PUBLIC DISCLOSURE

September 25, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Abington Bank
RSSD # 117672

6 Harrison Avenue
Abington, MA 02351

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.

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

- The average loan-to-deposit (LTD) ratio of 88.1 percent is reasonable, given the bank's size, financial condition, and assessment area credit needs.
- A majority (55.6 percent) of residential mortgage loans were originated in the assessment area during the review period.
- The distribution of residential mortgage loans to borrowers reflects, given the demographics of the bank's assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income individuals).
- The geographic distribution of residential mortgage loans reflects reasonable dispersion throughout the assessment area.
- There have been no complaints regarding the bank's CRA performance since the previous CRA evaluation.

SCOPE OF EXAMINATION

Abington Bank's CRA performance was reviewed in accordance with the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Small Institutions. Small institutions are those that, as of December 31 of either of the prior two calendar years, had assets of less than $1.226 billion. As the bank's assets were also below $307 million, the bank was not considered an intermediate small institution, and was evaluated solely under the lending test based on the following performance criteria: LTD ratio, assessment area concentration of loans, loan distribution according to the income of the borrower, geographic distribution of loans, and response to CRA-related complaints.

The review period for the evaluation is January 1, 2013 through June 30, 2017. These dates encompass the entire review period. Information for residential mortgage lending in the two most recent full years, 2015 and 2016, is included in the tables unless otherwise noted. Information for residential mortgage lending in 2013 and 2014 was used to analyze for trends but is not included in the tables. With the exception of the LTD ratio, information for the first two quarters of 2017 was not evaluated because aggregate data are not yet available.

Due to the composition of the bank's loan portfolio, the lending test considered residential mortgage lending. Residential mortgage lending data were obtained from the Loan Application Register (LAR) maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). The LAR records data for home purchase loans, home improvement loans and refinance loans for one-to-four family and multi-family (five or more unit) properties. The bank's residential mortgage data are evaluated in comparison to the 2015 and 2016 aggregate data obtained from the FFIEC. Aggregate data consist of lending information from HMDA reporters that originated or purchased at least one residential mortgage loan in the bank's assessment area.

Small business lending was not considered in this evaluation. As a small bank, Abington Bank is not required to collect and report small business data. Moreover, while commercial loans comprise a sizeable portion of the loan portfolio, particularly after the April 1, 2017 merger with Holbrook Cooperative Bank, many of these loans are larger commercial real estate loans. The universe of commercial loans made during the review period that meet the regulatory definition of a small business loan would not be sufficient to draw meaningful conclusions, especially considering the efforts required to compile this data for a non-reporter.

Demographic information referenced throughout the evaluation was obtained from the 2010 United States (U.S.) Census Bureau's American Community Survey (ACS) unless otherwise noted. Two community contact interviews were conducted to obtain additional insight into the credit needs of the assessment area.

Abington Bank's CRA performance was last examined by the Federal Reserve Bank of Boston on August 26, 2013, in accordance with the FFIEC Examination Procedures for Small Institutions. The examination resulted in a "Satisfactory" rating.

DESCRIPTION OF INSTITUTION

Founded in 1888, Abington Bank is a state-chartered cooperative bank that provides traditional community banking services through its main branch located at 6 Harrison Avenue in Abington, Massachusetts, and a branch located at 95 North Franklin Street in Holbrook, Massachusetts. The Holbrook branch is the former, single location of Holbrook Cooperative Bank, which merged with Abington Bank effective April 1, 2017. Holbrook Cooperative Bank was also founded in 1888, and was a state-chartered cooperative bank previously regulated by the Federal Deposit Insurance Corporation (FDIC). The Holbrook branch is operating as “Holbrook Cooperative Bank, a Division of Abington Bank.” The merger did not result in a material change in the bank’s business model as both community banks offered similar products within the same geographic footprint. Both branches are open Monday through Saturday with extended evening hours on Thursday and Friday and limited hours on Saturday. The bank operates a 24-hour, full-service ATM at each branch. Abington Bank is not owned by a holding company and does not have any lending subsidiaries.

As of the June 30, 2017 Consolidated Report of Income and Condition, the bank’s assets totaled $233.4 million. Total loans and leases represented $176.4 million, or 75.5 percent, of total assets. Deposits totaled $201.4 million, or 86.3 percent, of total assets. As a result of the merger between Abington Bank and Holbrook Cooperative Bank, total assets increased from $140.1 million, as of March 31, 2017, to $233.4 million, as of June 30, 2017, representing an increase of 66.6 percent. Prior to the merger, Abington Bank’s total assets increased modestly from $114.2 million, as of June 30, 2013. The merger did not result in a shift in the bank’s business model. While the merger did result in an increase in the commercial loan portfolio, the bank continues to be primarily a home mortgage lender with residential real estate loans, including multifamily loans, totaling $100.7 million, or 57.1 percent, of the loan portfolio. Commercial loans totaling $74.0 million, or 41.9 percent, of the loan portfolio primarily consist of nonfarm nonresidential loans. Table 1 illustrates the breakdown of the bank’s loan portfolio as of June 30, 2017.

Table 1
Loan Portfolio Composition as of June 30, 2017

Loan Type	Dollar Amount $(000s)	Percent of Total Loans
1-4 Family Residential - Closed-End	82,128	46.6
Nonfarm Nonresidential	56,734	32.2
Multifamily	12,140	6.9
Construction and Land Development	9,528	5.4
Commercial and Industrial	7,693	4.4
1-4 Family Residential - Revolving	6,447	3.7
Consumer	1,682	1.0
Total Loans	**176,352**	**100.0**

Consolidated Report of Income and Condition as of June 30, 2017
Total percentages shown vary by 0.2 percent due to automated rounding differences

Abington Bank offers a fairly traditional suite of deposit and loan products for consumer and business customers. Deposit products include personal and business checking accounts, savings accounts, certificates of deposit, and money market accounts. Residential loan products include fixed- and adjustable-rate mortgages and home equity loans and lines of credit. The bank also offers a first-time homebuyer program. In addition to its residential loans, the bank offers a variety of commercial products to serve the local community, including construction and commercial real estate loans. The bank's website, www.theabingtonbank.com, provides a listing and description of all its deposit and loan services. Loan applications can be requested by phone, by mail, or by visiting a branch. Along with other traditional delivery methods, the bank receives residential mortgage loan applications through its website.

Abington Bank operates in a highly competitive banking environment. According to the FDIC Deposit Market Share Report, 19 FDIC-insured depository institutions operated a branch within the assessment area as of June 30, 2016. Rockland Trust Company, which operates 10 branches within the assessment area, had the largest deposit market share at 23.4 percent. South Shore Bank had the next largest deposit market share at 13.1 percent. The next three institutions were Bank of America, N.A., Santander Bank, N.A., and Citizens Bank, N.A., three of the nation's largest national banks. Community banks also operate in the assessment area; however, their deposit market shares are considerably lower. According to the June 30, 2016, FDIC Deposit Market Share Report, Abington Bank had one branch within the assessment area and a deposit market share of 2.6 percent. Holbrook Cooperative Bank, which is now a part of Abington Bank, had one branch within the assessment area and a deposit market share of 2.0 percent.

The bank also faces strong competition for loans. Competitors for home mortgage loans within the assessment area include large national banks and mortgage companies, as well as community banks and credit unions. According to 2016 HMDA data, there were 340 HMDA reporters who originated or purchased 11,243 home mortgage loans within the bank's assessment area. Abington Bank ranked 50th among these HMDA reporters. The top lenders were Wells Fargo Bank, N.A., Quicken Loans, Inc., and Loandepot.com. In 2015, there were 307 HMDA reporters who originated or purchased 9,620 home mortgage loans. Abington Bank was ranked forty-seventh among these reporters. In 2014, the bank ranked 42nd out of 321 HMDA reporters and in 2013 the bank ranked 51st out 326 HMDA reporters. The top lenders in all four years were large national banks and mortgage companies.

Abington Bank did not face any legal or financial impediments during the review period that would have prevented it from meeting the credit needs of its assessment area in a manner consistent with its asset size, business strategy, resources, and local economic conditions.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires a financial institution to define an assessment area within which its CRA performance will be evaluated based upon where it focuses its lending efforts. The majority of the evaluation is based upon activity within the defined assessment area. The bank has defined its assessment area to consist of ten contiguous cities and towns in Plymouth County and Norfolk County in southeastern Massachusetts. Plymouth County and Norfolk County are located in the Boston, MA Metropolitan Division (MD). The Boston, MA MD is a part of the larger Boston-Cambridge-Newton, MA-NH Metropolitan Statistical Area (MSA).

The assessment area consists of eight cities and towns in Plymouth County and two towns in Norfolk County. Plymouth County cities and towns include Abington, Brockton, East Bridgewater, Hanson, Hanover, Pembroke, Rockland, and Whitman. Norfolk County towns include Holbrook and Weymouth. Brockton, Hanover, Holbrook, and Weymouth were added to the bank's assessment area in February of 2014. The assessment area did not change as a result of the merger with Holbrook Cooperative Bank given the proximity of the two bank locations.

The assessment area is comprised of mainly suburban communities. The main city in the assessment area is Brockton, which is located in the western portion of the assessment area. The assessment area is generally bordered by Route 3 to the east and Route 24 to the west. Both routes connect the assessment area communities to Boston via Route 93. Commuter rail service also connects assessment area communities to Boston.

Table 2 below provides a summary of demographic information for the bank's assessment area.

Table 2
Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	7.5	3,535	5.3	817	23.1	15,171	22.7
Moderate-income	15	28.3	17,870	26.7	1,798	10.1	13,172	19.7
Middle-income	28	52.8	36,344	54.3	1,676	4.6	16,376	24.4
Upper-income	6	11.3	9,229	13.8	209	2.3	22,259	33.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**53**	**100.0**	**66,978**	**100.0**	**4,500**	**6.7**	**66,978**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	6,670	1,679	2.5	25.2	4,157	62.3	834	12.5
Moderate-income	28,851	15,813	23.3	54.8	11,114	38.5	1,924	6.7
Middle-income	55,021	40,234	59.2	73.1	12,463	22.7	2,324	4.2
Upper-income	12,629	10,228	15.1	81.0	1,892	15.0	509	4.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**103,171**	**67,954**	**100.0**	**65.9**	**29,626**	**28.7**	**5,591**	**5.4**

2010 Census Data
Total percentages shown may vary by 0.1 percent due to automated rounding differences

Assessment Area Composition

The assessment area consists of 53 census tracts, of which 4 are low-income, 15 are moderate-income, 28 are middle-income, and 6 are upper-income. All 4 low-income census tracts and 12 of the 15 moderate-income census tracts are located in Brockton, which was added to the assessment area in February of 2014. The remaining three moderate-income census tracts are located in Holbrook, Rockland, and Weymouth. No census tracts are considered distressed or underserved by the FFIEC.

Population

The assessment area has a population of 262,026 individuals. It includes 97,580 households, 66,978 of which are families. Within the assessment area, 22.7 percent of families are low-income, 19.7 percent are moderate-income, 24.5 percent are middle-income, and 33.2 percent are upper-income. Comparably, the Commonwealth of Massachusetts as a whole has a similar percentage of low-income families but a higher percentage of upper-income families, at 22.2 percent and 40.7 percent, respectively. At a census tract level, a majority, 54.3 percent, of families reside in middle-income census tracts. Only 5.3 percent of families reside in low-income census tracts; 26.7 percent of families reside in moderate-income census tracts and 13.8 percent of families reside in upper-income census tracts. The age characteristics of the assessment area population are in line with the Commonwealth of Massachusetts. The population of the bank's assessment area has experienced stable growth. According to the U.S. Census Population Estimates Program, the population of Plymouth County and Norfolk County grew by approximately 3.5 percent between July 1, 2010 and July 6, 2015.[1]

Employment

Economic conditions in the assessment area are generally stable. According to the U.S. Census Bureau 2015 County Business Patterns, the largest industries by number of paid employees in both Norfolk County and Plymouth County are health care and social assistance, retail trade, and professional, scientific, and technical services.[2] A number of large healthcare facilities operate inside the assessment area, including Signature Healthcare Brockton Hospital, Brockton, Massachusetts and South Shore Hospital, Weymouth, Massachusetts.[3] According to the U.S. Bureau of Labor Statistics, the average unemployment rate for the Commonwealth of Massachusetts in 2016 was 3.7 percent. Comparably, the unemployment rate for Norfolk County was 3.2 percent, below the state average, while the unemployment rate for Plymouth County was 3.9 percent, just above the state average. Overall, unemployment rates in the assessment area are lower now than they were in previous years. However, areas of persistent unemployment still exist in parts of the assessment area, particularly in the post-industrial city of Brockton, where the average unemployment rate in 2016 was 5.2 percent.[4]

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 3 displays the MFI income for the assessment area.

Table 3 Median Family Income Used to Classify Borrowers			
MSA/MD	**Name**	**2015**	**2016**
14454	Boston, MA MD	90,000	90,800

FFIEC MFI Estimates

[1] U.S. Census Bureau, Population Estimates Program. Retrieved from: www.census.gov/popest/
[2] U.S. Census Bureau, County Business Patterns. Retrieved from: www.census.gov/programs-surveys/cbp.html
[3] Commonwealth of Massachusetts Executive Office of Labor and Workforce Development. Retrieved from: http://lmi2.detma.org/lmi/Largest_employer_index.asp
[4] U.S. Bureau of Labor Statistics. Retrieved from: https://data.bls.gov/cgi-bin/dsrv?la

The FFIEC estimates the MFI for the Boston, MA MD to be $90,000 in 2015, and $90,800 in 2016. The Boston, MA MD has the second highest MFI of any MSA/MD or non-MSA area in the Commonwealth of Massachusetts, behind only the Cambridge-Newton-Framingham, MA MD. However, as discussed below, rising home prices outpace family income, making home ownership difficult for many borrowers. The percentage of families in the assessment area living below the poverty level is 6.7 percent, which is below the Commonwealth of Massachusetts average of 7.5 percent. This percentage is above that of Plymouth County and Norfolk County as a whole, at 5.0 percent and 4.1 percent, respectively, indicating that the assessment area contains a relatively high share of the low- and moderate-income census tracts in these counties. It should be noted that 23.1 percent of families in the low-income census tracts and 10.1 percent of families in the moderate-income census tracts are living below the poverty level. This restricts, to some extent, the ability to provide home mortgage credit to families in these census tracts.

Housing

There are 103,171 housing units in the assessment area of which a majority, 80.2 percent, are 1-4 family housing; 19.0 percent are multifamily (five or more units); and 0.8 percent are mobile homes. Within the assessment area, owner-occupied units account for 65.9 percent of the housing stock, while rental units account for 28.7 percent, and vacant units account for 5.4 percent. Within the low-income census tracts in the assessment area, only 25.2 percent of housing units are owner-occupied; 62.3 percent are rental and 12.5 percent are vacant. Owner-occupancy rates increase with census tract income levels. In moderate-income census tracts, 54.8 percent of the housing units are owner-occupied. In the middle- and upper-income census tracts, owner occupancy rates increase to 73.1 percent and 81.0 percent, respectively.

As of the 2010 U.S. Census, the median housing value of the assessment area is $325,148. The median housing value is higher in Norfolk County, at $408,100, than in Plymouth County, at $360,700. More recent housing data indicate that the housing market in Massachusetts is strong. According to The Warren Group, Boston, Massachusetts, which records and tracks real estate transactions, the median sale price of a single-family home in July of 2017 was $382,500, while the median sale price of a condominium during the same month was $359,000. On average, year-to-date median sales prices in Massachusetts have risen over the last year due to low inventory and high demand, buoyed in part by low interest rates. According to the September 2017 edition of the Beige Book, published by the Federal Reserve System, residential real estate markets in the First District continued recent trends of supply shortages and price increases.[5] The National Association of Realtors reports that the housing affordability index for the Boston-Cambridge-Newton, MA-NH MSA is one of the lowest of all metropolitan areas.[6] As a result, housing affordability continues to be a challenge for many, particularly low- and moderate-income, residents in the assessment area.

[5] Federal Reserve System Beige Book, September 6, 2017. Retrieved from: www.federalreserve.gov/monetarypolicy/files/Beigebook_20170906.pdf
[6] National Association of Realtors, Housing Affordability Index. Retrieved from: www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index

Community Contact

Two community representatives were contacted to understand relevant economic and community credit needs within the assessment area. One of the contacts represents a non-profit organization that focuses on providing housing services and developing affordable housing to help low- and moderate-income families and individuals improve their economic stability and wellbeing. The contact has more than 25 years of experience in the affordable housing field. The organization serves a geographic area that includes Brockton. The contact noted a strong demand for and limited supply of adequate and affordable housing in Brockton. As a result, family homelessness is a main challenge in Brockton. According to the contact, Brockton has the highest per capita rate of family homelessness when measured by participation in the Commonwealth of Massachusetts's HomeBASE emergency shelter program.[7]

Information from another, previously interviewed, contact that serves some of the communities in the assessment area was also used. The interview was conducted with two individuals representing a government organization that promotes economic development in the City of Brockton. The contacts have more than 30 years of combined experience in the economic development field. Specific activities of the organization include housing planning and zoning, business support and attraction, and neighborhood revitalization. The contacts also noted a strong demand for adequate and affordable housing in the area, focusing on the need for higher loan-to-value home loans in the city. Additionally, the contacts noted that the city continues to experience a high number of foreclosures and many vacant properties.

Overall, the two organizations are concerned with the welfare of the underserved population. The representatives stressed the need for affordable housing and first time homebuyer products with low closing costs and/or down payment assistance. As mentioned earlier, the housing affordability index in the metropolitan area containing the assessment area is one of the lowest in the United States; therefore, homeownership may not be within the reach of many residents within the assessment area, particularly low- and moderate-income borrowers. Both contacts indicated that local financial institutions are generally active in the community but viewed stronger partnerships with community development groups and local housing agencies as opportunities to further meet the credit needs of the community.

[7] The HomeBASE Program offers an alternative to shelter and is time-limited assistance designed to provide a housing solution to families who are at serious risk of homelessness rather than going into a family shelter or motel. See www.mass.gov/service-details/homebase for details.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

A small bank's lending performance is evaluated pursuant to the following criteria: the bank's LTD ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary market, community development loans, or qualified investments; the percentage of loans and, as appropriate, other lending-related activities located in the bank's assessment area; the bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels; the geographic distribution of the bank's loans; and 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. The following details the bank's performance for each criterion.

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's net LTD ratio is calculated from the quarterly Consolidated Report of Income and Condition. The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses (ALLL) as a percentage of total deposits.

The bank's average LTD ratio is 88.1 percent, which is reasonable given the bank's size, financial condition, and assessment area credit needs. In comparison, the quarterly LTD ratios for the regional peers in the table below ranged from a low of 60.9 percent to a high of 85.6 percent. Abington Bank's LTD was stable during the review period, ranging from a low of 78.7 percent as of December 31, 2013, to a high of 97.5 percent as of December 31, 2015. This LTD ratio is explained by the bank's stable lending and solid deposit base, with a reduced reliance on wholesale funding. In addition to the loans originated for its own portfolio, the bank also originates residential mortgages that are sold to the Federal Home Loan Bank (FHLB), with servicing retained by the bank. According to bank records, the bank originated 72 residential loans totaling $17.6 million that were sold to the FHLB, representing approximately two-thirds of originated residential loans.

Table 4 provides a comparison of the bank's average LTD over the past 16 quarters under evaluation to similarly-situated institutions. The institutions selected represent institutions of similar asset size and loan portfolio composition operating within or near the assessment area.

Table 4 Loan-to-Deposit Ratio Comparison		
Institution	**Total Assets $(000s)***	**Average LTD Ratio (%)****
Abington Bank	**233,408**	**88.1**
Randolph Savings Bank	508,289	85.6
Equitable Bank	330,944	72.9
Braintree Cooperative Bank	258,583	67.7
Canton Cooperative Bank	110,560	60.9

**Consolidated Report of Income and Condition as of June 30, 2017*

***Consolidated Report of Income and Condition from July, 1 2013 to June 30, 2017*

Lending in Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area. While both the number and dollar volume of loans were reviewed, the number of loans was weighted more heavily as it is a better indicator of borrowers served. As shown below, the bank made a majority of HMDA loans inside the assessment area during the review period. Given the highly competitive market, economic environment, and other performance context factors, this level of lending reflects adequate responsiveness to assessment area credit needs. Table 5 presents the bank's levels of lending inside and outside the assessment area for 2015 and 2016 combined.

Table 5 Lending Inside and Outside the Assessment Area										
Loan Type	**Inside**				**Outside**				**Total**	
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**	**#**	**$(000s)**
Home Purchase	40	51.3	9,056	31.3	38	48.7	19,871	68.7	78	28,927
Refinancing	26	66.7	5,790	48.0	13	33.3	6,280	52.0	39	12,070
Home Improvement	20	51.3	2,603	25.8	19	48.7	7,490	74.2	39	10,093
Multifamily Housing	3	75.0	2,873	84.4	1	25.0	530	15.6	4	3,403
Total HMDA	**89**	**55.6**	**20,322**	**37.3**	**71**	**44.4**	**34,171**	**62.7**	**160**	**54,493**

HMDA Data January 1, 2015 through December 31, 2016

During 2015 and 2016, the bank made a total of 160 HMDA loans. Of these loans, 55.6 percent by number and 37.3 percent by dollar volume were made inside the assessment area. Home purchase loans comprised the largest portion of the bank's total HMDA loans. Of the home purchase loans made in 2015 and 2016, 51.3 percent were made inside the assessment area. This percentage was higher for refinancing loans, at 66.7 percent. The bank made a majority of HMDA loans inside the assessment area in each year of the review period. The bank made 56.8 percent and 54.4 percent of HMDA loans inside the assessment area in 2013 and 2014, respectively.

Loans originated outside of the assessment area were mainly concentrated north of the assessment area in the City of Boston. Boston is located in Suffolk County, approximately 20 miles north of the bank's headquarters in Abington. In 2015 and 2016 combined, the bank made 15 HMDA loans in the City of Boston. The bank maintains existing relationships with customers financing properties in Boston. Many of these loans are 2-4 family investment properties attributed to the bank's strong relationship with real estate developers. These loans are often in areas of Boston where real estate prices have seen dramatic increases over recent years. This fact, coupled with the fact that 2-4 family investment properties are often larger loans, explains why a higher percentage of loans by dollar volume was originated outside of the assessment area.

Borrower Profile

This performance criterion evaluates the bank's distribution of loans to borrowers of different income levels. The distribution of residential loans to borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels, including to low- and moderate-income individuals. Table 6 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 table further outlines the bank's performance by loan type in comparison to the aggregate group.

Table 6
Borrower Distribution of HMDA Loans

Product Type	Borrower Income Levels	Families by Family Income	2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$(000s)	$ %	$ %	#	%	%	$(000s)	$ %	$ %
Home Purchase	Low	22.7%	1	5.3%	7.1%	$200	4.3%	4.5%	1	4.8%	6.9%	$93	2.1%	4.5%
	Moderate	19.7%	1	5.3%	28.5%	$60	1.3%	25.0%	3	14.3%	27.1%	$515	11.7%	23.6%
	Middle	24.4%	5	26.3%	24.2%	$1,291	27.7%	25.6%	3	14.3%	27.8%	$724	16.5%	29.1%
	Upper	33.2%	5	26.3%	19.1%	$1,708	36.6%	24.2%	5	23.8%	21.3%	$1,367	31.1%	26.8%
	Unknown	0.0%	7	36.8%	21.1%	$1,402	30.1%	20.7%	9	42.9%	16.9%	$1,696	38.6%	16.0%
	Total	*100.0%*	*19*	*100.0%*	*100.0%*	*$4,661*	*100.0%*	*100.0%*	*21*	*100.0%*	*100.0%*	*$4,395*	*100.0%*	*100.0%*
Refinance	Low	22.7%	0	0.0%	5.6%	$0	0.0%	3.4%	2	11.8%	5.6%	$220	6.0%	3.3%
	Moderate	19.7%	1	11.1%	17.9%	$125	5.8%	14.1%	2	11.8%	18.4%	$280	7.7%	14.6%
	Middle	24.4%	2	22.2%	23.4%	$565	26.4%	23.0%	5	29.4%	26.0%	$1,178	32.3%	25.2%
	Upper	33.2%	3	33.3%	27.5%	$634	29.6%	32.1%	6	35.3%	30.5%	$1,580	43.3%	36.4%
	Unknown	0.0%	3	33.3%	25.6%	$820	38.2%	27.4%	2	11.8%	19.5%	$388	10.6%	20.6%
	Total	*100.0%*	*9*	*100.0%*	*100.0%*	*$2,144*	*100.0%*	*100.0%*	*17*	*100.0%*	*100.0%*	*$3,646*	*100.0%*	*100.0%*
Home Improvement	Low	22.7%	0	0.0%	7.4%	$0	0.0%	5.7%	0	0.0%	6.2%	$0	0.0%	3.5%
	Moderate	19.7%	2	18.2%	21.8%	$416	30.5%	17.3%	0	0.0%	19.5%	$0	0.0%	18.5%
	Middle	24.4%	5	45.5%	28.7%	$475	34.8%	26.8%	2	22.2%	32.5%	$27	2.2%	33.3%
	Upper	33.2%	4	36.4%	35.4%	$475	34.8%	40.0%	6	66.7%	35.1%	$1,190	96.2%	38.0%
	Unknown	0.0%	0	0.0%	6.7%	$0	0.0%	10.3%	1	11.1%	6.7%	$20	1.6%	6.7%
	Total	*100.0%*	*11*	*100.0%*	*100.0%*	*$1,366*	*100.0%*	*100.0%*	*9*	*100.0%*	*100.0%*	*$1,237*	*100.0%*	*100.0%*
Multifamily	Low	22.7%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Moderate	19.7%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Middle	24.4%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Upper	33.2%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Unknown	0.0%	1	100.0%	100.0%	$465	100.0%	100.0%	2	100.0%	100.0%	$2,408	100.0%	100.0%
	Total	*100.0%*	*1*	*100.0%*	*100.0%*	*$465*	*100.0%*	*100.0%*	*2*	*100.0%*	*100.0%*	*$2,408*	*100.0%*	*100.0%*
HMDA Totals	Low	22.7%	1	2.5%	6.4%	$200	2.3%	3.9%	3	6.1%	6.2%	$313	2.7%	3.7%
	Moderate	19.7%	4	10.0%	23.1%	$601	7.0%	19.1%	5	10.2%	22.3%	$795	6.8%	18.5%
	Middle	24.4%	12	30.0%	24.1%	$2,331	27.0%	23.6%	10	20.4%	27.2%	$1,929	16.5%	26.3%
	Upper	33.2%	12	30.0%	24.0%	$2,817	32.6%	27.4%	17	34.7%	26.6%	$4,137	35.4%	30.3%
	Unknown	0.0%	11	27.5%	22.5%	$2,687	31.1%	26.0%	14	28.6%	17.7%	$4,512	38.6%	21.2%
	Total	*100.0%*	*40*	*100.0%*	*100.0%*	*$8,636*	*100.0%*	*100.0%*	*49*	*100.0%*	*100.0%*	*$11,686*	*100.0%*	*100.0%*

2010 Census, 2015 and 2016 HMDA LAR, and 2015 and 2016 Aggregate HMDA Data
Total percentages shown may vary by 0.1 percent due to automated rounding differences

The percentage of loans to low-income borrowers was 2.5 percent in 2015, and 6.1 percent in 2016. These percentages are below the demographic indicator, as 22.7 percent of assessment area families were low-income as of the 2010 U.S. Census. Given the financial obstacles many low-income families face in qualifying for a home mortgage loan, the bank's lending to low-income borrowers was also compared to the 2015 and 2016 aggregate data, which is more representative of lending opportunities. In this regard, the bank's lending to low-income borrowers was below the aggregate percentage of 6.4 percent in 2015 and in line with the aggregate percentage of 6.2 percent in 2016. The bank's percentage of loans to low-income borrowers in 2015 appears anomalous given overall performance during the review period. The bank's percentage of loans to low-income borrowers exceeded the aggregate in 2013 and 2014. While not displayed in the tables, the percentage of loans to low-income borrowers was 11.9 percent in 2013, and 10.8 percent in 2014. Comparably, the aggregate made 8.4 percent and 7.2 percent of its loans by number to these borrows in 2013 and 2014, respectively.

In terms of lending to moderate-income borrowers, the bank made 10.0 percent and 10.2 percent of its HMDA loans by number to these borrowers in 2015 and 2016, respectively. These percentages are below the demographic indicator, as 19.7 percent of assessment area families were moderate-income as of the 2010 U.S. Census. As compared to the aggregate, the bank was below the aggregate's percentage of 23.1 percent in 2015, and 22.3 percent in 2016. It should be noted that the bank's percentage of loans to moderate-income borrowers exceeded the aggregate in 2013, before falling below the aggregate in 2014. While not displayed in the tables, the percentage of loans to moderate-income borrowers was 31.0 percent in 2013, and 13.5 percent in 2014. Comparably, the aggregate made 23.5 percent and 24.2 percent of its loans by number to these borrows in 2013 and 2014, respectively. As these percentages suggest, an increase or decrease of a few loans in any borrower income category greatly affects the bank's performance.

Certain factors may have impacted the bank's performance. In all years, the bank's performance of lending to low- and moderate- income borrowers was less than the percentage of families of these income levels. However, it is not expected that the bank meet the demographic indicator for low- or moderate-income families, because not all families with low- or moderate-incomes can qualify for a mortgage given the income demographics of the market and the median housing values. As mentioned above, the MFI in the assessment area is approximately $90,000 ($90,000 in 2015 and 90,800 in 2016), which means that low-income families earn under $45,000 annually, and the moderate-income families earn between $45,000 and $72,000 annually. With the median home value of $325,148 as of the 2010 U.S. Census and, more recently approaching $400,000, rising home prices outpace family income, making home ownership difficult for many families, including low- or moderate-income borrowers. In fact, both community contacts mentioned affordability issues facing this demographic in the bank's assessment area.

The bank's performance relative to the aggregate may also be attributed to the bank's entry into Brockton in February of 2014. A relatively high number of low- and moderate-income individuals within the assessment area reside in Brockton. Because the aggregate comprises many established lenders in Brockton, the bank has faced significant competition in attracting and acquiring loan customers in this area. According to bank management, and as evidenced by market share reports, competition for loans in Brockton is strong among national and regional financial institutions and mortgage companies. According to the FDIC Deposit Market Share Report, 8 FDIC-insured depository institutions operated 17 branches within Brockton as of June 30, 2016. The bank also faces strong competition for loans in Brockton, notably from large national banks and mortgage companies.

Another factor impacting the bank's performance relative to the aggregate may be the bank's strong relationship with real estate developers, which has resulted in a niche focus on financing 2-4 family properties. These loans are typically investment properties made to non-natural entities. As such, borrower income for these loans is reported as unknown on the bank's HMDA LAR. As shown in Table 6 above, the bank's lending to unknown-income borrowers was 27.5 percent in 2015, and 28.6 percent in 2016. Comparably, the aggregate made 22.5 percent and 17.7 percent of its loans by number to these borrowers in these years. The bank's relatively high number of loans to unknown-income borrowers magnifies the impact of an increase or decrease of a few loans in the other borrower income categories.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area considering the bank's capacity and constraints. 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
Geographic Distribution of HMDA Loans

Product Type	Census Tract Income Levels	Owner-Occupied Units	2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$(000s)	$ %	$ %	#	%	%	$(000s)	$ %	$ %
Home Purchase	Low	2.5%	0	0.0%	3.4%	$0	0.0%	3.2%	0	0.0%	3.4%	$0	0.0%	3.5%
	Moderate	23.3%	3	15.8%	25.8%	$578	12.4%	22.5%	4	19.0%	25.9%	$538	12.2%	22.6%
	Middle	59.2%	10	52.6%	57.3%	$2,792	59.9%	58.0%	13	61.9%	58.2%	$2,884	65.6%	59.3%
	Upper	15.1%	6	31.6%	13.6%	$1,291	27.7%	16.4%	4	19.0%	12.5%	$973	22.1%	14.5%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*19*	*100.0%*	*100.0%*	*$4,661*	*100.0%*	*100.0%*	*21*	*100.0%*	*100.0%*	*$4,395*	*100.0%*	*100.0%*
Refinance	Low	2.5%	0	0.0%	2.7%	$0	0.0%	2.2%	0	0.0%	2.5%	$0	0.0%	2.2%
	Moderate	23.3%	0	0.0%	21.7%	$0	0.0%	17.9%	1	5.9%	19.6%	$218	6.0%	16.3%
	Middle	59.2%	8	88.9%	58.4%	$1,969	91.8%	59.6%	13	76.5%	60.2%	$3,018	82.8%	61.1%
	Upper	15.1%	1	11.1%	17.2%	$175	8.2%	20.2%	3	17.6%	17.7%	$410	11.2%	20.4%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*9*	*100.0%*	*100.0%*	*$2,144*	*100.0%*	*100.0%*	*17*	*100.0%*	*100.0%*	*$3,646*	*100.0%*	*100.0%*
Home Improvement	Low	2.5%	0	0.0%	1.8%	$0	0.0%	2.2%	0	0.0%	1.8%	$0	0.0%	2.8%
	Moderate	23.3%	1	9.1%	18.8%	$20	1.5%	17.5%	1	11.1%	19.9%	$7	0.6%	19.7%
	Middle	59.2%	8	72.7%	60.1%	$891	65.2%	56.8%	5	55.6%	58.2%	$820	66.3%	55.4%
	Upper	15.1%	2	18.2%	19.3%	$455	33.3%	23.5%	3	33.3%	20.1%	$410	33.1%	22.1%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*11*	*100.0%*	*100.0%*	*$1,366*	*100.0%*	*100.0%*	*9*	*100.0%*	*100.0%*	*$1,237*	*100.0%*	*100.0%*
Multifamily		*Multifamily Units*												
	Low	10.7%	0	0.0%	22.5%	$0	0.0%	5.4%	0	0.0%	20.7%	$0	0.0%	4.3%
	Moderate	34.1%	1	100.0%	32.5%	$465	100.0%	7.8%	1	50.0%	36.2%	$1,408	58.5%	8.1%
	Middle	48.9%	0	0.0%	32.5%	$0	0.0%	17.2%	1	50.0%	34.5%	$1,000	41.5%	75.3%
	Upper	6.4%	0	0.0%	12.5%	$0	0.0%	69.7%	0	0.0%	8.6%	$0	0.0%	12.3%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*1*	*100.0%*	*100.0%*	*$465*	*100.0%*	*100.0%*	*2*	*100.0%*	*100.0%*	*$2,408*	*100.0%*	*100.0%*
HMDA Totals	Low	2.5%	0	0.0%	3.0%	$0	0.0%	2.8%	0	0.0%	3.0%	$0	0.0%	3.0%
	Moderate	23.3%	5	12.5%	23.5%	$1,063	12.3%	19.8%	7	14.3%	22.6%	$2,171	18.6%	19.1%
	Middle	59.2%	26	65.0%	57.9%	$5,652	65.4%	57.3%	32	65.3%	59.0%	$7,722	66.1%	60.7%
	Upper	15.1%	9	22.5%	15.6%	$1,921	22.2%	20.1%	10	20.4%	15.5%	$1,793	15.3%	17.3%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*40*	*100.0%*	*100.0%*	*$8,636*	*100.0%*	*100.0%*	*49*	*100.0%*	*100.0%*	*$11,686*	*100.0%*	*100.0%*

2010 Census, 2015 and 2016 HMDA LAR, and 2015 and 2016 Aggregate HMDA Data
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Abington Bank did not originate a loan in a low-income census tract during the review period. The aggregate's performance indicates that there are limited lending opportunities for HMDA loans in low-income census tracts within the bank's assessment area. In both 2015 and 2016, the aggregate originated 3.0 percent of loans in low-income census tracts. The demographic indicator, which indicates that 2.5 percent of owner-occupied units in the assessment area are located within low-income census tracts, is in line with the aggregate's relatively limited level of lending within the low-income census tracts. The percentage for the aggregate was also 3.0 percent in 2014, and was slightly lower at 2.2 percent in 2013. While the bank did not originate any loans in low-income tracts during the review period, based on the bank's origination volume, originating just one loan in a low-income tract would have put the bank in line with the demographic and the aggregate.

In terms of lending in moderate-income census tracts, the bank made 12.5 percent and 14.3 percent of its HMDA loans by number in these census tracts in 2015 and 2016, respectively. While not shown in the tables, the bank's performance showed an increase from the 9.5 percent in 2013, and 8.1 percent in 2014. As compared to the aggregate, the bank's performance was below the aggregate's lending to borrowers in moderate-income census tracts in all years. The aggregate made 23.5 percent and 22.6 percent of its loans by number in these census tracts in 2015 and 2016, respectively. The percentages for the aggregate were similar in 2013 and 2014.

Certain factors may have impacted the bank's performance. Within low-income census tracts in the assessment area, just 25.2 percent of the housing stock is owner-occupied. Within moderate-income-census tracts, just over half, 54.8 percent, of the housing units are owner-occupied. These owner-occupancy rates suggest limited opportunities to originate home mortgage loans. That 23.1 percent of families in the low-income census tracts and 10.1 percent of families in the moderate-income census tracts are living below the poverty level further restricts, to some extent, the ability to provide home mortgage credit in these census tracts. Furthermore, within low-income census tracts, 55.9 percent of the families are low-income and 19.9 percent are moderate-income. As mentioned previously, these income levels, coupled with housing prices, create affordability challenges for individuals in this these census tracts.

The bank's performance relative to the aggregate may also be attributed to the bank's entry into Brockton during the review period. As mentioned previously, the bank added Brockton to its assessment area in February of 2014. Brockton contains all 4 low-income and 9 of the 12 moderate-income census tracts in the assessment area. As mentioned previously, the bank has faced challenges in penetrating these census tracts due to high competition from large, established lenders, many of which maintain physical branches in the city.

Further analysis of the bank's loan dispersion was conducted to identify any conspicuous lending gaps in low- and moderate-income census tracts. As mentioned previously, the assessment area consists of 53 census tracts, of which 4 are low-income and 15 are moderate-income. The bank did not make a loan in the low-income census tracts during the review period. In 2015, the bank made five loans in two separate moderate-income census tracts within the assessment area. In 2016, the bank's lending activity penetrated a wider area, as the bank made seven loans in five separate moderate-income census tracts within the assessment area.

In general, the bank's limited loan dispersion in the low- and moderate-income census tracts during the review period can be explained by a lack of penetration in Brockton. However, lending gaps do not appear conspicuous given the bank's capacity to lend. During the review period, lending volume was low overall and generally concentrated around the bank's branch in Abington. In 2016, nearly half (22 of 49) of loans inside the assessment area were in Abington. Outside of Abington, lending inside the assessment area was distributed among the following cities and towns: Brockton (3), East Bridgewater (2), Hanson (1), Hanover (1), Holbrook (5), Pembroke (2), Rockland (4), Whitman (3), and Weymouth (6). Loan distribution outside of Brockton does not evidence a pattern of avoiding the low- or moderate-income census tracts located in the city.

Response to Complaints

The bank has not received any CRA-related complaints since the previous examination; therefore, this criterion was not assessed.

CONCLUSION

The bank has met the credit needs in its assessment area by maintaining a reasonable LTD and making the majority of its loans within its assessment area. The bank also exhibited a reasonable distribution of loans across borrower and census tract income levels. While the bank's lending to low- and moderate-income borrowers and census tracts was generally below that of the aggregate during the review period, the bank entered Brockton during the review period and lending gaps in the city do not appear conspicuous given the bank's capacity to lend. Given economic, demographic, and competitive conditions in the assessment area, the bank's lending levels reflect a reasonable level of responsiveness; therefore, the bank is rated "Satisfactory".

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

A substantive violation of Section 5(a) of the Federal Trade Commission Act involving unfair or deceptive practices was identified in the concurrent consumer compliance examination. Bank management is committed to correcting the violation. The violation did not impact the bank's CRA rating.