PUBLIC DISCLOSURE

July 27, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Walpole Co-operative Bank
Certificate Number: 26487

982 Main Street
Walpole, Massachusetts 02081

Division of Banks
One Federal Street, Suite 710
Boston, MA 02110

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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This document is an evaluation of the Community Reinvestment Act (CRA) performance of Walpole Co-operative Bank (bank) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of July 27, 2026. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area needs.
- The majority of the bank's loans are originated within its 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.
- The bank did not receive any CRA related complaints during the evaluation period; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrates adequate responsiveness to assessment area community development needs through community development loans, qualified investments, and community development services.

SCOPE OF EVALUATION

General Information

The CRA requires the 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. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership.

This evaluation covers the period from the prior evaluation dated May 8, 2023, to the current evaluation dated July 27, 2026. The Division conducted this evaluation concurrently with the Federal Reserve Bank of Boston using the Interagency Intermediate Small Institution (ISI) Examination procedures. The procedures encompass the Lending Test and the Community Development Test.

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

- Loan-To-Deposit (LTD) Ratio
- Assessment Area Concentration
- Geographic Distribution
- Borrower Profile
- Response to CRA-related complaints and Fair Lending Policies and Procedures

The Community Development test considered the following factors.

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

Activities Reviewed

Examiners determined that 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. As of March 31, 2026, home mortgage loans represented 42.3 percent of the bank's loan portfolio. Commercial loans, consisting of non-farm nonresidential real estate and commercial and industrial loans, represented 38.2 percent of bank's total loan portfolio. The bank's record of originating home mortgage loans and commercial loans contributed equal weight during the evaluation. No other loan types, such as small farm or consumer loans, represent a significant portion of the bank's lending portfolio, and as such, they were not analyzed as part of this evaluation.

The evaluation considered all home mortgage loans reported on the bank's 2024 and 2025 HMDA Loan Application Registers (LARs). The bank reported 35 originations totaling $50.8 million in 2024 and 43 originations totaling $67.1 million in 2025. Examiners compared the bank's home

mortgage lending performance to 2024 and 2025 HMDA aggregate lending data. Examiners compared the bank's performance in 2024 and 2025 to 2020 U.S. Census demographic data.

As an ISI, the bank was not required to collect or report small business loan data; however, the bank voluntarily collected relevant data, which allowed examiners to analyze the bank's full universe of small business loans for 2023, 2024, and 2025. In 2023, the bank originated or purchased 51 small business loans totaling $12.9 million. In 2024, the bank originated or purchased 38 small business loans totaling $9.4 million. In 2025, the bank originated or purchased 40 loans totaling $9.3 million. Examiners presented all three years of small business lending data in the Assessment Area concentration table. For the Geographic Distribution and Borrower Profile criteria, examiners presented only small business lending data from 2024 and 2025. Examiners compared the bank's performance to 2024 and 2025 D&B demographic data only. Examiners did not compare the bank's small business lending performance to aggregate data because the bank did not report data.

For the Lending Test, examiners analyzed both the number and dollar volume of home mortgage and small business loans but emphasized performance by number of loans as it is a better indicator of the number of individuals and businesses served. When arriving at overall conclusions and ratings, examiners place equal weight on the bank's home mortgage and small business lending performances.

For the Community Development Test, examiners considered the bank's community development loans, investments, and services since the prior evaluation dated May 8, 2023, to the current evaluation date of July 27, 2026. Examiners reviewed the number and dollar amount of community development loans and qualified investments, the number of instances of community development services, and the bank's responsiveness to community needs through those activities.

Examiners obtained demographic and economic information referenced in this evaluation from the 2020 U.S. Census data, CFPB, D&B, and the U.S. Bureau of Labor Statistics. Financial data is based on March 31, 2026, Report of Income and Condition (Call Report).

DESCRIPTION OF INSTITUTION

Background

The bank is a state-chartered co-operative bank headquartered in Walpole, Massachusetts. The bank has a wholly owned subsidiary, WCB Securities Corp. The bank has not had any mergers or acquisitions since the previous evaluation. The bank received a Satisfactory rating from the Division of Banks during its previous examination dated May 8, 2023. Examiners evaluated the bank's performance based on Interagency Intermediate Small Institution Examination Procedures.

Operations

The bank operates from a sole location at 928 Main Street, Walpole, MA, and is located within an upper-income census tract. Branch hours include Saturday morning and offer two 24-hour deposit-taking automated teller machines (ATMs). The bank has not opened or closed any branches since the last evaluation.

The bank offers a range of commercial and consumer loan and deposit products with a focus on commercial lending. Consumer lending products include home mortgages and home equity loans and commercial lending products include construction loans, commercial loans and lines of credit, real estate loans, and SBA loans. Deposit services include checking accounts, savings accounts, money market accounts, certificates of deposit, and IRAs. Alternative banking services include online and mobile banking, electronic bill pay, mobile deposit, and person-to-person payments. The bank is a member of the SUM Network, and as a member, the bank's customers can use any SUM program ATM surcharge-free. The bank also participates in several community lending programs that assist low-and moderate-income families and individuals with purchasing homes, including the Federal Home Loan Bank of Boston's Housing our Work Force and Equity Builder Programs, as well as Freddie Mac's Home Possible Program.

Ability and Capacity

As of March 31, 2026, the bank's reported assets totaling $649.4 million, including total loans of $540.7 million (83.3 percent of total assets) and total securities of $69.5 million. Since the previous evaluation, total loans increased by 11.3 percent, and total assets increased by 11.2 percent. The bank also reported total deposits of $512.7 million, which increased by 15.5 percent since the previous evaluation.

The following table illustrates the bank's primary business focus is commercial lending making up the majority of the loan portfolio, at 74.2 percent, comprised of Construction and Land Development loans, Multifamily Residential Property loans, Nonfarm Nonresidential Property loans, and Commercial and Industrial loans. This is consistent with the prior examination.

Loan Portfolio Distribution as of 3/31/2026		
Loan Category	**$(000s)**	**%**
Construction and Land Development	100,077	18.3
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	131,776	24.1
Secured by Multifamily (5 or more) Residential Properties	99,901	18.2
Total Residential Loans	**331,754**	**60.6**
Secured by Nonfarm Nonresidential Properties	206,271	37.7
Commercial and Industrial Loans	9,689	1.8
Total Commercial Loans	**215,960**	**39.4**
Agricultural Loans	0	0.0
Consumer Loans	0	0.0
Other Loans	0	0.0
Less: Unearned Income	45	0.0
Total Loans	**547,714**	**100.00**
Source: Reports of Condition and Income		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas in which its CRA performance will be evaluated. The bank designated a single assessment area composed of portions of Norfolk County within the Boston, MA Metropolitan Division (MD) and Bristol County within the Providence-Warwick, RI-MA Statistical Area (MSA). Comprising the assessment area are the nineteen Norfolk County municipalities of Bellingham, Canton, Dedham, Dover, Foxborough, Franklin, Medfield, Medway, Millis, Needham, Norfolk, Norwood, Plainville, Sharon, Stoughton, Walpole, Wellesley, Westwood, and Wrentham, and the Bristol County town of Mansfield. There have been no changes to the assessment area since the last examination.

Economic and Demographic Data

The assessment area includes 82 census tracts that reflect the following income designations according to the 2020 U.S. Census American Community Survey (ACS):

- 5 moderate-income census tracts,
- 30 middle-income census tracts, and
- 47 upper-income census tracts

The assessment area contains no low-income census tracts. The assessment area's moderate-income census tracts are located in Norwood (2) and Stoughton (3). There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas in the bank's assessment area and there are no Qualified Opportunity Zones (QOZ). QOZs are economically

distressed communities approved by the U.S. Department of Treasury with the goal of promoting economic development and creating jobs.

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)	82	0.0	6.1	36.6	57.3	0.0
Population by Geography	400,257	0.0	5.5	33.2	61.3	0.0
Housing Units by Geography	148,694	0.0	6.5	35.4	58.1	0.0
Owner-Occupied Units by Geography	111,503	0.0	4.7	32.3	63.1	0.0
Occupied Rental Units by Geography	31,364	0.0	13.0	46.0	41.0	0.0
Vacant Units by Geography	5,827	0.0	5.7	38.6	55.7	0.0
Businesses by Geography	54,979	0.0	6.5	35.3	58.2	0.0
Farms by Geography	1,137	0.0	6.3	36.1	57.5	0.0
Family Distribution by Income Level	104,559	12.9	12.5	18.9	55.7	0.0
Household Distribution by Income Level	142,867	17.1	12.1	15.2	55.6	0.0
Median Family Income MSA - 14454 Boston, MA		$112,607	Median Housing Value			$560,606
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		$89,555	Median Gross Rent			$1,589
			Families Below Poverty Level			2.6%

Source: 2020 ACS, 2025 D&B Data, and FFIEC Estimated Median Family Income;
(*) The NA category consists of geographies that have not been assigned an income classification.

The Geographic Distribution criterion compares the bank's home mortgage loans to the distribution of owner-occupied housing units. As shown in the previous table, there are 148,694 housing units in the area. Owner-occupied housing units account for 75.0 percent of the housing stock, rental units account for 21.1 percent of the housing stock, and the remaining 3.9 percent of units are vacant. The assessment area contains zero percent owner-occupied housing units in low-income tracts and only 4.7 percent in moderate-income tracts. Within the bank's assessment area, the five moderate-income tracts account for only 4.7 percent of owner-occupied housing units. Further, HMDA public information reflected that the average loan originated for 1-4 family purchase loans was $694,039 in 2024 and increased to $736,065 in 2025. Collectively, these factors indicate extremely limited opportunities for institutions to make home mortgage loans in these geographies.

Examiners used the FFIEC-updated median family income levels to analyze home mortgage lending under the Borrower Profile criterion. The following table displays the low-, moderate-, middle-, and upper income categories in the assessment area (separated by MD and MSA) for 2024, and 2025.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Boston, MA Median Family Income (14454)				
2024 ($136,200)	<$68,100	$68,100 to <$108,960	$108,960 to <$163,440	≥$163,440
2025 ($150,200)	<$75,100	$75,100 to <$120,160	$120,160 to <$180,240	≥$180,240
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2024 ($113,200)	<$56,600	$56,600 to <$90,560	$90,560 to <$135,840	≥$135,840
2025 ($115,100)	<$57,550	$57,550 to <$92,080	$92,080 to <$138,120	≥$138,120
Source: FFIEC				

The Borrower Profile criterion compares the bank's home mortgage loan distribution to the percentage of low- and moderate-income families, which represents 25.4 percent of all families in the assessment area and includes 2.6 percent of families that live below the poverty level. Comparing the median housing value in the assessment area to the income ranges for that portion of low- and moderate-income families, there may be limited opportunities for low- and moderate-income borrowers to qualify for home mortgage loans through conventional underwriting standards. Specifically, the median housing value of $560,606 is over seven times the maximum income of low-income families in the Boston, MA MD and nearly ten times the maximum income of low-income families in the Providence-Warwick, RI-MA MSA. Furthermore, the median housing value is nearly five times the maximum income of moderate-income families in the Boston, MA MD and six times the maximum income of moderate-income families in the Providence-Warwick, RI-MA MSA.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans to businesses by gross annual revenue (GAR) to Dun & Bradstreet (D&B) data. According to 2025 D&B data, there are 54,979 non-farm businesses in the assessment area. Most of the businesses are small, with 61.0 percent of businesses within the assessment, area has four or fewer employees and 91.8 percent operate from a single location. Service industries represent the largest portion of businesses at 36.6 percent, followed by non-classifiable establishments (23.5), finance, insurance, and real estate (12.8 percent); retail trade (8.9 percent); and construction (7.1 percent). The following reflects the breakdown of businesses in the assessment area by GAR:

- 88.5 percent have GARs of $1.0 million or less.
- 4.0 percent have GARs of more than $1.0 million.
- 7.5 percent have unknown revenues.

According to the U.S. Bureau of Labor Statistics, the average unemployment rates in the assessment area improved during the evaluation period demonstrating an increasing trend in both Norfolk County and Bristol County from 2024 and 2025. Bristol County average unemployment rates were above state and national average unemployment rates while Norfolk County average unemployment rates were below state and national rates. All county, state and national average unemployment rates demonstrated a similar increasing trend from 2024 and 2025.

The following table illustrates the unemployment rates in the assessment area compared with the state and national unemployment rates throughout the evaluation period.

Area	2024	2025
	%	%
Bristol County	4.6	5.1
Norfolk County	3.6	4.1
Massachusetts	4.1	4.7
National Average	4.0	4.2

Competition

The bank operates in a highly competitive market for financial services. The presence of national, regional, and community banks and credit unions create significant competition in the area.

According to 2025 deposit market share data, 44 institutions operated 150 offices in the assessment area. The bank ranked 25th with a market share of 0.7 percent. The top three institutions, Citizens Bank, NA; Dedham Institution for Savings; and Bank of America, NA, have a combined deposit market share of 25.3 percent.

The assessment area is highly competitive for home mortgage loans among banks, credit unions and non-depository lenders in the area. In 2024, 353 lenders reported 8,657 originated or purchased residential mortgage loans. The bank ranked 100th in this group, with a 0.1 percent market share by number. In 2025, 373 lenders originated or purchased 10,838 residential mortgage loans in the assessment area, the bank ranked 95th with 0.2 percent market share. In 2025, the top ten institutions were primarily large national and regional lenders and mortgage companies with a combined market share of 41.3 percent.

The bank also faces a high level of competition for small business loans among banks and non-depository lenders in the assessment area. The bank is not required to collect or report its small business loan data, so the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. Aggregate data for small business loans, however, provides context about demand for small business loans. Since the FFIEC releases peer small business data at the county level, the following data reflects activity in the entirety of Norfolk and Bristol Counties. According to 2024 CRA aggregate data for Norfolk and Bristol Counties, 134 institutions reported originating or purchasing 37,313 small business loans. The top three institutions, American Express National Bank; JPMorgan Chase Bank, NA; and Bank of America, NA are large national lenders with a combined market share of 54.4 percent.

Community Contact

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

Examiners reviewed a recent contact that serves the assessment area and supports economic development through advocacy, technical assistance, business referrals, and connections to local, state, and federal resources. The organization works with a broad range of employers, including small family-owned businesses and large companies. Its services include helping businesses identify growth opportunities, access public resources, address infrastructure or regulatory concerns, and connect with government partners.

The organization noted that Massachusetts offers many programs, particularly for small businesses; however, awareness remains a challenge due to the volume and complexity of available resources. Financial institutions could have a greater impact by expanding outreach and financial education, especially regarding small business assistance programs and resources that may benefit low- and moderate-income communities. Additionally, housing affordability was noted as a concern, particularly given the area's high-value single-family housing stock.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact, the bank, and available economic and demographic data to determine the assessment area's primary credit and community development needs. Examiners determined that flexible, accessible loans to support small businesses and flexible home mortgage loan products for low- and moderate-income individuals, and loans to support affordable housing development projects represent the primary credit needs. Examiners determined that affordable housing for low- and moderate-income individuals and economic development for small businesses are primary community development needs. Opportunities also exist in the assessment area for financial literacy and counseling, particularly for small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank demonstrated Satisfactory performance under the Lending Test. The bank's reasonable Geographic Distribution and Borrower Profile performances support this conclusion. The following sections summarize the bank's performance under each criterion.

Loan-to-Deposit Ratio

The average net loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 107.0 percent over the past 12 quarters from June 30, 2023, to March 31, 2026. The ratio ranged from a high of 112.5 percent as of September 30, 2023, to a low of 103.1 percent as of March 31, 2025. As demonstrated by the following table, the bank maintained a higher net LTD ratio than similarly situated institutions (SSIs) identified by examiners based on asset size, assessment area characteristics, geographic location, and lending focus.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 3/31/2026 ($000s)**	**Average Net LTD Ratio (%)**
Walpole Co-operative Bank	**649,398**	**107.0**
Mechanics Co-operative Bank	878,922	105.3
Winchester Co-operative Bank	931,730	91.3
Dean Co-operative Bank	493,257	81.0
Source: Reports of Condition and Income 6/30/2023-3/31/2026		

Assessment Area Concentration

The bank made a majority of its home mortgage and small business loans, by number within the assessment area. However, the majority of home mortgage loans, by number and dollar amount were outside the assessment area. The elevated volume, by dollar amount, of home mortgage loans made outside the assessment area is due to several high-dollar loans originating in the City of Boston and surrounding area. A substantial majority of small business loans, by number and dollar amount, were originated inside the assessment area.

The following table shows the bank's lending inside and outside the assessment area by loan category.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	
Home Mortgage										
2023	14	48.3	15	51.7	29	19,676,445	50.4	19,355,500	49.6	39,031,945
2024	12	34.3	23	65.7	35	14,428,000	28.4	36,438,550	71.6	50,866,550
2025	17	39.5	26	60.5	43	27,616,061	41.2	39,492,000	58.8	67,108,061
Subtotal	**43**	**40.2**	**64**	**59.8**	**107**	**61,720,506**	**39.3**	**95,286,050**	**60.7**	**157,006,556**
Small Business										
2023	46	90.2	5	9.8	51	10,735,000	83.2	2,165,000	16.8	12,900,000
2024	30	78.9	8	21.1	38	8,079,000	85.6	1,361,000	14.4	9,440,000
2025	33	82.5	7	17.5	40	7,644,000	81.9	1,695,000	18.1	9,339,000
Subtotal	**109**	**84.5**	**20**	**15.5**	**129**	**26,458,000**	**83.5**	**5,221,000**	**16.5**	**31,679,000**
Total	**152**	**64.4**	**84**	**35.6**	**236**	**88,178,506**	**46.7**	**100,507,050**	**53.3**	**188,685,556**

Source: Bank Data
Due to rounding, totals may not equal 100.0. Dollar amounts for Small Business, Small Farm, and Consumer loans are multiplied by 1000.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable home mortgage and small business lending performances support this conclusion. The assessment area does not contain any low-income census tracts; therefore, examiners focused on the percentage, by number, of loans in moderate-income census tracts

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In 2024, the bank originated zero loans in moderate-income census tracts. In 2025, the bank originated one loan, or 5.9 percent, in moderate-income census tracts, resulting in performance above aggregate data and the percentage of owner-occupied housing units. Given the performance within moderate-income tracts, it can be noted the assessment area only included five moderate-income census tracts, and all located in a highly competitive area for financial services. Three of the five tracts are in Stoughton and do not contain any bank branches or abut a town with a branch. Further, Stoughton is situated at the Southeastern corner of the assessment area approximately ten miles from the bank's sole branch. The remaining two moderate-income tracts in Norwood, abut the town where the sole branch is located.

According to Market Share Data, there were 142 lenders that originated home mortgage loans to moderate-income census tracts in 2025. The top 10 ranked lenders that originated or purchased home mortgage loans to these census tracts held 39.1 percent of market share and were primarily

large national banks or mortgage companies. With 0.16 percent market share, the bank ranked 62nd. This data suggests' high competition within the assessment area and further supports the bank's reasonable performance.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Moderate						
2024	4.7	4.4	0	0.0	0	0.0
2025	4.7	4.8	1	5.9	743	2.7
Middle						
2024	32.3	32.9	5	41.7	4,211	29.2
2025	32.3	30.3	4	23.5	9,173	33.2
Upper						
2024	63.1	62.8	7	58.3	10,217	70.8
2025	63.1	64.9	12	70.6	17,701	64.1
Total						
2024	**100.0**	**100.0**	**12**	**100.0**	**14,428**	**100.0**
2025	**100.0**	**100.0**	**17**	**100.0**	**27,616**	**100.0**
Source: 2020 ACS; Bank Data, 2024 & 2025 HMDA Aggregate 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. In 2024, the bank originated two, or 6.7 percent, small business loans within moderate-income census tracts, which were slightly above the percentage of businesses inside moderate-income census tracts. In 2025, the bank originated two, or 6.1 percent, of small business loans within moderate-income census tracts. While the total number of small business loans increased slightly in 2025, performance by percentage in moderate-income census tracts fell slightly below the percentage of businesses however, the resulting difference is nominal, and performance is considered comparable with the demographic.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000)s**	**%**
Moderate					
2024	6.5	2	6.7	700	8.7
2025	6.5	2	6.1	700	9.2
Middle					
2024	35.1	2024	35.1	2024	35.1
2025	35.3	2025	35.3	2025	35.3
Upper					
2024	58.4	2024	58.4	2024	58.4
2025	58.2	2025	58.2	2025	58.2
Total					
2024	**100.0**	**2024**	**100.0**	**2024**	**100.0**
2025	**100.0**	**2025**	**100.0**	**2025**	**100.0**
Source: 2024 & 2025 D&B Data; Bank Data, 2024 CRA Aggregate Data. *Due to rounding, totals may not equal 100.0%*					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's reasonable performance in both home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels is reasonable. The bank originated one loan to low-income borrowers in both 2024 and 2025, resulting in performance above the aggregate data and below the percentage of families. The opportunity for lending to low-income families is relatively limited. A low- income family earning below $75,100 in the assessment area, would likely not qualify for a mortgage under conventional underwriting standards, considering the average loan price is $736,065 in 2025.

The bank did not originate a loan to moderate-income families in 2024. In 2025, one loan was originated to moderate-income borrowers. However, the vast majority of residential loan borrowers are non-natural persons obtaining financing for investment properties.

The bank is predominantly a commercial lender with a concentration of borrowers investing in multifamily properties of 5 units of more. Therefore, a large portion of the bank's loan applications reportable under the Home Mortgage Disclosure Act (HMDA) are submitted from non-natural persons or corporations, and as such, government monitoring information is not collected on those applications. These applications are included in the Distribution of Home Mortgage Loans by Borrower Income Level table as "Not Available." In both 2024 and 2025, the bank was substantially above aggregate lenders for applications reported as "Not Available."

The bank's assessment area is highly competitive for lending to moderate-income borrowers. The competition is primarily made up of large national and community banks and non-depository lenders. In 2025, 175 lenders originated or purchased at least one loan to moderate-income borrowers within the assessment area, while the top ten lenders made up 46.1 percent of the overall market share of lending to moderate-income borrowers within the assessment area. This suggests' high competition within the assessment area and further supports the bank's reasonable performance.

The following table illustrates the distribution of home mortgage loans by borrower income levels.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2024	12.9	3.2	1	8.3	250	1.7
2025	12.9	3.6	1	5.9	743	2.7
Moderate						
2024	12.5	11.3	0	0.0	0	0.0
2025	12.5	11.7	1	5.9	320	1.2
Middle						
2024	18.9	19.3	2	16.7	714	4.9
2025	18.9	19.7	0	0.0	0	0.0
Upper						
2024	55.7	53.0	0	0.0	0	0.0
2025	55.7	46.2	2	11.8	1,289	4.7
Not Available						
2024	0.0	13.2	9	75.0	13,464	93.3
2025	0.0	18.9	13	76.5	25,264	91.5
Total						
2024	**100.0**	**100.0**	**12**	**100.0**	**14,428**	**100.0**
2025	**100.0**	**100.0**	**17**	**100.0**	**27,616**	**100.0**
Source: 2020 ACS; Bank Data, 2024 & 2025 HMDA Aggregate Data. *Due to rounding, totals may not equal 100.0%*						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with GARs of $1.0 million or less. The following table shows that in 2024, the bank's lending to businesses with GARs of $1.0 million or less, at 20.0 percent, was well below the demographic data of 88.4 percent. In 2025, lending to businesses with GARs of $1.0 million or less decreased from the prior year.

Similarly, as noted above in the Borrower ProfileHome Mortgage Loans section, the bank is primarily a commercial lender dealing in HMDA-reportable multifamily properties with 5 or more units. As a large portion of these borrowers are non-natural persons and corporations, these originations are recorded under the category "Revenue Not Available." In 2024, 14 loans, or 36.8 percent, were for loan amounts of $100,000 or less and 12 loans, or 31.2 percent, were for loan amounts between $100,000 and $250,000. In 2025, 12 loans, or 30.0 percent, were for loan amounts of $100,000 or less and 11 loans, or 27.5 percent, were for loan amounts between $100,000 and $250,000.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000)s**	**%**
<=$1,000,000					
2024	88.4	6	20.0	909	11.3
2025	88.5	4	12.1	163	2.1
>$1,000,000					
2024	4.4	24	80.0	7,170	88.7
2025	4.1	29	87.9	7,481	97.9
Revenue Not Available					
2024	7.2	0	0.0	0	0.0
2025	7.4	0	0.0	0	0.0
Totals					
2024	**100.0**	**30**	**100.0**	**8,079**	**100.0**
2025	**100.0**	**33**	**100.0**	**7,644**	**100.0**
Source: 2020, 2021 & 2022 D&B Data; Bank Data; "--" data not available. *Due to rounding, totals may not equal 100.0%*					

Response to Complaints and Fair Lending Policies and Procedures

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test.

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, and the bank has an adequate record relative to fair lending policies and procedures.

Minority Application Flow

The bank's HMDA LARs for 2024 and 2025 were reviewed, with a focus on 2025 performance, to determine if the bank's application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to 2020 ACS U.S. Census data, the bank's assessment area contained a total population of 400,257 individuals of which 21.0 percent are minorities illustrating no change in demographics since the previous evaluation. The assessment area's minority and ethnic populations continue to

consist of 8.1 percent Other Races, 7.1 percent Asian, 4.7 percent Black or African American, 4.6 percent Hispanic or Latino, and 0.1 percent American Indian or Alaska Native individuals.

The bank's applications were compared with 2025 aggregate performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants. Please refer to the table below for information on the bank's minority application flow as well as the aggregate lenders in the bank's assessment area.

Minority Application Flow						
RACE	**Bank 2024**		**2024 Aggregate Data**	**Bank 2025**		**2025 Aggregate Data**
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0	0.3
Asian	0	0.0	9.4	0	0.0	8.4
Black/ African American	0	0.0	4.5	0	0.0	4.1
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0	0.1
2 or more Minority	0	0.0	0.1	0	0.0	0.2
Joint Race (White/Minority)	0	0.0	2.0	0	0.0	2.0
Total Racial Minority	**0**	**0.0**	**16.4**	**0**	**0.0**	**15.0**
White	4	26.7	61.5	4	20.0	59.2
Race Not Available	11	73.3	22.1	16	80.0	25.8
Total	**15**	**100.0**	**100.0**	**20**	**100.0**	**100.0**
ETHNICITY	#	%	%	#	%	%
Hispanic or Latino	0	0.0	4.7	0	0.0	3.4
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.9	0	0.0	1.5
Total Ethnic Minority	**0**	**0.0**	**6.6**	**0**	**0.0**	**4.9**
Not Hispanic or Latino	4	26.7	71.4	5	25.0	69.0
Ethnicity Not Available	11	73.3	22.5	15	75.0	26.1
Total	**15**	**100.0**	**100.6**	**20**	**100.0**	**100.0**
Source: U.S. Census 2020, HMDA Aggregate Data 2024 and 2025, HMDA LAR Data 2024 and 2025						

The bank did not receive any home mortgage loan applications from racial or ethnic minorities within the bank's assessment area in 2024 or 2025. As the bank continues to be a predominantly commercial lender, a large portion of the bank's HMDA-reportable loan applications are submitted from non-natural persons or corporations, and as such, government monitoring information is not collected on those applications. These applications are included in the minority application flow table as "Race or Ethnicity Not Available." In both 2024 and 2025, the bank was above aggregate lenders for applications reported as "Race or Ethnicity Not Available." In both 2024 and 2024, the bank was below aggregate lenders for applications received from White racial applicants and Non-Hispanic or Latino ethnic groups.

Under the 2020 U.S. Census data, the assessment area includes one majority minority census tract located in Stoughton, MA. The census tract contained 2,017 individuals, of which 55.8 percent are minorities. The census tract minority and ethnic population is 19.6 percent Black/African

American, 7.8 percent Hispanic or Latino, 6.1 percent Asian, 0.4 percent American Indian/Alaska Native, and 21.9 percent Other Races. This census tract is located approximately 8 to 10 miles away from the bank's sole branch location and as such, potential applicants typically seek closer options. Stoughton and its surrounding communities are served by 15 institutions which operate 39 branches according to FDIC Deposit Market Share Reports as of June 30, 2025.

During the evaluation period, the bank had one home mortgage loan in 2024 in the Town of Stoughton. Of the 173 lenders, the top ten account for over 39 percent share of the market. In 2025, the bank did not make any HMDA-reportable loans in Stoughton and made one loan in the surrounding community of Sharon.

The bank employs five individuals proficient in six languages other than English with further limited ability in two languages, including Spanish, who are available to provide translation assistance. Languages include Arabic, French, Hindi, Saurashtra, Spanish, Tamil, and Ukrainian.

Considering the demographic composition of the assessment area, market competition, and the bank's commercial-oriented business strategy, the bank's minority application flow is considered adequate.

COMMUNITY DEVELOPMENT TEST

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

Community Development Loans

During the evaluation period, the bank originated 17 qualified community development loans totaling approximately $9.8 million. The level of activity by number remained the same and decreased by dollar amount compared with the previous evaluation period when the bank originated $11.8 million in community development loans excluding Paycheck Protection Program loans. The bank's community development lending activity during the current evaluation period represented 1.6 percent of average total assets and 1.9 percent of average net loans.

Of the 17 community development loans, 15 loans totaling approximately $8.5 million were originated within the assessment area and represented a majority of the bank's community development lending within the assessment area. During the previous evaluation period, while the bank originated 7 community development loans totaling $4.4 million inside the assessment area, the majority of the bank's community development lending was outside the assessment area. Examiners considered the substantial majority of the community development lending during the current evaluation period as an improvement in serving the credit needs of the assessment area.

By number and dollar amount, the majority of the bank's community development lending supported affordable housing followed by economic development, both identified area needs. The

bank's community development lending performance compared favorably with that of two SSI's and below that of another. Since the bank was responsive to assessment area needs, examiners considered 2 loans totaling approximately $1.2 million that benefitted an area outside of the assessment area, but within the broader statewide or regional area. When compared with three similarly situated institutions, the bank's community development lending, by number, was above two SSIs and, by dollar amount, was above one SSI.

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

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
5/8/2023-12/31/2023	2	480	0	0	1	79	0	0	**3**	**559**
2024	3	2,375	1	140	0	0	0	0	**4**	**2,515**
2025	5	4,250	1	544	2	1,071	0	0	**8**	**5,865**
YTD 2026	0	0	0	0	2	828	0	0	**2**	**828**
Total	**10**	**7,104**	**2**	**684**	**5**	**1,978**	**0**	**0**	**17**	**9,766**
Source: Bank Data										

Below are examples of the bank's qualified community development loan activities:

- In 2023 and 2024, the bank originated four loans (one for $1.0 million, one for $1.7 million, one for $1.3 million, and one for $6.5 million) for the construction of a 100-unit residential development comprised of single-family homes and apartments in the assessment area. The project was approved as a MA 40B Project; therefore, 25.0 percent of the units (or 25 units) are reserved for low- and moderate-income individuals and families earning 80.0 percent or less of the AMI. These loans support affordable housing, and the bank received community development loan credit for a pro rata portion of each loan totaling $250,000, $425,000, $335,000, and $1.6 million.

- In 2024, the bank originated a $140,000 loan to finance the purchase of a refrigerated delivery truck for use by a local food pantry. The nonprofit organization is a major partner with the Greater Boston Food Bank and distributes food to area residents experiencing food insecurity. This loan was particularly responsive to identified food insecurity needs within the assessment area and qualifies for community service.

- In 2025, the bank originated a $543,750 commercial loan to finance the acquisition of a former nursing home in Blackstone, MA for conversion into a sober living facility. Certified under Massachusetts Alliance for Sober Housing standards, the sober living house will rent rooms to clients on a six- to twelve-month basis providing transitional housing and support services. Though the property is located outside the bank's assessment area, it abuts the assessment area. This loan qualifies for community development by supporting community service within the broader statewide regional area.

- The Small Business Administration (SBA) 504 Loan Program: The SBA 504 loan program is an economic development program designed to provide small businesses with long-term financing through Certified Development Corporations (CDC) to acquire fixed assets for expansion or modernization. The program distributes funding among three parties: the business owner (10 percent), the financial institution (50 percent), and the SBA (40 percent). During the evaluation period, the bank originated four SBA 504 loans totaling $1.9 million in partnership with Granite State CDC to small businesses operating inside the assessment area.

Qualified Investments

The bank made 110 qualified investments totaling $324,709, consisting of grants and donations that benefited the assessment area. This activity represented 0.1 percent of average total assets and 0.5 percent of average total securities during the evaluation period. Compared with the previous evaluation, when the bank made 33 qualified investments totaling $126,000, the bank nearly tripled its activity in both number and dollar volume. This substantial increase demonstrates the bank's continued commitment to addressing identified needs related to community services and affordable housing within the assessment area. When compared with three similarly situated institutions, the bank's performance, by number and dollar amount, was above that of one institution.

The following table illustrates the bank's community development investments by year and purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$**	**#**	**$**	**#**	**$**	**#**	**$**	**#**	**$**
5/29/2023-12/31/2023	1	2,500	8	53,800	0	0	0	0	**9**	**56,300**
2024	2	1,600	14	61,742	0	0	0	0	**16**	**63,342**
2025	2	2,000	57	123,567	0	0	0	0	**59**	**125,567**
YTD 2026	1	1,000	25	78,500	0	0	0	0	**26**	**79,500**
Total	**6**	**7,100**	**104**	**317,609**	**0**	**0**	**0**	**0**	**110**	**324,709**
Source: Bank Data										

Below are notable examples of the bank's qualified investment activities:

- **Food Pantries** – During the evaluation period, the bank made numerous grants and donations to food pantries that serve the assessment area. Pantries include the Canton Food Pantry, Dedham Food Pantry, Ecumenical Community Food Pantry, First Congregational Church of Sharon, Foxboro Discretionary Fund, Franklin Food Pantry, Harvest on the Vine Food Pantry, Living Bread Food Pantry, Loaves & Fishes Food Pantry, Mansfield Food Pantry, Medway Food Pantry, Norfolk Food Pantry, Medfield Food Cupboard, Medway Food Pantry, Millis Ecumenical Food Pantry, Needham Community Council, St Anthonys Free Market, Three Squares New England, Walpole Food Pantry, Wellesley Food Pantry, Westwood Food Pantry, and Wrentham Food Pantry. These organizations provide basic food, and toiletries free of charge to residents within the assessment area. These donations

include two large annual amounts to the Walpole Food Panty for the capital purpose of acquiring a location for its operations. The bank's multiple donations in 2023, 2024, 2025, and 2026, totaling $224,600, addressed food insecurity throughout the assessment area and were particularly responsive to community service for low- and moderate-income individuals and families.

- **New Life Furniture Bank of MA, Walpole (NLFB)** – NLFB is nonprofit organization providing donated furniture and household goods to those in need on a referral basis with a focus on individuals and families who are transitioning out of homelessness, fire survivors, domestic violence, military veterans and refugees. The bank's multiple donations in 2023, 2024, 2025, and 2026 totaled $18,000 and were supportive of community service within the assessment area.

- **NeighborWorks Housing Solutions (NWHS)** – NWHS is a nonprofit affordable housing organization operating in the South Shore and portions of Southeastern Massachusetts. NWHS works to expand access to safe, stable, and affordable housing for low- and moderate-income individuals and families. Its services include financial counseling, first-time homebuyer education, rental assistance, Section 8 housing assistance, and homelessness prevention. During the examination period, the bank provided multiple donations to support these programs. The bank's multiple donations in 2023, 2024, 2025, and 2026 totaled $6,500 and were supportive of affordable housing within the assessment area.

Community Development Services

During the evaluation period, the bank employees provided 2 instances of employee financial expertise or technical assistance to 2 community development related organizations that primarily benefited low- or moderate-income individuals and were responsive under the community development purposes of affordable housing and community service within the assessment area. This level of activity represents a decrease from the previous examination. Three similarly situated institutions compared above the bank's performance.

The following are organizations that benefited from bank employee involvement and financial literacy programs provided by the bank.

Employee Involvement

- **NeighborWorks Housing Solutions: First Time Homebuyers (NWHS) –** NWHS is a nonprofit affordable housing organization operating in the South Shore and portions of Southeastern Massachusetts. NWHS works to expand access to safe, stable, and affordable housing for low- and moderate-income individuals and families. In 2023, a bank senior residential loan underwriter participated in a first-time homebuyer seminar to help borrowers understand the financing process. This seminar was conducted in Quincy, MA during the evaluation period.

- **Walpole Housing Authority (WHA) –** WHA administers M.G.L. Ch.121(B) Housing and Urban Renewal for the City of Walpole overseeing state- and federally-funded public housing and rental assistance vouchers. Applicant income eligibility is limited to 80 percent or 50 percent of AMI depending on the specific program. In 2025, the bank partnered with WHA to provide a seminar presenting topics on fraud, financial literacy, and elder financial abuse. A bank Vice President, Retail Branch Officer conducted the financial education seminar to tenants of WHA.

Other Services

- **Everfi** – the bank partnered with Everfi, a digital financial literacy program serving local school communities. Through this partnership, students gained practical knowledge about financial decision making, navigating the banking system, budgeting, building credit, and setting financial goals. During the 2022-2023 school year, the program delivered 598 hours of learning to 164 students at two schools within the assessment area. During the 2023-2024 school year, the program delivered 555 hours of learning to 144 students at one school in the assessment area.

- **Partnership for Financial Equity (f.k.a. Massachusetts Community and Banking Council (MCBC) Basic Banking)** – the bank participates in the Basic Banking Program, which encourages low- and moderate-income individuals to establish banking relationships. The bank offers checking and savings account products that meet the Basic Banking guidelines in Massachusetts set forth by MCBC. This statewide program is designed to offer low-cost checking and savings accounts to low- and moderate-income individuals.

- **FDIC Money Smart Alliance Financial Education Program** – Alliance members promote the Money Smart curriculum by teaching or providing free access to online program training materials designed for groups such as unbanked and underbanked households, immigrants and refugees, older adults, small business incubators and SBA programs, and CRA-motivated bank programming. The bank offers access to the FDIC Money Smart Alliance Financial Education Program lessons on its website.

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
3) The geographic distribution of the bank's loans;
4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, requires 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, at 982 Main Street Massachusetts 02081."

   [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.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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 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.

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.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:

(i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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 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.

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).

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 (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, 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 Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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 (e.g. 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.

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 (also known as **non-MSA):** 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 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.