

PUBLIC DISCLOSURE

February 5, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Greenfield Co-operative Bank
326979

63 Federal Street
Greenfield, MA 01301

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.

TABLE OF CONTENTS

Institution’s Community Reinvestment Act (CRA) Rating.....	2
Scope of Examination.....	3
Description of Institution.....	5
Description of Assessment Area.....	8
Conclusions with Respect to Performance Tests.....	15
Appendix: Glossary of Terms	A

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

The Lending Test is rated: SATISFACTORY

The Community Development Test is rated: OUTSTANDING

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

Lending Test

- A reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments.
- A substantial majority of the bank's loans and, as appropriate, other lending-related activities, are in its assessment area.
- A distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes that is reasonable given the demographics of the bank's assessment area.
- A reasonable geographic distribution of loans given the bank's assessment area.
- There have been no complaints regarding the bank's CRA performance since the last CRA examination.

Community Development Test

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

SCOPE OF EXAMINATION

GCB's performance review was based on CRA activities conducted using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Intermediate Small Institutions.¹ These procedures evaluate banks under two tests: the Lending Test and the Community Development Test. The Lending Test evaluates the bank's lending performance pursuant to the following criteria: loan-to-deposit (LTD) ratio; assessment area concentration of loans; loan distribution according to the income of the borrower; geographic distribution of loans; and response to CRA-related complaints. The Community Development Test measures the number and amount of community development loans; the number and amount of qualified investments; the extent to which the institution provides community development services; and the bank's responsiveness through such activities.

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

The bank's previous CRA Performance Evaluation was conducted by the Federal Reserve Bank of Boston on October 5, 2020, in accordance with the FFIEC Examination Procedures for Intermediate Small Institutions (hereinafter referred to as the previous CRA evaluation). The bank received an overall rating of Satisfactory, with a Satisfactory rating for the Lending Test, and an Outstanding rating for the Community Development Test.

At the time of the previous CRA evaluation, the bank's assessment area consisted of the entireties of Franklin and Hampshire counties. In December 2020, the bank expanded its assessment area to include several cities in Hampden County, specifically, Chicopee, Holyoke, and Springfield. The Lending Test evaluated the bank's home mortgage and small business lending activity from January 1, 2020 to December 31, 2022, based on the currently delineated assessment area that includes the aforementioned portions of Hampden County. Information for the two most recent full years, 2021 and 2022, is included in tables unless otherwise noted. While both the number and dollar volume of the bank's home mortgage and small business loans were reviewed, the number of originations was weighted more heavily than the dollar volume when forming overall conclusions. Due to the composition of the loan portfolio, greater weight was given to home mortgage loans than small business loans in arriving at overall conclusions. The analysis of the bank's net LTD ratio includes the last fourteen quarters, which represents the period since the previous CRA evaluation.

Home mortgage data 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. The bank's data is shown in comparison to the 2021 and 2022 aggregate data. Aggregate data consists of lending information from all HMDA reporters that originated or purchased home mortgage loans in the bank's assessment area and was obtained from the Consumer Financial Protection Bureau (CFPB). The loan purposes of "other" and "not applicable" were excluded from the bank and aggregate data. During the review period for this evaluation, the FFIEC updated census data that impacted the demographics of the assessment area and necessitated analysis of multiple sets of demographic data. The bank's home

¹ "Intermediate small institution" means a bank or savings association with assets of at least \$391 million as of December 31 of both of the prior two calendar years and less than \$1.564 billion as of December 31 of either of the prior two calendar years.

mortgage lending performance in 2020 and 2021 was compared to demographics from the 2015 American Community Survey (ACS), unless otherwise noted. The bank's home mortgage lending performance in 2022 was compared to demographics from the 2020 ACS, unless otherwise noted.

Small business lending was also considered in this evaluation. Small business loans, for the purpose of this evaluation, include commercial real estate loans and commercial and industrial loans with original loan amounts of \$1 million or less. The bank's small business lending performance was compared to relative demographic information obtained from Dun & Bradstreet, Inc., Short Hills, NJ (D&B). As the bank is not required to collect and report small business loans, a comparison to aggregate lenders for small business lending was not considered appropriate.

The Community Development Test included a review of community development loans, investments, and services for the period of October 6, 2020 through February 5, 2024. The Community Development Test is evaluated in the context of the community needs and the capacity of the bank. Three third-party community organizations were contacted to provide additional insight into the credit needs and opportunities in the currently delineated assessment area.

DESCRIPTION OF INSTITUTION

GCB is a state-chartered bank headquartered in Greenfield, MA. GCB is wholly-owned by Greenfield BC MHC, a mutually-owned shell bank holding company. The bank has three wholly-owned subsidiaries, including two Massachusetts securities corporations, GCB Securities Corporation and NCB Securities Corporation, that hold investment securities, and 62 Fed LLC, which holds the bank's premises. The bank's main office is located at 63 Federal Street in Greenfield, MA. In addition to the main office, the bank operates nine full-service branch locations throughout Franklin and Hampshire counties, including Amherst, Florence, Greenfield, Northampton, Northfield, Shelburne Falls, South Hadley, Sunderland, and Turner Falls. The bank operates full-service automated teller machines (ATMs) at each branch. The bank has not opened or closed any branches since the previous CRA evaluation. In addition to these full-service branches, GCB maintains a residential and commercial loan production office across the street from the main office in Greenfield. Three of the bank's offices are located in upper-income tracts, six in middle-income tracts, and one in a moderate-income tract. For the substantial majority of the evaluation period, all branch and production office locations were within the Springfield, MA Metropolitan Statistical Area (Springfield MSA).²

In serving the credit needs of the community, the bank offers various loan and deposit products available to businesses and consumers. The bank offers conventional fixed and adjustable-rate residential mortgage loans, construction loans, equity loans and lines of credit, and one-to-four-unit investor loans. Consumer loan offerings include auto loans, overdraft protection lines of credit, energy loans, and savings secured loans. Commercial loan products include real estate mortgages, commercial and industrial loans, revolving credit lines, and Small Business Administration (SBA) guaranteed programs. Deposit products are available to consumers and businesses, and include various checking accounts, savings accounts, and certificates of deposit. In late 2021, the bank also began offering an Access Checking product as part of the Cities For Financial Empowerment (CFE) Fund's, New York, NY, BankOn platform, which includes no overdraft fees or non-sufficient funds (NSF) fees. The CFE Fund's mission is to leverage municipal engagement to improve the financial stability of low- and moderate-income households by embedding financial empowerment strategies into local government infrastructure. The bank also offers individual retirement accounts (IRA) including traditional, Roth, and Employee Pension Individual Retirement Arrangements. Additionally, the bank offers an array of services including online banking with bill payment, mobile banking, and telephone banking.

GCB also offers several programs to reach low- and moderate-income individuals in its assessment area. The bank participates in the Federal Home Loan Bank of Boston's (FHLBB) Equity Builder Program (EBP) and Housing Our Workforce (HOW) programs. These programs provide grants that reduce costs associated with purchasing a home for low-and moderate-income homebuyers within the bank's assessment area. In addition, the bank offers the HomeReady product through Fannie Mae; this product offers a low down-payment HomeReady mortgage designed to help lenders serve credit-worthy low-income borrowers. GCB also offers a reduced rate on its 30-year home mortgage product for first-time homebuyers. Further, GCB was recently approved to participate in FHLBB's Lift-Up Homeownership program, a pilot program

² In July 2023, the Executive Office of the President Office of Management and Budget (OMB) issued OMB Bulletin No. 23-01, which revised the delineations of metropolitan statistical areas, micropolitan statistical areas, and combined statistical areas.

designed to provide financial assistance to people of color purchasing their first homes. The bank’s participation in this program is especially noteworthy given that a community contact specifically highlighted the belief that banks in the assessment area could better further awareness of and combat long-term effects of institutional racism. Refer to the Community Contacts section below for additional detail.

According to the December 31, 2023, Call Report, GCB’s assets totaled \$745.8 million, with total loans of \$486.4 million, and total deposits of \$677.1 million. These figures all increased since the previous CRA evaluation, when, as of June 30, 2020, GCB’s assets totaled \$742.6 million, with total loans of \$474.2 million, and total deposits of \$636.9 million.

GCB is primarily a residential real estate lender, with residential real-estate loans comprising 64.3 percent of the loan portfolio, a decrease from the previous CRA evaluation, at 69.5 percent. While still primarily a residential lender, the bank also maintains a 26.4 percent commercial loan portfolio of nonfarm nonresidential real estate loans and commercial and industrial loans. Refer to Table 1 for a breakout of the bank’s loan portfolio, as of December 31, 2023.

Table 1		
Loan Distribution as of December 31, 2023		
Loan Type	Dollar Amount \$(000)	Percent of Total Loans (%)
Residential RE	312,735	64.3
Agriculture	5,366	1.1
Commercial*	128,228	26.4
Consumer	3,584	0.7
Other	36,521	7.5
Total Loans	486,434	100.0
<i>Call Report as of December 31, 2023.</i>		
<i>*May include construction, land development, and other land loans reported on the HMDA LAR</i>		
<i>Total percentages shown may vary by 0.1 percent due to automated rounding differences.</i>		

The bank’s website, www.greenfieldcoopbank.com, provides branch and ATM location information and a listing and description of all its loan and deposit services. Along with other traditional delivery methods, the bank receives deposit applications through its website. Loan applications can be requested by phone, by mail, by visiting a branch, or through the bank’s online system.

GCB operates in a highly competitive market. It conducts business primarily in Franklin, Hampshire, and Hampden counties, which are dominated by several established local, regional and national banks, including: PeoplesBank, Bank of America, N.A., TD Bank, N.A., bankESB, and Florence Bank. According to the June 30, 2023, FDIC Deposit Market Share Report, GCB is ranked 9th in terms of deposit market share, with 4.9 percent of the market. This is a decrease from the previous CRA evaluation when, according to the June 30, 2020, FDIC Deposit Market Share Report, GCB was ranked 5th in terms of deposit market share, with 9.1 percent of the market. It is notable that of the 19 institutions with branches in the assessment area, only 4 institutions had deposit market shares over 10.0 percent.

Competition for residential loans in the assessment area is also notable. In 2022, GCB originated 250 HMDA loans and ranked 10th of 344 lenders for originating or purchasing residential loans

captured in HMDA data within the assessment area.³ Florence Bank ranked first in the assessment area in terms of HMDA market share, with 693 loans in 2022, followed by Citizens Bank, N.A, PeoplesBank, Rocket Mortgage, LLC, and Greenfield Savings Bank.

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

³ Included in the market share reports are eight loans the bank extended that were “other” purpose, which have been excluded from the remainder of the evaluation.

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 bank revised its assessment area in December 2020. GCB’s assessment area now consists of the entirety of Franklin and Hampshire counties, as well as recently-added portions of Hampden County (specifically, Chicopee, Holyoke, and Springfield). As explained previously, census changes during the review period necessitated analysis of multiple sets of demographic data, which are set forth in Tables 2, 3, and 4 below.

Table 2 2020 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	25	21.9	20,051	18.0	8,197	40.9	31,835	28.6
Moderate	21	18.4	21,421	19.2	3,858	18.0	18,816	16.9
Middle	37	32.5	41,615	37.3	3,332	8.0	20,217	18.1
Upper	27	23.7	28,294	25.4	1,135	4.0	40,573	36.4
Unknown	4	3.5	60	0.1	12	20.0	0	0.0
Total AA	114	100.0	111,441	100.0	16,534	14.8	111,441	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	37,044	7,301	6.9	19.7	25,644	69.2	4,099	11.1
Moderate	37,897	18,081	17.2	47.7	16,115	42.5	3,701	9.8
Middle	76,948	46,333	44.0	60.2	24,890	32.3	5,725	7.4
Upper	47,465	33,529	31.9	70.6	10,640	22.4	3,296	6.9
Unknown	343	15	0.0	4.4	246	71.7	82	23.9
Total AA	199,697	105,259	100.0	52.7	77,535	38.8	16,903	8.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3,393	18.0	2,983	17.4	397	26.2	13	9.1
Moderate	2,891	15.4	2,601	15.2	279	18.4	11	7.7
Middle	6,853	36.5	6,296	36.7	490	32.4	67	46.9
Upper	5,529	29.4	5,143	30.0	335	22.1	51	35.7
Unknown	133	0.7	119	0.7	13	0.9	1	0.7
Total AA	18,799	100.0	17,142	100.0	1,514	100.0	143	100.0
Percentage of Total Businesses:				91.2		8.1		0.8
<i>Source: 2020 FFIEC Census Data 2020 D&B Data 2011-2015 U.S. Census Bureau: ACS</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Table 3 2021 Assessment Area Demographics			
Tract Distribution			

Income Categories			Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	25	21.9	20,051	18.0	8,197	40.9	31,835	28.6
Moderate	21	18.4	21,421	19.2	3,858	18.0	18,816	16.9
Middle	37	32.5	41,615	37.3	3,332	8.0	20,217	18.1
Upper	27	23.7	28,294	25.4	1,135	4.0	40,573	36.4
Unknown	4	3.5	60	0.1	12	20.0	0	0.0
Total AA	114	100.0	111,441	100.0	16,534	14.8	111,441	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	37,044	7,301	6.9	19.7	25,644	69.2	4,099	11.1
Moderate	37,897	18,081	17.2	47.7	16,115	42.5	3,701	9.8
Middle	76,948	46,333	44.0	60.2	24,890	32.3	5,725	7.4
Upper	47,465	33,529	31.9	70.6	10,640	22.4	3,296	6.9
Unknown	343	15	0.0	4.4	246	71.7	82	23.9
Total AA	199,697	105,259	100.0	52.7	77,535	38.8	16,903	8.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3,358	18.2	2,955	17.5	388	26.3	15	10.0
Moderate	2,819	15.2	2,535	15.0	271	18.4	13	8.7
Middle	6,741	36.4	6,199	36.7	475	32.2	67	44.7
Upper	5,448	29.5	5,061	30.0	332	22.5	55	36.7
Unknown	131	0.7	121	0.7	10	0.7	0	0.0
Total AA	18,497	100.0	16,871	100.0	1,476	100.0	150	100.0
Percentage of Total Businesses:				91.2		8.0		0.8
<p>Source: 2021 FFIEC Census Data 2021 D&B Data 2011-2015 U.S. Census Bureau: ACS</p> <p>Note: Percentages may not total 100.0 percent due to rounding.</p>								

Table 4 2022 Assessment Area Demographics			
Tract Distribution			

Income Categories			Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	17	14.9	11,515	10.3	4,436	38.5	31,511	28.1
Moderate	27	23.7	27,918	24.9	5,140	18.4	19,030	16.9
Middle	45	39.5	48,270	43.0	3,417	7.1	21,299	19.0
Upper	21	18.4	24,357	21.7	879	3.6	40,490	36.0
Unknown	4	3.5	270	0.2	39	14.4	0	0.0
Total AA	114	100.0	112,330	100.0	13,911	12.4	112,330	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,899	3,489	3.2	15.2	16,874	73.7	2,536	11.1
Moderate	51,849	21,327	19.6	41.1	26,201	50.5	4,321	8.3
Middle	85,875	55,530	51.1	64.7	23,729	27.6	6,616	7.7
Upper	40,614	28,300	26.0	69.7	10,005	24.6	2,309	5.7
Unknown	850	8	0.0	0.9	649	76.4	193	22.7
Total AA	202,087	108,654	100.0	53.8	77,458	38.3	15,975	7.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2,236	12.2	1,935	11.5	284	19.5	17	10.6
Moderate	4,054	22.1	3,683	22.0	354	24.4	17	10.6
Middle	7,119	38.8	6,532	39.0	509	35.0	78	48.4
Upper	4,727	25.7	4,399	26.3	280	19.3	48	29.8
Unknown	235	1.3	208	1.2	26	1.8	1	0.6
Total AA	18,371	100.0	16,757	100.0	1,453	100.0	161	100.0
Percentage of Total Businesses:				91.2		7.9		0.9
<i>Source: 2022 FFIEC Census Data 2022 D&B Data 2016-2020 U.S. Census Bureau: ACS</i> <i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Expanding the assessment area significantly increased the number of low- and moderate-income census tracts. At the time of the previous CRA evaluation, the assessment area consisted of 54 census tracts, including only 1 low- and 3 moderate-income tracts. The assessment area now consists of 114 total tracts, including 17 low- and 27 moderate-income tracts. Thirty-nine of the 44 low- and moderate-income tracts are located in the recently added portions of Hampden County. Springfield has the largest concentration of low- and moderate-income tracts in the assessment area.

The four unknown-income tracts in the assessment area comprise the campuses of the University of Massachusetts Amherst, Amherst College, Hampshire College, and Smith College.

The assessment area contains 202,087 housing units, of which 20.1 percent are in upper-income tracts, 42.5 percent are in middle-income tracts, 25.7 percent are in moderate-income tracts, 11.3 percent are in low-income tracts, and 0.4 percent are in unknown-income census tracts. Of the housing units in the assessment area, 53.8 percent are owner-occupied, 38.3 percent are rental units, and 7.9 percent are vacant. The recently added Hampden County portion of the assessment area accounts for 51.4 percent of the housing units. Further, 30.5 percent of the housing units in the assessment area are located in Springfield.

The 17 low-income tracts in the assessment area have the lowest rate of owner-occupancy (15.2

percent) and highest rate of rental housing (73.7 percent). In addition, vacant units account for 11.1 percent of the units in low-income tracts. In the 27 moderate-income tracts, 41.1 percent are owner-occupied, 50.5 percent are rental units, and 8.3 percent are vacant units. Middle- and upper-income tracts in the assessment area have the highest owner-occupancy rates, at 64.7 percent and 69.7 percent, respectively. Further, middle- and upper-income census tracts have the lowest rental rates, at 27.6 percent and 24.6 percent, and lowest vacancy rates, at 7.7 percent and 5.7 percent. The high percentage of rental and vacant units may suggest challenges in originating home mortgage loans in the low- and moderate-income tracts in the assessment area. In the four tracts in the assessment area for which the income category is unknown, 0.9 percent are owner-occupied units, 76.4 percent are rental units, and 22.7 percent are vacant units. The percentages of rental and vacant housing units in the unknown-income tracts are consistent with campus dormitories in Amherst and Northampton.

The city of Springfield has the largest concentration of low- and moderate-income census tracts, with 12 and 11, respectively. The bank's home mortgage lending performance is subject to demographic and competitive factors within this city. In the low-income tracts in Springfield, only 16.4 percent of housing units are owner-occupied, 72.5 percent are rental units, and 11.4 percent are vacant. In the moderate-income census tracts, 42.7 percent of units are owner-occupied, 49.4 percent are rental units, and 11.4 percent are vacant. The high percentage of rental and vacant units may suggest challenges in originating home mortgage loans in the low- and moderate-income tracts in the city.

According to recent data from The Warren Group, Peabody, MA, median home sale prices in Franklin, Hampshire, and Hampden counties are far below that of the Commonwealth of Massachusetts. From 2020 to 2023, combined median sales prices of single-family homes and condominiums in the Commonwealth increased from \$435,000 to \$551,000. During the same period, the median sales price increased in Hampshire County from \$315,000 to \$366,309, increased in Franklin County from \$221,250 to \$284,000, and increased in Hampden County from \$220,000 to \$293,000. As of 2023, median home sale prices in Springfield remain low compared to the Commonwealth, at \$269,000. While the 2023 median home sale prices in Springfield suggest low- and moderate-income borrowers may be well-qualified buyers based on their income for homes, a community contact that works extensively in affordable housing in Springfield stated that while home prices are relatively low, many low- and moderate-income individuals cannot afford homeownership due to their low-incomes.

Business Characteristics

According to D&B data, there are 18,371 businesses operating in the assessment area. Of the businesses, 91.2 percent have gross annual revenues (GARs) of \$1 million or less. Most businesses are in middle- and upper-income tracts, at 39.0 percent and 26.3 percent, respectively. Only 22 percent of businesses are in moderate-income tracts, and 11.5 percent are in low-income tracts. The lower percentages of businesses in low- and moderate-income tracts suggest limited opportunity to originate small business loans in these areas. The largest employers in Hampshire County include C&S Wholesale Grocers, Inc., Amherst College, Cooley Dickinson Hospital, Northampton VA Medical Center, and Baystate Mary Lane Outpatient. The largest employers in Franklin County include Yankee Candle Co. Inc., Pelican Products Inc., Allen-Chase Foundation, Baystate Franklin Medical Center, and Deerfield Academy. The largest employers in Hampden County include American Postal Workers Union, Baystate Health, General

Dynamics Techsight, Hampden County Jail House of Corrections, and Massachusetts Mutual Life Insurance.

Population

The population of the assessment area is 483,064 individuals and is distributed as follows: 11.9 percent in low-income tracts, 24.4 percent in moderate-income tracts, 40.3 percent in middle-income tracts, 20.0 percent in upper-income tracts, and 3.4 percent in the unknown tracts. Over 32 percent of the population of the assessment area resides in the city of Springfield. The population density in this city relative to the assessment area may suggest increased opportunities to originate loans while other locations in the assessment area may be more challenging to penetrate as the population is more dispersed.

Of the 112,330 families in the assessment area, 10.3 percent reside in low-income tracts, 24.9 percent reside in moderate-income tracts, 43.0 percent reside in middle-income tracts, and 21.7 percent reside in upper-income tracts. Upper-income families account for the largest portion of families by income, at 36.0 percent. Low-income families account for 28.1 percent, middle-income families account for 19.0 percent, and moderate-income families account for 16.9 percent. Of all the low- and moderate-income families in the assessment area, 40.7 percent reside in Springfield.

Approximately 12.4 percent of families in the assessment area live below the poverty level, which is nearly double the statewide figure of 6.6 percent. The number of families living below the poverty level in Springfield (19.9 percent) is more than triple the statewide figure.

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 5 shows the MFI for the Springfield MSA and the Commonwealth of Massachusetts from 2020 to 2022.

Table 5 Median Family Income			
MSA	2020	2021	2022
Springfield MSA	\$76,900	\$81,300	\$91,300
Commonwealth of Massachusetts*	\$109,900	\$111,700	\$119,400
<i>FFIEC median family income estimates *Represents non-MSA portions of the state</i>			

The MFI for both the Springfield MSA and the Commonwealth increased year over year. Most recently, from 2021 to 2022, the MFI in the Springfield MSA increased from \$81,300 to \$91,300, or 12.3 percent, and the MFI for the Commonwealth increased from \$111,700 to \$119,400, or 6.9 percent. The relatively low MFI in the Springfield MSA is consistent with comments made by the community contacts and could factor into the unaffordability of

homeownership.

Employment Statistics

In 2020, the COVID-19 pandemic caused significant increases in the unemployment rate across the United States in a very short period. According to the Bureau of Labor Statistics, the highest unemployment rate for the Springfield MSA during the review period was 15.1 percent in April 2020. The unemployment rate steadily dropped thereafter to 3.0 percent in October 2023.

Within Franklin County, the highest unemployment rate during the review period was 14.5 percent in April 2020, but it has since decreased to 2.1 percent in October 2023. In terms of annual averages during the review period, the unemployment rate in Franklin County was 7.9 percent in 2020, 4.9 percent in 2021, and 3.4 percent in 2022.

Within Hampshire County, the highest unemployment rate during the review period was 12.6 percent in April 2020, but it has since decreased to 2.4 percent in October 2023. In terms of annual averages during the review period, the unemployment rate in Hampshire County was 7.6 percent in 2020, 4.5 percent in 2021, and 3.4 percent in 2022.

Hampden County had higher rates of unemployment during the review period than Franklin and Hampshire counties. The highest unemployment rate during the review period was 20.5 percent in April 2020, but it has since decreased to 3.8 percent in October 2023. In terms of annual averages during the review period, the unemployment rate in Hampden County was 12.9 percent in 2020, 8.6 percent in 2021, and 5.7 percent in 2022.

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. Three community contacts are included as part of this evaluation.

Examiners leveraged two community contacts conducted during a CRA evaluation for a different institution that serves the same communities as GCB. The first community contact was with a director who works at an organization focused on strengthening housing stability and economic mobility. The organization serves communities throughout Western Massachusetts, including Hampden and Hampshire counties. The contact indicated several needs and opportunities in Hampshire County, including affordable home improvement loans for maintaining the aging housing stock, which is primarily occupied by a large senior population. The contact also noted that there is a need for more housing stock. The contact stated that the banks and credit unions operating in the region are responsive to the credit needs of the community.

The second community contact was with the president and CEO of a community development corporation that focuses on economic development, education, community organizing, and real estate development. The contact noted that while the housing market is challenging, people are resilient and working towards attaining homeownership. However, for many in the low- and moderate-income populations, even with downpayment assistance, homeownership is

unaffordable. The contact stated that there are opportunities for banks to be more involved in the investment space. Specifically, participation in funding for short term consumer loans and micro business loans can make a positive impact to the community.

Examiners conducted an additional community contact with the executive director of an economic development nonprofit providing services to small businesses in Western and Central Massachusetts. The contact noted that the farming, restaurant, and food service industries were particularly impacted by the COVID-19 pandemic, and that local businesses in these industries were most in need of support from financial institutions in the region. Loans made under SBA programs were highlighted as particularly responsive to the needs of small businesses. The contact also explained that the needs of small business owners in the area are inextricably linked to issues facing individuals in the community, such as food insecurity and housing affordability. The Stone Soup Café was specifically identified as a local organization that provides critical services to combat food insecurity and is depended upon by many low-income individuals. It was also noted that low- and moderate-income individuals and small businesses in the town of Orange historically face more challenges than the rest of the area. The contact stated that the financial institutions operating in the region are generally responsive to the credit needs of the small businesses and individuals in the region, and specifically highlighted GCB as an important partner in that regard. That said, there are opportunities for banks to be more involved in making smaller unsecured loans and lines of credit available. The contact also stated that local financial institutions could become more proactive in raising awareness of, and taking steps to combat, the long-term impacts of institutional racism.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

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

Loan-to-Deposit (LTD) 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 demonstrates a reasonable LTD ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area, and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments.

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.

Table 6 provides a comparison of the bank's average LTD over the past 14 quarters under evaluation to similarly-sized institutions operating within the assessment area. The bank's average LTD ratio of 67.4 percent is reasonable, despite decreasing from 77.2 percent at the previous CRA evaluation. Fluctuations in the LTD ratio are partially attributable to increased deposit growth and the changing loan interest rate environment stemming from the COVID-19 pandemic. The LTD ratio was also impacted by the sale of residential mortgages to the secondary market. From July 1, 2020 through December 31, 2023, the bank sold 52 residential mortgages, totaling approximately \$12.2 million, on the secondary market. The sale of these loans provides the bank with the ability to offer a wider array of credit products suitable to the needs of creditworthy homebuyers and homeowners of all income levels.

Table 6 Loan-to-Deposit Ratio Comparison		
Institutions	Total Assets* \$(000)	Average LTD Ratio** (%)
GCB	745,810	67.4
Florence Bank	1,909,770	63.7
North Brookfield Savings Bank	408,649	76.5
Greenfield Savings Bank	1,157,002	82.2
*Call Report as of December 31, 2023		
**Call Reports from September 30, 2023 to December 31, 2023.		

Assessment Area Concentration

This criterion evaluates the concentration of loans originated by the bank within its assessment area. As shown below, a substantial majority of its loans and, as appropriate, other lending-related activities, are in its assessment area. While not evaluated as a part of the Lending Test, it

should be noted that GCB originated 10 small farm loans during the review period, all within the assessment area. Supporting local farms was a need specifically highlighted by one of the community contacts. Table 7 presents the bank’s levels of lending inside and outside the assessment area for the entire evaluation period.

Table 7 Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	72	98.6	\$3,747	97.4	1	1.4	\$100	2.6
Home Purchase - Conventional	297	95.8	\$71,158	96.2	13	4.2	\$2,823	3.8
Multifamily Housing	73	90.1	\$49,052	82.2	8	9.9	\$10,636	17.8
Refinancing	509	96.2	\$101,036	95.9	20	3.8	\$4,270	4.1
Residential Total	951	95.8	\$224,993	92.7	42	4.2	\$17,829	7.3
Small Business	106	88.3	\$22,340	86.9	14	11.7	\$3,366	13.1
Small Business Total	106	88.3	\$22,340	86.9	14	11.7	\$3,366	13.1
TOTAL LOANS	1,057	95.0	\$247,333	92.1	56	5	\$21,195	7.9

*HMDA, small business, and small farm for 2020, 2021, & 2022. Small business and small farm data is bank provided.
Total percentages shown may vary by 0.1 percent due to automated rounding differences.*

Residential Lending

The bank made a substantial majority of HMDA-reportable loans inside the assessment area during the review period. As shown in Table 7, the bank made a total of 993 residential loans from January 1, 2020 to December 31, 2022. Of these loans, 95.8 percent by number and 92.7 percent by dollar volume were inside the assessment area. Of the 993 residential loans, 53.3 percent were refinancings and 31.2 percent were home purchases; 96.0 percent of all the refinancing and home purchase loans were inside the assessment area. Home improvement loans are the largest category by percentage originated inside the assessment area, at 98.6 percent. By year, the bank had high levels of lending by number, with 94.5 percent HMDA-reportable loans in the assessment area in 2020, 97.0 percent in 2021, and 95.7 percent in 2022.

Small Business Lending

GCB originated a substantial majority of its small business loans in its assessment area. During the evaluation period, the bank originated 120 small business loans. As shown in the table above, 106 small business loans, or 88.3 percent, were originated in its assessment area during the evaluation period. The bank’s small business lending in its assessment area decreased from 92.9 percent in 2020, to 82.9 percent in 2021, before increasing to 88.4 percent in 2022. The fluctuation is attributable to the relatively small sample size. Small business loans are heavily concentrated in the assessment area, demonstrating the bank’s willingness to reinvest in its community. As noted by one community contact, small businesses continue to need this type of support from local financial institutions in the area.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The bank demonstrates a distribution of loans to and, as appropriate, other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and businesses of different sizes that is reasonable given the demographics of the bank’s assessment area.

Residential Lending

Table 8 provides a comparison of the bank’s lending by income level of the borrower to the income distribution of families in the assessment area and demographic data. The table further outlines the bank’s performance by loan type in comparison to the aggregate group. The bank’s performance in lending to individuals of different income levels, including low- and moderate-income borrowers, is reasonable.

Table 8													
Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level in the Assessment Area													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	9	8.9	8.7	1,358	5.5	5.8	3	3.3	7.0	380	1.5	4.3	28.1
Moderate	12	11.9	31.0	2,447	9.9	27.0	16	17.6	31.5	3,265	13.2	26.7	16.9
Middle	26	25.7	21.6	6,307	25.5	21.1	22	24.2	23.3	5,684	23.0	23.4	19.0
Upper	33	32.7	23.2	10,055	40.6	30.0	32	35.2	22.2	9,740	39.3	29.1	36.0
Unknown	21	20.8	15.5	4,584	18.5	16.1	18	19.8	16.0	5,697	23.0	16.5	0.0
Total	101	100.0	100.0	24,751	100.0	100.0	91	100.0	100.0	24,766	100.0	100.0	100.0
Refinance Loans													
Low	11	4.5	6.6	1,020	2.1	4.1	5	5.6	11.9	529	3.2	8.2	28.1
Moderate	57	23.4	21.0	8,472	17.5	16.8	17	19.1	28.8	2,169	13.1	25.4	16.9
Middle	70	28.7	23.7	13,701	28.3	22.4	28	31.5	26.1	4,936	29.8	25.9	19.0
Upper	92	37.7	30.8	21,199	43.9	38.0	29	32.6	22.9	6,401	38.6	28.5	36.0
Unknown	14	5.7	17.9	3,939	8.2	18.7	10	11.2	10.2	2,552	15.4	12.0	0.0
Total	244	100.0	100.0	48,331	100.0	100.0	89	100.0	100.0	16,587	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	9.2	0	0.0	5.8	6	15.8	8.9	150	7.8	6.8	28.1
Moderate	3	17.6	24.5	293	26.3	20.5	14	36.8	27.3	617	32.2	22.0	16.9
Middle	4	23.5	27.6	425	38.2	26.5	9	23.7	28.0	363	19.0	27.0	19.0
Upper	8	47.1	35.0	235	21.1	40.2	9	23.7	34.0	784	41.0	42.0	36.0
Unknown	2	11.8	3.7	161	14.5	7.0	0	0.0	1.8	0	0.0	2.2	0.0
Total	17	100.0	100.0	1,114	100.0	100.0	38	100.0	100.0	1,914	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	20	5.5	7.6	2,378	3.2	5.0	14	6.4	8.8	1,059	2.4	5.4	28.1
Moderate	72	19.9	25.1	11,212	15.1	21.6	47	21.6	29.8	6,051	14.0	26.0	16.9
Middle	100	27.6	22.7	20,433	27.5	21.6	59	27.1	24.6	10,983	25.4	24.1	19.0
Upper	133	36.7	27.5	31,489	42.4	34.0	70	32.1	24.1	16,925	39.1	29.8	36.0
Unknown	37	10.2	17.2	8,684	11.7	17.8	28	12.8	12.7	8,249	19.1	14.7	0.0
Total	362	100.0	100.0	74,196	100.0	100.0	218	100.0	100.0	43,267	100.0	100.0	100.0
<i>Source: 2022 FFIEC Census Data</i>													
<i>2016-2020 U.S. Census Bureau: ACS</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>													
<i>Multifamily loans are not included in the borrower distribution analysis.</i>													

The bank’s lending to low-income borrowers was steady during the evaluation period. In 2020, the bank originated 18 home mortgage loans, or 6.0 percent, to low-income borrowers, which

slightly trailed the aggregate, at 6.4 percent. In 2021, the bank originated 20 home mortgage loans, or 5.5 percent, to low-income borrowers, which trailed the aggregate, at 7.6 percent. In 2022, the bank originated 14 home mortgage loans, or 6.4 percent, to low-income borrowers, which trailed the aggregate, at 8.8 percent. Both the bank and the aggregate trailed the demographic indicator (the percentage of low-income families in the assessment area) by a healthy margin. However, it is not expected that the bank or aggregate will match the percentage of low-income families. As noted by a community contact, housing prices are still unaffordable for many low-income families even with down payment assistance.

Both bank and aggregate lending to moderate-income borrowers increased during the evaluation period. In 2020, the bank originated 40 loans, or 13.4 percent, to moderate-income borrowers, which trailed the aggregate, at 22.2 percent. In 2021, the bank originated 72 loans, or 19.9 percent, to moderate-income borrowers, which trailed the aggregate at 25.1 percent. In 2022, the bank originated 47 loans, or 21.6 percent, to moderate-income borrowers, which trailed the aggregate, at 29.8 percent. Although the bank trailed the aggregate across all three years, both the bank and the aggregate exceeded the demographic indicator (the percentage of moderate-income families in the assessment area) for the entirety of the evaluation period. This indicates that the bank is meeting the needs of moderate-income borrowers in the assessment area, a conclusion that is reinforced by the variety of loan offerings designed to assist low-and moderate-income individuals, as detailed in the Description of Institution section.

The recent expansion of the assessment area to include portions of Hampden County, despite GCB having no physical branch presence in this county, provides additional performance context. In particular, that expansion mitigates the bank lagging aggregate lenders given the strong competition from larger institutions with established brick and mortar presences in the market, particularly in areas like Springfield.

COVID-19 Response

The bank provided retail lending services that were responsive to the needs of individuals in their community affected by the COVID-19 pandemic, including low- and moderate-income individuals. The bank initiated a Payment Holiday Program that allowed both residential and consumer customers affected by the COVID-19 pandemic to defer two to six months of loan payments with zero interest charged. The bank advertised the program through social media and on its website to make borrowers who may have been suffering aware of this option and created a simple form for customers to opt in to the deferral. Further, following the close of this program the bank made additional loan modifications or deferments due to loss of income because of the COVID-19 pandemic; no fees were assessed in association with these modifications. The bank also worked with The Vermont Homeowner Assistance Program and Franklin County Regional Housing and Redevelopment Authority to coordinate benefits for customers that were significantly delinquent. Activities such as forbearances and modifications promoted stability for low- or moderate-income homeowners who experienced financial hardship due to the COVID-19 pandemic and are considered particularly responsive to the unique challenges presented.

Small Business Lending

The bank's small business loans originated within the assessment area were analyzed to determine the distribution among businesses of various sizes. Table 9 details the bank's lending

to small businesses according to revenue size. The bank’s performance in lending to businesses with GARs of \$1 million or less is reasonable.

Table 9 Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses in the Assessment Area									
	Bank Loans By Year								Total Businesses %
	2021				2022				
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%	
By Revenue									
\$1 Million or Less	20	69.0	3,171	58.5	24	63.2	3,734	42.6	91.2
Over \$1 Million	9	31.0	2,253	41.5	14	36.8	5,040	57.4	7.9
Revenue Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.9
Total	29	100.0	5,424	100.0	38	100.0	8,774	100.0	100.0
By Loan Size									
\$100,000 or Less	14	48.3	889	16.4	17	44.7	1,059	12.1	
\$100,001 - \$250,000	10	34.5	1,874	34.6	11	28.9	2,150	24.5	
\$250,001 - \$1 Million	5	17.2	2,661	49.1	10	26.3	5,565	63.4	
Total	29	100.0	5,424	100.0	38	100.0	8,774	100.0	
By Loan Size and Revenue \$1 Million or Less									
\$100,000 or Less	11	55.0	641	20.2	11	45.8	622	16.7	
\$100,001 - \$250,000	6	30.0	1,109	35.0	9	37.5	1,745	46.7	
\$250,001 - \$1 Million	3	15.0	1,421	44.8	4	16.7	1,367	36.6	
Total	20	100.0	3,171	100.0	24	100.0	3,734	100.0	
<i>Source: 2022 FFIEC Census Data 2022 D&B Data 2016-2020 U.S. Census Bureau: ACS</i>									
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>									

The bank originated a majority of its small business loans to businesses with revenues less than \$1 million during all three years of the evaluation period. In 2020, the bank originated 29 small business loans, or 74.4 percent, to businesses with gross annual revenues of \$1 million or less. The bank’s lending decreased to this same grouping in 2021, with 20 small business loans, or 69.0 percent. In 2022, the bank’s lending to this same grouping increased by number to 24 small business loans, but decreased by percentage to 63.2 percent. The bank did perform below the percentage of small businesses operating in the assessment area (91.2 percent) across all three years. However, aggregate lending is a better indicator of loan demand than the number of businesses in the assessment area. For that reason, even though the bank is evaluated as an intermediate small bank (and is therefore neither a required small business reporter nor required to be compared to the aggregate), it is worth noting that the bank greatly exceeded the aggregate during the evaluation period. Specifically, the bank exceeded the aggregate percentages by 42.5 percentage points in 2020, by 25.5 percentage points in 2021, and 10.7 percentage points in 2022. Therefore, the bank would have outperformed these larger lenders in extending loans to small businesses.

Table 9 also displays the bank’s small business lending based on loan size. Of the loans originated to businesses in 2021 and 2022, 48.3 percent and 44.7 percent, respectively, were made in amounts of \$100,000 or less. These are the types of loans that are generally considered

to be beneficial to small businesses, demonstrating the bank's willingness to meet the credit needs of smaller businesses in the assessment area requiring lower dollar loans. In addition, loans in amounts below \$250,000 demonstrate the bank's responsiveness to providing lines of credit to small businesses, which was specifically highlighted as a need by a community contact.

It is also noteworthy that GCB provides additional financing options to its small business customers by participating in the SBA's 7(a) and 504 programs. The 7(a) program offers financing for small businesses to establish a new business or to assist in the acquisition, operation, or expansion of an existing business. The 504 program provides financing for major fixed assets such as equipment and real estate. A community contact specifically highlighted these programs as particularly responsive to the needs of small businesses.

COVID-19 Response

As mentioned above, the Payment Holiday Program and opportunity to request modifications or deferments due to loss of income because of the COVID-19 pandemic were also extended to impacted small business customers. This activity further demonstrates the bank's reasonable responsiveness to small business needs 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 residential loans given the bank's assessment area.

Residential Lending

Table 10 provides a comparison of the bank's lending by census tract income level to the aggregate lending data and demographics of the assessment area. The bank's geographic distribution of loans is reasonable.

Table 10 Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography in the Assessment Area													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	7	6.9	13.6	1,210	4.9	11.7	1	1.1	7.6	300	1.2	6.6	3.2
Moderate	7	6.9	22.5	1,177	4.8	19.9	14	15.4	28.5	4,156	16.8	25.6	19.6
Middle	53	52.5	40.3	12,553	50.7	39.6	56	61.5	45.2	14,907	60.2	44.0	51.1
Upper	33	32.7	23.6	9,545	38.6	28.7	19	20.9	18.5	5,175	20.9	23.8	26.0
Total	101	100.0	100.0	24,751	100.0	100.0	91	100.0	100.0	24,766	100.0	100.0	100.0
Refinance Loans													
Low	4	1.6	6.6	567	1.2	5.3	0	0.0	3.8	0	0.0	3.3	3.2
Moderate	11	4.5	18.3	1,813	3.8	14.7	7	7.9	24.5	1,295	7.8	21.0	19.6
Middle	140	57.4	42.9	25,189	52.1	40.7	60	67.4	49.4	10,654	64.2	47.9	51.1
Upper	88	36.1	32.2	20,262	41.9	39.3	22	24.7	22.4	4,638	28.0	27.8	26.0
Unknown	1	0.4	0.0	500	1.0	0.1	0	0.0	0.0	0	0.0	0.0	0.0
Total	244	100.0	100.0	48,331	100.0	100.0	89	100.0	100.0	16,587	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	8.0	0	0.0	7.1	0	0.0	2.3	0	0.0	1.8	3.2
Moderate	0	0.0	18.6	0	0.0	14.3	1	2.6	15.1	25	1.3	15.7	19.6
Middle	7	41.2	42.5	325	29.2	44.9	27	71.1	54.7	1,284	67.1	50.0	51.1
Upper	10	58.8	30.9	789	70.8	33.7	10	26.3	28.0	605	31.6	32.5	26.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	17	100.0	100.0	1,114	100.0	100.0	38	100.0	100.0	1,914	100.0	100.0	100.0
Multifamily Loans													
Low	8	34.8	29.4	4,431	27.6	23.6	1	4.2	24.3	413	2.5	15.2	29.1
Moderate	2	8.7	20.6	1,005	6.3	5.5	8	33.3	37.9	4,866	29.8	12.3	26.0
Middle	8	34.8	34.3	6,201	38.7	49.9	8	33.3	25.2	5,012	30.7	34.8	28.1
Upper	5	21.7	15.7	4,394	27.4	21.1	6	25.0	10.7	5,615	34.4	32.8	15.3
Unknown	0	0.0	0.0	0	0.0	0.0	1	4.2	1.9	400	2.5	4.9	1.5
Total	23	100.0	100.0	16,031	100.0	100.0	24	100.0	100.0	16,306	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	19	4.9	9.7	6,208	6.9	9.2	2	0.8	5.8	713	1.2	6.3	3.2
Moderate	20	5.2	20.1	3,995	4.4	16.6	30	12.4	25.4	10,342	17.4	22.4	19.6
Middle	208	54.0	41.7	44,268	49.1	40.7	151	62.4	47.5	31,857	53.5	44.2	51.1
Upper	136	35.3	28.5	34,990	38.8	33.4	57	23.6	21.3	16,033	26.9	26.5	26.0
Unknown	2	0.5	0.0	766	0.8	0.0	2	0.8	0.1	628	1.1	0.5	0.0
Total	385	100.0	100.0	90,227	100.0	100.0	242	100.0	100.0	59,573	100.0	100.0	100.0
Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: ACS Note: Percentages may not total 100.0 percent due to rounding.													

The bank's lending in low-income census tracts decreased during the evaluation period, driven by assessment area and FFIEC census tract changes. In 2020, the bank originated 26 home

mortgage loans, or 8.0 percent, in low-income tracts, which slightly trailed the aggregate, at 8.7 percent. However, the bank did slightly exceed the demographic indicator (the percentage of owner-occupied units) in low-income census tracts, at 6.9 percent. In 2021, the bank originated 19 home mortgage loans, or 4.9 percent, in low-income tracts, which trailed the aggregate at 9.7 percent. However, the bank still exceeded the demographic indicator, at 3.2 percent. In 2022, the bank originated 2 home mortgage loans, or 0.8 percent, in low-income tracts, which trailed both the aggregate at 5.8 percent, and the demographic indicator at 3.2 percent. The decrease in originations in low-income census tracts between 2021 and 2022 was driven predominantly by the reclassification of FFIEC census tracts that occurred in 2022. The fact that the bank’s lending performance in low-income census tracts exceeded the demographic indicator for the majority of the review period prior to the reclassification of FFIEC census tracts supports the conclusion that the bank reasonably met the credit needs of borrowers residing in low-income tracts.

The bank originated 25 loans in moderate-income tracts in 2020, which decreased to 20 loans in 2021, and then rose to 30 loans in 2022. Despite that volume, the bank trailed the aggregate by over 10 percentage points in each of those years. As stated previously, at the time of the previous CRA evaluation, the assessment area had consisted of 54 census tracts, including only 1 low- and 3 moderate-income tracts. The assessment area at the time of the current evaluation consists of 17 low-income and 27 moderate-income tracts, 39 of which are located in the recently added portions of Hampden County. GCB’s commitment to serve and invest in these areas is viewed positively, and given the bank’s resources, lack of branch presence in Hampden County, and strong competition particularly in Springfield, the bank’s performance is considered reasonable as compared to the aggregate lenders.

Small Business Lending

Table 11 represents the distribution of small business loans by census tract income level. The bank’s geographic distribution of small business loan is reasonable.

Table 11									
Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography in the Assessment Area									
Geographic Income Level	Bank Loans By Year								Total Businesses %
	2021				2022				
	#	#%	\$(000)	\$%	#	#%	\$(000)	\$%	
Low	1	3.4	120	2.2	2	5.3	587	6.7	12.2
Moderate	2	6.9	287	5.3	3	7.9	938	10.7	22.1
Middle	14	48.3	3,868	71.3	27	71.1	5,775	65.8	38.8
Upper	12	41.4	1,149	21.2	6	15.8	1,474	16.8	25.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Total	29	100.0	5,424	100.0	38	100.0	8,774	100.0	100.0

*Source: 2022 FFIEC Census Data
2022 D&B Data
2016-2020 U.S. Census Bureau: ACS*

Note: Percentages may not total 100.0 percent due to rounding.

The bank originated three small business loans in low-income tracts in 2020, which trailed the demographic indicator, at 18.0 percent. The bank originated one small business loan in low-income tracts in 2021, and two in 2022, which trailed the demographic indicator for both

years, at 12.2 percent. The bank originated two small business loans in moderate-income tracts in 2020, which trailed the demographic indicator at 15.4 percent. The bank then originated two small business loans in moderate-income tracts in 2021, and 3 in 2022, which trailed the demographic indicator for both years at 22.1 percent. Based on the bank's origination volume, the percentages as they relate to the demographic indicator are not an accurate representation of the level of the bank's commitment to assisting small businesses throughout the assessment area. In fact, a community contact specifically highlighted GCB as an important partner in the community for small businesses. It is also noteworthy that the bank originated 18 small business loans under the SBA's Payroll Protection Program (PPP) in low- and moderate-income census. These PPP loans are captured in the Community Development Test. For these reasons, the bank's small business lending activity is considered reasonable.

Gap Analysis

An analysis of the bank's geographic lending was conducted to determine if there were any conspicuous gaps. The geographic distribution reflects adequate penetration throughout the assessment area and there are no conspicuous gaps in lending unexplained by performance context.

Response to Complaints

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

CONCLUSIONS: LENDING TEST

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

COMMUNITY DEVELOPMENT TEST

GCB's performance under the Community Development Test is rated Outstanding.

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

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

Community Development Loans

GCB increased the dollar volume of community development loans since the previous CRA evaluation when the bank had extended 12 community development loans, totaling \$2.8 million. During the current evaluation period, the bank again originated 12 community development loans with an increase in dollar amount to over \$6.6 million. GCB's community development loans are considered responsive to the needs of the assessment area and broader regional area. As specifically noted by a community contact, local restaurants and small businesses in the food services industry are in particular need of assistance from banks in the region. GCB originated several community development loans during the review period responding to these needs and which were considered to promote economic development by financing small businesses in the assessment area. For example:

- In 2021, the bank financed a \$60,000 SBA 7(a) term loan to a small business in Greenfield to cover the purchase of a food truck, necessary equipment, and working capital;
- In 2022, the bank financed a \$280,000 commercial real estate loan to a small business in Greenfield to purchase and open a pizza restaurant located in a moderate-income census tract;
- In 2023, the bank financed a \$30,000 loan to a restaurant located in a moderate-income census tract in Greenfield to purchase equipment; and
- In 2022, the bank financed a \$165,000 commercial mortgage in conjunction with a Biz-M-Power Grant through the Massachusetts Growth Capital Corporation to a bakery in Franklin County. According to the Biz-M-Power Grant program, consideration for grants is given to small businesses located in Massachusetts owned by low-to-moderate income individuals and businesses located in economic disadvantaged urban or rural communities, and businesses operating in Gateway Cities.

The following are additional examples of the bank's qualified community development loan activities that were considered to promote economic development under the SBA's 7(a) and 504 programs during the evaluation period. As noted previously, a community contact specifically highlighted loans made under these SBA programs as particularly responsive to the needs of small businesses.

- In 2022, the bank financed a commercial mortgage and bridge loan under the SBA's 504 program for a combined amount of over \$360,000 to a martial arts business located in a moderate-income tract in the assessment area;
- In 2022, the bank financed a commercial mortgage and commercial mortgage bridge loan under the SBA's 504 program for a combined amount of \$369,000 to a school bookstore business in the assessment area;
- In 2022, the bank financed a commercial term loan and bridge loan under the SBA's 504 program for a combined amount of approximately \$156,000 to a small business that provides marking and engraving services in the assessment area; and
- In 2023, the bank financed \$4.9 million under the SBA's 504 program to construct a gas station and convenience store in a moderate-income tract located in the broader regional area.

Through its qualified community loan activity, the bank also made efforts to address the need for affordable housing in the assessment area, which was highlighted by community contacts. Specifically, in 2022, the bank originated a commercial mortgage to finance the purchase of a

five-unit multifamily residential property located in a moderate-income tract in Chicopee. All units had rents below The United States Department of Housing and Urban Development's (HUD) Fair Market Rent standards, providing low- or moderate-income individuals with affordable housing.

Additionally, in response to the economic crisis caused by the COVID-19 pandemic, GCB originated PPP loans that were designed to help businesses retain workers and staff. The SBA forgives loans if the borrower meets the employee retention and eligible expenses criteria. The bank's initial round of PPP lending in 2020 was responsive and evaluated as part of the previous CRA evaluation. During the current evaluation period, the bank extended 194 PPP loans for \$11.9 million. The majority were located in the assessment area (184 loans, totaling \$10.9 million). The bank originated 18 PPP loans to businesses in the assessment area located in low- or moderate-income census tracts. PPP loans were particularly responsive to community needs, as they provided funding to businesses to retain jobs in low- and moderate-income areas and helped to revitalize and stabilize low- and moderate-income geographies. GCB's participation in the PPP is notable given the bank's size and capacity.

Qualified Investments

GCB's qualified community development investments consist of equity investments and donations to organizations that provide affordable housing, promote economic development, and offer community services that benefit low- and moderate-income individuals in the assessment area.

During the evaluation period, the bank purchased one Federal National Mortgage Association (FNMA) securities pool in the amount of \$1,244,663.09. The underlying loan was originated to low- and moderate-income borrowers and directly benefitted a low-income tract in the Hampden County portion of the bank's assessment area.

In addition to equity investments, donations were extended by the bank to address the community development needs of low- and moderate-income individuals in the assessment area. During the review period, the bank made 136 qualified donations in its assessment area, totaling almost \$480,000. GCB specifically identified donations as a way it could effectively meet the needs of the community, and significantly increased its efforts since the previous CRA evaluation when it made 82 donations for \$273,000. The majority of the donations made during the current evaluation period occurred within the assessment area. The primary community development purpose for the majority of qualified donations was community services, which were particularly impactful to low- and moderate-income individuals in the assessment area. The bank also made donations with a primary community development purpose of affordable housing and economic development.

In terms of the donations qualified as community development, many of the organizations that benefitted from the bank's contributions during the review period were those providing services identified by community contacts as representing pressing needs for low- and moderate-income individuals. For example, many of the bank's contributions benefitted organizations in the assessment area or broader regional area that seek to address food and housing insecurity, such as the following:

- Stone Soup Café – Stone Soup Café is a pay-what-you-can luncheon served by

volunteers in the All Souls Church in downtown Greenfield. A community contact specifically highlighted the Stone Soup Café as doing important work to combat food insecurity in the community, and further stated that many low- and moderate-income individuals in the community depend on it for meals.

- Franklin County Community Meals Program (FCCMP) – FCCMP provides meals and home supplies for the food insecure in Franklin County. It has four meal sites in Orange, Turners Falls, Greenfield, and Northfield. A community contact noted Orange as a town particularly in need of community services supporting low- and moderate-income individuals.
- Valley Opportunity Council – Valley Opportunity Council is an organization that provides community services that benefit low- and moderate-income individuals in Hampden County, such as helping with fuel costs and tax preparation. GCB made several donations in support of the Valley Opportunity Council’s community service missions, including donations that for the first time enabled the organization to extend its tax assistance services to residents of Orange. As noted previously, a community contact highlighted Orange as a town particularly in need of community services for low- and moderate-income individuals.
- Urban League of Springfield – Urban League of Springfield is an organization that serves the African American Community in Greater Springfield by advocating for and providing model services that enhance the academic and social development of young people and families, promoting economic self-sufficiency, and fostering racial inclusion and social justice. This includes a Digital Connectors Program that was created to address barriers to technology adoption and use, especially among young people, within low-income communities. As discussed previously, a community contact highlighted that there was opportunity for banks in the assessment area to help address these types of effects of institutional racism.
- Just Roots/Greenfield Community Farm – Just Roots makes farm shares available to low-income households through its Support Farm Share program. Just Roots also donates fresh produce to local food pantries and to a low-income housing development in Greenfield.
- The Food Bank of Western Mass – This is an organization whose mission is to combat hunger and food insecurity in Berkshire, Franklin, Hampden, and Hampshire counties.
- Community Involved in Sustaining Agriculture – This is an organization that works to strengthen farms and engage the community to build the local food economy. Programs include a senior farm share that serves low-income seniors in Hampden, Hampshire, and Franklin counties.
- Grow Food Northampton, Inc (GFN) – GFN is an organization that works to combat food insecurity by providing access to locally and sustainably grown farm foods. GFN provides programs supporting low-income families including those qualifying for the USDA Supplemental Nutrition Assistance program, and partners with several local food pantries and meal sites.

- Shelter Sunday Amherst – This organization provides community services that benefit low- and moderate-income individuals including those facing homelessness and hunger in Amherst.
- Northfield Clothing Closet (Ladies Benevolent Society of Northfield Farms) – This organization provides community services that benefit low- and moderate-income individuals, such as providing food, emergency shelter and stable housing, employment support, and youth services.

Although the majority of the bank’s contributions during the review period centered on community services, the bank also responded to the needs of the assessment area and broader regional area through contributions to organizations that promote economic development. The following are additional examples of organizations in the assessment area that benefited from the bank’s contributions during the review period:

- Valley Community Development – Valley Community Development is an organization that seeks to empower low- and moderate-income individuals and underserved populations to manage and improve the quality of their lives. The organization seeks to accomplish this through developing affordable housing, providing economic opportunities, and encouraging community leadership.
- UMASS Massachusetts Small Business Development Center (MSBDC) – MSBDC is a partnership program with the U.S. Small Business Administration and the Massachusetts Office of Business Development under a cooperative agreement through the University of Massachusetts Amherst, Isenberg School of Management. The MSBDC helps small businesses and contributes to entrepreneurial growth by providing free and confidential one-to-one business advice to prospective and existing small businesses.
- Franklin County Community Development Corporation (FCCDC) – FCCDC is an economic development nonprofit providing business development education, access to capital, and commercial office and manufacturing space. The FCCDC provides numerous services and programs to support food entrepreneurs, farmers, low-income community members, low-grocery areas, and the local food system in general. The FCCDC also strives to support racial equality and to expand opportunities for low- and moderate-income residents.

In addition to the contributions highlighted above, the bank made several donations specifically in response to the COVID-19 pandemic. Financial institutions receive favorable CRA consideration for community development activities conducted in response to COVID-19. These include activities that support access to health care, particularly for low- and moderate-income individuals or communities, and economic development activities that sustain small business operations, particularly in low- and moderate-income communities. The following are examples of the organizations in the assessment area that benefited from the bank’s contributions during the review period:

- Greater Northampton Chamber of Commerce – The bank made a \$5,000 donation in January 2021 specifically to support local restaurants impacted by the COVID-19

pandemic. As discussed previously, a community contact stated that local restaurants were particularly in need of support from local financial institutions.

- Shelburne Falls Initiative – In 2023, the bank made a \$5,000 donation to support the Economic Recovery Grant Program for West County and Shelburne Falls and Village Revitalization Project. This program supported the recovery of local businesses impacted by the COVID-19 pandemic.

Community Development Services

In addition to providing financial support to local organizations, bank employees have lent their financial expertise to organizations in the assessment area. The bank's qualified community development services information is described below.

Many bank employees are involved in a leadership capacity with organizations that promote one of the four community development criteria. Bank representatives have led efforts for local economic development groups and expended several hours providing financial, technical, or leadership advice for organizations that foster economic development, affordable housing, or social services to low- or moderate-income individuals. GCB was mentioned by a community contact as a partner in the community.

Bank employees engaged in community development services through participation on boards of community organizations, conducting first time homebuyer seminars and other community development services benefiting low-and moderate-income individuals. The following list provides a sample of the bank's involvement during the review period:

- Community Action Pioneer Valley – Community Action Pioneer Valley is an organization whose aim is to provide support for low-income individuals, including those struggling with food insecurity. A bank employee served as a board member during the review period.
- Northfield Food Pantry – This organization aims to assist those in the community struggling with food insecurity. A bank employee served as a board member during the review period.
- Big Brothers Big Sisters – Big Brothers Big Sisters is an organization whose mission is to partner with under-resourced families to provide their children with adult mentors in order to help them achieve their full potential. A bank employee served as a board member and member of the finance committee for Big Brothers Big Sisters Hampden County during the review period. Other bank employees served in various capacities for Big Brothers Big Sisters Franklin County during the review period, including as board members and as members of committees like the executive committee and finance committee.
- United Way of Franklin County – United Way of Franklin County is an organization that contributes to the education, financial stability and health of the low- and moderate-income individuals in Franklin County. Several bank employees are active in this organization. During the review period, one bank employee served on the board of this

organization. In addition, employees served on the community investment and allocation panel committees.

Bank employees also participated in financial literacy events to support community development services, affordable housing, and economic development. Further, bank employees helped provide business planning and counseling in furtherance of the economic development of the region. The following lists a few examples of the bank's involvement during the evaluation period:

- FCCDC – FCCDC is an economic development non-profit organization providing comprehensive business development education and access to capital for small businesses located in Franklin County. One bank employee is a board member, and another was a loan committee member during the review period. Two bank employees provided their technical expertise in support of this organization during the review period, both operating as board members and one also serving on the loan review committee.
- Greater Springfield Habitat for Humanity – This is an organization that provides homeownership opportunities to low-income families who are unable to obtain conventional house financing. During the review period, one bank employee served on the board of this organization.
- Community Action Pioneer Valley Volunteer Income Tax Assistance (VITA) – VITA is an organization that assists individuals and families to prepare and file their tax returns in order to get their maximum refund and credit. Multiple bank employees volunteered to provide income tax preparation assistance through the VITA program during the review period.
- Lifepath: The Money Management Program for Elders – Lifepath is a non-profit organization that provides full-service credit counseling, including student loan counseling, foreclosure prevention counseling and first-time homebuyer seminars. These programs are active in Greenfield, serving many low- or moderate-income families. A bank employee served on the money management advisory board during the review period.
- Franklin County Regional Housing Authority (FCRHA) – FCRHA is a regional public housing authority tasked with enhancing the quality of life for the low- and moderate-income residents and communities of rural Franklin County by accessing and delivering resources to address their housing, economic development, and social service needs. Bank employees provided first time homebuyer seminars through the FCRHA on multiple occasions within the review period.
- Valley Community Development – Bank employees provided first time homebuyer seminars on multiple occasions within the review period.

GCB also provided additional services in support of low- and moderate-income individuals in the community. The following are some examples of other community development services offered:

- Massachusetts Interest on Lawyers Trust Accounts (IOLTA) – This program uses interest earned on trust accounts to support free legal services for low- and moderate-income individuals throughout Massachusetts. The bank remitted almost \$6,000 during the evaluation period.
- Partnership for Financial Equity – The bank offers a checking product that meets the Basic Banking in Massachusetts guidelines set forth by the Partnership for Financial Equity. This statewide program is designed to offer low-cost checking and savings accounts to low- and moderate-income individuals.
- Payment Holiday Program – As described previously, in direct response to the COVID-19 pandemic, the bank initiated the payment holiday program for all loan customers.
- Other Covid-19 Services – During the COVID-19 pandemic, the bank waived all fees on telephone transfers. In addition, to assist those struggling in the community, the bank cashed stimulus checks for non-customers free of charge. These activities eased cash flow pressures on affected borrowers, improved their capacity to service debt, and helped to maintain customers' financial capacity.

CONCLUSIONS: COMMUNITY DEVELOPMENT TEST

GCB's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services that help support low- and moderate-income individuals and small businesses. The bank was responsive to the needs of the assessment area in response to the COVID-19 pandemic and resulting economic hardship. Overall, the Community Development Test is rated Outstanding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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