

PUBLIC DISCLOSURE

February 29, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Avon Co-operative Bank
RSSD # 178271

1 East Main Street
Avon, MA 02322

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.

Avon Co-operative Bank (the bank) demonstrates an adequate responsiveness to the credit needs of its assessment area based on the following findings:

- The average loan-to-deposit (LTD) ratio of 84.2 percent is reasonable given the bank's size, financial condition, and assessment area credit needs.
- A majority (51.9 percent) of residential mortgages and consumer loans were originated inside the assessment area during the review period.
- The distribution of residential mortgages and consumer loans to borrowers of different income levels, including to low- and moderate-income individuals, reflects reasonable penetration given the demographics of the bank's assessment area.
- The geographic distribution of residential mortgages and consumer loans reflects reasonable dispersion throughout the assessment area.
- There have been no complaints regarding the bank's CRA performance since the previous CRA evaluation.

SCOPE OF EXAMINATION

Avon Co-operative Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Small Institutions. Small Institutions are those that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.216 billion. As the bank's assets were also below \$304 million, the bank was not considered an intermediate small institution, and was evaluated under 12 CFR 228.26(b) based on the following performance criteria: loan to deposit ratio (LTD), assessment area concentration of loans, the geographic distribution of loans, loan distribution to borrowers of different income levels, and responses to CRA-related complaints.

The evaluation period is from January 1, 2012 through December 31, 2015 which is the timeframe since the prior examination. The average LTD ratio includes the last 16 quarters since the last examination. The examination's analysis focused on home mortgage loans as reported by the bank on its Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) from January 1, 2012 through December 31, 2014. At the request of bank management, consumer lending data was also considered from January 1, 2012 through December 31, 2014. The charts and tables used throughout this evaluation are provided to facilitate discussion of the institution's performance. Where applicable, the bank's performance is compared to the aggregate performance of all HMDA reporters that originated or purchased at least one home mortgage loan in the bank's assessment area.

Residential lending information from the first three quarters of 2015 was considered in the analysis as performance context but was not included in the tables since aggregate information was not yet available. Additionally, consumer lending information for the first three quarters of 2015 was also considered as performance context.

Specific residential loan products reviewed included all home purchase, home improvement, and refinance loans secured by one- to four-family and multifamily (five or more units) properties. The consumer loan data is based on internally generated reports and includes loans secured by automobiles, real-estate, cash, and unsecured loans. While both the number and dollar volume of the bank's loans were reviewed, the number of originations was weighted more heavily than the dollar volume in order to control for any factors that could distort the bank's performance.

Demographic information referenced throughout the evaluation was obtained from the 2010 United States (U.S.) Census Bureau's American Community Survey (ACS) data, unless otherwise noted.

Avon Co-operative Bank's CRA performance was last examined by the Federal Reserve Bank of Boston on January 17, 2012, in accordance with the FFIEC Examination Procedures for Small Institutions. The examination resulted in a "Satisfactory" rating.

DESCRIPTION OF INSTITUTION

Avon Co-operative Bank is a state-chartered, mutual co-operative bank that provides community banking services through a single branch located at 1 East Main Street in Avon, Massachusetts. The bank was incorporated in 1914, and became a state member bank on September 16, 2008. The bank has no holding company, but has one subsidiary, Avon Securities Corporation, which was established to hold investment securities.

Avon Co-operative Bank offers traditional retail banking services, online banking, bill payment services, commercial loans, and business banking services. Office hours at the bank's sole office are from 8:30 A.M. until 3:00 PM Monday through Wednesday. Office hours are extended Thursday evenings until 6:00 PM, and Friday evenings until 4:00 PM. Saturday hours are from 8:30 AM until 12 noon. The bank also offers extended drive up services.

According to the Consolidated Report of Condition and Income (Call Report), as of December 31, 2015, the bank had approximately \$94.7 million in assets and a loan portfolio of \$75.7 million. The bank is primarily a residential lender, with 1-4 family residential mortgage loans and lines accounting for 88.2 percent, and 3.0 percent of net loans and leases. The remainder of the portfolio is comprised of 3.1 percent commercial real estate loans, 4.6 percent construction and land development loans, 0.9 percent consumer loans, and 0.2 percent commercial and industrial.

The following Table illustrates the breakdown of the bank's loan portfolio, as of December 31, 2015.

Table 1		
Loan Portfolio Composition as of December 31, 2015		
Loan Type	Dollar Amount \$(000s)	Percent of Total Loans (%)
Closed-End 1-4 Family Residential	66,788	88.2
Open-End 1-4 Family Residential	2,268	3.0
Commercial Real Estate	2,354	3.1
Commercial and Industrial	152	0.2
Construction and Land Development	3,461	4.6
Consumer	693	0.9
Total Gross Loans	75,716	100.00

Call Report as of December 31, 2015

In serving its community's mortgage needs, Avon Co-operative Bank primarily originates residential loans both for its own portfolio and the secondary market. Residential mortgage product offerings include fixed-rate mortgage loans, adjustable-rate mortgage loans, mobile home loans, home equity lines of credit, home improvement loans, and construction mortgage loans. Commercial offerings include commercial real-estate mortgages and commercial and industrial loans, non-real estate secured loans, letters of credit, and revolving credit lines. Consumer products include loans secured by automobiles, real-estate, cash, and unsecured loans.

In addition to traditional loan products, the bank also offers the following credit programs. The first program is Buy Brockton, which offers financing up to 100 percent of the purchase price at a below-market fixed-rate for one unit properties being sold as a result of foreclosure, short sale or deed-in-lieu of foreclosure in the City of Brockton. Buy Brockton is a public/private partnership between the City of Brockton, Brockton Housing Partnership, and local businesses in which local businesses offer incentives to promote homeownership in Brockton. Additionally, local Brockton businesses offer down payment or closing cost assistance to employees buying homes in the City of Brockton. The second program is the Avon-West Bridgewater Housing Rehabilitation program that provides zero percent deferred payment loans for general rehabilitation and grants for lead paint reduction. The program prescribes a minimum number of units to be occupied by income eligible households in order for the property to qualify. Third is a first-time homebuyer program which offers affordable financing for borrowers purchasing homes in Norfolk, Plymouth, Bristol, Barnstable, Suffolk, and Essex Counties. Lastly, the bank offers MassHousing mortgages, fixed-rate mortgage products that enable both existing homeowners and eligible first-time homebuyers to take advantage of competitive 30-year fixed rate financing for the purchase or refinance of owner-occupied condominiums or one-to four family owner-occupied homes. MassHousing raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing.

Avon Co-operative Bank originates mortgages internally, as well as through a broker relationship with Maritime Mortgage Corporation Stoughton, Massachusetts. The bank actively sells originated residential loans to the Federal Home Loan Bank of Boston (FHLBB) through the Mortgage Partnership Finance (MPF) Program.

Avon Co-operative Bank operates in a highly competitive geographic area where several larger national banks and mortgage companies, as well as community banks and credit unions, maintain a presence. According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, as of June 30, 2015, there were 27 financial institutions operating 102 branches in the bank's assessment area. Of these, Avon Co-operative Bank ranked 20th in terms of deposit market share with 0.9 percent. The top five institutions in market share have multiple branch locations within the bank's assessment area. Citizens Bank, N.A. has captured the majority of market share (18.9 percent, 18 branches), followed by Bank of America, N.A. (15.3 percent, 12 branches), HarborOne Bank (13.4 percent, 10 branches), Rockland Trust Company (10.5 percent, 12 branches), and Eastern Bank (8.3 percent, 9 branches). Together, these five institutions have captured 66.4 percent of the market share within the assessment area. However, within the Town of Avon, Avon Co-operative Bank has captured 65.3 percent of the market share, with Bank of America, N.A. capturing 34.7 percent of the market share.

In terms of lending competition, 356 lenders originated or purchased a HMDA-reportable loan in the bank's assessment area in 2014. Avon Co-operative Bank ranked 61st, with 28 loans originated or purchased. Wells Fargo Bank, NA, ranked first, with 613 loans originated or purchased, the majority of which were purchased. Similarly-situated lenders within the assessment area include Stoughton Co-operative Bank, Abington Bank, and Canton Co-operative Bank, which ranked 16th, 56th, and 85th, respectively.

As will be discussed in more detail below, the bank has the ability to meet the credit needs of its assessment area taking into consideration its financial capacity, local economic conditions, demographics, and the competitive market in which it operates. Furthermore, 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. The evaluation mainly focused upon lending activity within the bank's defined assessment area.

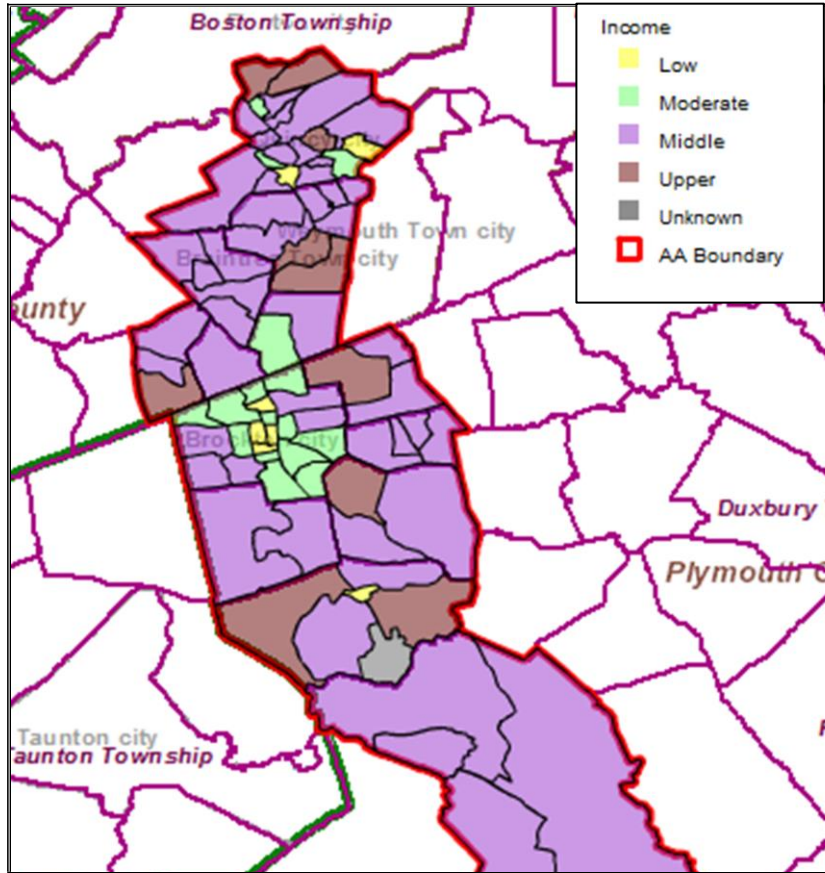
Avon Co-operative Bank defines its assessment area to include 13 contiguous municipalities out of 55 cities and towns in Norfolk and Plymouth Counties, both located in the Boston, MA Metropolitan Division (MD).

Norfolk County is located to the south and west of the City of Boston and includes 28 cities and towns. Of the 28 cities and towns, 6 are located within the bank's assessment area, and they include: Avon, Braintree, Holbrook, Quincy, Randolph, and Stoughton. Additionally, the bank's assessment area is comprised of 39 of the 130 total census tracts in Norfolk County.

Plymouth County borders Norfolk County to the south and is located approximately 40 miles south of the City of Boston in a region of Massachusetts known as the South Shore. Plymouth County as a whole contains 27 cities and towns. Of the 27 cities and towns, 7 are located within the bank's assessment area, and they include: Abington, Brockton, Bridgewater, East Bridgewater, Middleboro, West Bridgewater, and Whitman. Additionally, the bank's assessment area is comprised of 43 of the 101 total census tracts in Plymouth County.

At the prior examination, the bank's assessment area was comprised of the municipalities of Avon, Brockton, Holbrook, and Randolph. In 2014, the bank conducted a CRA assessment area review, which led the bank to expand its assessment area by adding nine cities and towns along Massachusetts Route 24, because the bank's analysis indicated that it had been making loans in these cities and towns.

A map of the bank's assessment area is provided below.



The following Table provides demographic information on the bank's assessment area from 2012 through 2015.

Table 2 Assessment Area Demographic Information								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	7	8.5	5,299	5.7	1,210	22.8	21,090	22.7
Moderate-income	16	19.5	18,234	19.7	1,901	10.4	17,968	19.4
Middle-income	48	58.5	59,142	63.8	2,791	4.7	22,386	24.1
Upper-income	10	12.2	10,054	10.8	274	2.7	31,285	33.7
Unknown-income	1	1.2	0	0.0	0	0.0	0	0.0
Total Assessment Area	82	100.0	92,729	100.0	6,176	6.7	92,729	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	10,226	2,712	2.9	26.5	6,412	62.7	1,102	10.8
Moderate-income	31,227	15,789	17.1	50.6	13,246	42.4	2,192	7.0
Middle-income	94,432	61,979	67.1	65.6	28,196	29.9	4,257	4.5
Upper-income	15,973	11,830	12.8	74.1	3,256	20.4	887	5.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	151,858	92,310	100.0	60.8	51,110	33.7	8,438	5.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	870	5.0	789	5.1	76	4.8	5	8.6
Moderate-income	2,420	14.0	2,222	14.2	191	12.0	7	12.1
Middle-income	12,088	70.0	10,868	69.6	1,184	74.4	36	62.1
Upper-income	1,875	10.9	1,727	11.1	139	8.7	9	15.5
Unknown-income	6	0.0	4	0.0	1	0.1	1	1.7
Total Assessment Area	17,259	100.0	15,610	100.0	1,591	100.0	58	100.0
	Percentage of Total Businesses:			90.4		9.2		0.3

2010 U.S. Census Data and 2015 Dun & Bradstreet, Inc. (D&B) Information
Total percentages shown may vary by 0.1 percent due to automated rounding differences.

Population

The assessment area population includes 381,814 individuals. According to the U.S. Census Bureau Population Estimates Program, Norfolk County and Plymouth County experienced population increases of 3.2 percent and 2.4 percent, respectively, between April 1, 2010 and July 1, 2014. Over the same period, the population of Massachusetts grew by 3.2 percent, while the population of the United States rose by 3.3 percent.¹

Demographics

Demographic changes have an impact on the bank's CRA assessment area profile. The bank's assessment area consists of 82 census tracts, of which 7, or 8.5 percent, are low-income tracts; 16, or 19.5 percent are moderate-income tracts; 48, or 58.5 percent, are middle-income tracts; 10, or 12.2 percent, are upper-income tracts; and 1, or 1.2 percent is unknown. During the prior examination, the bank's assessment area consisted of 29 census tracts, of which 2, or 6.9 percent, were low-income tracts; 10, or 34.5 percent were moderate-income tracts; 17, or 58.6 percent, were middle-income tracts; and there were no upper-income or unknown tracts. As the trend reflects, the percentage of the bank's moderate-income tracts significantly decreased indicating that the bank would have to offer products and services to meet the changing demographic needs.

Low-income households represent 5.7 percent of the assessment area, moderate-income households represent 19.7 percent, middle-income households represent 63.8 percent, and upper-income households represent 10.8 percent.

Income

The FFIEC adjusts the median family income (MFI) of metropolitan areas annually, based on estimates. The MFI for low-income is defined as income of 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 the median income; middle-income is defined as income of at least 80 percent but less than 120 percent of the median income; and upper-income is defined as 120 percent of the median income and above. Table 3 below displays the MFI for the Boston, MA MD in 2012, 2013, 2014, and 2015.

¹ U.S. Census Bureau, Population Estimates Program, updated annually. www.census.gov/popest/

Table 3 Estimates of Median Family Income		
Year	Geographic Area	MFI
2012	Boston-Quincy, MA MD (14484)	\$88,800
2013	Boston-Quincy, MA MD (14484)	\$88,000
2014	Boston, MA MD (14454)	\$87,200
2015	Boston, MA MD (14454)	\$90,000

FFIEC Estimates of Median Family Income

The MFI of the assessment area for 2015, based on ACS data, is \$76,811, which is lower than both the Boston, MA MD MFI of \$90,000, and Massachusetts average MFI of \$81,165. However, both Norfolk and Plymouth Counties MFI's of \$101,870 and \$86,251 respectively, are higher than both the assessment area and Massachusetts average MFI. The 2010 ACS data reveals that 22.7 percent and 19.4 percent of families in the assessment area are low- and moderate-income, respectively. These percentages are comparable to the Commonwealth of Massachusetts at 22.2 percent and 16.5 percent for low- and moderate-income, respectively. The percentage of families in the assessment area living below the poverty level is 6.7 percent, which is slightly less than the 7.5 percent for the Commonwealth of Massachusetts. A lower percentage of families in Norfolk County, 4.1 percent, are living below the poverty level compared to 5.0 percent in Plymouth County.

Housing

The bank's assessment area contains 151,858 housing units, of which 77.0 percent are 1-4 family units. Of the total housing units in the assessment area, 60.8 percent are owner-occupied, 33.7 percent are rental units, and 5.6 percent are vacant. Within the low-income census tract, rental and vacant units comprise a relatively high percent of the housing stock, at 62.7 percent and 10.8 percent, respectively. This low availability of owner-occupied units suggests that home mortgage lending opportunities may be limited in these census tracts. Within moderate-income census tracts, the level of owner-occupancy is 42.4 percent, while rental units comprise 7.0 percent of the housing stock, which may also limit refinancing opportunities. The level of owner-occupancy is higher, at 65.6 percent and 74.1 percent, within middle- and upper-income census tracts, respectively. A median gross rental cost for the assessment area of \$1,075 is slightly above Plymouth County rental costs of \$1,042, but below Norfolk County rental costs of \$1,205.

According to 2010 ACS data, the median housing value for Norfolk County and Plymouth County was \$408,100 and \$360,700, respectively. These values are higher than the assessment area median housing value of \$332,525. According to the Warren Group, Boston, MA, which records and tracks real estate transactions, housing prices in the Commonwealth of

Massachusetts have been increasing due to lower inventory.² The median sales price of single family homes in the Commonwealth of Massachusetts increased by 6.9 percent from December 2014 through December 2015, while median sales price of single family homes in the Boston-Cambridge-Quincy, MA, Metropolitan Statistical Area increased by 2.7 percent during the same time frame. These increases, coupled with housing shortages and high house prices can lead to higher rental costs for a large segment of the population in the bank's assessment area.

According to the *October 2015 Summary of Commentary on Current Economic Conditions by Federal Reserve Districts* (Beige Book), closed sales of both single-family homes and condominiums increased on a year-over-year basis in each of the six First District states. In Boston, the volume of closed sales in August 2015 was the highest on record. Massachusetts prices increased more markedly in the condominium market than in the single-family home market. Continuing recent trends, inventory decreased year-over-year in every state in the First District. This marks the 42nd consecutive month of inventory decline in Massachusetts. Low inventory is cited as a persistent issue for buyers as it has created a strong "seller's market" in which sellers are increasingly willing to move on to other buyers.³

Economic Conditions

The current economic conditions and employment opportunities also have an impact on loan demand and the overall volume of home purchase activity. Economic conditions in the assessment area are stable and improving. According to the U.S. Bureau of Labor Statistics⁴, the non-seasonally adjusted unemployment rate for Massachusetts was 4.6 percent as of December 2015. The comparable unemployment rate for Norfolk County was lower, at 4.0 percent, and higher for Plymouth County, at 4.8 percent. The unemployment rates for the Commonwealth of Massachusetts, Norfolk County, and Plymouth County have all decreased relative to their December 2014 levels of 4.9 percent, 4.2 percent, and 5.1 percent, respectively. Within the cities and towns in the assessment area, the unemployment rate ranged from a high of 6.4 percent in Brockton to a low of 4.0 percent in Bridgewater.

The economies of Norfolk and Plymouth Counties are diverse, supported by a mixture of service and manufacturing-oriented sectors. According to the D&B report, there are 17,259 businesses operating within the bank's assessment area. The vast majority of the businesses, 90.4 percent, have gross annual revenues less than or equal to \$1 million. Most businesses, 70.0 percent, are located in middle-income census tracts, while 14.0 percent are located in moderate-income census tracts. Primary industries in the assessment area include retail trade, healthcare, and higher education. Major employers within the assessment area include Harvard Pilgrim Healthcare, Quincy, MA; Massasoit Community College, Brockton, MA; and Bridgewater State University, Bridgewater, MA.

² The Warren Group, www.thewarrengroup.com/tag/massachusetts/

³ Summary of Commentary on Current Economic Conditions by Federal Reserve Districts, http://www.federalreserve.gov/monetarypolicy/beigebook/files/Beigebook_20151014.pdf

⁴ U.S. Bureau of Labor Statistics, Economic Releases, www.bls.gov/

Community Contact

As part of the CRA examination process, third parties that are active in community affairs are contacted to obtain additional perspective on the credit needs of the bank's assessment area. Information obtained from this contact helps to determine the responsiveness of local financial institutions to the credit and community development needs in the bank's assessment area and the extent to which additional opportunities are available.

An interview was conducted with a community contact with significant experience representing an organization that actively promotes neighborhood revitalization, affordable housing, and community development initiatives within the bank's assessment area. The contact indicated that affordable housing was the greatest need for its consumers. Individuals with fixed incomes or low-wage employment are unable to afford the high rental costs in the Boston and South Shore area. Furthermore, home prices are high and increasing every year, making home ownership out of reach for a majority of low- and moderate-income families.

Overall, the contact was satisfied with the involvement and willingness of local financial institutions to provide assistance in the form of donations. The contact would like to see large national banks engaged more in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overall, Avon Co-operative Bank’s lending performance in the assessment area is satisfactory. Demographic and economic conditions as well as the bank’s competition were considered in its lending 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.

Avon Co-operative Bank’s average LTD ratio is reasonable based on its asset size, financial condition, and competition from local and similarly situated financial institutions. The bank’s LTD ratio is 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 analysis of Avon Co-operative Bank’s LTD ratio was performed incorporating the past sixteen quarters utilizing data from January 1, 2012 to December 31, 2015. For comparative purposes, the bank’s LTD ratio is displayed in the Table below along with similarly situated institutions in terms of loan portfolio composition and total assets operating within the assessment area. The bank’s average LTD ratio over the past sixteen quarters was calculated at 84.2 percent while the most recent quarter’s LTD ratio was calculated at 95.9 percent.

Table 4 Loan-to-Deposit Ratio Comparison				
Institution	Headquarters	Total Assets \$(000s)	Average LTD Ratio (%)**	Current LTD Ratio (%)*
ABINGTON BK	ABINGTON, MA	128,982	86.1	97.5
AVON CO-OP BK	AVON, MA	94,650	84.2	95.9
CANTON CO-OP BK	CANTON, MA	105,439	59.8	62.8
STOUGHTON CO-OP BK	STOUGHTON, MA	108,356	78.8	80.5

*Call Report as of December 31, 2015.

**Call Report from March 31, 2012 to December 31, 2015

As indicated above, Avon Co-operative Bank’s LTD ratio compares reasonably to similarly situated institutions. On average, the bank’s LTD ratio has been increasing as a result of increased loan purchases. A slight decline in the LTD ratio was noted in the first quarter of 2013 and then again in the fourth quarter of 2014, as a result of the bank selling a portion of its residential loan portfolio to the FHLBB. Beginning in January 2012 through December 2015, the bank has sold 21 loans totaling approximately \$4.6 million to the FHLBB. Avon Co-operative Bank’s current LTD ratio of 95.9 percent reflects an upward trend since the December 31, 2014 net LTD ratio of 89.7 percent. Additionally, the current LTD ratio of 95.9 percent is higher than any LTD ratio the bank achieved during the last 16 quarters and is considerably higher than the LTD of 64.7 percent the bank achieved on March 31, 2012.

While net loans have not materially increased, the bank has been active in refinancing fixed-rate

residential real estate loans for sale to the secondary market through the FHLBB’s MPF. Bank management stated that the LTD ratio has been impacted by the dollar volume of loans sold. In 2012, 2013, 2014, and 2015, loans sold totaled \$837,595; \$1,753,360; \$1,005,198; and \$955,690, respectively. This lending activity is not captured in the total loan figure but demonstrates the bank’s continued efforts to meet the credit needs of the assessment area. Furthermore, management expects that the number of loans sold on the secondary market will continue to decrease, increasing the LTD ratio. Considering these factors, the bank’s LTD ratio is considered reasonable.

Assessment Area Concentration

This criterion evaluates the concentration of loans originated by the bank within its assessment area.

As shown in Table 5 below, a majority of the bank’s loans were originated inside its assessment area.

Table 5								
Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase Conventional	24	36.4	4,494	28.1	42	63.8	11,483	71.9
Home Improvement	21	56.8	2,305	36.7	16	43.2	3,977	63.3
Refinancing	61	48.0	10,868	38.4	66	52.0	17,402	61.6
Total HMDA related	106	46.1	17,667	35.0	124	53.9	32,862	65.0
Consumer Loans	71	64.0	1,774	47.9	40	36.0	1,926	52.1
Total	177	51.9	19,441	35.8	164	48.1	34,788	64.2

*Residential Mortgage Loans Originated 2012, 2013, and 2014 as reported on HMDA LAR
Consumer Loans Originated 2012, 2013, and 2014 as generated through internal reports*

As presented in Table 5 above, the bank originated 46.1 percent of home mortgage loans, by number of loans, within its delineated assessment area. With the inclusion of consumer loans, the bank’s lending within the assessment area, by number of loans, increased to 51.9 percent and constitutes a majority of lending within the assessment area. It should be noted that the dollar amount with the inclusion of consumer lending does not constitute a majority of the dollars originated in the assessment area at 35.8 percent. Consumer loans tend to be smaller-dollar loans than HMDA-reportable loans. As mentioned previously, because performance can be skewed by larger-dollar loans, the number of loans originated inside the assessment area are weighted more heavily.

When analyzed by number of loans, the bank originated 106 HMDA reportable loans and 71 consumer loans within the assessment area between January 1, 2012 and December 31, 2014, demonstrating the bank’s ability to address assessment area credit needs. As discussed previously, the assessment area contains a high percentage of rental units, particularly in low- and moderate-income census tracts, as well as a significant number of low- and moderate-income families. Consumer lending may better address the credit needs of individuals who are unable to afford or do not currently need a home mortgage loan.

The Table also provides a breakout of home mortgage lending by loan type. As the Table indicates, the majority of total HMDA-reportable loans were made outside of the assessment area. However, individually by category, home improvement loans were concentrated within the assessment area with 56.8 percent. This is attributed to the fact that the bank has not purchased any home improvement loans during the period under review, while it has purchased six home purchase loans and nine refinance loans during the same period. Home purchase loans account for the smallest portion of lending within the assessment area. As discussed earlier, loan demand and strong competition have affected the bank's ability to originate home mortgage loans within the assessment area. In addition, the bank purchases loans on the secondary market; however, these loans are primarily from outside the assessment area. Both factors have had an impact on the bank's ability to increase home purchase lending within the assessment area. In conclusion, a majority of residential and consumer loans are in the institution's assessment area.

Lending to Borrowers of Different Incomes

This criterion analyzes the distribution of loans inside the assessment area to borrowers of different income levels. Borrowers are classified into low-, moderate-, middle-, and upper-income categories based on their reported income and the applicable median family income figure estimated by the FFIEC.

As displayed in Tables 6 through 8 below, the bank's distribution of loans reflects a reasonable penetration among individuals of different income levels including low- and moderate-income individuals when compared to area demographics and aggregate performance.

Residential Lending

Tables 6 and 7 below provide a comparison of the bank's residential lending by income level of the borrower to the income distribution of families in the assessment area and aggregate data.

Table 6 2012 - 2013 Borrower Distribution of HMDA Loans														
Product Type	Borrower Income Levels	Families by Family Income	2012						2013					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
			%	#	%	%	\$(000s)	\$ %	\$ %	#	%	%	\$(000s)	\$ %
Home Purchase	Low	22.7	2	15.4	12.6	149	9.3	8.0	0	0.0	9.4	0	0.0	6.1
	Moderate	19.4	3	23.1	30.4	287	17.9	26.8	1	20.0	28.8	135	11.6	24.5
	Middle	24.1	3	23.1	22.9	636	39.8	25.4	2	40.0	26.6	518	44.5	28.7
	Upper	33.7	1	7.7	20.2	250	15.6	26.2	1	20.0	21.3	241	20.7	27.1
	Unknown	0.0	4	30.8	13.9	278	17.4	13.7	1	20.0	13.8	270	23.2	13.6
	Total	100.0	13	100.0	100.0	1,600	100.0	100.0	5	100.0	100.0	1,164	100.0	100.0
Refinance	Low	22.7	3	11.5	6.2	219	4.9	4.1	2	11.1	7.0	298	8.5	4.3
	Moderate	19.4	6	23.1	18.7	926	20.7	15.3	5	27.8	20.3	917	26.2	16.3
	Middle	24.1	6	23.1	27.3	988	22.1	26.9	6	33.3	27.3	1,228	35.1	26
	Upper	33.7	10	38.5	30.3	2,174	48.6	34.8	4	22.2	30.5	856	24.5	34.1
	Unknown	0.0	1	3.8	17.6	165	3.7	18.9	1	5.6	14.9	200	5.7	19.2
	Total	100	26	100	100	4,472	100.0	100	18	100.0	100	3,499	100.0	100.0
Home Improvement	Low	22.7	0	0.0	11.7	0	0.0	7.2	1	14.3	7.6	75	8.9	5.8
	Moderate	19.4	1	11.1	26.2	125	11.4	21.9	4	57.1	21.7	558	66.0	19
	Middle	24.1	4	44.4	28.5	308	28.1	29.4	2	28.6	31.3	212	25.1	28.1
	Upper	33.7	4	44.4	29.9	662	60.5	35.8	0	0.0	33.2	0	0.0	35.5
	Unknown	0.0	0	0.0	3.6	0	0.0	5.6	0	0.0	6.2	0	0.0	11.7
	Total	100	9	100.0	100	1,095	100.0	100.0	7	100.0	100.0	845	100.0	100.0
Multifamily	Low	22.7	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	Moderate	19.4	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	Middle	24.1	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	Upper	33.7	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	0	0.0	100.0	0	0.0	100.0
	Total	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	22.7	5	10.4	8.0	368	5.1	5.0	3	10.0	7.9	373	6.8	4.9
	Moderate	19.4	10	20.8	21.9	1,338	18.7	17.8	10	33.3	23.4	1,610	29.2	19.1
	Middle	24.1	13	27.1	26.1	1,932	27	25.6	10	33.3	27.1	1,958	35.5	26.5
	Upper	33.7	15	31.3	27.6	3,086	43.1	31.4	5	16.7	27.2	1,097	19.9	30.6
	Unknown	0.0	5	10.4	16.3	443	6.2	20.2	2	6.7	14.5	470	8.5	18.9
	Total	100.0	48	100.0	100.0	7,167	100.0	100.0	30	100.0	100.0	5,508	100.0	100.0

2012 - 2013 HMDA LAR and Aggregate Data

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

As displayed in Table 6 above, the bank exceeded the aggregate's percentage of lending to low-income borrowers for both 2012 and 2013, with 10.4 percent and 10.0 percent of loans originated respectively. In addition, the bank's percentage of lending to moderate-income borrowers significantly increased from 20.8 percent in 2012, to 33.3 percent in 2013. While these lending percentages reflect some variance, this analysis is based on a small number of originations. Consequently, slight fluctuations in the number of loans originated can significantly impact the percentages.

Table 7 2014 Borrower Distribution of HMDA Loans								
Product Type	Borrower Income Levels	Families by Family Income	Count			Dollar		
			Bank		Aggregate	Bank		Aggregate
		%	#	%	%	\$(000s)	\$ %	\$ %
Home Purchase	Low	22.7	1	16.7	6.8	108	6.2	4.3
	Moderate	19.4	0	0.0	26.7	0	0.0	23.1
	Middle	24.1	0	0.0	24.9	0	0.0	25.8
	Upper	33.7	4	66.7	23.0	1,330	76.9	28.0
	Unknown	0.0	1	16.7	18.6	292	16.9	18.8
	Total	100.0	6	100.0	100.0	1,730	100.0	100.0
Refinance	Low	22.7	3	17.6	8.1	296	10.2	5.1
	Moderate	19.4	4	23.5	19.6	734	25.3	16.1
	Middle	24.1	3	17.6	25.9	614	21.2	25.2
	Upper	33.7	7	41.2	27.8	1,253	43.3	32.9
	Unknown	0.0	0	0.0	18.6	0	0.0	20.7
	Total	100.0	17	100.0	100.0	2,897	100.0	100.0
Home Improvement	Low	22.7	0	0.0	8.1	0	0.0	5.6
	Moderate	19.4	2	40.0	21.8	50	13.7	18.6
	Middle	24.1	1	20.0	25.9	30	8.2	23.8
	Upper	33.7	2	40.0	36.4	285	78.1	35.7
	Unknown	0.0	0	0.0	7.9	0	0.0	16.3
	Total	100.0	5	100.0	100.0	365	100.0	100.0
Multifamily	Low	22.7	0	0.0	0.0	0	0.0	0.0
	Moderate	19.4	0	0.0	0.0	0	0.0	0.0
	Middle	24.1	0	0.0	0.0	0	0.0	0.0
	Upper	33.7	0	0.0	0.0	0	0.0	0.0
	Unknown	0.0	0	0.0	100.0	0	0.0	100.0
	Total	100.0	0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	22.7	4	14.3	7.4	404	8.1	4.4
	Moderate	19.4	6	21.4	23.5	784	15.7	19.2
	Middle	24.1	4	14.3	25.2	644	12.9	24.1
	Upper	33.7	13	46.4	25.7	2,868	57.5	28.4
	Unknown	0.0	1	3.6	18.2	292	5.8	23.9
	Total	100.0	28	100.0	100.0	4,992	100.0	100.0

2014 HMDA LAR and Aggregate Data

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

In 2014, Avon Co-operative Bank originated 14.3 percent and 21.4 percent of its total HMDA loans to low- and moderate-income borrowers, respectively. Origination totals to low-income borrowers are above the aggregate level of 7.4 percent; however, originations to moderate-income borrowers of 21.4 percent, are slightly below the aggregate performance of 23.5 percent. The percentage of low-income families in the assessment area is higher than the bank and the aggregate performance, which indicates that credit was somewhat prohibitive for low-income residents. Additionally, these families would not likely qualify for a home mortgage loan, even under the flexible terms the bank’s array of federal and state loan programs provide.

The bank did not originate any home purchase loans to moderate-income borrowers, or home improvement loans to low-income borrowers in 2014. The percentage of family households classified as low- and moderate-income are 22.7 percent and 19.4 percent, respectively. The aggregate made 26.7 percent of its home purchase loans to moderate income borrowers in 2014, surpassing the bank performance; however, the bank exceeded aggregate performance in providing refinance loans to both low and moderate income borrowers in that year, with 17.6 percent and 23.5 percent respectively. During the years in review, the bank and the aggregate did not originate any multifamily loans.

The bank’s residential lending for the first three quarters of 2015 was also evaluated. Total residential loans generated to low- and moderate-income borrowers were 13.8 percent and 27.6 percent, respectively. These ratios are generally consistent with the bank’s lending activities as noted in Tables 6 and 7 above.

Consumer Lending

The bank’s consumer lending within the assessment area from 2012 to 2014 was reviewed to determine the distribution among borrowers of different income levels. The borrowers’ incomes were compared to the FFIEC adjusted MFI for the Boston, MA MD. The bank’s distribution among income categories was also compared to the percentage of assessment area families within each income level.

As displayed in Table 8 below, the bank’s distribution of consumer loans to borrowers reflects a reasonable penetration among individuals of different income levels.

Table 8			
2012 – 2014 Borrower Distribution of Consumer Loans			
Borrower Income Level	Families by Family Income	Bank Loans	
		#	(%)
Low	22.7	25	35.2
Moderate	19.4	11	15.5
Middle	24.1	15	21.1
Upper	33.7	7	9.9
Unknown	0.0	13	18.3
Total	100.0	71	100.0

2012 – 2014 Bank Provided Consumer Lending Data

Avon Co-operative Bank originated 71 consumer loans within its assessment area between January 1, 2012 and December 31, 2014. Low-income borrowers received a majority of consumer loans (25 loans, or 35.2 percent), followed by middle-income (15 loans, or 21.1 percent), moderate-income (11 loans, or 15.5 percent), upper-income (7 loans, or 9.9 percent), and NA (13 loans, or 18.3 percent). The bank's performance compares favorably to the percentage of low-income families in the assessment area which is estimated to be approximately 22.7 percent. The bank's performance with respect to moderate-income borrowers of 15.5 percent is also favorable. A high percentage of loans have income designations of unknown. These are loans secured by cash or certificates of deposit and borrowers' incomes were not used to make the credit decisions. It should be noted that the analysis of consumer loans to low- and moderate-income borrowers may be somewhat skewed in that consumer loans typically consider individual income, while the comparison is made to median or family income. The bank's consumer lending activities to low-income borrowers of 35.2 percent is much higher than the percentage of low-income families of 22.7 percent. Conversely, the percentage of lending to upper-income families of 9.9 percent is much lower than the percentage of upper-income families of 33.7 percent. This suggests that low-income borrowers are likely to obtain consumer loans rather than upper-income borrowers for whom credit is more readily available through credit cards or real-estate secured transactions.

The bank's consumer lending for the first three quarters of 2015 was also evaluated. Total consumer loans generated to low- and moderate-income borrowers were 11.1 percent and 22.2 percent, respectively. These ratios are generally consistent with the bank's residential lending activities as noted in Tables 6 and 7 above.

The above analysis supports the overall conclusion that the bank is meeting the credit needs of individuals of all income levels, including low- and moderate-income.

Geographic Distribution of Loans

This criterion analyzes the distribution of loans inside the assessment area to census tracts of all income levels.

As evidenced in Tables 9 through 11 below, the geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

Residential Lending

Tables 9 and 10 below provides a comparison of the bank's residential lending in the assessment area census tracts to aggregate data. The percentage of housing units in each tract income level that are owner-occupied is also provided as an indicator of home mortgage lending opportunities

Table 9 2012 - 2013 Geographic Distribution of HMDA Loans														
Product Type	Tract Income Level	Owner Occupied Units	2012						2013					
			Count			Dollar			Count			Dollar		
			Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg
			%	#	%	\$ (000s)	\$ %	\$ %	#	%	%	\$ (000s)	\$ %	\$ %
Home Purchase	Low	2.9	1	7.7	3.2	50	3.1	2.7	0	0.0	3.4	0	0.0	3.3
	Moderate	17.1	7	53.8	17.2	594	37.1	13.7	2	40.0	16.3	535	46.0	13.2
	Middle	67.1	4	30.8	64.8	745	46.6	66.2	2	40.0	64.7	405	34.8	65.5
	Upper	12.8	1	7.7	14.9	211	13.2	17.4	1	20.0	15.7	224	19.2	18.0
	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	13	100.0	100.0	1,600	100.0	100.0	5	100.0	100.0	1,164	100.0	100.0
Refinance	Low	2.9	0	0.0	2.4	0	0.0	2.3	1	5.6	2.7	166	4.7	2.6
	Moderate	17.1	3	11.5	11.2	536	12.0	9.1	3	16.7	13.7	384	11.0	12.5
	Middle	67.1	22	84.6	69.2	3,749	83.8	69.4	13	72.2	68.0	2,690	76.9	68.2
	Upper	12.8	1	3.8	17.2	187	4.2	19.1	1	5.6	15.6	259	7.4	16.7
	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	26	100.0	100.0	4,472	100.0	100.0	18	100.0	100.0	3,499	100.0	100.0
Home Improvement	Low	2.9	0	0.0	3.5	0	0.0	3.3	0	0.0	2.1	0	0.0	2.0
	Moderate	17.1	0	0.0	10.9	0	0.0	9.0	0	0.0	12.2	0	0.0	8.4
	Middle	67.1	9	100.0	70.1	1,095	100.0	67.0	7	100.0	69.2	845	100.0	67.8
	Upper	12.8	0	0.0	15.6	0	0.0	20.7	0	0.0	16.5	0	0.0	21.8
	Unknown	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	Total	100.0	9	100.0	100.0	1,095	100.0	100.0	7	100.0	100.0	845	100.0	100.0
Multifamily	Low	8.8	0	0.0	13.8	0	0.0	4.6	0	0.0	20.5	0	0.0	10.4
	Moderate	26.0	0	0.0	13.8	0	0.0	4.3	0	0.0	20.5	0	0.0	16.0
	Middle	54.5	0	0.0	67.2	0	0.0	87.9	0	0.0	54.8	0	0.0	64.8
	Upper	10.8	0	0.0	5.2	0	0.0	3.3	0	0.0	4.1	0	0.0	8.9
	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	0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	2.9	1	2.1	2.7	50	0.7	2.5	1	3.3	3.0	166	3.0	3.0
	Moderate	17.1	10	20.8	12.7	1,130	15.8	10.1	5	16.7	14.6	919	16.7	12.8
	Middle	67.1	35	72.9	68.1	5,589	78.0	69.2	22	73.3	66.8	3,940	71.5	67.1
	Upper	12.8	2	4.2	16.5	398	5.6	18.2	2	6.7	15.6	483	8.8	17.1
	Unknown	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
	Total	100.0	48	100.0	100.0	7,167	100.0	100.0	30	100.0	100.0	5,508	100.0	100.0

2012 – 2013 HMDA LAR and Aggregate Data
Total percentages shown may vary by 0.1 percent due to automated rounding differences

In 2012 and 2013, the bank’s originations in low-income census tracts represented 2.1 percent and 3.3 percent of bank originations, respectively. In 2012, the bank was below the aggregate of 2.7 percent. However, in 2013, the bank exceeded the aggregate of 3.0 percent. The bank’s moderate-income tracts comprise 17.1 percent of its assessment area. In 2012 and 2013, the bank’s lending in moderate-income tracts was 20.8 percent, and 16.7 percent, respectively. This lending activity exceeded the 2012 and 2013 aggregate lending of 12.7 percent and 14.6 percent, respectively. As Table 9 indicates, the bank’s lending increased from 2012 to 2013 in low- and middle-income tracts and was above or on par with the aggregate and tract income levels.

An analysis of home purchase loans in moderate-income tracts for 2012 and 2013 indicated the bank’s excellent performance of 53.8 percent and 40.0 percent respectively. The aggregate’s lending was 17.2 percent and 16.3 percent for 2012 and 2013, respectively. Further, refinance activities in moderate- and middle-income tracts for both 2012 and 2013 were above aggregate.

Table 10 2014 Geographic Distribution of HMDA Loans								
Product Type	Tract Income Levels	Owner Occupied Units	Count			Dollar		
			Bank		Aggregate	Bank		Aggregate
			%	#	%	%	\$ (000s)	\$ %
Home Purchase	Low	2.9	0	0.0	3.6	0	0.0	3.3
	Moderate	17.1	0	0.0	19.0	0	0.0	16.0
	Middle	67.1	6	100.0	62.8	1,730	100.0	64.0
	Upper	12.8	0	0.0	14.6	0	0.0	16.6
	Unknown	0.0	0	0.0	0.0	0	0.0	0.0
	Total	100.0	6	100.0	100.0	1,730	100.0	100.0
Refinance	Low	2.9	0	0.0	3.4	0	0.0	3.1
	Moderate	17.1	3	17.6	14.9	462	15.9	12.4
	Middle	67.1	12	70.6	67.4	2,001	69.1	67.8
	Upper	12.8	2	11.8	14.3	434	15.0	16.7
	Unknown	0.0	0	0.0	0.0	0	0.0	0.0
	Total	100.0	17	100.0	100.0	2,897	100.0	100.0
Home Improvement	Low	2.9	0	0.0	2.7	0	0.0	2.8
	Moderate	17.1	0	0.0	11.7	0	0.0	9.3
	Middle	67.1	5	100.0	70.3	365	100.0	72.2
	Upper	12.8	0	0.0	15.4	0	0.0	15.7
	Unknown	0.0	0	0.0	0.0	0	0.0	0.0
	Total	100.0	5	100.0	100.0	365	100.0	100.0
Multifamily	Low	8.8	0	0.0	9.1	0	0.0	1.2
	Moderate	26.0	0	0.0	21.8	0	0.0	16.9
	Middle	54.5	0	0.0	63.6	0	0.0	63.0
	Upper	10.8	0	0.0	5.5	0	0.0	18.9
	Unknown	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
HMDA Totals	Low	2.9	0	0.0	3.5	0	0.0	3.1
	Moderate	17.1	3	10.7	16.9	462	9.3	14.6
	Middle	67.1	23	82.1	65.1	4,096	82.1	65.5
	Upper	12.8	2	7.1	14.5	434	8.7	16.7
	Unknown	0.0	0	0.0	0.0	0	0.0	0.0
	Total	100.0	28	100.0	100.0	4,992	100.0	100.0

2014 HMDA LAR and Aggregate Data

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

In 2014, the bank had a majority of lending in middle-income tracts as indicated by Table 10 above. In middle-income tracts, the bank originated 100 percent of home purchase loans, 70.6 percent of refinance loans, and 100 percent of home improvement loans as compared to the aggregate of 62.8 percent, 67.4 percent, and 70.3 percent, respectively. During the years in review, the bank and the aggregate did not originate any multifamily loans.

The bank did not originate loans in low-income census tracts in 2014. Further, the bank did not originate home purchase and home improvement loans in moderate-income census tracts; however, it did originate 17.6 percent of refinance loans in moderate income tracts, while the aggregate originated 14.9 percent. The difficulty of penetrating this sector is demonstrated by the fact that the bank’s aggregate only originated 3.5 percent and 16.9 percent of loans in low- and moderate-income census tracts. Due to the fact that only 2.9 percent of owner-occupied units located in the assessment area are located in low-income census tracts, there was little opportunity to originate loans in these census tracts. Additionally, considering that only 26.5 percent of housing units are owner-occupied in these census tracts, and 22.8 percent of the census tract population is below the poverty level (refer to Table 2), there is limited opportunity for the bank to lend.

During the first three quarters of 2015, total loans in low- and moderate-income tracts accounted for 3.4 percent and 24.1 percent, respectively. The distribution of loans to middle- and upper-income tracts during the same period was 62.1 percent and 10.4 percent, respectively. The bank’s 2015 lending indicates a positive trend for low-, moderate-, and upper-income geographies as compared to 2012, 2013, and 2014 HMDA mortgage lending activities.

Consumer Lending

The bank’s geographic distribution of consumer lending by tract income within the assessment area from 2012 to 2014 was also reviewed.

Table 11 2012 – 2014 Geographic Distribution of Consumer Loans			
Tract Income Levels	Tract Distribution	Bank	
		#	(%)
Low	8.5	2	2.8
Moderate	19.5	12	16.9
Middle	58.5	57	80.3
Upper	12.2	0.0	0.0
Unknown	1.2	0.0	0.0
Total	100.0	71	100

2012 – 2014 Bank Provided Consumer Lending Data

From 2012 through 2014, the bank originated 2.8 percent and 16.9 percent of its consumer loans in low- and moderate-income census tracts, respectively. Due to the fact that only 8.5 percent of tracts in the assessment area are low-income, there is less opportunity to originate loans in these census tracts. However, moderate-income census tracts comprise 19.5 percent and the bank performed better by originating 16.9 percent of its consumer loans in these census tracts. This lending pattern appears to be generally consistent with the percentage distribution of census tracts by income within the assessment area.

The above analysis supports the overall conclusion that the bank is meeting the credit needs of individuals inside its assessment area. Overall, the geographic distribution of the bank’s lending

activities, which includes its consumer lending, support a reasonable level of lending performance

Response to Complaints

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

CONCLUSIONS

The bank's LTD ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. The bank has also met the credit needs in its assessment area by making the majority of its loans within its assessment area. The bank's distribution of residential and consumer loans by borrower income is considered reasonable. The geographic distribution of residential and consumer loans reflects reasonable dispersion throughout the assessment area. There were no CRA complaints addressed to the bank during the examination period. Overall, the bank's CRA performance is considered 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. No substantive violations of the provisions of antidiscrimination, fair lending, or other illegal credit practice rules, laws or regulations were identified.