

# **PUBLIC DISCLOSURE**

August 18, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Stoughton Co-operative Bank  
Certificate Number: 26513  
950 Park Street  
Stoughton, MA 02072

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 CRA performance of **Stoughton Cooperative Bank** (bank) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of **August 18, 2025**. 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 following points summarize the bank's Community Reinvestment Act (CRA) performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending related activities are in the institutions assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, good penetration among individuals of different income levels (including low- and moderate-income).
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.
- Fair lending policies and procedures are considered reasonable.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated April 26, 2021, to the current evaluation dated August 18, 2025. The Division uses the Federal Financial Institutions Examination Council (FFIEC) Interagency Small Institution Examination Procedures to evaluate the institution's performance. These procedures include one test, the CRA Small Bank Lending Test.

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

- Loan-to-Deposit ratio
- Assessment Area Concentration
- Geographic Distribution

- Borrower Profile
- Response to CRA related complaints
- Fair Lending Policies and Procedures

### **Activities Reviewed**

Examiners determined that the bank's major product line is residential home loans. Due to the home mortgage loan volume in 2023 and 2024, the bank was not required to report HMDA data, however the bank voluntarily reported it. Therefore, examiners considered all home mortgage loans reported on the bank's 2022, 2023, and 2024 HMDA Loan Application Registers (LAR), as well as all home equity line of credit (HELOC) originated in those same years. Although the bank is not required to collect or report HELOC data, examiners included this data into the evaluation due to low home mortgage volume within the examination period. Examiners considered the combination of data to conclude a stronger representation of the bank's home mortgage lending.

The bank reported 28 home mortgage loans totaling \$8.6 million in 2022, 17 home mortgage loans totaling \$6.5 million in 2023, and 17 home mortgage loans totaling \$6.3 million in 2024. Examiners compared the bank's performance from 2022 through 2024 to aggregate home mortgage data and 2020 U.S. Census demographic data. The bank originated 30 HELOCs totaling \$4.5 million in 2022, 34 HELOCs totaling \$3.4 million in 2023, and 34 HELOCs \$6.8 million in 2024.

For the Lending Test, examiners analyzed the number and dollar volume of loans. The evaluation presents the number and dollar volume of loans, however, examiners emphasized performance by number of loans as it is a better indicator of the number of individuals served.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Stoughton Co-operative Bank is a mutual cooperative bank originally chartered by the Commonwealth of Massachusetts in 1886. Stoughton Co-operative Bank received a Satisfactory rating from the Massachusetts Division of Banks during its prior evaluation dated April 26, 2021, based on the FFIEC Interagency Small Institution Examination Procedures.

### **Operations**

The bank operates one branch located at 950 Park Street, Stoughton in a middle-income census tract. The bank did not open any new branches during the evaluation period; however, the 20 Park Street, Stoughton branch was closed in June 2024. This branch was situated in a moderate-income census tract and was primarily closed due to the impact of post Covid-19 pandemic and employment shortages. Additionally, the main branch was less than two miles away, a drive-up window, and a more accessible parking lot; therefore, examiners determined this closure did not negatively impact customers.

The bank offers personal checking accounts, savings accounts, Money Markets, Certificates of Deposits, and Individual Retirement Accounts. Available to business customers are checking accounts, savings

accounts, and payroll and merchant services. Other services include bill pay, online and mobile banking. In addition to deposit accounts, bank customers can apply for home mortgage loans, home equity loans, mass save heat loans, automobile, and personal loans. Business lending includes commercial real estate loans and lines of credit.

### **Ability and Capacity**

As of June 30, 2025, the bank's assets totaled \$131.4 million, and deposits totaled \$116.4 million. The loan portfolio consisted of \$106.4 million in total loans. The bank is primarily a residential mortgage lender by dollar volume. Loans secured by first liens, and junior liens on 1-4 family residential properties account for 93.0 percent of total loans.

The following table illustrates the distribution of the bank's loan portfolio.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Secured by 1-4 Family Residential Properties	95,299	88.9
Secured by Multifamily (5 or more) Residential Properties	194	0.2
Secured by Nonfarm Nonresidential Properties	4,197	3.9
<b>Total Real Estate Loans</b>	<b>99,690</b>	<b>93.0</b>
Commercial and Industrial Loans	4,497	4.2
Consumer Loans	2,980	2.8
Other Loans	1	0.0
<b>Total Loans</b>	<b>107,168</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</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. Stoughton Co-operative Bank has designated a single assessment area to include Avon, Brockton, Canton, Easton, Sharon, and Stoughton. All municipalities are part of the Boston, MA MD; aside from Easton, which is contiguous to the other portion of the assessment area, and is part of the Providence-Warwick, MA-RI MSA. The assessment area has not changed since the prior examination. The following sections discuss demographic and economic information for the assessment area.

### **Economic and Demographic Data**

The assessment area includes 45 census tracts. These tracts reflect the following income designations according to the 2020 ACS U.S. Census:

- 7 low-income tracts,
- 12 moderate-income tracts,
- 15 middle-income tracts, and
- 11 upper income tracts.

The seven low-income census tracts are all located in Brockton, while 12 moderate-income census tracts are in located in Brockton (9) and Stoughton (3). There are no underserved or distressed non-metropolitan middle-income geographies or designated disaster areas within the bank's assessment area. There are four opportunity zones located in Brockton. Opportunity Zones are areas of economic need approved by the U.S. Department of Treasury.

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)	45	15.6	26.7	33.3	24.4	0.0
Population by Geography	207,704	15.5	26.1	31.1	27.3	0.0
Housing Units by Geography	72,379	14.8	26.0	30.4	28.7	0.0
Owner-Occupied Units by Geography	46,669	6.6	22.0	36.3	35.0	0.0
Occupied Rental Units by Geography	22,101	30.6	33.7	18.9	16.8	0.0
Vacant Units by Geography	3,609	24.5	30.7	24.2	20.6	0.0
Businesses by Geography	21,967	12.6	20.0	36.0	31.4	0.0
Farms by Geography	367	5.4	19.9	38.4	36.2	0.0
Family Distribution by Income Level	49,129	25.2	18.2	20.1	36.4	0.0
Household Distribution by Income Level	68,770	26.2	16.4	17.1	40.3	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$372,415
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555	Median Gross Rent			\$1,308
			Families Below Poverty Level			6.5%
Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income						

Data confirms the owner occupancy rate in low-income census tracts is 6.6 percent, which suggests limited opportunities for institutions to make home mortgages in those tracts. Additionally, 6.5 percent of families in this assessment area are below the poverty level. Considering the median housing value of \$372,415 in 2024, families could have difficulty qualifying for traditional home mortgage loans.

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%
<b>Boston, MA Median Family Income (14454)</b>				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
2024 (\$136,200)	<\$68,100	\$68,100 to <\$108,960	\$108,960 to <\$163,440	≥\$163,440
<b>Providence-Warwick, RI-MA MSA Median Family Income (39300)</b>				
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
2023 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
2024 (\$113,200)	<\$56,600	\$56,600 to <\$90,560	\$90,560 to <\$135,840	≥\$135,840
<i>Source: FFIEC</i>				

According to the U.S. Bureau of Labor Statistics, the 2024 year-end unemployment rate was 4.7 percent in Bristol County, 3.7 percent in Norfolk County, and 4.1 percent in Plymouth County, compared to 4.0 percent statewide and nationwide.

### **Competition**

Financial services are competitive within the assessment area. Branch and Deposit Market Share data for 2024 confirm there were 21 financial institutions operating 58 full-service branches in the assessment area. Of these institutions, Stoughton Co-operative Bank ranked 16th with a 1.7 percent deposit market share. The top three institutions that maintained the highest deposit market share were HarborOne Bank (12.1 percent), Sharon & Crescent United Credit Union (12.1 percent), and North Easton Savings Bank (10.3 percent).

The bank also operates in a highly competitive market for home mortgage lending. According to 2023 aggregate data, 330 lenders originated 6,662 home mortgage loans within the assessment area. The top 10 lenders consisted of large national banks, non-depository mortgage lenders, and state-chartered institutions. Stoughton Co-operative Bank ranked 106<sup>th</sup>, with 0.1 percent market share, while the top three institutions were Citizens Bank, NA (8.8 percent), Bank of America NA (4.7 percent), and HarborOne Bank (3.6 percent).

The home mortgage lending market remains competitive in 2024, as aggregate data shows 325 lenders originated 7,182 home mortgage loans. Stoughton Co-operative Bank improved their ranking to 87<sup>th</sup>, with 0.2 percent market share. The top three institutions in 2024 were Citizens Bank, NA (6.9 percent), Rocket Mortgage (4.0 percent), and Bank of America NA (3.9 percent).

### **Community Contact**

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

Examiners contacted a municipal economic development department operating within a portion of the bank's assessment area. The department provides a range of services, programs, and technology that promote community and economic development and guide businesses, both start-up and existing, by providing resources and building partnerships and collaboration. The contact noted the cost of residential housing is becoming less affordable considering first-time homebuyers are frequently priced out of the market with buyers looking for assistance programs. Existing residents, particularly seniors, have a difficult time remaining in homes due to increasing costs of maintaining a home. The contact also mentioned that renting can be a more affordable option than owning a home, concluding affordable housing as a primary credit need in the area.

### **Credit Needs**

Examiners identified the primary credit needs of the assessment area based on demographic and economic information, discussions with bank management, and conversations with the community contact. Examiners determined the primary credit need of the community to be affordable housing.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Stoughton Co-operative Bank's overall Lending Test performance is rated Satisfactory. The sections below discuss the bank's performance under each criterion.

### **Loan-to-Deposit Ratio**

The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from the Quarterly Call Report data, averaged 87.0 percent over the past 18 calendar quarters from March 31, 2021, through June 30, 2025. The ratio ranged from a high of 91.5 percent as of March 31, 2023, to a low of 78.9 percent as of June 30, 2021. The bank's increase in loans in March 2023 was the result of purchasing BHG loans. The bank's average LTD ratio was compared to that of similarly situated institutions based on asset size, geographic location, lending focus and branching structure. Stoughton Co-operative Bank's average LTD ratio is above the two institutions used in this comparison.

<b>Loan-to-Deposit (LTD) Ratio Comparison</b>		
<b>Bank</b>	<b>Total Assets as of 6/30/2025 (\$000s)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Stoughton Co-operative Bank</b>	<b>131,415</b>	<b>87.0</b>
Canton Co-operative Bank	160,891	67.0
Wrentham Co-operative Bank	182,708	64.5
<i>Source: Reports of Condition and Income 3/31/2021-6/30/2025</i>		



## Assessment Area Concentration

A majority of home mortgage and home equity lines of credit by number, are in the institution's assessment area. Please see the following table for more detail.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total  #	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000s)	%	\$(000s)	%	
Home Mortgage										
2022	10	35.7	18	64.3	28	3,511	40.8	5,098	59.2	8,609
2023	5	29.4	12	70.6	17	2,058	31.6	4,453	68.4	6,511
2024	8	47.1	9	52.9	17	2,994	47.0	3,377	53.0	6,371
Subtotal	23	37.1	39	62.9	62	8,563	39.8	12,928	60.2	21,491
HELOC										
2022	17	56.7	13	43.3	30	1,853	40.5	2,725	59.5	4,578
2023	21	61.8	13	38.2	34	2,194	64.2	1,223	35.8	3,417
2024	22	64.7	12	35.9	34	4,016	58.9	2,806	41.1	6,822
Subtotal	60	61.2	38	38.8	98	8,063	54.4	6,754	45.6	14,817
Total	83	51.9	77	48.1	160	16,626	45.8	19,682	54.2	36,308
Source: Bank Data										

The bank originates loans primarily based on referrals or relatives of existing customers who are looking for home mortgage loans for properties that may not be within the assessment area. The bank continues to focus on marketing and pursuing lending opportunities inside the assessment area.

## Geographic Distribution

The geographic distribution of home mortgage and HELOCs reflect reasonable dispersion throughout the assessment area. In 2022, lending to low-income census tracts is below the aggregate performance and the percentage of owner-occupied housing units, while the bank's performance to moderate-income tracts in this same year was above those comparators. In 2023, lending to low-income tracts was above the aggregate and demographic data. Lending to moderate-income tracts in 2023 decreased resulting in the bank falling below aggregate and demographic data. Performance to low-income tracts decreased in 2024 and below aggregate and demographic data; while lending to moderate-income tracts in the same year increased and was above these comparators.

Market share data confirms there is significant competition for loans within the assessment area. In 2024, the top 10 institutions, which were primarily large national institutions and non-depository mortgage companies, held 37.9 percent market share of lending to low-and-moderate-income

census tracts. Additionally, 2020 ACS Census data show the percentage of owner-occupied housing units for both low- and moderate-income census tracts is 28.6 percent, and 64.3 percent of those units are rental units. These factors indicate limited lending opportunities within the assessment area.

<b>Geographic Distribution of Combined Home Mortgage and Home Equity Line of Credit Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	6.6	8.7	1	3.7	100	1.9
2023	6.6	8.5	4	15.4	493	11.6
2024	6.6	8.5	1	3.2	200	2.9
<b>Moderate</b>						
2022	22.0	23.8	7	26.0	1,051	19.6
2023	22.0	24.4	4	15.4	376	8.8
2024	22.0	24.8	8	30.8	1,100	15.7
<b>Middle</b>						
2022	36.3	36.0	14	51.9	2,475	46.1
2023	36.3	36.9	15	57.7	1,726	40.6
2024	36.3	38.2	18	60.0	4,569	65.1
<b>Upper</b>						
2022	35.0	31.5	5	18.4	1,738	32.4
2023	35.0	30.2	3	11.5	1,657	39.0
2024	35.0	28.4	3	10.0	1,141	16.3
<b>Total</b>						
2022	100.0	100.0	27	100.0	5,364	100.0
2023	100.0	100.0	26	100.0	4,252	100.0
2024	100.0	100.0	30	100.0	7,010	100.0
<i>Source: 2020 ACS; Bank Data, 2022, 2023 &amp; 2024 HMDA Aggregate Data</i>						

### **Borrower Profile**

The distribution of borrowers reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. From 2022 through 2024, the bank's lending to low-income families was above aggregate performance, while lending to moderate-income families was also above both aggregate and demographic data.

Demographic data from 2020 U.S. Census data reflects a low-income family in Norfolk and Plymouth Counties earn a median income of \$68,1000 or less, while a low-income family in Bristol County earns less than \$56,600. A family at this income level could experience challenges in qualifying for a home mortgage in the area, given the average housing value is approximately \$372,415 in 2024. These factors, coupled with the poverty level of 6.5 percent, explain the

disparity between aggregate performance and the percentage of low-income families residing in the assessment area. The following table illustrates the bank's lending to borrowers of different income levels in the assessment area as compared to aggregate and demographic data.

<b>Distribution of Home Mortgage and Home Equity Line of Credit Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	25.2	9.5	3	11.1	460	8.6
2023	25.2	7.3	3	11.5	327	7.7
2024	25.2	5.8	3	10.0	450	6.4
<b>Moderate</b>						
2022	18.2	26.2	10	37.0	1,876	35.0
2023	18.2	24.1	8	30.8	725	17.1
2024	18.2	21.5	7	23.3	668	9.5
<b>Middle</b>						
2022	20.1	23.3	6	22.2	695	13.0
2023	20.1	25.9	6	23.1	1,017	23.9
2024	20.1	25.6	6	20.0	1,310	18.7
<b>Upper</b>						
2022	36.4	27.5	7	26.0	1,985	36.9
2023	36.4	28.0	9	34.6	2,183	51.3
2024	36.4	29.6	12	40.0	3,734	53.3
<b>Not Available</b>						
2022	0.0	13.5	1	3.7	348	6.5
2023	0.0	14.7	0	0.0	0	0.0
2024	0.0	17.5	2	6.7	848	12.1
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>5,364</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>4,252</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>	<b>7,010</b>	<b>100.0</b>
<i>Source: 2020 ACS; Bank Data, 2022, 2023 &amp; 2024 HMDA Aggregate Data</i>						

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test 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. A review of the bank's public comment file indicated the bank received no complaints pertaining to the institution's CRA performance since the prior evaluation. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not identify any evidence of disparate treatment.

Examiners reviewed the bank's 2023 and 2024 HMDA LARs to determine if the application flow from the different racial groups within the bank's assessment area reflected the assessment area's demographics.

According to 2020 ACS Census Data, the bank's assessment area contained a total population of 207,704 million individuals, of which 49.3 percent are minorities. The minority and ethnic population represented is 5.5 percent Asian, 8.9 percent Hispanic, 23.1 percent Black or African American, 11.5 percent other race, 0.2 percent American Indian or Alaska Native, and 0.1 percent Native Hawaiian or other Pacific Islander. Examiners compared the bank application activity with that of the 2023 and 2024 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. Refer to the following table for information on the bank's minority application flow as well as aggregate lenders in the bank's assessment area.

<b>MINORITY APPLICATION FLOW</b>						
<b>RACE</b>	<b>Bank 2023</b>		<b>Aggregate Data 2023</b>	<b>Bank 2024</b>		<b>Aggregate Data 2024</b>
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.4	0	0.0	0.4
Asian	0	0.0	5.8	0	0.0	6.6
Black/ African American	4	44.4	30.5	0	0.0	30.6
Hawaiian/Pacific Islander	0	0.0	0.4	0	0.0	0.2
2 or more Minority	0	0.0	0.5	0	0.0	0.5
Joint Race (White/Minority)	0	0.0	1.9	0	0.0	1.7
<b>Total Racial Minority</b>	<b>4</b>	<b>44.4</b>	<b>39.5</b>	<b>0</b>	<b>0.0</b>	<b>40.0</b>
White	5	55.6	33.9	8	57.1	34.7
Race Not Available	0	0.0	26.6	6	42.9	25.3
<b>Total</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	2	8.7	8.7	1	7.1	8.6
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.8	0	0.0	1.6
<b>Total Ethnic Minority</b>	<b>2</b>	<b>8.7</b>	<b>10.5</b>	<b>1</b>	<b>7.1</b>	<b>10.2</b>
Not Hispanic or Latino	6	57.6	64.4	7	50.0	65.4
Ethnicity Not Available	1	33.7	25.1	6	42.9	24.4
<b>Total</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>14</b>	<b>1.0</b>	<b>100.0</b>
<i>Source: ACS Census 2020, HMDA Aggregate Data 2023 and 2024, HMDA LAR Data 2023 and 2024</i>						

In 2023, the bank received nine home mortgage loan applications from within its assessment area.

Of these applications, the bank received four or 44.4 percent from racial minority applicants. The aggregate received 39.5 percent of its applications from minority applicants. For the same period, the bank also received two, or 8.7 percent, from ethnic groups of Hispanic origin within its assessment area and the aggregate received 10.5 percent. In 2024, the bank did not originate any applications from racial minorities. There was one application, or 7.1 percent, from ethnic groups of Hispanic origin. Considering the demographics of the assessment area, market conditions, and comparisons to the aggregate data, the bank's application rates from racial and ethnic minorities are reasonable.

## **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).

## 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.

**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).

**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.

**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.

**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.



**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 (950 Park Street Stoughton, MA 02072)."

- 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.