermore, strong competition in the assessment area affects the bank’s ability to originate small business loans in low- and moderate-income areas.

Please refer to the table below.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2017	5.4	2	13.3	19	0.9
2018	5.4	0	0.0	0	0.0
Moderate					
2017	12.9	1	6.7	50	2.4
2018	12.9	0	0.0	0	0.0
Middle					
2017	41.7	9	60.0	1,528	74.8
2018	41.6	4	36.4	872	37.1
Upper					
2017	40.0	3	20.0	447	21.9
2018	40.1	7	63.6	1,481	62.9
Not Available					
2017	0.0	0	0.0	0	0.0
2018	0.0	0	0.0	0	0.0
Totals					
2017	100.0	15	100.0	2,044	100.0
2018	100.0	11	100.0	2,353	100.0
<i>Source: 2017 and 2018 D&B Data; 1/1/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0</i>					

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes. The bank's adequate performance in home mortgage lending primarily supports this conclusion.

Home Mortgage Lending

In 2017, the bank originated 1.8 percent of loans to low-income borrowers which was below the aggregate at 5.0 percent. For the same year, the bank originated 13.5 percent of its lending to moderate-income borrowers, which was slightly below the aggregate at 15.4 percent.

This level of activity was significantly below the percent of low-income families in the assessment area. However, the demand and opportunity for lending to low-income families is relatively limited. First, approximately 5.6 percent of families in the assessment area have incomes below the poverty level, a subset of the low-income category. Second, a low-income family in the assessment area would likely not qualify for a mortgage under conventional underwriting standards, especially considering that the median housing value is \$448,925 according to 2015 ACS data.

In 2018, the bank originated 3.7 percent of loans to low-income borrowers and 10.3 percent of loans to moderate-income borrowers, which is below the demographics.

The bank faces significant competition for home mortgage loans in the assessment area. Market share data for 2017 indicates that 514 lenders originated 45,176 mortgage loans in the assessment area.

Please refer to the table below for more information.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	20.5	5.0	3	1.8	870	1.1
2018	20.5	--	4	3.7	1,658	3.3
Moderate						
2017	15.7	15.4	23	13.5	7,896	9.9
2018	15.7	--	11	10.3	3,544	7.0
Middle						
2017	19.8	22.9	42	24.7	14,635	18.3
2018	19.8	--	29	27.1	10,160	20.0
Upper						
2017	44.1	45.3	89	52.4	45,562	56.9
2018	44.1	--	57	53.3	29,031	57.1
Not Available						
2017	0.0	11.4	13	7.6	11,123	13.9
2018	0.0	--	6	5.6	6,495	12.8
Totals						
2017	100.0	100.0	170	100.0	80,086	100.0
2018	100.0	--	107	100.0	50,887	100.0

*Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Small Business Lending

The distribution of small business loans reflects adequate penetration of loans to businesses with GARs of \$1 million or less. Examiners compared the bank's lending to the demographics.

In 2017, a majority of the bank's small business loans were originated to businesses with GARs over \$1 million or those with unknown revenues.

In 2018, a majority of the bank’s small business loans were originated to businesses with GARs of \$1 million or less. This figure, at 63.6 percent, was lower than the percentage of small businesses at 84.0 percent.

Please refer to the table below for further information.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%	
<=\$1,000,000						
2017	84.0	3	20.0	500	24.5	
2018	84.0	7	63.6	1,778	75.6	
>1,000,000 and Revenue Not Reported						
2017	16.0	12	80.0	1,544	75.5	
2018	16.0	4	36.4	575	24.4	
Totals						
2017	100.0	15	100.0	2,044	100.0	
2018	100.0	11	100.0	2,353	100.0	
<i>Source: 2017 & 2018 D&B Data; 1/1/2017 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0</i>						

Response to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

Discriminatory or Other Illegal Credit Practices

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this review did not affect the bank’s overall rating.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution’s fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. 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

According to the 2015 ACS Census Data, the bank’s assessment area contained a total population of 1,556,116 individuals of which 25.3 percent are minorities. The assessment areas minority and ethnic population is 4.6 percent Black/African American, 10.5 percent Asian, 0.1 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 7.3 percent Hispanic or Latino and 2.8 percent Other.

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 2017. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority residential loan applicants.

In 2017, the bank received 186 HMDA reportable loan applications from within its assessment area. Of these applications, 53.8 percent were received from minority applicants. The aggregate received 16.0 percent of applications from minorities during 2017. For the same time period, the bank received no applications from Hispanic/Latino applicants as compared to the aggregate at 3.9 percent.

For 2018, the bank received a total of 122 applications from within its assessment area, of which 62.3 percent of applications from minorities and 1.6 percent of applicants from Hispanic/Latino applicants.

Refer to the table below for information on the bank's minority application flow as well as the aggregate in the bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	2017 Bank HMDA		2017 Aggregate Data	2018 Bank HMDA	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	95	51.1	11.4	73	59.8
Black/ African American	0	0.0	2.2	0	0.0
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	5	2.7	2.0	3	2.5
Total Minority	100	53.8	16.0	76	62.3
White	72	38.7	62.2	37	30.3
Race Not Available	14	7.5	21.8	9	7.4
Total	186	100.0	100.0	122	100.0
ETHNICITY					
Hispanic or Latino	0	0.0	3.9	2	1.6
Not Hispanic or Latino	172	92.5	73.4	112	91.8
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.2	0	0.0
Ethnicity Not Available	14	7.5	21.5	8	6.6
Total	186	100.0	100.00	122	100.0

Source: ACS Census 2015, HMDA Aggregate Data 2017, HMDA LAR Data 2017 and 2018 *Due to rounding, totals may not equal 100.0 percent.

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

GLOSSARY

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

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

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

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

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.

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 Area (CBSA): 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.

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.

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.

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 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 120 percent or more of the area median income, or a median family income that is 120 percent or more 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, require all financial institution 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, at (237 Lexington St, Woburn MA 01801)."

[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.