

PUBLIC DISCLOSURE

February 26, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mansfield Co-operative Bank
RSSD # 163370

80 North Main Street
Mansfield, MA 02048

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 RATING

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

Mansfield Co-operative Bank (Mansfield Bank or the bank) demonstrates an adequate responsiveness to the credit needs of its assessment area. The major components supporting this rating include:

Lending Test

- The average loan-to-deposit ratio of 94.2 percent is reasonable given the bank's size, financial condition, assessment area credit needs.
- A majority (62.6 percent) of the residential real estate and small business loans are in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the bank's assessment area.
- The distribution of 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) and businesses of different sizes.
- There have been no complaints regarding the bank's CRA performance since the previous CRA evaluation.

Community Development Test

- The community development performance demonstrates adequate responsiveness to the 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

Mansfield Bank's performance review was based on CRA activities conducted using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Intermediate Small Institutions. Intermediate small institutions are those with assets of at least \$313 million as of December 31 of both of the prior two calendar years, and less than \$1.252 billion as of December 31 of either of the prior two calendar years. These procedures evaluate banks under two tests: the lending test and the community development test. The data used for the evaluation and the applicable timeframes are discussed below.

This examination review period encompassed January 1, 2015 through February 26, 2018. The lending test focused on home mortgage and small business lending from January 1, 2015 to December 31, 2017. The community development test considered community development activities from January 1, 2015 through February 26, 2018. The data tables herein present 2015 and 2016 lending activity, while 2017 lending activity is reviewed for trend analysis. Due to the composition of the loan portfolio, more emphasis was placed on home mortgage loans than small business loans. Further, while both the number and dollar volume of the bank's home mortgage and small business lending were reviewed, for each loan type the number of originations was weighted more heavily than the dollar volume. Home mortgage lending reviewed during this evaluation was obtained from Loan Application Registers (LARs) maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). The LARs record data for home purchase loans, home improvement loans and refinance loans for one-to-four family and multifamily (five or more unit) properties.

Residential market and demographic data were derived from the 2010 U.S. Census Bureau's American Community Survey (ACS) for comparison purposes for the bank's 2015 and 2016 HMDA data. The bank's lending performance for 2017 was compared to the 2015 ACS based on the FFIEC's policy regarding the implementation of the ACS. The residential lending data are also shown compared to the 2015 and 2016 aggregate data, which were obtained from data reported to the FFIEC as required by HMDA. Aggregate data consist of lending information from all HMDA reporters that originated or purchased home mortgage loans in the assessment area. At the time of this evaluation, 2017 aggregate lending data were not available; therefore, the bank's residential loan data were compared only to demographic data.

Small business loans, for the purpose of this evaluation, include commercial real estate loans and commercial and industrial loans with original loan amounts of \$1 million or less. The bank is not currently required to collect and report small business loans; however, this information was obtained from the bank's internal records for years 2015, 2016 and 2017 and compared to demographic information obtained from Dun & Bradstreet, Inc. Short Hills, NJ (D&B). The analysis of the bank's net loan-to-deposit (LTD) ratio includes the last 13 quarters, which represents the period since the prior examination.

Two third-party community organizations were contacted to provide additional insight into the credit needs of the assessment area.

The community development test included a review of community development loans, investments, and services for the period of January 1, 2015 through February 26, 2018. The community development test is evaluated in the context of the community needs and opportunities and the capacity of the bank to meet them.

Mansfield Bank was last examined by the Federal Reserve Bank of Boston for compliance with the CRA on January 20, 2015 in accordance with the intermediate small institution performance standards. The examination resulted in a “Satisfactory” rating.

DESCRIPTION OF INSTITUTION

Mansfield Bank is a state-chartered co-operative bank established in 1883. The bank operates a main branch located at 80 North Main Street Mansfield, Massachusetts, and four additional full-service branches located in Easton, Norton, Plainville, and West Bridgewater, Massachusetts. All five locations are open Monday through Friday. Additionally, the Mansfield, Norton, Plainville, and West Bridgewater branches are open on Saturday until noon. The Norton, Plainville and West Bridgewater branches are located in upper-income census tracts. The Easton and Mansfield branches are located in middle-income tracts. During the review period, there have been no branch openings or closings. The bank became a state member bank on March 24, 2014. The bank has two subsidiaries located in Mansfield, Massachusetts: Mansfield Securities Corporation and SC Main Corporation. The bank also operates a loan production office in Boston, Massachusetts, and an affiliated charitable foundation in the bank's main branch.

As of December 31, 2017, the bank's assets totaled \$506.5 million, with total loans of \$408.5 million, or 80.6 percent of total assets; and total deposits of \$416.2 million, or 82.2 percent of total assets. Total loans represent 97.1 percent of total deposits, up from 93.7 percent in 2015, when total loans were \$357.7 million, and total deposits were \$377.5 million. The bank was not involved in any mergers or acquisitions during the review period.

As the data in Table 1 show, as of December 31, 2017, the bank was primarily a lender of real estate secured loans, with 1-4 family residential loans comprising the greatest share of the real estate loan portfolio. The 1-4 family residential loans include closed-end mortgage loans (including junior liens) and revolving home equity lines of credit. Commercial real estate comprises the next largest share of the loan portfolio. The commercial real estate loans are typically collateralized by the properties used for the borrowers' businesses, such as office and retail buildings. Multifamily residential, construction and land development, commercial and industrial, consumer, and other loans and leases comprise the balance of the loan portfolio.

Loan Type	Dollar Amount \$(000s)	Percent of Total Loans
Closed-End 1-4 Family Residential	168,085	41.1
Commercial Real Estate	128,237	31.4
Multifamily Residential	51,363	12.6
Construction and Land Development	36,116	8.8
Open-End 1-4 Family Residential	14,280	3.5
Total Real Estate Loans	398,081	97.4
Commercial and Industrial	10,285	2.5
Consumer	123	0.0
Other Loans and Leases	11	0.0
Total Loans	408,500	100.0

Consolidated Report of Condition and Income as of 12/31/2017.

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

Mansfield 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 lines of credit. The bank also offers a first-time homebuyer program, loans through MassHousing, and a loan program requiring no mortgage insurance that is targeted to low- and moderate-income homebuyers and cities with low- and moderate-income regions of the bank's assessment area. 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.mansfieldbank.bank, provides a listing and description of all its deposit and loan products and 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.

Mansfield Bank operates in a highly competitive banking environment. According to the FDIC Deposit Market Share Report, 17 FDIC-insured depository institutions operated a branch within the assessment area as of June 30, 2017. Mansfield Bank ranks sixth, with 6.6 percent of the deposit market share within the assessment area. HarborOne Bank is ranked first, with 20.2 percent deposit market share. The financial institutions ranked above Mansfield Bank also include Bank of America, N.A. (15.5 percent), Bristol County Savings Bank (13.4 percent), North Easton Savings Bank (7.7 percent), and Rockland Trust Company (7.0 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 370 HMDA reporters that originated or purchased 12,667 home mortgage loans within the bank's assessment area. Mansfield Bank tied for 17th among these HMDA reporters. The top lenders were Wells Fargo Bank, N.A., Residential Mortgage Services, Inc., and Quicken Loans, Inc. In 2015, there were 356 HMDA reporters who originated or purchased 10,748 home mortgage loans. Mansfield Bank was ranked 24th among these reporters, with the same top lenders.

Mansfield 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 for CRA purposes to consist of ten contiguous cities and towns in portions of Plymouth County, Norfolk County, and Bristol 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). Bristol County is part of the Providence-Warwick, RI-MA MSA.

The assessment area consists of six cities and towns in Bristol County, two cities and towns in Plymouth County, and two towns in Norfolk County. Bristol County cities and towns include Attleboro, Easton, Mansfield, North Attleboro, Norton, and Taunton. Plymouth County cities and towns are Brockton and West Bridgewater. Norfolk County towns include Foxboro and Plainville. Brockton was added to the bank's assessment area in January of 2017. It is noteworthy that HarborOne Bank's main office and Rockland Trust Company's lending and mortgage lending operations are both located in the City of Brockton. These banks have a significant presence in the city.

The assessment area is comprised of mainly suburban communities. The main city in the assessment area is Brockton, which is located on the northeastern border of the assessment area. The assessment area is bordered by Rhode Island to the west.

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

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	9.4	5,379	6.6	1,252	23.3	16,757	20.6
Moderate-income	16	25.0	17,262	21.2	1,876	10.9	13,795	17.0
Middle-income	22	34.4	27,486	33.8	1,596	5.8	16,951	20.8
Upper-income	20	31.3	31,184	38.4	712	2.3	33,808	41.6
Total Assessment Area	64	100.0	81,311	100.0	5,436	6.7	81,311	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	10,950	2,757	3.4	25.2	6,700	61.2	1,493	13.6
Moderate-income	28,588	14,626	18.2	51.2	11,664	40.8	2,298	8.0
Middle-income	42,104	29,386	36.5	69.8	10,275	24.4	2,443	5.8
Upper-income	43,510	33,696	41.9	77.4	8,152	18.7	1,662	3.8
Total Assessment Area	125,152	80,465	100.0	64.3	36,791	29.4	7,896	6.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	984	7.4	889	7.5	83	6.4	12	16.7
Moderate-income	2,138	16.1	1,945	16.3	182	14.0	11	15.3
Middle-income	5,078	38.2	4,508	37.8	544	41.8	26	36.1
Upper-income	5,088	38.3	4,574	38.4	491	37.8	23	31.9
Total Assessment Area	13,288	100.0	11,916	100.0	1,300	100.0	72	100.0
Percentage of Total Businesses:				89.7		9.8		0.5

2015 ACS Data and 2016 D&B data
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Assessment Area Composition

The assessment area consists of 64 census tracts. As shown in Table 2, in 2015 and 2016 the bank’s assessment area was comprised 6 low-income tracts, 16 moderate-income tracts, 22 middle-income tracts, and 20 upper-income tracts. Of the 6 low-income tracts, 4 were located in Brockton and 2 were located in Taunton. Regarding the bank’s moderate-income census tracts, 2 were located in Attleboro, 12 were located in Brockton, and 2 were located in Taunton. The income levels of several of the bank’s 64 census tracts were reclassified when the census data were updated in 2017. As of 2017, the bank’s assessment area includes 6 low-income, 17 moderate-income, 17 middle-income, and 24 upper-income census tracts. Of the 6 low-income tracts, 5 are located in Brockton and 1 is in Taunton. Of the 17 moderate-income tracts, 10 are located in Brockton, 3 each are located in Taunton and Attleboro, and 1 is located in North Attleboro. No census tracts in the bank’s assessment area are considered distressed or underserved by the FFIEC.

Housing

There are 125,152 housing units in the assessment area of which a majority, 82.5 percent, are 1-4 family housing; 17.5 percent are multifamily (five or more units); and 2.4 percent are mobile homes. Within the assessment area, owner-occupied units account for 64.3 percent of the housing stock, while rental units account for 29.4 percent, and vacant units account for 6.3 percent. Within the low-income census tracts in the assessment area, only 25.2 percent of housing units are owner-occupied; 61.2 percent are rental units, and 13.6 percent are vacant. Owner-occupancy rates increase with census tract income levels. In moderate-income census tracts, 51.2 percent of the housing units are owner-occupied. In the middle- and upper-income census tracts, owner occupancy rates increase to 69.8 percent and 77.4 percent, respectively.

As of the 2010 U.S. Census, the median housing value of the assessment area is \$317,245, which exceeds Bristol County's median housing value of \$306,600. The median housing values in Norfolk County, \$408,100, and Plymouth County, \$360,700, both exceed the assessment area's median housing value. According to the January 2018 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.¹ The National Association of Realtors reports that the housing affordability index for the Providence-Warwick, RI-MA MSA and Boston-Cambridge-Newton, MA-NH MSA are among the lowest of all metropolitan areas.² As a result, housing affordability continues to be a challenge for many, particularly low- and moderate-income, residents in the assessment area.

Business Characteristics

According to 2016 D&B data, the assessment area contains 13,288 businesses. Of these, 11,916, or 89.7 percent, are small businesses with recorded gross annual revenues of less than or equal to \$1 million. In 2016, 7.4 percent of businesses were located in low-income census tracts and 16.1 percent were located in moderate-income census tracts. Additionally, 38.2 percent were located in middle-income census tracts, and 38.3 percent in upper-income census tracts.

According to the U.S. Census Bureau 2015 County Business Patterns, the largest industries by number of paid employees for Bristol, Norfolk and Plymouth Counties are health care and social assistance, retail trade, and accommodation and food services.³ The Massachusetts Office of Labor and Workforce Development maintains a list of the top 200 employers by county. In Bristol County, top employers include: Bristol Community College, De Puy Spine, Inc., General Dynamics Mission System, and Hormel Foods. In Norfolk County, top employers include Advantage Resourcing, Braintree Town, Dunkin' Brands Group, Inc., and Harvard Pilgrim Healthcare. Plymouth County's top employers include: Clean Harbors, Inc., Good Samaritan Medical Center, Massasoit Community College, Nisource, Inc., and Signature Healthcare Brockton.⁴

¹ Federal Reserve System Beige Book, January 17, 2018:

https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20180117.pdf

² National Association of Realtors, Housing Affordability Index: www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index

³ U.S. Census Bureau, County Business Patterns: www.census.gov/programs-surveys/cbp.html

⁴ Executive Office of Labor and Workforce Development: http://lmi2.detma.org/lmi/Largest_employer_index.asp

Population

The assessment area has a population of 319,361 individuals. It includes 117,256 households, 81,311 of which are families. Within the assessment area, 20.6 percent of families are low-income, 17.0 percent are moderate-income, 20.9 percent are middle-income, and 41.6 percent are upper-income. Comparably, the Commonwealth of Massachusetts as a whole has a higher percentage of low-income families, 22.2 percent, along with a lower percentage of upper-income families, 40.7 percent, and similar percentages of moderate- and middle-income families, 16.5 percent and 20.6 percent, respectively.

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.

MSA/MD/State	2015	2016
BOSTON, MA (MD)	90,000	90,800
PROVIDENCE-WARWICK, RI-MA (MSA)	74,400	73,100

FFIEC Median Family Income Reports found at www.ffiec.gov/Medianincome.htm

The FFIEC estimated the MFI for the Boston, MA MD to be \$90,000 in 2015, rising slightly to \$90,800 in 2016. The estimated MFI for the Providence-Warwick, RI-MA MSA decreased from \$74,400 in 2015 to \$73,100 in 2016. The estimated MFI for The Commonwealth of Massachusetts was \$73,500 in 2015 and \$77,600 in 2016.

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 figure increases in certain portions of the assessment area, with the percentage of families living below the poverty level at 11.5 percent in Brockton, and 8.9 percent in Taunton. Within the assessment area, 23.3 percent of families in the low-income census tracts, and 10.9 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.

Employment Statistics

According to the January 2018 release by the U.S. Bureau of Labor Statistics, the national unemployment rate was 4.1 percent, while the unemployment rate for the Commonwealth of Massachusetts was 3.5 percent. Comparably, the unemployment rate for Norfolk County was 3.3 percent, below the state average, while the unemployment rate for Bristol County and Plymouth County were above the state average, at 5.7 percent and 4.3 percent, respectively.⁵ Overall,

⁵ U.S. Bureau of Labor Statistics. Retrieved from: <https://www.bls.gov/news.release/laus.nr0.htm>

unemployment rates in the assessment area are marginally 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.⁶

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. In conjunction with this evaluation, two community contacts with executive directors of community groups were conducted in order to understand the needs of the community.

The first community contact was with an organization focused on affordable housing in Taunton. Taunton includes one low- and three moderate- income census tracts. The organization provides first-time homebuyer counseling to prospective homeowners as well as foreclosure counseling, tenant/landlord counseling, and general financial education. The organization also provides down payment and closing cost assistance to eligible individuals. The community contact stated there is always the opportunity to support the organization through donations which support individuals in need of down payment and closing cost assistance in order to achieve first-time homeownership. During the conversation, the contact discussed the performance of local financial institutions. Overall, the community contact indicated that, while the financial institutions are generally meeting the needs of the community, there is always a need for additional affordable housing in the community.

The second community contact was with an organization focused on economic development in Brockton. This community contact was selected to better understand the current business and community needs within Brockton, which Mansfield Bank added to its assessment area in January 2017. Brockton includes five low- and ten moderate-income census tracts. The organization coordinates and manages redevelopment and rehabilitation projects throughout Brockton. The community contact stressed the need for gap funding of community projects. The contact further indicated that financial institution involvement in the community is active, but additional funding is necessary on incubator projects, such as restaurants, to draw visitors to the city.

⁶ U.S. Bureau of Labor Statistics. Retrieved from: <https://data.bls.gov/cgi-bin/dsrv?la>

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

An intermediate small bank’s lending performance is evaluated pursuant to the following criteria: the bank’s loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments; the percentage of loans and, as appropriate, other lending-related activities located in the bank’s assessment area(s); the bank’s record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; 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(s). The following details the bank’s efforts with regard to each performance criterion.

Loan-to-Deposit Ratio

This performance criterion determines and evaluates the appropriateness of the percentage of the bank’s deposit base that is reinvested in the form of loans. The bank’s loan-to-deposit (LTD) 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. Mansfield Bank’s net LTD figures are calculated from the bank’s quarterly FFIEC Consolidated Report of Condition and Income (Call Reports).

The bank’s LTD ratio is 94.2 percent, which is reasonable given the bank’s size, financial condition, and assessment area credit needs. Mansfield Bank’s LTD was generally stable during the review period, ranging from a low of 89.9 percent as of September 30, 2016, to a high of 97.4 percent as of March 31, 2015. This LTD ratio is explained by the bank’s stable lending and solid deposit base. In addition to the loans originated for its own portfolio, the bank also originates residential mortgages that are sold to Fannie Mae, with servicing retained by the bank. According to bank records, the bank originated 601 residential loans totaling \$181.3 million, of which approximately 46.0 percent were sold to Fannie Mae.

Table 4 provides a comparison of the bank’s average LTD over the past 13 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		
<i>Institution</i>	<i>Total Assets* \$(000s)</i>	<i>Average LTD Ratio** (%)</i>
Walpole Co-operative Bank	479,741	110.0
Mansfield Co-operative Bank	506,539	94.2
Bridgewater Savings Bank	576,164	91.5
North Easton Savings Bank	544,591	75.4

*Report of Condition and Income (Call Reports) 12/31/2014 through 3/31/2017
*As of 12/31/2017; **From quarter ending 12/31/2014 through 12/31/2017*

Lending in Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area. Greater emphasis is placed on the number of loans within the bank's assessment area rather than the dollar volume percentage, as the number of loans removes the effects of loan size and better reflects the number of individuals obtaining loans in the bank's assessment area. As shown below, a majority of loans are in the bank's assessment area. Table 5 presents the bank's levels of lending inside and outside the assessment area for 2015 and 2016.

Loan Type - Description	Inside				Outside				Total	
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	\$(000s)
Home Purchase	125	62.8	35,477	57.9	74	37.2	25,807	42.1	199	100.0
Home Improvement	41	65.1	11,585	61.1	22	34.9	7,374	38.9	63	100.0
Multi-Family Housing	5	50.0	5,485	30.9	5	50.0	12,290	69.1	10	100.0
Refinancing	129	65.5	31,146	49.5	68	34.5	31,816	50.5	197	100.0
Total HMDA related	300	64.0	83,693	52.0	169	36.0	77,287	48.0	469	100.0
Small Business 2015	8	38.1	1,813	27.1	13	61.9	4,873	72.9	21	100.0
Small Business 2016	12	57.1	2,473	56.9	9	42.9	1,870	43.1	21	100.0
Small Business Total	20	47.6	4,286	38.9	22	52.4	6,743	61.1	42	100.0
TOTAL LOANS	320	62.6	87,979	51.1	191	37.4	84,030	48.9	511	100.0

2015 and 2016 HMDA LARs and internal small business registers

Residential Mortgage Lending

The bank made a majority of its mortgage loans inside the assessment area during the review period. Mansfield Bank made a total of 469 mortgage loans in 2015 and 2016. Of these loans, 64.0 percent by number and 52.0 percent by dollar volume were made inside the assessment area. The bank's mortgage lending concentration has been generally consistent. During the previous evaluation, 64.2 percent of mortgage loans by number and 46.6 percent by dollar volume were made inside the assessment area. In 2017, the bank continued to originate a majority of its mortgage loans inside its assessment area, although the ratio dipped slightly. Of the 190 mortgage loans originated by the bank in 2017, approximately 56.8 percent by number and 46.6 percent by dollar volume were inside the assessment area.

Small Business Lending

A majority of small business lending is located outside the bank's assessment area. The bank made a total of 42 small business loans in 2015 and 2016. Of these loans, 47.6 percent by number and 38.9 percent by dollar volume were made in the assessment area. This performance was generally consistent in 2017, when 47.7 percent by number and 40.6 percent by dollar volume were made inside the bank's assessment area. The bank's lending inside the assessment area decreased from the previous evaluation, where 65.5 percent by number and 46.1 percent by dollar volume were made inside the assessment area.

Bank management is aware of and regularly monitors small business lending outside of the assessment area. Based on lending performance and future opportunities, Mansfield Bank has expanded its assessment area since the previous evaluation to include Brockton, and continues to regularly evaluate the appropriateness of its assessment area. This expansion of the bank's assessment area will increase the percentage of the loans originated within the bank's assessment area. Furthermore, the bank is primarily a residential lender, originating just 42 small business loans in 2015 and 2016. As such, the bank's large percentage shifts in small business lending can be affected by a small change in the number of originations. Bank management will continue to monitor this lending performance, and to focus its multitude of marketing and outreach activities within the assessment area.

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 a reasonable dispersion throughout the assessment area.

Residential Mortgage Lending

Table 6 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 6 Geographic Distribution of HMDA Loans														
PRODUCT TYPE	Tract Income Levels	Owner Occupied Units %	Bank & Aggregate Lending Comparison											
			2015			2016			2015			2016		
			Count		Dollar	Count		Dollar	Count		Dollar			
			Bank #	Agg %	Bank \$ (000s)	Agg %	Bank #	Agg %	Bank \$ (000s)	Agg %	Bank #	Agg %	Bank \$ (000s)	Agg %
HOME PURCHASE	Low	3.4%	0	0.0%	4.7%	\$0	0.0%	4.3%	0	0.0%	4.6%	\$0	0.0%	4.6%
	Moderate	18.2%	2	3.1%	19.9%	\$1,070	6.0%	17.1%	2	3.3%	21.0%	\$625	3.5%	18.4%
	Middle	36.5%	18	27.7%	38.1%	\$4,282	24.0%	35.5%	22	36.7%	37.7%	\$6,422	36.5%	35.4%
	Upper	41.9%	45	69.2%	37.4%	\$12,518	70.1%	43.1%	36	60.0%	36.7%	\$10,560	60.0%	41.6%
	Total	100.0%	65	100.0%	100.0%	\$17,870	100.0%	100.0%	60	100.0%	100.0%	\$17,607	100.0%	100.0%
REFINANCE	Low	3.4%	0	0.0%	3.7%	\$0	0.0%	3.0%	0	0.0%	3.1%	\$0	0.0%	2.7%
	Moderate	18.2%	3	6.4%	17.0%	\$712	5.8%	13.5%	2	2.4%	15.2%	\$497	2.6%	12.2%
	Middle	36.5%	12	25.5%	33.9%	\$2,836	23.2%	32.2%	27	32.9%	34.5%	\$6,104	32.3%	31.9%
	Upper	41.9%	32	68.1%	45.4%	\$8,696	71.0%	51.3%	53	64.6%	47.2%	\$12,301	65.1%	53.2%
	Total	100.0%	47	100.0%	100.0%	\$12,244	100.0%	100.0%	82	100.0%	100.0%	\$18,902	100.0%	100.0%
HOME IMPROVEMENT	Low	3.4%	0	0.0%	2.5%	\$0	0.0%	2.3%	0	0.0%	2.7%	\$0	0.0%	3.2%
	Moderate	18.2%	0	0.0%	16.3%	\$0	0.0%	14.5%	1	3.2%	17.8%	\$112	1.2%	14.8%
	Middle	36.5%	5	50.0%	30.4%	\$710	34.4%	24.3%	9	29.0%	31.2%	\$2,664	28.0%	26.2%
	Upper	41.9%	5	50.0%	50.8%	\$1,353	65.6%	58.9%	21	67.7%	48.4%	\$6,746	70.8%	55.7%
	Total	100.0%	10	100.0%	100.0%	\$2,063	100.0%	100.0%	31	100.0%	100.0%	\$9,522	100.0%	100.0%
MULTI FAMILY	Low	16.1%	0	0.0%	25.0%	\$0	0.0%	21.8%	0	0.0%	22.4%	\$0	0.0%	6.5%
	Moderate	29.3%	0	0.0%	32.4%	\$0	0.0%	24.8%	0	0.0%	30.3%	\$0	0.0%	9.6%
	Middle	26.8%	0	0.0%	29.4%	\$0	0.0%	33.7%	3	75.0%	26.3%	\$2,185	46.6%	24.6%
	Upper	27.8%	1	100.0%	13.2%	\$800	100.0%	19.7%	1	25.0%	21.1%	\$2,500	53.4%	59.3%
	Total	100.0%	1	100.0%	100.0%	\$800	100.0%	100.0%	4	100.0%	100.0%	\$4,685	100.0%	100.0%
HMDA TOTALS	Low	3.4%	0	0.0%	4.2%	\$0	0.0%	3.9%	0	0.0%	3.9%	\$0	0.0%	3.8%
	Moderate	18.2%	5	4.1%	18.4%	\$1,782	5.4%	15.6%	5	2.8%	18.2%	\$1,234	2.4%	15.3%
	Middle	36.5%	35	28.5%	35.7%	\$7,828	23.7%	33.6%	61	34.5%	35.7%	\$17,375	34.3%	33.2%
	Upper	41.9%	83	67.5%	41.7%	\$23,367	70.9%	46.9%	111	62.7%	42.2%	\$32,107	63.3%	47.8%
	Total	100.0%	123	100.0%	100.0%	\$32,977	100.0%	100.0%	177	100.0%	100.0%	\$50,716	100.0%	100.0%

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

Mansfield Bank did not originate any loans in low-income census tracts 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 2015 and 2016, the aggregate originated 4.2 percent and 3.9 percent of loans in low-income census tracts, respectively. The demographic indicator, which indicates that just 3.4 percent of owner-occupied units in the assessment area are located within low-income census tracts, is in line with the aggregate’s level of lending within the low-income census tracts.

In terms of lending in moderate-income census tracts, the bank originated 4.1 percent and 2.8 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 lending performance increased significantly to 8.3 percent in moderate-income tracts in 2017. As compared to the aggregate, the bank’s performance was below

the aggregate's lending to borrowers in moderate-income census tracts, which was 18.4 percent and 18.2 percent of its loans by number in these census tracts in 2015 and 2016, respectively.

The bank's recently revised assessment area, competition, and lending opportunities help explain the bank's performance. As mentioned previously, the bank added Brockton to its assessment area in January 2017. Brockton contains 5 of the 6 low-income census tracts, and 10 of the 17 moderate-income tracts within the bank's assessment area. When the bank's loan activity is compared to the aggregate in its assessment area that existed in 2015 and 2016, excluding Brockton, the bank's lending activity in these years is relatively consistent with the aggregate.

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, eight FDIC-insured depository institutions operated 21 branches within Brockton as of June 30, 2017. The bank also faces strong competition for loans in Brockton, notably from large national banks and mortgage companies.

Limited opportunities compound the competitive challenges the bank faces in originating loans in low- and moderate-income census tracts. With respect to income, a relatively high number of low- and moderate-income individuals within the assessment area reside in the newly-added city of Brockton, which makes the census tracts in this city difficult to penetrate. More generally, within low-income census tracts throughout the assessment area, 55.0 percent of the families are low-income and 18.1 percent are moderate-income. As mentioned previously, these income levels, coupled with median housing prices in the assessment area, create affordability challenges for individuals in these census tracts. Further, the poverty rates in low- and moderate-income census tracts are 23.3 percent and 10.9 percent, respectively. With respect to housing, just 25.2 percent and 51.2 percent of the housing stock in low- and moderate-income census tracts, respectively, is owner-occupied. Coupled with the competitive environment, these owner-occupancy rates suggest limited opportunities to originate home mortgage loans.

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 64 census tracts, of which 6 are low-income and 17 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 5 loans in 4 separate moderate-income census tracts within the assessment area. Again in 2016, the bank made 5 loans in four separate moderate-income tracts; and in 2017, the bank originated 9 loans in five separate moderate-income tracts within the bank's 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, which as mentioned previously, the bank added to its assessment area in 2017. Furthermore, lending gaps do not appear conspicuous given the bank's capacity to lend. During the review period, lending volume was generally concentrated around the bank's main office. During the review period, nearly a third (127 of 388) of loans inside the assessment area were within the Town of Mansfield. Outside of Mansfield, lending inside the assessment area was distributed among the following cities and towns: Attleboro (77), Brockton (6), Easton (18), Foxboro (34), North Attleboro (45), Norton (49), Plainville (13), Taunton (13), and West Bridgewater (6). Loan distribution outside of Brockton

does not evidence a pattern of avoiding the low- or moderate-income census tracts located in the city. Given the challenges mentioned above, the loan distribution within the cities containing low- and moderate-income census tracts, and the overall geographic distribution of the bank’s residential lending activity is considered reasonable.

Small Business Lending

Table 7 represents the distribution of small business loans by census tract income level.

Table 7 Geographic Distribution of Small Business Loans by Census Tract								
Census Tract Income Level	2015 % Small Business	2015 Bank		2016 % Small Business	2016 Bank		Bank Total	
	%	#	%	%	#	%	#	%
Low	7.4	0	0	7.5	0	0.0	0	0.0
Moderate	16.3	0	0	16.3	0	0.0	0	0.0
Middle	37.8	3	37.5	37.8	6	50.0	9	45.0
Upper	38.5	5	62.5	38.4	6	50.0	11	55.0
Total	100.0	8	100.0	100.0	12	100.0	20	100.0

D&B 2015&2016 CRA Data; 2015 and 2016 Small Business Loan Registers

In assessing the geographic distribution of small business loans, the demographic indicators evidence the percentage of small businesses, based on the bank’s assessment area, that are located in each census tract.

In both 2015 and 2016, the bank made all of its small business loans in middle- and upper-income census tracts. While the bank’s performance is evaluated in its current assessment area, it is noteworthy that, until the addition of Brockton in January 2017, the bank’s assessment area included just 2 low- and 4 moderate- income census tracts. Currently, the bank has 6 low- and 17 moderate- income census tracts in the assessment area.

Also relevant to this analysis is that the bank is primarily a residential lender, with a relatively low volume of small business loans. In 2015 and 2016, the bank originated just 20 small business loans inside the assessment area. As such, the bank’s lending percentages are largely affected by a single loan origination. Not shown in Table 7, the bank made one loan in a moderate-income tract in 2017. This one loan represented 11.1 percent of the bank’s small business lending.

An analysis of the bank’s low- and moderate-income census tracts was conducted in order to determine if there were any conspicuous lending gaps. Given the bank’s low volume of small business lending, coupled with the low number of low- and moderate-income census tracts in the assessment area during 2015 and 2016, the small business loan dispersion 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 distribution of borrowers reflects a reasonable penetration among individuals of different income levels including low- and moderate-income individuals and businesses of different sizes when compared to area demographics and aggregate performance.

Home Mortgage Lending

Table 8 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 8
Borrower Distribution of HMDA Loans**

PRODUCT TYPE	Borrower Income Levels	Families by Family Income %	Bank & Aggregate Lending Comparison											
			2015						2016					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
#	%	%	\$(000s)	\$ %	\$ %	#	%	%	\$(000s)	\$ %	\$ %			
HOME PURCHASE	Low	20.6%	0	0.0%	5.7%	\$0	0.0%	3.5%	1	1.7%	5.0%	\$130	0.7%	3.2%
	Moderate	17.0%	7	10.8%	23.0%	\$1,238	6.9%	19.1%	4	6.7%	21.6%	\$858	4.9%	18.1%
	Middle	20.8%	19	29.2%	23.8%	\$4,934	27.6%	23.3%	9	15.0%	25.7%	\$2,463	14.0%	25.0%
	Upper	41.6%	36	55.4%	26.8%	\$10,388	58.1%	33.7%	42	70.0%	30.8%	\$12,888	73.2%	37.2%
	Unknown	0.0%	3	4.6%	20.7%	\$1,310	7.3%	20.5%	4	6.7%	16.8%	\$1,268	7.2%	16.5%
	<i>Total</i>	<i>100.0%</i>	<i>65</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$17,870</i>	<i>100.0%</i>	<i>100.0%</i>	<i>60</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$17,607</i>	<i>100.0%</i>	<i>100.0%</i>
REFINANCE	Low	20.6%	2	4.3%	4.6%	\$364	3.0%	2.7%	4	4.9%	4.0%	\$489	2.6%	2.2%
	Moderate	17.0%	5	10.6%	13.7%	\$856	7.0%	10.2%	7	8.5%	13.8%	\$1,293	6.8%	10.3%
	Middle	20.8%	10	21.3%	20.7%	\$2,162	17.7%	18.4%	16	19.5%	20.4%	\$3,280	17.4%	18.4%
	Upper	41.6%	30	63.8%	35.7%	\$8,862	72.4%	41.8%	55	67.1%	43.4%	\$13,840	73.2%	49.8%
	Unknown	0.0%	0	0.0%	25.3%	\$0	0.0%	26.9%	0	0.0%	18.6%	\$0	0.0%	19.4%
	<i>Total</i>	<i>100.0%</i>	<i>47</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$12,244</i>	<i>100.0%</i>	<i>100.0%</i>	<i>82</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$18,902</i>	<i>100.0%</i>	<i>100.0%</i>
HOME IMPROVEMENT	Low	20.6%	1	10.0%	7.8%	\$80	3.9%	4.4%	0	0.0%	5.8%	\$0	0.0%	2.7%
	Moderate	17.0%	2	20.0%	17.6%	\$355	17.2%	14.5%	2	6.5%	15.8%	\$325	3.4%	13.9%
	Middle	20.8%	1	10.0%	21.2%	\$165	8.0%	19.9%	8	25.8%	21.7%	\$2,265	23.8%	20.2%
	Upper	41.6%	6	60.0%	46.0%	\$1,463	70.9%	52.2%	20	64.5%	51.4%	\$6,207	65.2%	58.1%
	Unknown	0.0%	0	0.0%	7.4%	\$0	0.0%	9.0%	1	3.2%	5.2%	\$725	7.6%	5.1%
	<i>Total</i>	<i>100.0%</i>	<i>10</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$2,063</i>	<i>100.0%</i>	<i>100.0%</i>	<i>31</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$9,522</i>	<i>100.0%</i>	<i>100.0%</i>
MULTIFAMILY	Low	20.6%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	17.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	20.8%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	41.6%	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%	\$800	100.0%	100.0%	4	100.0%	100.0%	\$4,685	100.0%	100.0%
	<i>Total</i>	<i>100.0%</i>	<i>1</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$800</i>	<i>100.0%</i>	<i>100.0%</i>	<i>4</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$4,685</i>	<i>100.0%</i>	<i>100.0%</i>
HMDA TOTALS	Low	20.6%	3	2.4%	5.3%	\$444	1.3%	3.1%	5	2.8%	4.6%	\$619	1.2%	2.6%
	Moderate	17.0%	14	11.4%	18.3%	\$2,449	7.4%	14.7%	13	7.3%	17.5%	\$2,476	4.9%	14.0%
	Middle	20.8%	30	24.4%	22.1%	\$7,261	22.0%	20.7%	33	18.6%	22.9%	\$8,008	15.8%	21.1%
	Upper	41.6%	72	58.5%	31.9%	\$20,713	62.8%	37.4%	117	66.1%	37.7%	\$32,935	64.9%	42.2%
	Unknown	0.0%	4	3.3%	22.4%	\$2,110	6.4%	24.1%	9	5.1%	17.3%	\$6,678	13.2%	20.1%
	<i>Total</i>	<i>100.0%</i>	<i>123</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$32,977</i>	<i>100.0%</i>	<i>100.0%</i>	<i>177</i>	<i>100.0%</i>	<i>100.0%</i>	<i>\$50,716</i>	<i>100.0%</i>	<i>100.0%</i>

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

The percentage of loans to low-income borrowers was 2.4 percent in 2015, and 2.8 percent in 2016. These percentages are below the demographic indicator, as 20.6 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 lagged the aggregate

percentage of 5.3 percent in 2015 and 4.6 percent in 2016. In 2017, the bank originated 1.9 percent of its mortgage loans to low-income borrowers.

The percentage of loans to moderate-income borrowers was 11.4 percent in 2015, and 7.3 percent in 2016. These percentages are below the demographic indicator, as 17.0 percent of assessment area families were of moderate-income as of the 2010 U.S. Census. The bank's lending to moderate-income borrowers was also below the aggregate percentages of 18.3 percent in 2015 and 17.5 percent in 2016. In 2017, the bank's lending to moderate-income borrowers increased to 13.9 percent, reflective of the bank's addition of Brockton to the assessment area.

The bank's recently revised assessment area, competition, and lending opportunities help explain the bank's performance. As mentioned previously, Brockton was added to the assessment area in January 2017. A relatively high number of low- and moderate-income individuals within the assessment area reside in Brockton, which is a highly competitive area served by large, established institutions. More generally, competition throughout the assessment area is high. When the bank's 2015 and 2016 lending to low- and moderate-income borrowers is compared to the aggregate in the assessment area that existed in 2015 and 2016, excluding Brockton, the bank's lending performance is generally in line with, and occasionally exceeds, the aggregate.

Additionally, there are affordability challenges facing low- and moderate-income families in the assessment area. As mentioned above, in 2016, the MFI in the Boston, MA MD and Providence-Warwick, RI-MA MSA was \$90,800 and \$73,100, respectively. This means that low-income families earn under \$45,000 and \$36,550, respectively, and the moderate-income families earn under \$72,640 and \$58,480, respectively. With the median home value of \$317,250 as of the 2010 U.S. Census, and with rising home prices outpacing family income, home ownership is difficult for many families, including low- and moderate-income borrowers. For these reasons, the bank's distribution of residential lending to borrowers of different income levels is considered reasonable overall.

Small Business Lending

The bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. A small business loan is defined as an originated commercial real estate or commercial and industrial loan with an original loan amount of \$1 million or less. Table 9 below details the bank's lending to small businesses according to revenue size.

Gross Annual Revenues	2015		2015		2016	
	Total Businesses		Bank		Total Businesses	
	%	#	%	%	#	%
≤ \$1MM	90.8	5	62.5	89.7	2	16.7
> \$1MM	8.9	3	37.5	9.8	10	83.3
N/A	0.4	0	0	0.5	0	0
Total	100	8	100	100	12	100

*Dun and Bradstreet 2015 and 2016 CRA Data, 2015 and 2016 Small Business Loan Registers
Total percentages shown may vary by 0.1 percent due to automated rounding differences.*

In 2015 and 2016, Mansfield Bank originated 62.5 percent and 16.7 percent, respectively, of small business loans to businesses with revenues less than \$1 million. Not shown in the chart, in 2017 the bank originated 33.3 percent of its small business loans to businesses with revenues less than \$1 million. While 90.8 percent of businesses in the assessment area have gross annual revenues of \$1 million or less, this does not necessarily indicate greater loan demand. Therefore, the bank’s lending activity was not evaluated against this percentage. Further, as an intermediate small bank, Mansfield Bank is not required to collect and report small business data. Therefore, comparing the bank’s small business lending to the aggregate is not appropriate given that the aggregate generally comprises large banks required to report such data.

The bank is a Small Business Administration (SBA) lender. In 2015, the bank originated one SBA loan and in 2016 the bank originated three SBA loans. By offering these loans Mansfield Bank is able to offer businesses more flexible terms and conditions, making credit available to businesses that may not have otherwise qualified.

While the low volume of the bank’s small business lending leaves the potential for a single loan to greatly affect the bank’s statistical performance from year to year, overall the bank demonstrates a reasonable penetration of loans to businesses of different sizes given the demographics of the bank’s assessment area.

Response to Complaints

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

CONCLUSIONS: LENDING TEST

The bank’s performance in meeting credit needs in the assessment area is demonstrated by its record of extending residential and small business loans to businesses and borrowers of different incomes, especially low- and moderate-income borrowers and small businesses. 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. Given economic, demographic, and competitive conditions in the assessment area, the bank’s lending levels reflect a reasonable level of responsiveness overall and therefore is rated Satisfactory for the Lending Test.

COMMUNITY DEVELOPMENT TEST

The Community Development Test measures the number and amount of community development⁷ loans; the number and amount of qualified investments; the extent to which the institution provides community development services, and the bank's responsiveness through such activities to community development lending, investment and service needs.

Mansfield Bank's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area. The bank provided community development loans that promote economic development, revitalize and stabilize low- and moderate-income census tracts, and provide affordable housing to low- and moderate-income individuals. Community development investments were focused on low- and moderate-income geographies and individuals as well as small businesses. Bank employees provided community services to organizations that provided essential services to low- and moderate-income individuals and families. The following examples highlight some of these community development activities:

Community Development Loans

As defined in the CRA regulation, a community development loan has as its primary purpose community development and has not been reported as a home mortgage loan or small business loan, unless the loan is for a multi-family dwelling (five or more units), and benefits the bank's assessment area or a broader statewide area that includes the assessment area.

For the period under review, the bank extended five community development loans, totaling \$1,998,500, which were made within the assessment area. Two of these loans assisted in the creation of affordable housing utilizing multifamily dwellings. Another two loans promoted economic development in moderate-income areas through the creation of mixed-use properties and a small business equipment loan. One additional loan promoted revitalization through the development of multi-unit housing in a city with low- and moderate-income tracts, intended to attract and retain existing residents. The bank's dollar volume of community development lending increased significantly from the prior evaluation in 2015, when the bank had seven community

⁷ 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, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation 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, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, 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.

development loans, totaling \$393,000.

Further, while these are not eligible for community development credit, the bank offers noteworthy homebuyer loans to encourage homeownership within the assessment area, including:

First Time Homebuyer (FTHB) Product – Along with the FTHB seminars, the bank offers a FTHB primary residence mortgage loan to increase homeownership opportunities within the bank’s assessment area. During the evaluation period, the bank originated five loans for \$1,511,200.

CRA Loan Product – The bank offers a no mortgage insurance loan on primary residences up to a 95 percent LTV, targeting low- and moderate-income borrowers and regions of the bank’s assessment area. During the exam period, the bank has originated twelve CRA loans for \$3,471,045.

Community Development Investments

Mansfield Bank’s equity investments consist of donations. The bank plays an active role in supporting numerous community, educational, and social organizations in its assessment area through direct contributions and sponsorships. Donations are made through the bank’s charitable foundation as well as the bank itself. During the review period, the bank made a total of \$374,341 in donations, of which \$186,286, or 49.8 percent, were considered to be primarily for community development purposes. Qualified donations by community development category and year are displayed in Table 11.

Table 11 Qualified Community Development Donations								
Community Development Category	2015		2016		2017		Review Period	
	#	\$	#	\$	#	\$	#	\$
Affordable Housing	6	10,540	2	3,568	2	2,600	10	16,708
Community Services	23	38,450	45	62,678	38	66,950	106	168,078
Economic Development	1	1,500	-	-	-	-	1	1,500
TOTAL	30	50,490	47	66,246	40	69,550	117	186,286

Bank-provided data 1/1/2014-12/31/2017

The bank’s donations primarily provided needed community services to low-income and moderate-income individuals. These activities are particularly vital in the socio-economic environment in which the bank is operating. The bank also made contributions to organizations that provide affordable housing and economic development. The following are examples of recipients who engage in these activities for the betterment of the economically disadvantaged.

Health and Social Services Consortium (HESSCO) Elder Services - HESSCO's mission is to help older adults and individuals in financial need living with a disability remain safe and independent at home for as long as possible. HESSCO contracts with a comprehensive network of health and supportive services to meet consumers' needs. HESSCO is a member of the Metro-west Aging and Disability Resource Consortium, a partnership among agencies that provides information, support and services to individuals of all ages living with a disability.

Kennedy-Donovan Center - Kennedy-Donovan Center supports people with developmental delays, disabilities or family challenges to pursue their personal potential and success in the community. They provide a wide range of effective supports to individuals and families in financial need through prevention, advocacy, and intervention services that are person-centered, innovative, and compassionate. Kennedy-Donovan Center also assists individuals and families in financial need with the provision of affordable housing.

Old Colony Habitat for Humanity - Old Colony Habitat for Humanity is dedicated to providing decent, affordable housing in partnership with families in need. This is a nonprofit housing organization that builds houses for families who earn between 25 percent and 60 percent of the area's median income and do not qualify for other homeownership programs.

St. Vincent de Paul Society/Norton Energy Fund - St. Vincent de Paul Society is a private, nonprofit agency that provides person-to-person services such as: legal, pharmaceutical, medical or healthcare assistance and aid such as, food, clothing, or furniture to those in need. The bank supports a fund specifically geared toward heating assistance for low-income families within the bank's assessment area.

West Side Benevolent Circle, Inc. - West Side Benevolent Circle, Inc. is a nonprofit agency with the slogan of "neighbor helping neighbor." This group collects and distributes clothing, baskets of food and money to Mansfield families in need.

Community Development Services

Bank personnel are involved in a leadership capacity with organizations that promote one of the four community development criteria. Bank representatives have led efforts for local economic development groups and expended several hours providing financial, technical, or leadership advice for several organizations that foster economic development, affordable housing, or social services to low- or moderate-income persons. Examples of notable community development services follow:

Old Colony Habitat for Humanity - A nonprofit housing organization that builds houses for families who earn between 25 percent and 60 percent of the area's median income and do not qualify for other homeownership programs. Two employees of the bank serve as board members.

Our Daily Bread Food Pantry (Mansfield) - Our Daily Bread's mission is to provide food and access to other resources for Mansfield residents in need. An employee of the bank serves on the Steering Committee and the Planning Committee.

Pro Home, Inc. - Pro-Home, Inc. is a nonprofit organization established for the "production and protection of affordable housing." The organization offers foreclosure prevention counseling. An

employee of the bank serves as a board member.

South Eastern Economic Development (SEED) Corporation - SEED is a non-profit, SBA-certified corporation established to improve the economy of Southeastern Massachusetts by assisting small businesses to start-up, expand, and create new employment opportunities. An employee of the bank serves as a member of the micro loan committee, and another employees of the bank serves as a board member.

Educational Services

FTHB Seminars – Bank staff conducted two first time homebuyer seminars within its assessment area during the review period, including one in Spanish.

Credit for Life – Credit for Life is a program geared towards helping high school students develop financial literacy skills. Bank employees participated in three Credit for Life fairs within the bank’s assessment area during the review period.

CONCLUSION: COMMUNITY DEVELOPMENT TEST

Given the community development opportunities and level of competition in the assessment area, as well as the level of community involvement displayed by the bank, Mansfield Bank demonstrates adequate responsiveness to the community development needs of its assessment area and is rated satisfactory. This is evidenced through community development loans and loan programs, qualified donations, and community development services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment area. The bank should continue to seek out opportunities for community development.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Concurrent with this CRA evaluation, a review of the bank’s compliance with consumer protection laws and regulations was conducted, and no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

MD/MSA Discussion

As discussed, the bank's assessment area includes the Boston, MA MD and Providence-Warwick MSA. The bank's activity in each MD/MSA is discussed separately here.

Boston, MA MD

According to the 2010 ACS data, the Boston, MA MD is comprised of 435 census tracts. Of those tracts, 27 are located within the bank's assessment area. As of 2016, there were 4 low-income, 12 moderate-income, 8 middle-income, and 3 upper-income census tracts within this portion of the bank's assessment area. The bank originated a total of 46 HMDA loans and 5 small business loans within this portion of the assessment area. For 2015 and 2016 combined HMDA loans, the bank originated a total of 3 loans, or 6.5 percent, in moderate-income census tracts, 18 loans, or 39.1 percent, in middle-income census tracts and a total of 25 loans, or 54.3 percent, in upper-income census tracts with no loans in the low-income tracts. During this timeframe, the bank originated 4 loans, or 8.7 percent, to low-income borrowers; 8 loans, or 17.4 percent, to moderate-income borrowers; 16 loans, or 34.8 percent, to middle-income borrowers; 18 loans, or 39.1 percent, to upper-income borrowers. Regarding the small business loans, 1 loan, or 20.0 percent, was in a middle-income census tract, and 4 loans, 80.0 percent, were in upper-income census tracts.

In this portion of the assessment area, 28.7 percent of families are low-income and 9.1 percent of the families in the assessment area have incomes below the poverty level; 20.9 percent are moderate-income; 23.0 percent are middle-income; and 27.4 percent are upper-income. There are a total of 29,216 owner-occupied units; 5.7 percent are in the low-income census tracts, 40.7 percent are in the moderate-income census tracts, 37.5 percent are located in middle-income census tracts, and 16.1 percent are located in upper-income census tracts.

Businesses located in this portion of the assessment area total 5,219. Of these, 9.7 percent are in low-income census tracts, 30.4 percent are in moderate-income census tracts, 38.5 percent are located in middle-income census tracts, and 21.3 percent are located in upper-income census tracts.

Businesses located in this portion of the assessment area with total revenue less than or equal to \$1 million total 4,644 which represents 89.0 percent of businesses in the area. Of these, 10.0 percent are located in low-income census tracts, 31.5 percent are located in moderate-income census tracts, 37.6 percent are located in middle-income census tracts, and 20.9 percent are located in upper-income tracts.

Providence-Warwick RI-MA MSA

According to the 2010 ACS data, the Providence-Warwick RI-MA MSA is comprised of a total of 370 census tracts, of which 37 are within the bank's assessment area. As of 2016, there were 2 low-income census tracts and 4 moderate-income census tracts. Furthermore, 14 of the census tracts are middle-income, and 17 are upper-income. The bank originated a total of 254 HMDA loans and 15 small business loans within this portion of the assessment area. For 2015 and 2016 combined HMDA loans, the bank originated a total of 7 loans, or 2.8 percent, in moderate-income census tracts, 78 loans, or 30.7 percent, in middle-income census tracts and a total of 169 loans, or 66.5 percent, in upper-income census tracts with no loans in the low-income tracts. During this timeframe, the bank originated 4 loans, or 1.6 percent, to low-income borrowers; 19 loans, or 7.5

percent, to moderate-income borrowers; 47 loans, or 18.5 percent, to middle-income borrowers; 171 loans, or 67.3 percent, to upper-income borrowers as well as 13 loans, or 5.1 percent, to borrowers of unknown income. Regarding the small business loans, 8 loans, or 53.3 percent, were in a middle-income census tract, and 7 loans, 46.7 percent, were in upper-income census tracts.

In this portion of the assessment area, 15.5 percent of families are low-income and 5.2 percent of the families in the assessment area have incomes below the poverty level; 14.5 percent are moderate-income; 19.5 percent are middle-income; and 50.5 percent are upper-income. There are a total of 51,249 owner-occupied units; 2.1 percent are in the low-income census tracts, 5.4 percent are in the moderate-income census tracts, 35.9 percent are located in middle-income census tracts, and 56.6 percent are located in upper-income census tracts.

Businesses located in this portion of the assessment area total 8,069. Of these, 5.9 percent are in low-income census tracts, 6.8 percent are in moderate-income census tracts, 38.0 percent are located in middle-income census tracts, and 49.3 percent are located in upper-income census tracts.

Businesses located in this portion of the assessment area with total revenue less than or equal to \$1 million total 7,272 which represents 90.1 percent of businesses in the area. Of these, 5.9 percent are located in low-income census tracts, 6.6 percent are located in moderate-income census tracts, 38.0 percent are located in middle-income census tracts, and 49.5 percent are located in upper-income tracts.

Conclusions

The bank's activities within the Boston, MA MD and Providence-Warwick RI-MA MSA were reviewed and the bank's performance in each category was found to be generally consistent with its overall performance, as well as with the bank's overall analysis.