

PUBLIC DISCLOSURE

July 18, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Abington Bank
RSSD # 61476

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.
The Lending Test is rated: SATISFACTORY
The Community Development Test is rated: SATISFACTORY

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

Lending Test

- The loan-to-deposit (LTD) ratio is reasonable (considering reasonable variations) given the bank's size, financial condition, the credit needs of the assessment area, and taking into account other lending-related activities.
- A majority of loans and other lending related activities are in the assessment area.
- The distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income) is reasonable given the demographics of the assessment area.
- The geographic distribution of loans is reasonable given the assessment area.
- There have been no complaints regarding the bank's CRA performance since the previous CRA examination.

Community Development Test

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

SCOPE OF EXAMINATION

Abington's performance review was based on CRA activities conducted using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Intermediate Small Institutions¹. These procedures evaluate banks under two tests: the Lending Test and the Community Development Test. The Lending Test evaluates the bank's lending performance pursuant to the following criteria: LTD ratio, assessment area concentration of loans, loan distribution according to the income of the borrower, geographic distribution of loans, and response to CRA-related complaints. The Community Development Test measures the number and amount of community development loans; the number and amount of qualified investments; the extent to which the institution provides community development services, and the bank's responsiveness through such activities.

The data used for the evaluation and the applicable timeframes are discussed below.

The Lending Test evaluated the bank's home mortgage lending activity from January 1, 2017 through December 31, 2021. Home mortgage loan data was obtained from Loan Application Registers (LARs), maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). The bank's lending data for the two most recent full years for which aggregate data was available, 2020 and 2021, are presented in the lending tables unless otherwise noted. Performance in 2017, 2018, and 2019 was also considered; however, these years are only discussed in the narrative relative to consistency of performance with 2020 and 2021. The analysis of the bank's net LTD ratio includes the last 19 quarters, which represents the period since the prior CRA examination.

HMDA reporting requirements changed in 2018; therefore, this examination does not compare the bank's 2017 home mortgage lending performance to its 2018, 2019, 2020, and 2021 home mortgage lending performance. Additionally, this examination does not consider mortgage loans originated under the new HMDA loan purposes of "other" and "not applicable". The bank's home mortgage loan performance was compared to applicable aggregate data. Aggregate data consists of lending information from all HMDA reporters that originated or purchased HMDA-reportable loans in the bank's assessment area. The 2017 aggregate data was obtained from the FFIEC's HMDA data, and the 2018, 2019, 2020, and 2021 aggregate data was obtained from the Consumer Finance Protection Bureau (CFPB). The new loan purposes of "other" and "not applicable" were excluded from the 2018, 2019, 2020, and 2021 aggregate data. The bank's home mortgage lending performance was also compared to demographics from the 2015 American Community Survey (ACS), unless otherwise noted. While both the number and dollar volume of the bank's home mortgage loans were reviewed, the number of originations was weighted more heavily when forming overall conclusions.

Small business lending was not considered in this evaluation. As an intermediate small bank, Abington is not subject to the small business reporting requirements applicable to large banks. While commercial loans comprise a sizeable portion of the loan portfolio by dollar volume, 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.

¹ "Intermediate small institution" means a bank or savings association with assets of at least \$330 million as of December 31 of both of the prior two calendar years and less than \$1.322 billion as of December 31 of either of the prior two calendar years.

The Community Development Test included a review of community development loans, investments, and services for the period of September 26, 2017 through July 18, 2022. The Community Development Test is evaluated in the context of community needs and the capacity of the bank. A third-party community organization was contacted to provide additional insight into the credit needs and opportunities in the assessment area.

The bank's last CRA examination was conducted by the Federal Reserve Bank of Boston on September 25, 2017, in accordance with the FFIEC Examination Procedures for Small Institutions. The bank was rated Satisfactory. Due to an increase in assets during the review period, in part due to a 2019 merger with Pilgrim Bank (Pilgrim), Cohasset, MA, Abington is now evaluated in accordance with the FFIEC Examination Procedures for Intermediate Small Institutions.

DESCRIPTION OF INSTITUTION

Abington is headquartered at 6 Harrison Avenue in Abington, MA. In addition to its headquarters, the bank operates five full-service branches in Cohasset (2) Avon, Holbrook, and Marion. The branches located in Cohasset, Avon, and Marion were acquired during the review period as a result of the merger with Pilgrim. All branch locations have an ATM.

Abington has three wholly owned subsidiaries: 16A Harrison Avenue Corporation, NACB Securities Corporation, and 48 South Main Street Corporation. Abington is an independent subsidiary of the multi-bank holding company Hometown Financial Group (HFG), Easthampton, MA. HFG operates as a multi-bank holding company that holds Easthampton Savings Bank, Easthampton, MA, and Hometown Bank, Oxford, MA, in addition to Abington.

Abington offers personal products and services such as checking and savings accounts, mortgages, and home equity loans and lines of credit. The same products and services are available at all branch locations. In addition to its First-time Homebuyer program, which offers low down payment options and closing credits, Abington participates in the Federal Home Loan Bank of Boston's Equity Builder Program (EBP) and Housing Our Workforce (HOW) programs. These programs provide grants that reduce costs associated with purchasing a home for low-and moderate-income homebuyers within the bank's assessment area. As part of its Affordable Housing Program, the bank also offers a 7/3 ARM loan with a lower down payment requirement. In addition, Abington offers a double down mortgage program, which is intended to help customers rebuild and establish credit. Business products and services include traditional loan and deposit products. The bank's website, www.theabingtonbank.com, provides branch and ATM location information and a listing of loan and deposit services, including rates. In addition to other traditional delivery methods, the bank receives residential mortgage loan applications through its website.

The bank's growth in assets, loans, and deposits during the review period is partly attributed to the merger with Pilgrim as well as the financial events shaped by the COVID-19 pandemic, including the low interest rate environment and historic deposit surge. As of March 31, 2022, the bank's assets totaled \$607.9 million, loans totaled \$416.4 million, and deposits totaled \$489.5 million. Since June 30, 2017, assets increased by \$374.5 million, or 160.5 percent, which is attributed to a \$240.0 million, or 73.5 percent, increase in the bank's loan portfolio. The increase in loans is partly attributed to an approximate \$75.5 million increase in closed-end one-to-four family loans and a \$83.9 million increase in commercial real estate loans. While loans have increased in dollar volume, they have decreased as a percentage of total assets. As of March 31, 2021, the bank's loan portfolio represents 68.4 percent of total assets. At the previous examination, total loans represented 75.5 percent of total assets. Deposits increased by \$288.1 million during the review period.

Table 1 shows the bank's loan portfolio distribution as of March 31, 2022. Abington is primarily a home mortgage lender, with home mortgage real estate loans, including multifamily loans and revolving loans, totaling \$209.6 million, or 50.3 percent, of the loan portfolio. Home mortgage loans mainly consist of 1-4 family closed-end loans secured by first liens. Commercial lending is the bank's second largest business line with commercial real estate, construction and land development, and commercial and industrial loans together totaling \$206.6 million, or 49.6 percent, of the loan portfolio.

Table 1		
Loan Distribution as of March 31, 2022		
Loan Type	Dollar Amount \$(000s)	Percent of Total Loans (%)
Construction and Land Development	47,427	11.4
Revolving 1-4 Family Residential	7,963	1.9
1-4 Family Residential	157,636	37.9
Multifamily (5 or more) Residential	43,993	10.6
Commercial RE	140,605	33.8
Total Real Estate Loans	397,624	95.5
Commercial and Industrial	18,575	4.5
Consumer	156	0.0
Total Loans	416,355	100.0

Call Report as of March 31, 2022.

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

Abington operates in a competitive geographic area where several community banks, as well as larger regional and national banks, maintain a branch presence. According to the FDIC Deposit Market Share Report, as of June 30, 2021, there were 26 financial institutions offering deposit services within the bank's assessment area. Abington ranked 14th for deposit market share, at 1.7 percent. Rockland Trust Company ranked first, at 18.7 percent; Citizens Bank, N.A. ranked second, at 14.2 percent, and Bank of America, N.A. ranked third, at 14.1 percent. Rockland Trust Company and Citizens Bank, N.A. maintain 35 and 26 locations, respectively, within the assessment area, while Bank of America, N.A. maintains 19 locations and Abington maintains 6.

Additionally, the bank operates in a competitive environment for home mortgage loans. Despite this competition, the bank's market rank has risen during the review period. According to 2020 HMDA aggregate data, of the 486 financial institutions that originated a HMDA reportable loan within the assessment area, Abington ranked 84th with 117 originations; in 2021, of the 505 financial institutions that originated a HMDA-reportable loan within the assessment area, the bank ranked 79th with 103 originations. Rocket Mortgage, LLC, one of the country's largest mortgage lenders, ranked first with 3,304 originations. Citizens Bank, N.A. one of the largest retail banks in the country, ranked second with 2,574 originations. The bank also faces strong competition for loans from Rockland Trust Company and LoanDepot.com, LLC.

Considering the bank's financial capacity, local economic conditions, assessment area demographics, and the competitive market in which it operates, the bank has demonstrated an ability to meet the credit needs in its assessment area. There are no legal or financial impediments that would impact the bank's ability to meet the credit needs of its assessment area.

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. Abington maintains one assessment area in the Commonwealth of Massachusetts (Commonwealth). The assessment area includes a portion (155 out of 435 census tracts) of the Boston, MA Metropolitan Division (MD). The Boston, MA MD is comprised of Norfolk County, Plymouth County, and Suffolk County. Of these counties, the bank includes all of Plymouth County (101 census tracts) and a portion of Norfolk County (54 census tracts) in its assessment area. The assessment area consists of 35 contiguous cities and towns in Plymouth County and Norfolk County in southeastern Massachusetts. The cities and towns in the assessment area in Plymouth County are Abington, Bridgewater, Brockton, Carver, Duxbury, East Bridgewater, Halifax, Hanover, Hanson, Hingham, Hull, Kingston, Lakeville, Marion, Marshfield, Mattapoisett, Middleboro, Norwell, Pembroke, Plymouth, Plympton, Rochester, Rockland, Scituate, Wareham, West Bridgewater, and Whitman. The cities and towns in the assessment area in Norfolk County are Avon, Braintree, Cohasset, Holbrook, Quincy, Randolph, Stoughton, and Weymouth.

As a result of the merger with Pilgrim, Abington expanded its assessment area to include all of Plymouth County and added portions of Norfolk County. Specifically, the bank added 25 cities and towns to its assessment area. As mentioned previously, the bank also acquired four full-service branch locations in Cohasset (2), Avon, and Marion.

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	6	3.9	4,945	2.5	1,597	32.3	41,807	21.4
Moderate-income	28	18.1	34,676	17.8	4,456	12.9	34,059	17.5
Middle-income	88	56.8	111,109	57.0	4,468	4.0	41,219	21.1
Upper-income	30	19.4	44,282	22.7	1,360	3.1	77,977	40.0
Unknown-income	3	1.9	50	0.0	0	0.0	0	0.0
Total Assessment Area	155	100.0	195,062	100.0	11,881	6.1	195,062	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	8,778	2,084	1.0	23.7	5,729	65.3	965	11.0
Moderate-income	62,770	31,078	15.2	49.5	25,687	40.9	6,005	9.6
Middle-income	181,112	122,364	59.8	67.6	43,835	24.2	14,913	8.2
Upper-income	62,384	48,887	23.9	78.4	9,012	14.4	4,485	7.2
Unknown-income	198	86	0.0	43.4	112	56.6	0	0.0
Total Assessment Area	315,242	204,499	100.0	64.9	84,375	26.8	26,368	8.4

2021 FFIEC Census Data and 2021 D&B data.

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

The assessment area contains 155 census tracts of which 6 tracts, or 3.9 percent, are low-income; 28 tracts, or 18.1 percent, are moderate-income; 88 tracts, or 56.8 percent, are middle-income; and 30 tracts, or 19.4 percent, are upper-income. The remaining 3 census tracts, or 1.9 percent, are unknown-income and consist of a correctional institution and Bridgewater State University located in Bridgewater, as well as the harbor and Atlantic Ocean surrounding the Plymouth County coastline. The low-income tracts are concentrated within Plymouth County, specifically in Brockton, which contains five of the assessment area’s six low-income tracts. The other low-income tract is in Quincy. The 28 moderate-income tracts are located in the cities and towns of Braintree (1); Brockton (10); Carver (1); Holbrook (1); Middleboro (1); Plymouth (2); Quincy (6); Randolph (2); Stoughton (1); Wareham (2); Weymouth (1).

Population

The assessment area has a total population of 774,295 individuals, of which 2.9 percent reside in low-income tracts, 18.8 percent reside in moderate-income tracts, 56.2 percent reside in middle-income tracts, 21.4 percent reside in upper-income tracts, and 0.7 percent reside in unknown income tracts. Of the 195,062 families in the assessment area, 2.5 percent reside in low-income tracts, 17.8 percent reside in moderate-income tracts, 57.0 percent reside in middle-income tracts, and 22.7 percent reside in upper-income tracts. The low percentages of individuals and families residing in low- and moderate-income tracts suggests limited opportunity for the bank to originate home mortgage loans in those tracts. Of the families in the assessment area, 21.4 percent are low-income, 17.5 percent are moderate-income, 21.1 percent are middle-income, and 40.0 percent are upper-income.

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 incomes for the assessment area.

Table 3 Median Family Income Comparison					
Year	MD/Town/County/State	MFI	Year	MSA/MD/Town/County/State	MFI
2020	Assessment Area	\$89,270	2021	Assessment Area	\$89,270
2020	Norfolk County	\$112,605	2021	Norfolk County	\$112,605
2020	Plymouth County	\$91,720	2021	Plymouth County	\$91,720
2020	Boston, MD	\$109,800	2021	Boston, MD	\$113,700
2020	Commonwealth	\$109,900	2021	Commonwealth	\$111,700

FFIEC median family income estimates.

The MFI for the assessment area during the review period was \$89,270, which was below that of Norfolk County and Plymouth County. In addition, the percentage of families living below the poverty level is higher in Plymouth County than in Norfolk County. The MFI in Brockton,

within Plymouth County, is below the assessment area, all counties therein, and the Commonwealth. The poverty level in Brockton exceeded the assessment area, all counties therein, and the Commonwealth. This suggests that, though some pockets of affluence exist, many residents in the assessment area may experience economic insecurity.

Housing

The assessment area includes 315,242 housing units, of which a significant majority, 81.0 percent, are 1-4 family housing; 17.3 percent are multifamily (five or more units); and 1.7 percent are mobile homes. A majority, 64.9 percent, of housing units within the assessment area are owner-occupied, while 26.8 percent are rental units, and 8.4 percent are vacant.

Within the assessment area, low-income census tracts contain only 2.8 percent of housing units, of which a majority, 65.3 percent, are rentals; 23.7 percent are owner-occupied, and 11.0 percent are vacant. The low percentage of housing units and majority percentage of rental units in low-income tracts suggest limited opportunity for home loan originations within those tracts. Moderate-income census tracts contain 19.9 percent of the assessment area's housing units, of which 40.9 percent are rentals; 49.5 percent are owner-occupied; and 9.6 percent are vacant, indicating limited opportunity for home loan origination in those tracts. In Brockton, 20.8 percent of housing units are located in low-income census tracts and 55.3 percent are in moderate-income tracts. Owner occupancy, rental occupancy, and vacancy rates in Brockton's low- and moderate-income census tracts are consistent with the assessment area, again indicating limited opportunity to originate home mortgage loans within this city.

Based on the 2015 ACS, the median housing value in the assessment area was \$328,863, which is in line with Plymouth County, at \$328,600, and below that of Norfolk County, at \$399,500, and the Commonwealth, at \$333,100. Recent data obtained from The Warren Group, Boston, MA, indicates that housing prices continue to rise. For calendar year 2021, the average median home sales price in the Commonwealth was \$495,000. Norfolk County was at \$610,000, Plymouth County was at \$481,250, and Brockton was at \$407,000. These elevated home prices may present a barrier to home ownership for many low- and moderate-income borrowers.

Employment Statistics

According to data released by the U.S. Bureau of Labor Statistics, unemployment rates in the assessment area have increased since the previous examination. The unemployment rate for Norfolk and Plymouth counties rose sharply due to the COVID-19 pandemic, peaking in April 2020, with Norfolk County, at 15.9 percent, and Plymouth County, at 18.8 percent. In 2021, the average annual unemployment rate for Plymouth County, at 6.1 percent, was above the Commonwealth, at 5.7 percent, and Norfolk County, at 5.1 percent. More recently, the unemployment rates in these counties have decreased, indicating that economic conditions have improved.

Community Contacts

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.

A community contact was conducted with a representative of a nonprofit organization focused on affordable housing and economic development within the Brockton community. The organization operates within a largely non-English speaking minority community. The contact cited the knowledge gap around the meaning and impact of credit worthiness in the community as a major concern, noting the community's need for more credit building opportunities, better outreach from local financial institutions in different languages, and more access to financial counseling and financial education. Specifically, there is an opportunity for more readily available credit counseling that is well advertised to non-English speakers. The contact further noted that affordable housing is an ongoing issue in the area, particularly with respect to the older age of local housing stock and the financial challenges for low- and moderate-income individuals to reside in de-lead and well-maintained properties.

An additional community contact was conducted with a representative from a community development financial institution focusing on business development and job creation in southeastern Massachusetts and all of Rhode Island. The organization works with small businesses, such as start-ups, that have been declined for traditional financing. Clients are typically from low-income, non-English speaking minority populations, and represent first-generation businesses. The contact explained that economic conditions due to the COVID-19 pandemic continue to present challenges, and that businesses would benefit from increased financial and business proficiency as well as assistance with overcoming language barriers. The contact noted that several financial institutions in the area were responsive to the organization's mission through providing sponsorships and committee representation. However, the contact noted the need for increased financial literacy around commercial lending. It was also noted that commercial lending products with no prepayment penalties could further benefit low- and moderate-income entrepreneurs within the area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

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

Loan-to-Deposit Ratio

This performance criterion determines the percentage of the bank's deposit base that is reinvested in the form of loans and evaluates its appropriateness. The bank's net LTD figures are calculated from the bank's quarterly FFIEC Call Reports. The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. The LTD ratio is reasonable (considering seasonable variations) given the bank's size, financial condition, the credit needs of the assessment area, and taking into account other lending related activities.

Table 4 provides a comparison of the bank’s average LTD ratio over the last 19 quarters under evaluation to similarly situated institutions operating within or near the assessment area.

Table 4 Loan-to-Deposit Ratio Comparison		
Institutions	Total Assets* \$(000’s)	Average LTD Ratio** (%)
Bank of Canton	829,382	88.1
Abington Bank	607,939	89.3
Norwood Co-Operative Bank	715,016	96.7
Mechanics Co-Operative Bank	647,080	105.7

*Call Report as of March 31, 2022

**Call Reports from September 30, 2017 to March 31, 2022

From September 30, 2017, to March 31, 2022, Abington’s average LTD ratio was 89.3 percent. The bank’s quarterly LTD ratio ranged from a high of 100.3 percent, as of September 30, 2019, to a low of 79.2 percent, as of September 30, 2021. The peak in 2019 can be partially attributed to the merger with Pilgrim, which increased loans relative to deposits. The dip in 2021 can be partially attributed to increased deposit growth due to the COVID-19 pandemic. Also of note, the bank sells many of its loans on the secondary market which can free up additional lending capacity.

Assessment Area Concentration

This performance criterion evaluates the concentration of loans originated by the bank within its assessment area. As shown below, a majority of loans and other lending related activities are in the bank’s assessment area. Table 5 presents the bank’s levels of lending inside and outside the assessment area for the entire review period.

Table 5 Lending Inside and Outside the Assessment Area										
Loan Type	Inside				Outside				Total	
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	\$(000s)
Home Purchase	40	56.3	17,960	40.7	31	43.7	26,163	59.3	71	44,123
Home Improvement	8	80.0	1,264	41.9	2	20.0	1,750	58.1	10	3,014
Multifamily Housing	22	55.0	45,550	47.9	18	45.0	49,501	52.1	40	95,051
Refinancing	106	84.8	29,455	73.3	19	15.2	10,732	26.7	125	40,187
Residential Total	176	71.5	94,229	51.7	70	28.5	88,146	48.3	246	182,375

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

During the review period, the bank originated a total of 246 home mortgage loans, of which 176, or 71.5 percent, were inside the assessment area. In 2020, the bank originated a total of 134 home mortgage loans, of which 97, or 72.4 percent, were made inside the assessment area. In 2021, the bank originated a total of 112 home mortgage loans, of which 79 loans, or 70.5 percent, were made within the assessment area.

Loans originated outside of the assessment area were mainly concentrated in the City of Boston (Boston). The bank maintains strong relationships with real estate developers financing properties in Boston. As a result, many of these loans are 2-4 family investment properties, often in areas of Boston where real estate prices have seen dramatic increases over recent years.

The number and percentage of home mortgage loans made inside the assessment area remained stable during the review period. The concentration of loan types was generally consistent during the review period, with refinance loans most heavily concentrated within the assessment area during 2020 and 2021.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels. The distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income) is reasonable given the demographics of the assessment area.

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 tables further outline 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 %	Bank and Aggregate Lending Comparison						Bank and Aggregate Lending Comparison					
			2020						2021					
			Count			Dollar			Count			Dollar		
			Bank #	Agg %	Agg %	Bank \$(000s)	Agg \$ %	Agg \$ %	Bank #	Agg %	Agg %	Bank \$(000s)	Agg \$ %	Agg \$ %
HOME PURCHASE	Low	21.4%	6	30.0%	5.8%	\$1,275	14.7%	2.7%	1	5.0%	5.8%	\$280	3.0%	3.1%
	Moderate	17.5%	2	10.0%	25.2%	\$740	8.5%	17.1%	1	5.0%	24.4%	\$140	1.5%	18.9%
	Middle	21.1%	3	15.0%	25.3%	\$869	10.0%	21.0%	2	10.0%	24.6%	\$720	7.8%	23.6%
	Upper	40.0%	3	15.0%	31.0%	\$1,540	17.7%	35.1%	3	15.0%	29.5%	\$1,352	14.6%	38.7%
	Unknown	0.0%	6	30.0%	12.8%	4,259	49.0%	24.1%	13	65.0%	15.8%	\$6,785	73.1%	15.7%
	Total	100.0%	20	100.0%	100.0%	\$8,683	100.0%	100.0%	20	100.0%	100.0%	\$9,277	100.0%	100.0%
REFINANCE	Low	21.4%	3	5.1%	4.8%	\$395	2.3%	2.6%	5	10.6%	6.7%	\$573	4.6%	3.9%
	Moderate	17.5%	12	20.3%	19.0%	\$2,125	12.6%	14.2%	12	25.5%	21.9%	\$2,753	22.0%	17.0%
	Middle	21.1%	16	27.1%	25.9%	\$4,576	27.1%	23.3%	10	21.3%	24.8%	\$2,407	19.2%	23.1%
	Upper	40.0%	26	44.1%	36.1%	\$9,477	56.0%	42.2%	15	31.9%	30.6%	\$5,645	45.0%	38.8%
	Unknown	0.0%	2	3.4%	14.2%	\$340	2.0%	17.8%	5	10.6%	16.0%	\$1,164	9.3%	17.1%
	Total	100.0%	59	100.0%	100.0%	\$16,913	100.0%	100.0%	47	100.0%	100.0%	\$12,542	100.0%	100.0%
HOME IMPROVEMENT	Low	21.4%	0	0.0%	6.2%	\$0	0.0%	4.0%	0	0.0%	6.6%	\$0	0.0%	5.9%
	Moderate	17.5%	1	25.0%	17.4%	\$150	41.2%	14.5%	0	0.0%	17.9%	\$0	0.0%	14.0%
	Middle	21.1%	2	50.0%	26.4%	\$76	20.9%	23.9%	0	0.0%	25.9%	\$0	0.0%	22.0%
	Upper	40.0%	1	25.0%	46.1%	\$138	37.9%	49.7%	1	25.0%	47.1%	\$225	25.0%	52.4%
	Unknown	0.0%	0	0.0%	3.9%	\$0	0.0%	7.8%	3	75.0%	2.5%	\$675	75.0%	5.7%
	Total	100.0%	4	100.0%	100.0%	\$364	100.0%	100.0%	4	100.0%	100.0%	\$900	100.0%	100.0%
MULTIFAMILY	Low	21.4%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	17.5%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	21.1%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Upper	40.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Unknown	0.0%	14	100.0%	100.0%	\$20,540	100.0%	100.0%	8	100.0%	100.0%	\$25,010	100.0%	100.0%
	Total	100.0%	14	100.0%	100.0%	\$20,540	100.0%	100.0%	8	100.0%	100.0%	\$25,010	100.0%	100.0%
HMDA TOTALS	Low	21.4%	9	9.3%	5.1%	\$1,670	3.6%	2.6%	6	7.6%	6.4%	\$853	1.8%	3.5%
	Moderate	17.5%	15	15.5%	20.6%	\$3,015	6.5%	14.6%	13	16.5%	22.3%	\$2,893	6.1%	16.9%
	Middle	21.1%	21	21.6%	25.7%	\$5,521	11.9%	21.7%	12	15.2%	24.7%	\$3,127	6.6%	22.4%
	Upper	40.0%	30	30.9%	35.0%	\$11,155	24.0%	38.4%	19	24.1%	31.1%	\$7,222	15.1%	37.6%
	Unknown	0.0%	22	22.7%	13.6%	\$25,139	54.1%	22.8%	29	36.7%	15.5%	\$33,634	70.5%	19.6%
	Total	100.0%	97	100.0%	100.0%	\$46,500	100.0%	100.0%	79	100.0%	100.0%	\$47,729	100.0%	100.0%

2015 ACS, 2020 & 2021 Aggregate HMDA Data, and 2020 & 2021 HMDA LARs.

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

*Aggregate percentages include all loans required to be reported by lenders comprising the aggregate except for “other” and “NA” loans (as applicable), which may cause a slight difference from publicly available data. Aggregate percentages may include loan types not required to be reported by the bank.

As shown in Table 6, the bank outperformed the aggregate in lending to low- income borrowers within the assessment area in both 2020 and 2021. In 2020, the bank originated 9 home mortgage

loans, or 9.3 percent, to low-income borrowers, which exceeded the aggregate by 4.2 percentage points. In 2021, the bank originated 6 home mortgage loans, or 7.6 percent, to low-income borrowers, which exceeded the aggregate by 1.2 percentage points. Although this demonstrates a decrease in lending performance over the two-year period, based on the bank's origination volume, even a small number of loans can make a notable impact on these percentages. Also as illustrated, the bank's lending to moderate-income borrowers lagged the aggregate in both years. However, performance by number percentage did improve from 2020 to 2021. In 2020, the bank originated 15 home mortgage loans, or 15.5 percent, to moderate-income borrowers, which was 5.1 percentage points below the aggregate. In 2021, the bank originated 13 home mortgage loans, or 16.5 percent, to moderate-income borrowers, which was 5.8 percentage points below the aggregate.

A 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, the bank's lending to unknown-income borrowers exceeded the aggregate in both 2020 and 2021, by 9.1 percent and 21.2 percent, respectively.

Additionally, the bank underperformed the demographic indicator for low- and moderate-income families in both 2020 and 2021. However, this may not be an appropriate comparison because families with low-income levels may not qualify for a home mortgage loan. Furthermore, limited housing stock, along with rising housing costs and rental occupancy rates, indicate that many low- and moderate- income residents face significant challenges to obtaining homeownership. The bank's performance was generally consistent over the review period.

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 is reasonable given the assessment area. Table 7 provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the assessment area. The table further outlines the bank's performance by loan type in comparison to the aggregate group.

Product Type	Tract Income Levels	Owner Occupied Units %	Bank and Aggregate Lending Comparison						Bank and Aggregate Lending Comparison					
			2020						2021					
			Count			Dollar			Count			Dollar		
			Bank #	Bank %	Agg %	Bank \$(000s)	Bank %	Agg %	Bank #	Bank %	Agg %	Bank \$(000s)	Bank %	Agg %
HOME PURCHASE	Low	1.0%	1	5.0%	1.4%	\$210	2.4%	1.2%	0	0.0%	1.9%	\$0	0.0%	1.8%
	Moderate	15.2%	1	5.0%	16.4%	\$223	2.6%	12.2%	3	15.0%	17.5%	\$863	9.3%	15.2%
	Middle	59.8%	10	50.0%	57.9%	\$2,764	31.8%	53.6%	15	75.0%	58.3%	\$6,525	70.3%	53.5%
	Upper	23.9%	8	40.0%	24.3%	\$5,486	63.2%	33.0%	2	10.0%	22.3%	\$1,889	20.4%	29.5%
	Unknown	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.1%	\$0	0.0%	0.1%
	Total	100.0%	20	100.0%	100.0%	\$8,683	100.0%	100.0%	20	100.0%	100.0%	9,277	100.0%	100.0%
REFINANCE	Low	1.0%	0	0.0%	0.8%	\$0	0.0%	0.7%	0	0.0%	1.2%	\$0	0.0%	1.1%
	Moderate	15.2%	1	1.7%	12.4%	\$236	1.4%	10.0%	5	10.6%	14.1%	\$877	7.0%	11.8%
	Middle	59.8%	37	62.7%	56.8%	\$8,267	48.9%	53.7%	23	48.9%	57.3%	\$5,002	39.9%	52.2%
	Upper	23.9%	21	35.6%	29.9%	\$8,410	49.7%	35.5%	19	40.4%	27.4%	\$6,663	53.1%	35.0%
	Unknown	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.1%	\$0	0.0%	0.0%
	Total	100.0%	59	100.0%	100.0%	\$16,913	100.0%	100.0%	47	100.0%	100.0%	\$12,542	100.0%	100.0%
HOME IMPROVEMENT	Low	1.0%	0	0.0%	0.5%	\$0	0.0%	0.5%	0	0.0%	0.5%	\$0	0.0%	0.5%
	Moderate	15.2%	0	0.0%	9.7%	\$0	0.0%	8.5%	1	25.0%	10.8%	\$100	11.1%	9.3%
	Middle	59.8%	3	75.0%	55.9%	\$214	58.8%	52.1%	2	50.0%	53.8%	\$575	63.9%	48.9%
	Upper	23.9%	1	25.0%	33.9%	\$150	41.2%	38.9%	1	25.0%	34.9%	\$225	25.0%	41.3%
	Unknown	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.1%
	Total	100.0%	4	100.0%	100.0%	\$364	100.0%	100.0%	4	100.0%	100.0%	\$900	100.0%	100.0%
MULTIFAMILY*	Low	1.0%	0	0.0%	10.1%	\$0	0.0%	1.9%	1	12.5%	8.2%	\$8,795	35.2%	2.5%
	Moderate	15.2%	2	14.3%	30.3%	\$2,450	11.9%	21.8%	1	12.5%	21.8%	\$1,260	5.0%	16.5%
	Middle	59.8%	10	71.4%	53.8%	\$15,717	76.5%	65.5%	6	75.0%	61.8%	\$14,955	59.8%	63.7%
	Upper	23.9%	2	14.3%	5.9%	\$2,373	11.6%	10.9%	0	0.0%	8.2%	\$0	0.0%	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%	14	100.0%	100.0%	\$20,540	100.0%	100.0%	8	100.0%	100.0%	25,010	100.0%	100.0%
HMDA TOTALS**	Low	1.0%	1	1.0%	1.0%	\$210	0.5%	0.9%	1	1.3%	1.3%	\$8,795	18.4%	1.3%
	Moderate	15.2%	4	4.1%	13.4%	\$2,909	6.3%	11.2%	10	12.7%	14.9%	\$3,100	6.5%	13.0%
	Middle	59.8%	60	61.9%	57.1%	\$26,962	58.0%	54.1%	46	13.9%	57.4%	\$27,057	56.7%	53.0%
	Upper	23.9%	32	33.0%	28.5%	\$16,419	35.3%	33.8%	22	58.2%	26.3%	\$8,777	18.4%	32.6%
	Unknown	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0	27.8%	0.1%	\$0	0.0%	0.1%
	Total	100.0%	97	100.0%	100.0%	\$46,500	100.0%	100.0%	79	100.0%	100.0%	\$47,729	100.0%	100.0%

*Distribution of multifamily units by census tract income
2015 ACS, 2020 & 2021 Aggregate HMDA Data, and 2020 & 2021 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

**Aggregate percentages include all loans required to be reported by lenders comprising the aggregate except for "other" and "NA" loans (as applicable), which may cause a slight difference from publicly available data. Aggregate percentages may include loan types not required to be reported by the bank.

Abington originated a total of 2 loans in low-income census tracts over 2020 and 2021. In 2020, the bank originated 1 home mortgage loan, or 1.0 percent, in low-income census tracts. In 2021, the bank made 1 home mortgage loan, or 1.3 percent, in low-income census tracts. The bank was in line with the aggregate and demographics for both years. The bank originated a total of 14 home mortgage loans in moderate-income census tracts over 2020 and 2021. In 2020, the bank made 4 home mortgage loans, or 4.1 percent, in moderate-income census tracts, lagging the aggregate by 9.3 percent. In 2021, the gap shrank, with the bank making 10 home mortgage loans, or 12.7 percent, and lagging the aggregate by 2.2 percent.

A factor that potentially limited the bank's opportunity for home mortgage lending in the assessment area's low- and moderate-income census tracts is that 65.3 percent and 40.9 percent of all units in those tracts, respectively, are rental units. The percentages of owner-occupied units in low- and moderate-income census tracts are 1.0 percent and 15.2 percent, respectively. These percentages reflect limited opportunity for home mortgage lending in these tracts.

The examination did not identify any conspicuous gaps in the geographic distribution of home mortgage loans in the assessment area. As previously noted, a significant concentration of the

assessment area's low- and moderate-income census tracts are located in Brockton. According to market share analysis reports, in 2021, the bank ranked 54th out of 256 lenders that originated or purchased a home mortgage loan in Brockton; in 2020, the bank ranked 48th out of 245 lenders. Abington does not maintain a branch presence in Brockton, which is a heavily banked and competitive geography. Other lenders competing for loans in Brockton include larger national banks and mortgage companies, notably Freedom Mortgage Corporation; Residential Mortgage Services; HarborOne Mortgage, LLC; and Pennymac Loan Services, LLC, which were consistently ranked within the top ten home mortgage lenders in the city, during 2020 and 2021.

Abington engages in targeted activities and has dedicated additional resources to improve its lending penetration within Brockton. Efforts include partnering with nonprofit and affordable housing organizations to offer first-time homebuyers seminars; adding a loan originator to staff who focuses on lending opportunities within Brockton; and serving as a member of the Brockton Housing Partnership, an organization comprised of local banks and affordable housing organizations focused on addressing the city's housing needs. The bank's performance was generally consistent over the review period.

Response to Complaints

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

CONCLUSIONS: LENDING TEST

Abington's performance in meeting the credit needs in the assessment area is demonstrated by a reasonable LTD ratio; majority of loans inside the assessment area; reasonable performance in lending to borrowers of different incomes; and reasonable performance in dispersion of home mortgage loans throughout the assessment area. Overall, the Lending Test is rated Satisfactory.

COMMUNITY DEVELOPMENT TEST

Abington's performance under the Community Development Test is rated Satisfactory. The bank's community development performance demonstrates an 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 needs and availability of such opportunities for community development in the assessment area.

Community Development Loans

Abington originated eleven community development loans, totaling \$15.9 million, during the review period. Community development loans were considered responsive to the needs of the assessment area and broader statewide area. The following are examples of the bank's qualified community development loan activity during the review period:

- In 2020, the bank originated a \$3,975,000 loan to refinance a 30-unit 40-B project in the bank's assessment area. All units had rents below HUD Fair Market Rent standards,

providing low- or moderate-income individuals with affordable housing.

- In 2020, the bank originated a \$672,000 loan for the refinance, renovation, and business expansion of a group sober living house for women. The organization is located in a low-income geography and provides community services primarily to low- and moderate-income individuals. Occupants pay an affordable weekly rate below HUD Fair Market Rent standards.
- In 2021, Abington was the lead bank on an \$8,795,000 participation loan originated within the bank's assessment area, for the construction and permanent financing of a ground-up, five-story, mixed-use building located in a low-income census tract in Brockton. These units were constructed under the Commonwealth of Massachusetts' Housing Development Incentive Program (HDIP), which provides financing incentives to construct market-rate housing projects in gateway cities to increase residential growth, expand the diversity of housing stock, support economic development, and promote neighborhood stabilization in designated areas. The loan amount qualified was approximately \$4.4 million, in accordance with the bank's participation rate.
- In 2022, the bank participated in a \$14,000,000 loan to develop a 66-unit residential complex in Boylston, MA. Seven of the units are to be dedicated as affordable and reserved for households earning up to 80 percent of area median income. The loan amount qualified was approximately \$1.2 million, in accordance with the bank's participation rate.

In response to the COVID-19 pandemic, Abington originated loans under the Small Business Administration's (SBA) Payroll Protection Program (PPP). PPP loans are designed to help businesses retain workers and staff during the economic crisis due to the pandemic. The SBA will forgive loans if the borrower meets the employee retention and eligible expenses criteria. PPP loans were originated within the bank's assessment area, as well as the broader statewide region. Of the 276 PPP loans the bank originated, 247 were located within the assessment area, totaling \$14.6 million. The bank originated several PPP loans to businesses in the assessment area located in low- or moderate-income census tracts in Brockton, Carver, Holbrook, Quincy Randolph, and Stoughton. PPP loans were particularly responsive to community needs, as they provided funding to businesses to retain jobs in low- and moderate-income areas and helped to revitalize and stabilize low- and moderate-income geographies. Abington's participation in the PPP is notable given the bank's size and capacity.

Qualified Investments

Abington's qualified community development investments consist of equity investments and donations to organizations that provide affordable housing, promote economic development, revitalize or stabilize, and offer community services that benefit low- and moderate-income individuals.

During the review period, the bank made four qualified investments in mortgage-backed security pools, totaling \$6.4 million. The securities are collateralized by mortgages to 23 low- and moderate-income borrowers within the bank's assessment area and eight of the mortgages are also located in low- or moderate-income census tracts.

In addition to equity investments, donations were extended by the bank to address community development needs of low- and moderate-income individuals in the assessment area. During the

review period, the bank made 145 qualified donations, totaling \$115,565.

Table 8 details the total qualified contributions by primary community development purpose. As indicated in the table, donations are concentrated in community services, and are particularly impactful to low- and moderate-income individuals within the bank’s assessment area.

Table 8 Qualified Donations by Purpose										
Community Development Purpose	2019		2020		2021		2022 YTD		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing	0	0.0	2	500.0	4	3,250.0	0	0.0	6	3,750.0
Community Services	22	16,866.8	47	33,423.7	42	43,829.8	17	11,895.0	128	106,015.3
Economic Development	4	2,100.0	4	1,750.0	2	950.0	0	0.0	10	4,800.0
Revitalize or Stabilize	0	0.0	0	0.0	0	0.0	1	1,000	1	1,000.0
Total	26	18,966.8	53	35,673.7	48	48,029.8	18	12,895.0	145	115,565.3

Data is bank provided.

The following are examples of the organizations that benefited from the bank’s contributions during the review period:

- Father Bill’s & MainSpring – This nonprofit organization, located in Brockton, MA, offers programs that provide emergency and permanent housing to prevent and end homelessness in southern Massachusetts. Father Bill’s & MainSpring helps people who are homeless, or are at risk of being homeless, achieve self-sufficiency by obtaining skills, jobs, housing, and supportive services.
- NeighborWorks Housing Solutions – This nonprofit organization is an MA certified Community Development Corporation (CDC) and a charter member of the national NeighborWorks America network. The organization focuses on providing safe and affordable housing as well as growing financial skills and resources for low- and moderate-income individuals throughout southern Massachusetts. Programs include first time homebuyer education, rental assistance, shelter and homelessness prevention, and affordable housing.
- Old Colony YMCA – This nonprofit community service organization provides wellness and social service programs for the community, including many programs aimed toward low- and moderate-income individuals and at-risk youth.
- St. Vincent de Paul Society – This nonprofit organization offers community services to the poor and in need, working directly with individuals and families to provide assistance and aid in breaking cycles of homelessness, hunger, and abuse.

Community Development Services

Bank employees engaged in community development services through participation on boards of community organizations, conducting first time homebuyer seminars, and other community development services benefiting low-and moderate-income individuals. The following list

provides a sample of the bank's involvement during the review period:

- MassHire Greater Brockton Workforce Board (MGBWB) – This Brockton-based non-profit organization oversees workforce development initiatives in Brockton and ten surrounding communities. Training programs provided aim to align potential workers with the needs of employers. In 2020-2021, a bank senior vice president, and in 2020, a bank assistant vice president, participated in providing banking and finance industry job training targeted toward entry level positions.
- Metro South Chamber of Commerce (MSCC) – Based in Brockton MA, this chamber of commerce supports the local small business community through the provision of education, information, and community development. In 2019-2020, a bank senior executive served on the organization's board of directors. In 2021-2022, a bank vice president sits on the Ambassador Committee of the organization, strategizing ways to increase the relevance and impact of chamber programs.
- Rochester Affordable Housing Committee – This municipal committee aids the Town of Rochester in meeting its minimum, state required, affordable housing unit obligations. A bank senior executive served as a committee member in 2019 and a bank vice president served as a committee member in 2020-2022.

Bank employees also participated in financial literacy events to support community development services, affordable housing, and economic development. The following lists a few examples of the bank's involvement during the review period:

- Brockton Housing Partnership – This nonprofit organization promotes home ownership opportunities for low- and moderate -income individuals and families by providing counseling and promoting special mortgage products and down payment assistance programs. A bank vice president provided two in-person financial literacy initiatives in low- and moderate-income neighborhoods.
- Credit for Life Fairs – Credit for Life Fairs provide students with insight into living as young adults with a profession and annual salary. Students are assigned a credit counselor to review their financial decisions at the conclusion of the event and evaluate the level of success in creating a budget. Multiple bank employees volunteered in Brockton, Holbrook, and Randolph public high schools, where a majority of the students are from low- or moderate-income families.

CONCLUSIONS: COMMUNITY DEVELOPMENT TEST

Abington's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services that help support low- and moderate-income individuals and small businesses. The bank was also responsive to the needs of the assessment area in response to the COVID-19 pandemic, as demonstrated by the provision of PPP loans, particularly those that directly supported businesses located in low-and-moderate income geographies. Overall, the Community Development Test is rated Satisfactory.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Concurrent with this CRA examination, 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.

APPENDIX

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

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

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

Housing affordability ratio: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a

dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

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

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

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

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

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

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

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the

context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

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

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

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.

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