PUBLIC DISCLOSURE

April 11, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Eastern Connecticut Savings Bank
RSSD # 939070

257 Main Street
Norwich, Connecticut 06360

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.

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

- The loan-to-deposit (LTD) ratio is more than reasonable (considering seasonable variations) given the bank's size, financial condition, the credit needs of the assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets.

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

- The bank demonstrates a reasonable geographic distribution of loans given its 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 individuals) that is reasonable given the demographics of the bank's assessment area.

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

SCOPE OF EXAMINATION

Eastern's CRA performance was reviewed in accordance with the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Small Institutions[1] and was evaluated based on the following performance criteria: LTD ratio, assessment area concentration of loans, geographic distribution of loans, loan distribution according to the income of the borrower, and response to CRA-related complaints. The data used for the evaluation and the applicable timeframe are discussed below.

The bank's lending and operations occurred primarily in the Norwich-New London, CT Metropolitan Statistical Area (MSA) and Worcester, MA-CT MSA.

The analysis focused on residential mortgage lending from January 1, 2017 to December 31, 2020. This report includes 2019 and 2020 information in the tables. Information for residential mortgage lending in 2017 and 2018 was used to analyze for trends. The bank's net LTD ratio was calculated from the FFIEC Call Reports from June 30, 2017 to December 31, 2021.

Home mortgage lending reviewed during the evaluation was obtained from Loan Application Registers (LARs), maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). 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. Changes in HMDA reporting requirements beginning in 2018 included the determination of whether a loan is HMDA-reportable and includes new loan types of "other purpose" and "NA" purpose. "Other purpose" loans are for purposes other than home purchase, refinancing, or home improvement. This evaluation does not include analysis of "other purpose" and "NA" purpose loans reported on the bank's 2018, 2019 and 2020 LARs. Aggregate data was obtained from the Consumer Financial Protection Bureau (CFPB) and consists of lending information from all HMDA reporters that originated or purchased residential mortgage loans in the assessment area. The bank's residential mortgage lending performance was also compared to demographics from the 2015 American Community Survey (ACS).

While the bank's small business loans were evaluated at the prior examination, the current small business percentage in the loan portfolio does not warrant a review at this examination.

Eastern was last examined for compliance with CRA by the Federal Reserve Bank of Boston on August 14, 2017, in accordance with the FFIEC Examination Procedures for Small Institutions. The examination resulted in a "Satisfactory" rating.

1 "Small institution" means a bank or savings association that, as of December 31, of either of the prior two calendar years, had assets of less than $1.384 billion. As the bank's assets were also below $346 million, the bank was not considered an intermediate small institution.

DESCRIPTION OF INSTITUTION

Eastern is an independent state mutual savings bank that was incorporated in 1915. The bank's main office is located at 257 Main Street in Norwich, CT. The bank operates four other full-service branches with two located in Norwich, and one each located in Jewett City, CT within New London County, and Plainfield, CT within Windham County. All locations offer lobby and drive through hours Monday through Saturday, except for the main office, which is located in the downtown business district of Norwich. The main office offers lobby and drive through hours Monday through Friday. Eastern's loan production office (LPO) opened in February 2019 and is located outside of the assessment area, in Guilford, CT. Eastern has two subsidiaries: ESB Mortgage Servicing, Inc., a passive investment holding company formed for state tax benefits, and ESB Holdings I, LLC, a subsidiary formed to hold bank owned real estate obtained through foreclosure.

As of December 31, 2021, Eastern's assets totaled $240.3 million, with total loans of $212.1 million and total deposits of $218.3 million. This is an increase from the last evaluation when total assets were $182.9 million on December 31, 2017, total loans were $157.3 million and total deposits were $147.9 million. Over the course of the evaluation period, total assets increased 31.4 percent from December 31, 2017, while total loans increased 34.8 percent, and total deposits increased 47.6 percent. The bank is primarily a residential lender, with 63.2 percent of its loan portfolio secured by residential real estate (including 1-4 family residential, revolving 1-4 family residential, and multifamily residential); commercial loans (including commercial and industrial, and nonfarm nonresidential) represent 26.4 percent of lending; construction and land development loans represent 8.5 percent; and consumer loans represent 1.9 percent. The loan portfolio composition was stable during the review period.

Table 1 illustrates the breakdown of the bank's loan portfolio as of December 31, 2021.

Table 1
Loan Distribution as of December 31, 2021

Loan Type	Dollar Amount $(000s)	Percent of Total Loans
1-4 Family Residential	115,272	54.3
Commercial RE	46,201	21.8
Construction and Land Development	18,109	8.5
Revolving 1-4 Family Residential	11,318	5.3
Multifamily (5 or more) Residential	7,554	3.6
Total Real Estate Loans	**198,454**	**93.5**
Commercial and Industrial	9,695	4.6
Consumer	3,975	1.9
Total Loans	***212,124***	***100.0***

Call Report as of December 31, 2021.

The bank offers an array of retail loan and deposit products typical for this size community bank. These include fixed-rate and adjustable-rate mortgages, home equity loans and lines of credit, unsecured personal loans, home improvement loans, vehicle loans, Smart-E loans for Connecticut residents to make home energy improvements. Deposit products include overdraft protection lines of credit, basic and free checking accounts, a checking account for individuals who have been denied a checking account in the past, savings accounts and certificates of deposit, health savings accounts, and retirement accounts. Business products include free business checking accounts, business interest checking accounts, Interest on Lawyer Trust Accounts (IOLTA), Interest on Real Estate Broker Trust Accounts (IREBTA), savings accounts, certificates of deposit, commercial term loans, lines of credit, Small Business Administration (SBA) loans, commercial mortgages, construction loans, and letters of credit. The bank's website, www.eastern-savings.com, provides branch and ATM location information and a listing and description of all its loan and deposit services, including rates. Along with in-person applications, the bank receives loan applications through its website. Deposit account applications can be requested by visiting a branch.

Eastern operates in a competitive banking environment. While the assessment area includes national and regional financial institutions, the bank identifies its competition as other local community banks and credit unions, such as Chelsea Groton Bank, Dime Bank, Jewett City Savings Bank, CorePlus Federal Credit Union, and Charter Oak Federal Credit Union. Within the bank's assessment area, Eastern has five locations and 2.5 percent of the deposit market share, according to the June 30, 2021, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report. The top financial institutions based on market share in the assessment area are Chelsea Groton Bank, with 14.6 percent and 14 locations, Bank of America, N.A., with 14.1 percent and 7 locations, People's United Bank, N.A., with 12.6 percent and 16 locations, Citizens Bank, N.A., with 11.8 percent and 9 locations, and Liberty Bank, with 10.0 percent and 10 locations.

The bank also faces strong competition for loans. According to 2020 HMDA data, there were 379 lenders that originated or purchased a home mortgage loan in the bank's assessment area. The top lenders in the assessment area are Quicken Loans, LLC (now Rocket Mortgage) ranked 1st with 1,099 loan originations, Charter Oak Federal Credit Union ranked 2nd with 829 loan originations, Freedom Mortgage Corporation ranked 3rd with 824 loan originations, Chelsea Groton Bank ranked 4th with 682 loan originations, and Wells Fargo Bank, N.A ranked 5th with 624 loan originations. Eastern ranked 18th, with 252 loan originations.

Eastern 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

Eastern's assessment area remains unchanged since the last performance evaluation and consists of the entirety of New London and Windham Counties in the eastern part of Connecticut. New London County is the more southern of the counties and is located in the Norwich-New London, CT MSA (Norwich MSA). Windham County is located in the Connecticut portion of the multistate Worcester, MA-CT MSA (Worcester MSA). The assessment area is comprised of 91 census tracts, of which 9 are low-income, 13 are moderate-income, 45 are middle-income, 22 are upper-income, and 2 are unknown-income census tracts. One of the unknown-income census tracts represents the naval base located in Groton, CT, within New London County, while the second unknown-income census tract is located in the Atlantic Ocean and has no population.

New London and Windham Counties form the eastern boundary of the State of Connecticut. The major north/south highway is Interstate 395, which runs through both counties. The primary east/west rural routes through Windham County are Route 44 and Route 6, which continue to Providence, Rhode Island. Windham County has smaller towns and rural areas with no incorporated cities. New London County has a larger and more diverse population. The primary cities are Norwich, where Eastern is headquartered, and Groton and New London, both of which are located approximately 14 miles to the south of Norwich.

Table 2 below provides a summary of demographic information for the bank's assessment area in 2020.

Table 2
Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	9	9.9	8,611	8.7	2,499	29.0	22,138	22.3
Moderate-income	13	14.3	15,326	15.5	1,885	12.3	17,825	18.0
Middle-income	45	49.5	51,335	51.8	2,419	4.7	21,370	21.6
Upper-income	22	24.2	23,815	24.0	600	2.5	37,757	38.1
Unknown-income	2	2.2	3	0.0	0	0.0	0	0.0
Total Assessment Area	**91**	100.0	99,090	100.0	7,403	7.5	99,090	100.0
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low-income	17,083	4,413	4.3	25.8	10,671	62.5	1,999	11.7
Moderate-income	27,904	11,957	11.7	42.9	12,947	46.4	3,000	10.8
Middle-income	85,725	57,626	56.5	67.2	19,171	22.4	8,928	10.4
Upper-income	39,712	28,035	27.5	70.6	5,948	15.0	5,729	14.4
Unknown-income	10	0	0.0	0.0	3	30.0	7	70.0
Total Assessment Area	**170,434**	**102,031**	**100.0**	**59.9**	**48,740**	**28.6**	**19,663**	**11.5**

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

Population

The assessment area has a population of 390,655 individuals. The population of the assessment area decreased by 0.46 percent since the last examination when the total was 392,483. Based on 2015 ACS data, the assessment area includes 150,771 households, 99,090 of which are families. The majority of families, at 38.1 percent, are upper-income. Middle-income families represent 21.6 percent of the assessment area, while low- and moderate-income families represent 22.3 and 18.0 percent, respectively.

The percentage of families in the assessment area living below the poverty level is 7.5 percent, which is in line with the State of Connecticut's rate of 7.6 percent. A slightly higher percentage of families in Windham County, at 7.6 percent, are living below the poverty level compared to 7.4 percent in New London County.

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

MSA/MD	FFIEC Estimated MFI	
	2019	2020
Norwich-New London, CT MSA	96,200	93,000
Worcester, MA-CT MSA	95,300	95,300
Connecticut	$100,900	$102,600

FFIEC median family income estimates.

Based on the 2015 ACS, the MFI in the assessment area is $78,955. The estimated MFI for the Norwich-New London, CT MSA, where the bank is headquartered, rose to $96,200 in 2019, before decreasing to $93,000 in 2020. For the Worcester, MA-CT MSA, the MFI in both 2019 and 2020 was $95,300. The FFIEC's estimated MFI for the State of Connecticut has typically been higher than that of the MSAs with an MFI of $100,900 in 2019, and $102,600 in 2020. Based on the data from Table 3, assessment area families tend to earn less than families earn in the state as a whole.

Housing

There are 170,434 housing units in the assessment area of which the majority, 86.9 percent, are 1-4 family housing, 13.0 percent have five or more units, and 2.5 percent are mobile homes. Housing unit statistics show an owner-occupancy rate of 59.9 percent, a rental rate of 28.6 percent, and a vacancy rate of 11.5 percent. At the county and state level, owner-occupancy, rentals, and vacancy rates are in line with the assessment area. Within low-income census tracts in the assessment area, only 25.8 percent of units are owner-occupied, while 62.5 percent are rental units, and 11.7 percent are vacant. This indicates that there are limited opportunities for home ownership in the low-income census tracts, and similarly, that there are limited opportunities for financial institutions to originate loans in these census tracts. Similarly, in moderate-income census tracts, only 42.9 percent of units are owner-occupied while 46.4 percent are rental units and 10.8 percent are vacant. Conversely, middle- and upper-income census tracts have owner-occupancy rates of 67.2 and 70.6 percent, respectively.

The assessment area housing affordability ratio of 27.9 percent is higher than the State of Connecticut figure of 26.0 percent, which indicates that housing is more affordable within the assessment area. The housing affordability ratio is calculated by dividing the MFI by the median housing value (MHV). A higher ratio means housing is generally considered more affordable while a lower ratio reflects less affordable housing. The median housing value for the assessment area is $228,718, which is below the median housing value for Connecticut, at $270,500. By county, the MHVs for New London County and Windham County, were $244,000 and $197,500 respectively, based on the ACS. According to more recent data compiled by The Warren

Group[2], Peabody, MA, as of December 2020, the median sales prices for homes in New London County and Windham County were $240,000 and $210,000, respectively. There was a decrease in home value in New London County, and an increase in home value in Windham County. Lastly, the median gross rent for the assessment area of $970 per month is similarly situated when compared to $1,075 per month for the State of Connecticut. Therefore, housing appears to be slightly more affordable when compared to the state.

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 the senior director of a local community group that focuses on serving and meeting the needs of low-income individuals in Windham County and eastern Connecticut, with services including affordable housing, food insecurity, energy assistance, and employment. The contact stated that that there is a need for low barrier small dollar loans to help people get access to public transportation, and jobs that pay a livable wage compared to the cost of rising rents in the county are a primary challenge for low-income individuals. In addition, because low-income individuals are focused on meeting immediate needs such as housing and food, goal-oriented concepts such as budgeting and managing credit issues are not a priority. The contact suggested a useful service or "flexible lending product" not currently available through federal or state programs would be an "emergency fund" that low-income individuals could use for issues such as security deposits, car repairs, or unexpected medical expenses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

A small bank's lending performance is evaluated pursuant to the following criteria: (1) the bank's LTD ratio; (2) assessment area concentration; (3) geographic distribution of loans; (4) lending to borrowers of different income levels; and (5) record of acting in response to consumer complaints. The following details the bank's efforts regarding each performance criterion.

Loan-to-Deposit Ratio

This performance criterion determines the percentage of the bank's deposit base that is reinvested in the form of loans and evaluates its appropriateness. The bank's net LTD 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 bank's average LTD ratio is 99.5 percent, which is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The LTD analysis was performed using the past nineteen quarters from the quarter ending June 30, 2017 to the quarter ending

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2 The Warren Group collects public record data on real estate sales and ownership throughout New England

December 31, 2021.

Table 4 provides a comparison of the bank's average LTD ratio over the past 19 quarters to four institutions operating within the assessment area.

Table 4 Loan-to-Deposit Ratio Comparison		
Institution	Total Assets* $(000s)	Average LTD Ratio** (%)
Eastern Savings Bank	**240,300**	**99.5**
Jewett City Savings Bank	401,700	94.9
Chelsea Groton Bank	1,591,300	88.7
Dime Bank	1,073.9	86.4
Essex Savings Bank	557,300	85.1

**Call Report as of December 31, 2021.*
***Call Report from June 30, 2017 to December 31, 2021.*

During the review period, the bank's quarterly LTD ratio fluctuated from a low of 92.3 percent, as of June 30, 2020, to a high of 110.1 percent, as of June 30, 2017. This fluctuation is attributable to the bank's sale of fixed-rate residential mortgages in the secondary market, which allows Eastern to reinvest the proceeds back into the community with additional lending. During the review period, the bank sold 406 residential mortgage loans to Freddie Mac and the Federal Home Loan Bank (FHLB), totaling $106,709,872. The bank's LTD ratio at the time of the examination, based on December 31, 2021 data, is 96.4 percent. In comparison, the LTD ratios for the regional peers ranged from a low of 64.7 percent to a high of 85.6 percent. Therefore, the bank's ratio is more than reasonable given its size, financial condition, capacity to lend, performance of other institutions, lending opportunities, and assessment area credit needs.

Lending in Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area. Table 5 presents the bank's levels of lending inside and outside the assessment area for 2019 and 2020. As shown below, a majority of loans are in the bank's assessment area.

Table 5 - Lending Inside and Outside the Assessment Area										
2019 & 2020 Loan Type	Inside				Outside				Total	
	#	%	$(000s)	%	#	%	$(000s)	%	#	$(000s)
Home Purchase	114	68.3	26,366	65.8	53	31.7	13,713	34.2	167	40,079
Home Improvement	21	91.3	1,065	93.0	2	8.7	80	7.0	23	1,145
Multi-Family Housing	4	66.7	869	46.5	2	33.3	998	53.5	6	1,867
Refinancing	180	63.6	35,428	54.3	103	36.4	29,759	45.7	283	65,187
Total Residential Loans	**319**	**66.6**	**63,728**	**58.9**	**160**	**33.4**	**44,550**	**41.1**	**479**	**108,278**

HMDA data January 1, 2019, through December 31, 2020

As mentioned in the scope, 2019 and 2020 data were combined for analysis. The bank made a total of 479 HMDA loans, with a majority of those loans (319) made inside the assessment area at 66.6 percent by number and 58.9 percent by dollar volume. Based on the number of loans inside the assessment area, refinance loans (180) comprise the largest portion of loans., at 56.4 percent by number, followed by home purchase loans (114) at 35.7 percent, home improvement (21) at 6.6 percent and multifamily (4) at 1.3 percent. The concentration in refinancing was consistent with the COVID-19 pandemic's impact because of the low interest rate environment.

During the review period, the bank originated a total of 722 HMDA loans: 174 loans in 2017, 69 loans in 2018, 107 loans in 2019, and 372 loans in 2020. There was a decrease in residential loans in 2018; however, the following two years saw an increase in lending.

By comparison, the percentages of the bank's HMDA loans made inside the assessment area were 56.9 percent in 2017, 79.7 percent in 2018, 69.2 percent in 2019, and 65.9 percent in 2020.

The percent of residential loans made in the assessment area represents an increase from the previous examination in 2017, when the bank originated 59.5 percent of its home mortgage loans in 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 bank demonstrates a reasonable geographic distribution of loans given its assessment area.

Although both the number and the dollar volume of the bank's loans were reviewed, the number of loans originated was given more weight than the dollar volume of loans originated as the number of loans has a more direct correlation to the number of borrowers served.

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											
			2019						2020					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$ (000s)	$ %	$ %	#	%	%	$ (000s)	$ %	$ %
HOME PURCHASE	Low	4.3%	2	7.1%	4.4%	$158	3.1%	2.7%	2	2.3%	4.7%	$214	1.0%	2.8%
	Moderate	11.7%	2	7.1%	12.9%	$204	4.0%	9.4%	4	4.7%	12.4%	$654	3.1%	8.7%
	Middle	56.5%	19	67.9%	56.9%	$3,865	75.0%	55.8%	54	62.8%	55.7%	$12,297	58.0%	54.8%
	Upper	27.5%	5	17.9%	25.8%	$929	18.0%	32.1%	26	30.2%	27.2%	$8,045	37.9%	33.7%
	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%*	*28*	*100.0%*	*100.0%*	*$5,156*	*100.0%*	*100.0%*	*86*	*100.0%*	*100.0%*	*$21,210*	*100.0%*	*100.0%*
REFINANCE	Low	4.3%	3	8.3%	2.5%	$889	13.9%	1.8%	4	2.8%	2.1%	$461	1.6%	1.3%
	Moderate	11.7%	2	5.6%	8.4%	$278	4.3%	5.8%	9	6.3%	7.5%	$1,542	5.3%	5.3%
	Middle	56.5%	26	72.2%	57.9%	$4,424	69.1%	56.3%	95	66.0%	57.8%	$17,657	60.8%	55.1%
	Upper	27.5%	5	13.9%	31.2%	$808	12.6%	36.1%	36	25.0%	32.7%	$9,369	32.3%	38.4%
	Unknown	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Total	*100.0%*	*36*	*100.0%*	*100.0%*	*$6,399*	*100.0%*	*100.0%*	*144*	*100.0%*	*100.0%*	*$29,029*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	4.3%	0	0.0%	1.7%	$0	0.0%	2.0%	0	0.0%	3.3%	$0	0.0%	3.3%
	Moderate	11.7%	1	10.0%	9.8%	$12	2.9%	8.3%	0	0.0%	6.9%	$0	0.0%	4.7%
	Middle	56.5%	8	80.0%	53.9%	$367	89.7%	48.9%	9	81.8%	58.8%	$488	74.4%	50.9%
	Upper	27.5%	1	10.0%	34.6%	$30	7.3%	40.9%	2	18.2%	31.0%	$168	25.6%	41.2%
	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%*	*10*	*100.0%*	*100.0%*	*$409*	*100.0%*	*100.0%*	*11*	*100.0%*	*100.0%*	*$656*	*100.0%*	*100.0%*
MULTIFAMILY	Low	25.3%	0	0.0%	12.8%	$0	0.0%	2.9%	1	25.0%	8.6%	$213	24.5%	5.9%
	Moderate	24.9%	0	0.0%	29.8%	$0	0.0%	23.8%	0	0.0%	43.1%	$0	0.0%	29.1%
	Middle	38.5%	0	0.0%	46.8%	$0	0.0%	47.8%	3	75.0%	43.1%	$656	75.5%	41.7%
	Upper	11.3%	0	0.0%	10.6%	$0	0.0%	25.5%	0	0.0%	5.2%	$0	0.0%	23.3%
	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%*	*0*	*0.0%*	*100.0%*	*$0*	*0.0%*	*100.0%*	*4*	*100.0%*	*100.0%*	*$869*	*100.0%*	*100.0%*
HMDA TOTALS	Low	4.3%	5	6.8%	3.7%	$1,047	8.8%	2.5%	7	2.9%	3.4%	$888	1.7%	2.2%
	Moderate	11.7%	5	6.8%	11.1%	$494	4.1%	9.1%	13	5.3%	9.8%	$2,196	4.2%	7.8%
	Middle	56.5%	53	71.6%	56.9%	$8,656	72.4%	55.2%	161	65.7%	56.5%	$31,098	60.1%	54.2%
	Upper	27.5%	11	14.9%	28.3%	$1,767	14.8%	33.2%	64	26.1%	30.3%	$17,582	34.0%	35.7%
	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%*	*74*	*100.0%*	*100.0%*	*$11,964*	*100.0%*	*100.0%*	*245*	*100.0%*	*100.0%*	*$51,764*	*100.0%*	*100.0%*

2015 ACS, 2019 & 2020 Aggregate HMDA Data, and 2019 & 2020 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

In 2019, Eastern originated 6.8 percent of its residential mortgage loans in low-income census tracts. This exceeded the aggregate percentage, at 3.7 percent, and the percentage of owner-occupied units, at 4.3 percent. Within moderate-income census tracts, the bank's originations, at 6.8 percent, lagged the aggregate, at 11.1 percent, and the owner-occupied units, at 11.7 percent. In 2020, the bank's performance in low-income tracts, at 2.9 percent, fell slightly below the aggregate, at 3.4 percent. Similarly at 5.3 percent, the bank lagged the aggregate, at 9.8 percent, in the moderate-income tracts. Both the bank and the aggregate were below the percentages of owner-occupied units in low- and moderate-income tracts. As shown in Table 6, the aggregate performance indicates limited lending opportunities for originating residential mortgage loans in low- and moderate-income census tracts within the bank's assessment area. Of note, the bank's lending in low- and moderate-income census tracts increased by number year over year, as a result of the bank's effort to penetrate those tracts. Given the large number of competitors vying for market share in a relatively small geographic area, a bank with the limited resources of Eastern will face challenges in penetrating those low- and moderate-income tracts.

Within the middle-income census tracts, the bank exceeded the aggregate in 2019 and 2020. Conversely, the bank lagged the aggregate in upper-income census tracts in both years.

By product type, the bank exceeded the aggregate in low-income tracts in 2019 for home purchase. However, the bank fell below the aggregate in 2020 in those tracts. Within moderate-income tracts, the bank lagged the aggregate in both years. For refinance loans, Eastern exceeded the aggregate within low-income tracts in 2019 and 2020. Conversely, the bank fell below the aggregate in moderate-income tracts in both years. The number of home improvement and multifamily loans was small and would not bear meaningful analysis.

While not shown in Table 6, 2017 and 2018 data were also analyzed and considered in this evaluation. In 2017, Eastern made two loans, or 2.0 percent, in low-income census tracts and nine loans, or 9.1 percent, in moderate-income tracts. The bank's performance was below the aggregate at 3.7 percent and 12.1 percent, respectively, in 2017. Similarly, the bank lagged the aggregate in 2018, with one loan at 1.8 percent versus 4.0 percent in low-income tracts and six loans at 10.9 percent versus 11.7 percent in moderate-income tracts. The bank lagged the owner-occupied percentage of 4.3 percent and 11.7 percent in low- and moderate-income tracts, respectively, in 2017 and 2018. Considering the competitive nature of the assessment area and where most of the housing stock are rentals, the bank's overall performance is reasonable in meeting the credit needs in low- and moderate-income tracts.

An analysis of the bank's geographic lending was conducted to determine if there were any conspicuous lending gaps. As mentioned previously, Eastern's assessment area included 9 low-income census tracts and 13 moderate-income census tracts. In 2019 and 2020, the bank made loans in 5 low-income census tracts and 6 moderate-income tracts in its assessment area. The bank's performance is reasonable given the fact that it is not obligated to lend in all geographies.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels. The distribution of loans to individuals of different income levels (including low- and moderate-income individuals) is reasonable given the demographics of the bank's assessment area.

Although both the number and the dollar volume of the bank's loans were reviewed, the number of loans originated was given more weight than the dollar volume of loans originated as the number of loans has a more direct correlation to the number of borrowers served.

Table 7 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 7 - Borrower Distribution of HMDA Loans														
PRODUCT TYPE	Borrower Income Levels	Families by Family Income	Bank & Aggregate Lending Comparison											
			2019						2020					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
		%	#	%	%	$(000s)	$ %	$ %	#	%	%	$(000s)	$ %	$ %
HOME PURCHASE	Low	22.3%	4	14.3%	13.0%	$434	8.4%	8.4%	5	5.8%	11.0%	$726	3.4%	6.8%
	Moderate	18.0%	5	17.9%	31.8%	$792	15.4%	26.7%	21	24.4%	30.1%	$3,415	16.1%	24.7%
	Middle	21.6%	5	17.9%	22.3%	$1,198	23.2%	23.1%	19	22.1%	24.6%	$4,771	22.5%	24.5%
	Upper	38.1%	10	35.7%	21.3%	$2,196	42.6%	30.2%	38	44.2%	25.7%	$12,010	56.6%	35.0%
	Unknown	0.0%	4	14.3%	11.6%	$536	10.4%	11.6%	3	3.5%	8.5%	$288	1.4%	8.9%
	Total	*100.0%*	*28*	*100.0%*	*100.0%*	*$5,156*	*100.0%*	*100.0%*	*86*	*100.0%*	*100.0%*	*$21,210*	*100.0%*	*100.0%*
REFINANCE	Low	22.3%	2	5.6%	10.4%	$82	1.3%	6.2%	8	5.6%	5.8%	$977	3.4%	3.2%
	Moderate	18.0%	2	5.6%	20.8%	$293	4.6%	16.2%	31	21.5%	16.6%	$4,508	15.5%	12.7%
	Middle	21.6%	8	22.2%	22.9%	$1,287	20.1%	21.1%	38	26.4%	22.8%	$6,571	22.6%	20.5%
	Upper	38.1%	21	58.3%	29.2%	$3,939	61.6%	36.5%	59	41.0%	33.9%	$15,063	51.9%	41.4%
	Unknown	0.0%	3	8.3%	16.7%	$798	12.5%	20.0%	8	5.6%	20.7%	$1,910	6.6%	22.3%
	Total	*100.0%*	*36*	*100.0%*	*100.0%*	*$6,399*	*100.0%*	*100.0%*	*144*	*100.0%*	*100.0%*	*$29,029*	*100.0%*	*100.0%*
HOME IMPROVEMENT	Low	22.3%	2	20.0%	11.7%	$22	5.4%	8.1%	2	18.2%	11.0%	$100	15.2%	8.7%
	Moderate	18.0%	2	20.0%	25.3%	$35	8.6%	21.3%	2	18.2%	18.4%	$168	25.6%	12.8%
	Middle	21.6%	2	20.0%	25.2%	$103	25.2%	23.5%	4	36.4%	27.1%	$228	34.8%	19.8%
	Upper	38.1%	3	30.0%	35.5%	$174	42.5%	43.8%	3	27.3%	40.0%	$160	24.4%	53.4%
	Unknown	0.0%	1	10.0%	2.3%	$75	18.3%	3.3%	0	0.0%	3.5%	$0	0.0%	5.3%
	Total	*100.0%*	*10*	*100.0%*	*100.0%*	*$409*	*100.0%*	*100.0%*	*11*	*100.0%*	*100.0%*	*$656*	*100.0%*	*100.0%*
MULTIFAMILY	Low	22.3%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	1.7%	$0	0.0%	0.1%
	Moderate	18.0%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Middle	21.6%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Upper	38.1%	0	0.0%	0.0%	$0	0.0%	0.0%	0	0.0%	0.0%	$0	0.0%	0.0%
	Unknown	0.0%	0	0.0%	100.0%	$0	0.0%	100.0%	4	100.0%	98.3%	$869	100.0%	99.9%
	Total	*100.0%*	*0*	*0.0%*	*100.0%*	*$0*	*0.0%*	*100.0%*	*4*	*100.0%*	*100.0%*	*$869*	*100.0%*	*100.0%*
HMDA TOTALS	Low	22.3%	8	10.8%	11.9%	$538	4.5%	7.1%	15	6.1%	8.0%	$1,803	3.5%	4.7%
	Moderate	18.0%	9	12.2%	26.6%	$1,120	9.4%	21.0%	54	22.0%	21.6%	$8,091	15.6%	17.0%
	Middle	21.6%	15	20.3%	22.4%	$2,588	21.6%	20.7%	61	24.9%	23.0%	$11,570	22.4%	21.0%
	Upper	38.1%	34	45.9%	24.9%	$6,309	52.7%	30.6%	100	40.8%	30.0%	$27,233	52.6%	36.5%
	Unknown	0.0%	8	10.8%	14.3%	$1,409	11.8%	20.7%	15	6.1%	17.4%	$3,067	5.9%	20.9%
	Total	*100.0%*	*74*	*100.0%*	*100.0%*	*$11,964*	*100.0%*	*100.0%*	*245*	*100.0%*	*100.0%*	*$51,764*	*100.0%*	*100.0%*

2015 ACS, 2019 & 2020 Aggregate HMDA Data, and 2019 & 2020 HMDA LARs.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

The bank originated 8 HMDA loans, or 10.8 percent, to low-income borrowers in 2019, lagging the aggregate which originated 11.9 percent. The bank and aggregate performance fell below the demographics, at 22.3 percent. The performance of the aggregate indicates the lack of purchasing power for low-income borrowers in the bank's market. The bank's distribution of loans to this income group is slightly below the aggregate but still with a reasonable range. In terms of lending to moderate-income borrowers, the bank made 12.2 percent of its HMDA loans by number to these borrowers, significantly lagging the aggregate, at 26.6 percent. In 2020, the bank originated 6.1 percent of its loans to low-income borrowers, lagging the aggregate, at 8.0 percent. With 22.0 percent of loans to moderate-income borrowers, the bank was at par with the aggregate, at 21.6 percent. Further, the bank ranked 40th out of 219 HMDA reporters in 2019, and 17th out of 223 HMDA reporters in 2020 in providing loans to low- and moderate-income borrowers.

It is not expected that the bank meets the demographic indicator for low-income families because not all families with low-income levels will qualify for a home mortgage given the income demographics of the market. A low-income family in the assessment area earns less than $39,477.50 which, coupled with the median home value of $228,718, may put home ownership out of reach for many low-income families. This challenge was also noted by the community contact, who identified the lack of jobs that pay a livable wage as a challenge facing low-income individuals in the assessment area. However, the number of loans to low- and moderate-income borrowers significantly increased from 2019 to 2020 as a result of the increase in refinancing; although it is notable that the bank in 2019 made only 12.2 percent of it loans to moderate income borrowers.

The bank's loans to middle-income borrowers fell below the aggregate in 2019 but exceeded the aggregate in 2020. Loans to upper-income borrowers exceeded the aggregate in both years.

By product type, the bank's originations of home purchase loans to low-income borrowers in 2019 exceeded the aggregate but fell below the aggregate to borrowers of moderate-income. In 2020, the bank was below the aggregate for home purchase loans to low- and moderate-income borrowers. For refinance loans, the bank lagged the aggregate for loans to low- and moderate-income borrowers in 2019. In 2020, the bank was at par with the aggregate for refinance loans to low-income borrowers while it exceeded the aggregate for loans to moderate-income borrowers. The number of home improvement and multifamily loans did not present a meaningful analysis.

While not shown in Table 7, 2017 and 2018 data were also analyzed and considered in this evaluation. In 2017, the bank made 9 loans, or 9.1 percent, to low-income borrowers, slightly exceeding the aggregate, at 8.7 percent. The bank's loans to moderate-income borrowers in 2017, 15 loans or 15.2 percent, lagged the aggregate's 23.9 percent. In 2018, the bank made 4 loans, or 7.3 percent, to low-income borrowers compared to the aggregate, at 9.4 percent. Loans to moderate-income borrowers with 9 loans, or 16.4 percent, also lagged the aggregate, at 24.7 percent.

Eastern participates in Freddie Mac's HomePossible program for lending to low- and moderate-income borrowers and funded two loans in 2020, totaling $435,411. during the review period. The bank's participation in this program demonstrates its commitment to identifying loan products for low-to moderate-income individuals. The bank also has its own first time homebuyer program that offers low down payment opportunities for low- and moderate-income homebuyers. During the review period Eastern originated six loans for this product, totaling $1,020,880, in 2019-2020.

Overall, the distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income levels.

Response to Complaints

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

<u>Other Activities</u>

In response to the COVID-19 pandemic in 2020, the bank facilitated 279 Payroll Protection Program (PPP) loans, totaling approximately $24.8 million. These loans are administered by the SBA as part of the Coronavirus Aid, Relief, and Economic Security Act. PPP loans are designed to help businesses retain workers and staff during the economic hardship resulting from the pandemic. The SBA will forgive loans if the borrower meets the employee retention and eligible expenses criteria. In addition, the bank made 63 COVID-19 forbearance agreements, totaling approximately $10.2 million, in residential loans to assist its customers during the pandemic, demonstrating Eastern's responsiveness in serving the credit needs of its assessment area.

CONCLUSION

The bank has met the credit needs in its assessment area by making a majority of its loans within its assessment area and has maintained a more than reasonable LTD ratio. The bank exhibited a reasonable distribution of loans across census tract income levels. Its performance in meeting credit needs in the assessment area by extending loans to borrowers of different incomes, including low- and moderate-income borrowers is reasonable. Given economic, demographic, and competitive conditions in the assessment area, the bank's lending levels reflect a reasonable level of responsiveness and is therefore rated "Satisfactory".

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 were identified.

INDIVIDUAL ASSESSMENT AREA/MSA DISCUSSIONS

As discussed, the bank's assessment area includes New London County, which comprises the entirety of the Norwich-New London, CT MSA, and Windham County, which is a portion of the Worcester, MA-CT MSA. The bank's activity in each area is discussed separately here.

Norwich-New London, CT MSA

According to the 2015 ACS data, the Norwich-New London, CT MSA is comprised of 66 census tracts, all of which constitute New London County and are in the bank's assessment area. There are 6 low-, 9 moderate-, 29 middle-, 20 upper-, and 2 unknown-income census tracts. In this portion of the assessment area, 20.8 percent of families are low-income; 17.6 percent are moderate-income; 21.1 percent are middle-income; 40.5 percent are upper-income; and 7.4 percent of the families in this MSA have incomes below the poverty level. There are 70,847 owner-occupied units; 4.3 percent are located in low-income census tracts, and 8.8 percent are located in moderate-income census tracts. The owner-occupied units represent 24.9 percent and 36.0 percent within low- and moderate-income census tracts, respectively. Rental units represent 62.8 percent and 51.4 percent in low- and moderate-income census tracts, respectively.

In 2019 and 2020, the bank originated 237 HMDA-related loans in the Norwich-New London, CT MSA, representing 49.5 percent of the bank's total loans. In both years, the bank made 11 or 4.6 percent, and 14 or 5.9 percent of loans, in low-and moderate-income census tracts respectively. Furthermore, 15 or 6.3 percent, and 50 or 21.1 percent, of the HMDA-reportable loans were made to low- and moderate-income borrowers, respectively, in the MSA. The bank's lending by number increased from 2019 to 2020 and is in line with the overall performance within low- and moderate-income tracts and to low- and moderate-income borrowers in the bank's assessment area.

Worcester, MA-CT MSA

According to the 2015 ACS data, the Worcester, MA-CT MSA is comprised of 197 census tracts; however, only Windham County, CT and its 25 census tracts, which is the portion of the MSA that is in Connecticut, is in the bank's assessment area. There are 3 low-, 4 moderate-, 16 middle-, and 2 upper-income census tracts. In this portion of the assessment area, 25.9 percent of families are low-income; 18.9 percent are moderate-income; 22.7 percent are middle-income; 32.5 percent are upper-income; and 7.6 percent of the families in this MSA have incomes below the poverty level. There are 31,184 owner-occupied units; 4.5 percent are located in low-income census tracts, and 18.4 percent are located in moderate-income census tracts. The owner-occupied units represent 28.2 percent and 54.1 percent within low- and moderate-income census tracts, respectively. Rental units represent 61.5 percent and 38.2 percent in low- and moderate-income census tracts, respectively.

Eastern's lending in Windham County is more limited than its lending in the Norwich-New London, CT MSA. This is attributable to a smaller branch presence. Eastern has just one branch in Windham County, and it is located in the southern portion of the county.

In 2019 and 2020, the bank originated 82 HMDA-related loans in the Worcester, MA-CT MSA, representing 17.1 percent of the bank's total loans. In both years, Eastern made 1 or 1.2 percent, and 4 or 4.9 percent, of its HMDA-reportable loans in low-and moderate-income census tracts respectively. Furthermore, the bank made 8 or 9.8 percent, and 13 or 15.9 percent, of the HMDA-reportable loans to low- and moderate-income borrowers, respectively, in the county. While the lending in this county was not at par with New London County, the performance shows a year-over-year increase, that is also in line with the overall performance.

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