PUBLIC DISCLOSURE

July 31, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Reading Cooperative Bank
RSSD #1008674

180 Haven Street
Reading, Massachusetts 01867

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210

NOTE: 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 federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.
The Lending Test is rated: SATISFACTORY
The Community Development Test is rated: SATISFACTORY

Reading Cooperative Bank (RCB or the bank) demonstrates an adequate responsiveness to the credit needs of its assessment area based on the following findings:

Lending Test

- A reasonable loan-to-deposit ratio (LTD) (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments.

- A majority of the bank's loans and, as appropriate, other lending-related activities, are in its assessment area.

- A reasonable geographic distribution of loans given the bank's assessment area.

- A distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) that is reasonable given the demographics of the bank's assessment area.

- There have been no complaints regarding the bank's CRA performance since the last CRA examination.

Community Development Test

- The bank's community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

SCOPE OF EXAMINATION

RCB's performance review was based on CRA activities conducted using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Intermediate Small Institutions[1]. These procedures evaluate banks under two tests: the Lending Test and the Community Development Test. The Lending Test evaluates the bank's lending performance pursuant to the following criteria: LTD ratio, assessment area concentration of loans, geographic distribution of loans, loan distribution according to the income of the borrower, and response to CRA-related complaints. The Community Development Test measures the number and amount of community development loans; the number and amount of qualified investments; the extent to which the bank provides community development services; and the bank's responsiveness through such activities.

The Lending Test evaluated residential mortgage loans originated from January 1, 2019 through December 31, 2022. Although loan data from all four years was analyzed, the lending tables for geographic and borrower distribution only include 2021 and 2022 data. Assessment area concentration totals and percentages include loans originated throughout the four-year evaluation period. While both the number and dollar volume of loans were reviewed, the number of originations was weighted more heavily as the number of loans is more indicative of loan demand. The bank's net LTD ratio was calculated from FFIEC Consolidated Reports of Condition and Income (Call Reports) from December 31, 2019 to June 30, 2023.

Home mortgage lending reviewed during the evaluation was obtained from Loan Application Registers (LARs), maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). Residential loans with a purpose of "other" and/or "not applicable" were excluded from the analysis. The bank's residential lending activity was compared to the aggregate of all lenders operating within the bank's assessment area. Aggregate data was obtained from the Consumer Financial Protection Bureau (CFPB) and consists of lending information from all HMDA reporters that originated or purchased residential mortgage loans in the assessment area. "Other" and "not applicable" loans have also been excluded from the aggregate data. The bank's residential mortgage lending performance was also compared to demographics from the 2015 and American Community Surveys (ACS) and the 2020 U.S. Census.

The Community Development Test included a review of community development loans, qualified investments, and community development services from December 3, 2019 through July 31, 2023 and evaluated in the context of community needs and the bank's capacity.

RCB's CRA performance was last examined by the Federal Reserve Bank of Boston on December 2, 2019. The examination resulted in a "Satisfactory" rating overall.

1 "Intermediate small institution" means a bank or savings association with assets of at least $376 million as of December 31 of both of the prior two calendar years and less than $1.503 billion as of December 31 of either of the prior two calendar years.

DESCRIPTION OF INSTITUTION

RCB is a full-service community bank headquartered at 180 Haven Street in Reading, Massachusetts. The bank maintains two wholly owned subsidiaries that acquire, sell, and hold investment securities: 180 Haven Street Securities Corporation and 230 Lowell Street Securities Corporation. The bank also maintains the Reading Cooperative Charitable Foundation, which is committed to supporting education, civic, and charitable events throughout its assessment area.

In addition to its main office in Reading, the bank operates eight full-service branches in Andover, Burlington, Lawrence, Lynn, Nahant, North Reading, and Wilmington (2). On July 31, 2023, the bank opened its newest branch in Lawrence. Prior to the new branch opening, the bank operated a temporary office with limited services across the street. In November 2021, the bank acquired the Lynn and Nahant branches from Coastal Heritage Bank, Weymouth, MA. The Lawrence branch is in a low-income tract, while the Lynn branch is in a moderate-income tract. The bank's main office, as well as its Andover and North Reading branches, are in upper-income tracts. The remaining branches are in middle-income census tracts. In addition to its full-service branches, the bank operates two educational branches in Reading and Wakefield. The Reading educational branch is a student-run branch located at Reading Memorial High School that is exclusively open to the high school community; while the Wakefield educational branch is located at the Northeast Metropolitan Regional Vocational School and is open to the public. The bank also maintains two standalone ATMs within the assessment area.

Through its full-service locations, the bank offers a traditional suite of deposit and loan products for consumer and business customers. Deposit products include personal and business checking accounts, savings accounts, and certificates of deposit. Residential loan products include fixed- and adjustable-rate mortgages and home equity loans and lines of credit; commercial loan products include commercial credit lines, commercial mortgages, and term loans. The bank's deposit and loan products are listed and described on the bank's website: www.readingcoop.com. Loan applications can be submitted online, by mail, or in person.

As of the June 30, 2023 Call Report, RCB had $858.4 million in total assets, with $650.9 million in total loans and $701.0 million in total deposits. Since the last CRA evaluation, the bank experienced increases in assets by 45.1 percent from $591.5 million, total loans by 37.9 percent from $472.1 million, and total deposits by 46.7 percent from $478.0 million. The branch acquisitions and low loan rate environment contributed to the bank's growth over the review period. Residential real estate loans increased by 15.6 percent from $448.8 million to $518.9 million, while commercial loans grew by 62.9 percent from $157.5 million to $256.6 million. While commercial loans experienced the most growth, the bank remains primarily a residential lender with 79.7 percent of total loans categorized as residential real estate and 18.7 percent of total loans categorized as commercial. Table 1 on the following page displays the bank's loan distribution by loan type.

Table 1 Loan Distribution as of June 30, 2023		
Loan Type	**Dollar Amount $(000)**	**Percent of Total Loans (%)**
Residential RE	463,725	71.2
Commercial*	121,675	18.7
Consumer	10,292	1.6
Other	55,240	8.5
Total Loans	650,932	**100.0**

Call Report as of June 30, 2023.
**May include construction, land development, and other land loans reported on the HMDA LAR*
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Per the June 30, 2022 FDIC Market Share Report, 40 depository institutions operated branches within the bank's assessment area. RCB ranked 14th, with 1.7 percent of the deposit market share. Accounting for 57.1 percent, the following five larger national and regional institutions together captured the majority of the deposit market share within the bank's assessment area: Bank of America, N.A. (19.0 percent), TD Bank, N.A. (11.1 percent), Eastern Bank (9.7 percent), Salem Five Cents Savings Bank (9.1 percent), and Citizens Bank, N.A. (8.2 percent). According to bank and aggregate 2022 HMDA data, RCB ranked 41st of 454 HMDA reporters in the assessment area for total mortgage originations and purchases. The top five mortgage lenders in the assessment area (Citizens Bank, NA; Eastern Bank; Guaranteed Rate, Inc.; TD Bank, NA; and CROSSCOUNTRY Mortgage, Inc.) are larger, and in most cases, national lenders and hold over a fifth of the market with 21.8 percent share combined.

The bank has the ability to meet the credit needs of its assessment area taking into consideration its financial capacity, local economic conditions, demographics, and the competitive market in which it operates. Although RCB faces robust competition from larger institutions, there are no legal or financial impediments that would impact the bank’s ability to meet the credit needs within its delineated assessment area.

DESCRIPTION OF ASSESSMENT AREA

RCB has delineated one assessment area that consists of a portion of the Cambridge-Newton-Framingham, MA Metropolitan Division (MD) (181 of 531 census tracts). After the Lynn and Nahant branch purchases in November 2021, the bank expanded its assessment area in 2022. Prior to the assessment area change, the bank's assessment area contained 102 of 481 census tracts in the MD. The assessment area grew from 18 to 26 contiguous cities and towns located in portions of Essex County and Middlesex County. Increasing to 13 of 35 municipalities within Essex County, the bank added the 8 cities and towns of Haverhill, Lynn, Marblehead, Nahant, Peabody, Salem, Saugus, and Swampscott to its assessment area, which already included Andover, Lawrence, Lynnfield, Middleton, and North Andover. The Middlesex County cities and towns in the assessment area include Bedford, Billerica, Burlington, Lexington, Methuen, North Reading, Reading, Stoneham, Tewksbury, Wakefield, Wilmington, Winchester, and Woburn which comprise 13 of a total 54 in the county.

Table 2 reflects the most recent demographics in 2022 for the current assessment area. Of the assessment area’s 181 census tracts, 31, or 17.1 percent, are low-income; 36, or 19.9 percent, are moderate-income; 69, or 38.1 percent, are middle-income; 43, or 23.8 percent, are upper-income; and 2, or 1.1 percent, are unknown-income. The majority of low- and moderate-income tracts are located in Lawrence, Lynn, and Haverhill. Since the last CRA evaluation, low-income tracts increased from 18 to 31, and moderate-income tracts increased from 5 to 36, with the expansion of the assessment area and census tract update. On the following page, Table 3 reflects the demographics from 2019 through 2021 based on the current assessment area.

Table 2 Assessment Area Demographics 2022								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	31	17.1	28,353	12.8	5,963	21.0	55,228	25.0
Moderate	36	19.9	41,503	18.8	3,578	8.6	39,382	17.8
Middle	69	38.1	88,425	39.9	2,847	3.2	45,269	20.5
Upper	43	23.8	62,669	28.3	1,197	1.9	81,463	36.8
Unknown	2	1.1	392	0.2	45	11.5	0	0.0
Total AA	**181**	**100.0**	**221,342**	**100.0**	**13,630**	**6.2**	**221,342**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	48,736	11,538	5.4	23.7	34,814	71.4	2,384	4.9
Moderate	66,245	35,234	16.5	53.2	28,245	42.6	2,766	4.2
Middle	135,713	97,428	45.7	71.8	33,260	24.5	5,025	3.7
Upper	85,500	68,633	32.2	80.3	14,182	16.6	2,685	3.1
Unknown	659	415	0.2	63.0	160	24.3	84	12.7
Total AA	**336,853**	**213,248**	**100.0**	**63.3**	**110,661**	**32.9**	**12,944**	**3.8**

2020 Census.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Table 3 Assessment Area Demographics 2019-2021								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	36	21.2	33,100	15.5	8,291	25.0	54,406	25.4
Moderate	25	14.7	30,100	14.1	3,413	11.3	36,089	16.9
Middle	71	41.8	96,264	45.0	3,859	4.0	43,942	20.5
Upper	37	21.8	54,445	25.5	1,175	2.2	79,472	37.2
Unknown	1	0.6	0	0.0	0	0.0	0	0.0
Total AA	**170**	**100.0**	**213,909**	**100.0**	**16,738**	**7.8**	**213,909**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	55,711	13,269	6.6	23.8	38,792	69.6	3,650	6.6
Moderate	51,185	26,672	13.2	52.1	21,342	41.7	3,171	6.2
Middle	146,504	103,558	51.1	70.7	36,114	24.7	6,832	4.7
Upper	73,612	59,056	29.2	80.2	11,401	15.5	3,155	4.3
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	**327,012**	**202,555**	**100.0**	**61.9**	**107,649**	**32.9**	**16,808**	**5.1**

2015 ACS.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Housing

Based on 2020 U.S. Census data, of the 336,853 housing units in the assessment area, the majority, 79.0 percent, are single-family homes, while 21.0 percent are multifamily. Further, 14.5 percent of housing units in the assessment area are located in low-income tracts, and 19.7 percent are located in moderate-income tracts. As demonstrated in Table 2, owner-occupancy is correlated with census tract income levels: the higher the income level, the higher the owner-occupancy rate. Owner-occupied units account for 63.3 percent of the housing stock in the assessment area, followed by rentals, at 32.9 percent, and vacancies, at 3.8 percent. Within low-income tracts, only 23.7 percent of housing units are owner-occupied, 71.4 percent are rental, and 4.9 percent are vacant. Within moderate-income tracts, 53.2 percent are owner-occupied, 42.6 percent are rental, and 4.2 percent are vacant.

The median housing value for a single-family home in the assessment area is $466,395, which is below the median housing value of Middlesex County at $540,300, but slightly above Essex County at $436,600. By tract income, the median housing values are $297,893 in low, $347,495 in moderate, $441,198 in middle, and $669,493 in upper. However, housing values in the assessment area have significantly increased over the evaluation period, as indicated by more recent data from The Warren Group, Peabody, MA. Middlesex County median single-family home values have increased by 32.2 percent from $559,000 in 2019 to $739,000 in 2022, while Essex County median single-family home values have increased by 36.2 percent from $459,000 in 2019 to $625,000 in 2022.

Housing values in the assessment area have been consistently on the rise, compared to family income, which presents affordability challenges and obstacles to home ownership for low- and moderate-income families. Furthermore, residential real estate sales have declined sharply in recent months, as low inventories and high prices, including higher mortgage rates, have continued to deter transactions. According to the January 2023 Federal Reserve Bank of Boston Beige Book (Beige Book), home sales, particularly of single-family homes, have sharply declined, with closed sales down 20 to 30 percent year-over-year. Nonetheless, the April 2023 Beige Book found median single-family home prices had modest year-over-year increases, which is partly attributed to a decline in the proportion of starter homes on the market. Low inventories coupled with high mortgage rates have significantly impacted residential lending.

Population

According to 2020 U.S. census data, the assessment area has a population of 895,247. At the census tract level, 138,966 individuals, or 15.5 percent, reside in low-income tracts; 179,516 individuals, or 20.1 percent, reside in moderate-income tracts; 343,654, or 38.4 percent, reside in middle-income tracts; and 231,376, or 25.8 percent, reside in upper-income tracts. The assessment area contains 323,909 households, of which 28.3 percent are low-income, 15.6 percent are moderate-income, 17.6 percent are middle-income, and 38.6 percent are upper-income. Of these households, 221,342 are families, 25.0 percent of which are low-income, 17.8 percent are moderate-income, 20.5 percent are middle-income, and 36.8 percent are upper-income. By census tract level, 12.8 percent of families reside in low-income tracts; 18.8 percent reside in moderate-income tracts; 39.9 percent reside in middle-income tracts; and 28.3 percent reside in upper-income tracts. In the assessment area, 6.2 percent of families fall below the poverty level.

Income

The FFIEC adjusts the median family income (MFI) of metropolitan areas annually, based on estimates. The MFI for low-income is defined as family income less than 50 percent of the area median income; moderate-income is defined as income of at least 50 percent and less than 80 percent of median income; middle-income is defined as income of at least 80 percent but less than 120 percent of median income; and upper-income is defined as 120 percent of median income and above. Table 4 displays the MFI incomes for MD in which the assessment area is within and the non-MSA portions of the state.

Table 4
Median Family Income

MSA/MD	2019	2020	2021	2022
Cambridge-Newton-Framingham, MA MD	$115,500	$118,800	$120,200	$138,700
Commonwealth of Massachusetts MFI*	$102,600	$109,900	$111,700	$119,400

FFIEC median family income estimates
**Represents non-MSA portions of the state*

MFIs have increased year-over-year throughout the evaluation period. From 2019 to 2022, the Cambridge-Newton-Framingham, MA MD MFI increased by 20.1 percent, and the Commonwealth of Massachusetts MFI increased by 16.4 percent. While MFIs have increased, they have not been able to keep up with median home prices, which significantly increased well over 30.0 percent during the same period.

As of the 2020 U.S. Census, the assessment area MFI is $111,657, which is significantly below the Middlesex County MFI at $132,362 and Cambridge-Newton-Framingham, MA MD MFI at $121,481. However, the assessment area MFI is slightly above the Essex County MFI at $102,807 and Commonwealth of Massachusetts MFI at $106,526. While the assessment area is equally comprised of cities and towns across Essex County and Middlesex County, the MFI of Essex County, where the majority of low- and moderate-income tracts are located, is substantially lower than that of Middlesex County.

Employment Statistics

According to 2020 U.S. Census data, the unemployment rate was 5.1 percent in the assessment area, 5.2 percent in Essex County, and 4.2 percent in Middlesex County. More recent data from the U.S. Bureau of Labor Statistics reveals the average unemployment rates during the evaluation period were 5.9 percent for Essex County and 4.4 percent for Middlesex County. Notably, within Essex County, average unemployment rates were 10.6 percent in Lawrence, 7.2 percent in Lynn, and 6.1 percent in Haverhill. Due to the COVID-19 pandemic, each city experienced staggering unemployment rates in 2020, with drastic jumps from March 2020 to April 2020. Within one month, the unemployment rates soared from 6.0 percent to 28.7 percent in Lawrence, 3.7 percent to 22.0 percent in Lynn, and 3.6 percent to 19.9 percent in Haverhill. While unemployment rates fluctuated throughout the evaluation period, these figures have increased overall since the prior CRA evaluation.

Community Contact

As part of the evaluation process, third parties that are active in community affairs are contacted to assist in assessing the housing and credit needs in the bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and whether additional opportunities are available.

For this evaluation, an organization was contacted which operates an affordable housing non-profit organization that has served over 20,000 families in Merrimack Valley, which includes Lawrence and Haverhill, and beyond. With virtual services, the organization reaches many communities in Massachusetts and other states. Services include homeownership education, down payment assistance program facilitation, affordable housing placement, and credit counseling. The contact stated obtaining mortgages from local community banks for low- and moderate-income borrowers is particularly difficult because interest rates and closing costs are too high. The contact further believes banks are not willing to be more flexible with underwriting standards, which include very restrictive debt-to-income ratios, loan-to-value ratios, and credit scores. Contact suggestions include more transparency around non-traditional credit scoring systems, creating in-house portfolio products for young people with student loans to afford homes, reduced interest-rate products to help low- and moderate-income earners, and assisting borrowers that do not have social security numbers but do have individual taxpayer identification numbers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

RCB's performance under the Lending Test is rated Satisfactory.

The following information further details the data compiled and reviewed, as well as conclusions on the bank's performance.

Loan-to-Deposit Ratio

This performance criterion determines the percentage of the bank's deposit base that is reinvested in the form of loans and evaluates its appropriateness. The bank demonstrates a reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments.

The bank's net LTD figures are calculated from the bank's quarterly FFIEC Call Reports. The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. RCB's LTD ratio has trended downward from its previous average LTD of 103.0 percent at the prior CRA evaluation to its current ratio of 88.6 percent. Over the past 15 quarters, the bank's LTD ratio fluctuated, ranging from a high of 98.3 percent to a low of 80.5 percent.

Table 5 provides a comparison of the bank's average LTD over the past 15 quarters under evaluation to similarly sized institutions operating within the assessment area.

Table 5
Loan-to-Deposit Ratio Comparison

Institutions	Total Assets* $(000)	Average LTD Ratio** (%)
Pentucket Bank	968,393	91.9
Winchester Savings Bank	746,883	89.1
Reading Cooperative Bank	**858,404**	**88.6**
The Savings Bank	752,960	80.3

**Call Reports as of June 30, 2023*
***Call Reports from December 31, 2019 to June 30, 2023.*

RCB's average LTD ratio of 88.6 percent is generally in line with its peers, while higher than that of The Savings Bank, Wakefield, MA. Over the evaluation period, the bank's average LTD ratio remained relatively in line with similar institutions operating in the bank's assessment area. Increased deposits during the COVID-19 pandemic, coupled with strong competition for loans, have contributed to lower LTD ratios. Thus, RCB's average LTD ratio is considered reasonable.

Assessment Area Concentration

This criterion evaluates the concentration of loans originated by the bank within its assessment area. As shown below, a majority of RCB's HMDA loans, are in its assessment area. Table 6 presents the bank's levels of lending inside and outside the assessment area for the entire evaluation period.

Table 6
Lending Inside and Outside the Assessment Area

Loan Types	Inside				Outside				Total	
	#	%	$(000s)	%	#	%	$(000s)	%	#	$(000s)
Home Improvement	23	71.9	4,320	63.6	9	28.1	2,469	36.4	32	6,789
Home Purchase	131	45.6	61,738	37.6	156	54.4	102,316	62.4	287	164,054
Multi-Family Housing	36	49.3	50,962	49.7	37	50.7	51,573	50.3	73	102,535
Refinancing	363	71.6	120,718	65.3	144	28.4	64,043	34.7	507	184,761
TOTAL LOANS	**553**	**61.5**	**237,738**	**51.9**	**346**	**38.5**	**220,401**	**48.1**	**899**	**458,139**

HMDA for 2019, 2020, 2021, & 2022.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Overall, RCB originated 553 of 899 total HMDA loans, or 61.5 percent, within its assessment area during the evaluation period. As further detailed below, the bank originated a majority of its HMDA loans inside the assessment area in each year of the evaluation period. Additionally, the majority of total home improvement and refinance loans were made inside the assessment area, while a slight majority of total home purchase and multi-family loans were made outside the assessment area. These trends were seen in three of the four years in the evaluation period.

In 2019, the bank originated 86 of 165 HMDA loans, or 52.1 percent, inside the assessment area, but experienced significant fluctuations by loan type. First, all seven of the bank's home improvement loans were made inside the assessment area. Second, multi-family loans originated inside the assessment area were at their lowest point of the entire evaluation period, at 18.2 percent. In 2020, the bank significantly increased its HMDA lending by 39.4 percent and originated 148 of 230 HMDA loans, or 64.3 percent, inside the assessment area. Moreover, 2020 was the only year in which the majority of each loan type was originated inside the assessment area.

In 2021, the bank originated 165 of its 244 HMDA loans, or 67.6 percent, inside the assessment area. In 2022, the bank originated 154 of its 260 HMDA loans, or 59.2 percent, inside the assessment area. In 2022, the bank saw significant increases in multi-family, home purchase, and home improvement loans. From 2021 to 2022, multi-family loans nearly doubled from 13 to 24; home purchases tripled from 38 total loans to 117; and home improvement loans quadrupled from 4 loans to 16. Demand for refinances, however, drastically fell with rising interest rates, as originations decreased by 45.5 percent, from 189 total refinances in 2021 to 103 in 2022.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The bank demonstrates a reasonable geographic distribution of loans given the bank's assessment area. Table 7 provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the assessment area.

Table 7 Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	2	13.3	11.2	800	10.6	8.9	6	10.3	8.2	2,815	9.0	6.4	5.4
Moderate	1	6.7	15.6	604	8.0	12.6	10	17.2	19.8	4,813	15.4	15.6	16.5
Middle	5	33.3	47.3	2,569	34.1	42.4	23	39.7	42.3	10,555	33.8	37.2	45.7
Upper	7	46.7	25.9	3,553	47.2	36.1	19	32.8	29.5	12,999	41.7	40.7	32.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	15	100.0	100.0	7,526	100.0	100.0	58	100.0	100.0	31,182	100.0	100.0	100.0
Refinance Loans													
Low	6	4.3	7.2	1,478	3.4	5.8	7	9.3	8.6	6,438	22.1	7.4	5.4
Moderate	3	2.1	12.6	846	2.0	9.9	9	12.0	19.8	2,861	9.8	16.0	16.5
Middle	71	50.4	49.3	19,805	46.1	43.9	31	41.3	42.1	9,548	32.8	36.7	45.7
Upper	61	43.3	30.9	20,831	48.5	40.4	28	37.3	29.2	10,221	35.2	39.8	32.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	141	100.0	100.0	42,960	100.0	100.0	75	100.0	100.0	29,068	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.1	0	0.0	2.6	1	10.0	4.5	338	24.0	3.3	5.4
Moderate	0	0.0	10.0	0	0.0	6.8	0	0.0	14.3	0	0.0	9.5	16.5
Middle	2	66.7	50.0	80	13.8	43.1	1	10.0	45.7	83	5.9	40.0	45.7
Upper	1	33.3	36.0	500	86.2	47.5	8	80.0	35.3	985	70.1	47.0	32.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	3	100.0	100.0	580	100.0	100.0	10	100.0	100.0	1,406	100.0	100.0	100.0
Multi-Family Loans													Multi-family Units %
Low	6	100.0	55.9	11,928	100.0	29.9	6	54.5	49.8	12,428	74.7	39.0	25.8
Moderate	0	0.0	19.1	0	0.0	20.5	4	36.4	23.2	3,688	22.2	24.1	20.9
Middle	0	0.0	17.4	0	0.0	34.6	1	9.1	19.0	520	3.1	24.6	37.3
Upper	0	0.0	7.6	0	0.0	15.0	0	0.0	8.1	0	0.0	12.4	16.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	6	100.0	100.0	11,928	100.0	100.0	11	100.0	100.0	16,636	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	14	8.5	8.3	14,206	22.6	7.8	20	13.0	8.0	22,019	28.1	9.5	5.4
Moderate	4	2.4	13.3	1,450	2.3	11.2	23	14.9	19.0	11,362	14.5	16.1	16.5
Middle	78	47.3	48.6	22,454	35.6	42.9	56	36.4	42.5	20,706	26.4	36.0	45.7
Upper	69	41.8	29.8	24,884	39.5	38.1	55	35.7	30.3	24,205	30.9	38.2	32.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	165	100.0	100.0	62,994	100.0	100.0	154	100.0	100.0	78,292	100.0	100.0	100.0

2016-2020 U.S. Census Bureau: American Community Survey

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Exceeding both the aggregate and demographic levels throughout the entire evaluation period, RCB's HMDA lending performance in low-income census tracts within the assessment area is strong. In 2021, the bank originated 14 of 165, or 8.5 percent, home mortgage loans in low-income tracts, compared to 8.3 percent by the aggregate and 6.6 percent of owner-occupied housing units. For 2022 home mortgages, the bank originated 20 of 154, or 13.0 percent, loans in low-income tracts, outperforming the aggregate and demographics, which were 8.0 percent and 5.4 percent, respectively. Loans originated in low-income tracts were primarily located in Lawrence, where the bank opened a new branch during the review period.

Conversely, the bank's HMDA lending in moderate-income census tracts trailed the aggregate in each year of the evaluation but did exhibit a positive trend over the review period, which is noteworthy given the considerable increase in moderate-income tracts in the assessment area. The bank originated 4, or 2.4 percent, of home mortgage loans in moderate-income tracts in 2021, significantly lagging the aggregate and owner-occupied units at 13.3 percent and 13.2 percent, respectively. In 2022, RCB's lending in moderate-income tracts substantially increased to 23, or 14.9 percent, originations in 2022. While the bank's loans in moderate-income tracts still trailed the aggregate's 19.0 percent, the bank's originations closed in on the 16.5 percent of owner-occupied units. Furthermore, the bank notably outperformed both the aggregate and demographic levels with 4 of 11, or 36.4 percent, of multi-family originations in moderate-income tracts, compared to 23.2 percent by the aggregate and 20.9 percent of multi-family units.

An analysis of lending throughout the bank's assessment area was conducted to determine whether there were any conspicuous lending gaps. In 2022, RCB penetrated approximately half of the census tracts in each income category in the assessment area. There were no conspicuous gaps in the bank's geographic lending distribution throughout the evaluation period. While home prices have greatly increased over the evaluation period, the bank has been able to meet the credit needs of its communities, particularly with home mortgages in low- and moderate-income tracts. Thus, taking into account the bank's home mortgage originations across all census tract income levels, the bank's geographic distribution is considered reasonable.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The bank demonstrates a distribution of loans to individuals of different income levels (including low- and moderate-income individuals) that is reasonable given the demographics of the bank's assessment area. Table 8 on the following page provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and demographic data. The tables further outline the bank's performance by loan type in comparison to the aggregate group.

Table 8
Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level

Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	1	6.7	6.8	350	4.7	3.3	1	1.7	6.8	240	0.8	3.0	25.0
Moderate	1	6.7	22.2	394	5.2	16.5	9	15.5	21.2	3,285	10.5	15.0	17.8
Middle	4	26.7	23.4	1,359	18.1	21.8	14	24.1	22.8	5,678	18.2	20.6	20.5
Upper	4	26.7	31.8	1,385	18.4	41.4	21	36.2	32.4	12,928	41.5	42.9	36.8
Unknown	5	33.3	15.8	4,038	53.7	16.9	13	22.4	16.9	9,051	29.0	18.3	0.0
Total	15	100.0	100.0	7,526	100.0	100.0	58	100.0	100.0	31,182	100.0	100.0	100.0
Refinance Loans													
Low	8	5.7	7.0	1,244	2.9	4.0	8	10.7	12.9	1,317	4.5	7.7	25.0
Moderate	34	24.1	21.1	7,470	17.4	16.1	19	25.3	26.0	4,853	16.7	21.3	17.8
Middle	39	27.7	22.9	12,052	28.1	20.9	20	26.7	22.1	6,837	23.5	20.3	20.5
Upper	54	38.3	34.6	19,648	45.7	43.7	24	32.0	27.6	10,963	37.7	37.2	36.8
Unknown	6	4.3	14.4	2,546	5.9	15.4	4	5.3	11.3	5,098	17.5	13.6	0.0
Total	141	100.0	100.0	42,960	100.0	100.0	75	100.0	100.0	29,068	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	6.0	0	0.0	4.1	3	30.0	7.6	408	29.0	4.9	25.0
Moderate	0	0.0	17.0	0	0.0	12.7	0	0.0	19.7	0	0.0	13.3	17.8
Middle	2	66.7	24.1	80	13.8	20.4	1	10.0	28.6	80	5.7	23.0	20.5
Upper	1	33.3	50.1	500	86.2	56.3	6	60.0	41.7	918	65.3	52.8	36.8
Unknown	0	0.0	2.7	0	0.0	6.5	0	0.0	2.4	0	0.0	5.9	0.0
Total	3	100.0	100.0	580	100.0	100.0	10	100.0	100.0	1,406	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	9	5.7	7.0	1,594	3.1	3.7	12	8.4	9.1	1,965	3.2	4.5	25.0
Moderate	35	22.0	21.0	7,864	15.4	16.1	28	19.6	22.4	8,138	13.2	16.7	17.8
Middle	45	28.3	23.0	13,491	26.4	21.1	35	24.5	23.5	12,595	20.4	20.6	20.5
Upper	59	37.1	34.8	21,533	42.2	43.3	51	35.7	32.5	24,809	40.2	42.1	36.8
Unknown	11	6.9	14.2	6,584	12.9	15.8	17	11.9	12.5	14,149	22.9	16.1	0.0
Total	159	100.0	100.0	51,066	100.0	100.0	143	100.0	100.0	61,656	100.0	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

RCB slightly trailed the aggregate in lending to low-income borrowers in the assessment area. In 2021, the bank made 9 of 159, or 5.7 percent, home mortgages to low-income borrowers, compared to 7.0 percent by the aggregate and 25.4 percent of low-income families. For home purchases, however, the bank's 1 of 15, or 6.7 percent, loans was in line with the aggregate at 6.8 percent. The bank's lending to low-income borrower's trended slightly upwards in 2022, when the bank originated 12 of 143, or 8.4 percent, loans to low-income borrowers, compared to 9.1 percent by the aggregate and 25.0 percent of low-income families. Both the bank and the aggregate were well below the demographic levels, demonstrating a challenge to homeownership for low-income families. With the single-family median value of $466,395, home prices in the assessment area significantly outpace earnings of low-income families, who make less than $55,828.50, presenting affordability barriers to homeownership.

RCB's lending to moderate-income borrowers, however, exceeded the percentages of moderate-income families in the assessment area, which was 16.9 percent in 2021 and 17.8 percent in 2022. Further, in 2021, the bank made 35, or 22.0 percent, home mortgages to moderate-income borrowers, slightly outperforming the aggregate's 21.0 percent. Notably, the bank made 34 of 141, or 24.1 percent, refinances to moderate-income borrowers, also outperforming the aggregate's 21.1 percent. With only 1 of 15, or 6.7 percent, home purchases made to moderate-income borrowers, however, the bank significantly trailed the aggregate's 22.2 percent. In 2022, the bank's lending to moderate-income borrowers slightly dipped to 28, or 19.6 percent, trailing the aggregate's 22.4 percent. As RCB's lending to moderate-income borrowers exceeded the percentages of moderate-income families in the assessment area, the bank demonstrated its ability to meet the credit needs to these borrowers in its community. Given performance context considerations, the bank's overall distribution of borrowers reflects reasonable penetration among individuals of different income levels.

Response to Complaints

There have been no complaints regarding the bank's CRA performance since the previous CRA examination.

CONCLUSIONS: LENDING TEST

RCB's performance in meeting the credit needs in the assessment area is demonstrated by its record of extending loans to borrowers of different incomes, including low- and moderate-income borrowers. The bank has also met the credit needs in its assessment area by making the majority of its loans within its assessment area. The bank exhibited a reasonable distribution of loans across census tract income levels and has maintained a reasonable LTD ratio. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Given economic, demographic, and competitive conditions in the assessment area, RCB's lending levels reflect an adequate level of responsiveness. Therefore, the Lending Test is rated Satisfactory.

COMMUNITY DEVELOPMENT TEST

RCB's performance under the Community Development Test is rated Satisfactory. The bank demonstrated an adequate responsiveness to the community development needs of the assessment area through community development loans, qualified investments, and community development services.

Community Development Loans

The bank made 4 community development loans, totaling $710,776, and 13 loan participations, totaling $84,401, through the Lawrence Venture Fund via the Lowell Community Loan Fund, which supported local small businesses located in low- and moderate-income tracts in Lawrence, Lynn, and Methuen. Thus, all 17 of these community development loan activities qualified as economic development.

Additionally, the bank participated in the first and second rounds of the Paycheck Protection Program (PPP), administered by the Small Business Administration (SBA) as part of the Coronavirus Aid, Relief, and Economic Security Act. RCB originated 1,059 PPP loans, totaling $42.1 million, inside the assessment area that also qualified as community development loans. Of these, 407 PPP loans, or $7.2 million, qualified as revitalization and stabilization, and 652 PPP loans, or $34.9 million, qualified as economic development. The bank originated an additional 257 PPP loans outside of the assessment area. PPP loans are designed to help small businesses retain workers and staff during the economic crisis due to the COVID-19 pandemic. All the loans met the size requirements set out by the SBA, and the vast majority were also to businesses where the jobs retained would benefit low- and moderate-income individuals. Particularly because RCB extended PPP loans to all eligible applicants regardless of existing customer relationships, these loans were considered highly responsive to the needs of small businesses during the COVID-19 pandemic.

Qualified Investments

For community development investments, RCB made investments in the form of 10 bonds and investments that totaled $2.0 million. One of the three bonds was a participation purchase in a MassDevelopment loan that qualified as economic development, that was responsive to creating jobs in Lynn. The other two bonds qualified as revitalization and stabilization, as they were responsive to community service needs in low- and moderate-income populations in the assessment area, including Lawrence. Seven investments, totaling $107,500, were made in connection with the Community Investment Tax Credit Program (CITC) created by the Commonwealth of Massachusetts. The CITC encourages initiatives, involving residents, public and private stakeholders, and community development corporations (CDCs), to develop and implement programs aimed at improving economic opportunities for low- and moderate-income individuals throughout the Commonwealth.

The bank also invested in community organizations serving low- and moderate-income populations in the assessment area in the form of 133 qualified donations, totaling $621,699. The following list is a sample of organizations to which the bank donated during the evaluation period:

- Greater Lawrence Community Action Council, Inc. (GLCAC): GLCAC was initially founded to combat poverty, and its purpose is to encourage and promote improvement of community life in Greater Lawrence through education, social services, child care, housing, and youth employment. Serving over 30,000 individuals, GLCAC provides a variety of community services for families, immigrants, youth, and seniors. Early learning services include Head Start in five locations in Lawrence and Methuen and the Child Care Center in Lawrence. Located in a low-income census tract, the organization also provides education and training for English for Speakers of Other Languages and financial education seminars, offered both in English and Spanish. Health and nutrition services include assistance navigating health care, lead poisoning prevention program, and Lawrence Women, Infants and Children program.

- Lawrence CommunityWorks (LCW): LCW is a CDC, located in a low-income census tract, with a mission to revitalize Lawrence neighborhoods by working at the intersection of community planning, organizing, and asset building to promote affordable housing and economic development. LCW implements programming in financial empowerment, workforce development, after-school and summer enrichment, real estate development, and networking organizing. In collaboration with Lawrence Public Schools, LCW also coordinates the Lawrence Working Families Initiative. During the COVID-19 pandemic, LCW also offered relief services, including community support and resources.

- Mission of Deeds, Inc.: Based in Reading, this non-profit's mission is to end homelessness. The organization provides basic home necessities without charge to those in need in Essex County and Middlesex County. Since its foundation, it has furnished apartments for approximately 15,500 families.

- Lazarus House Ministries: Located in Lawrence, this non-profit organization combats food insecurity by providing nutritional services through a soup kitchen, food pantry, groceries, and to-go meals for local residents who are in need. The organization runs an emergency shelter and thrift store, where clothing can be obtained at low or no cost. It also provides training in culinary arts and classes for English for Speakers of Other Languages.

Community Development Services

With branch presences in Lawrence and Lynn, the bank offered community development services to low- and moderate-income populations in these cities. Further supporting several community organizations, bank personnel were actively engaged in providing community development services across 13 organizations, namely participating on boards and conducting financial literacy courses. The following is a sample of the bank's involvement during the review period:

- Junior Achievement of Greater Boston: Junior Achievement's stated purpose is "to inspire and prepare young people to succeed in a global economy." Core programming for middle and high school students is focused on work readiness, entrepreneurship, and financial literacy. Bank employees conducted financial literacy classes in Lawrence.

- Rollins Early Childhood Center: The center is a Lawrence public school for prekindergarten and kindergarten. Bank employee conducted financial literacy class, which included lessons on saving.

- Boys and Girls Club of Lawrence: The club's mission is "to enable all young people of Greater Lawrence, especially those who need us most, to reach their full potential as productive, caring, responsible citizens." Programming supports youth in local community engagement, providing academic support and promoting healthy lifestyles through peer mentoring. The CRA officer participated on the advisory board.

- Eliot Community Human Services: Eliot Community Human Services is a non-profit organization located in Lexington that provides community-based services to over 50,000 individuals and families throughout the Commonwealth of Massachusetts annually. Their mission is to assist individuals with limited or no resources by providing homeless and mental health services. The bank's vice president of credit served on the organization's finance committee as treasurer.

CONCLUSIONS: COMMUNITY DEVELOPMENT TEST

During this evaluation period, the bank originated a reasonable level of community development loans to borrowers that helped promote economic development, revitalization, and stabilization. RCB provided qualified investments in communities within the assessment area through qualified investments and donations to organizations serving low- and moderate-income populations. The bank was particularly responsive to the needs of the assessment area in response to the COVID-19 and resulting economic hardship. Moreover, bank employees conducted community services supporting a variety of non-profit and public organizations throughout the assessment area. Overall, RCB's community development initiatives demonstrate an adequate responsiveness to community development needs. Thus, the Community Development Test is rated Satisfactory.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs were identified.

APPENDIX

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.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency (OCC), and the FDIC have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, the FDIC, and the OCC, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

Demographics: The statistical characteristics of human populations (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan 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 nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 who 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any 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.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate 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.

For additional information, please see the Definitions section of Regulation BB at 12 C.F.R. 228.12