

PUBLIC DISCLOSURE

September 9, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank Rhode Island
RSSD # 2434113

One Turks Head Place
Providence, Rhode Island 02903

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, Massachusetts 02210

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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

The following table indicates the performance level of Bank Rhode Island (BRI or the bank) with respect to the Lending, Investment, and Service Tests.

	<u>Bank Rhode Island</u>		
	PERFORMANCE TESTS		
PERFORMANCE LEVELS	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

**The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*

The major components supporting the ratings in the above referenced table include the following:

Lending Test

- Excellent responsiveness to the credit needs in its assessment area, taking into account the number and amount of home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area.
- A high percentage of the bank's loans are made in the bank's assessment area.
- An adequate geographic distribution of loans in the bank's assessment area.
- An adequate distribution, particularly in the bank's assessment area, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- The bank has made a relatively high level of community development loans.
- An adequate record of serving the credit needs of highly economically disadvantaged areas in the bank's assessment area, low-income individuals, or businesses, with gross annual revenues of \$1 million or less, consistent with safe and sound operations.
- Limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies.

Investment Test

- An adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position.
- Occasional use of innovative or complex qualified investments.

- Adequate responsiveness to credit and community development needs.

Service Test

- The bank's service delivery systems are accessible to portions of its assessment area, particularly to low- or moderate-income geographies or to low- or moderate-income individuals.
- To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals.
- The bank's services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals.
- The bank provides a relatively high level of community development services.

DESCRIPTION OF INSTITUTION

BRI is a state-chartered member bank of the Federal Reserve System. BRI is headquartered at One Turks Head Place, Providence, RI. The bank is a wholly owned subsidiary of Brookline Bancorp, Inc. (Bancorp or company). Bancorp is a publicly held (BRKL), multi-bank holding company, headquartered in Boston, MA, and in addition to BRI, it is the holding company for Brookline Bank, Boston, MA (Brookline) and PCSB Bank, Yorktown Heights, NY, (PCSB). BRI has four subsidiaries: Acorn Insurance Agency, Inc., BRI Community Investment Corporation, BRI Realty Corporation, and BRI Investment Corporation.

The bank offers a full range of personal, commercial, and business banking products and services, as well as investment management services. Personal products and services include checking and savings accounts, certificates of deposit, fixed- and adjustable-rate residential mortgages, home equity loans and lines of credit, online banking, and mobile banking. Business products and services include online banking, checking and savings accounts, business and commercial mortgage loans, and Small Business Administration (SBA) loans. BRI is a preferred lender with the SBA. Commercial products and services include lines of credit, term loans, cash management, international trade services, equipment leasing, commercial mortgages, investment property financing, and construction lending and development.

Including the main office in Providence, the bank maintains 22 full-service branch locations, which include 26 automated teller machines (ATMs), and an additional 12 standalone ATMs. All branches and ATMs are in the Rhode Island portion of the Providence-Warwick, RI-MA, Metropolitan Statistical Area (Providence MSA).¹ The bank's branches are located in the following Rhode Island cities and towns: Coventry, Cranston (4), East Greenwich, East Providence (2), Johnston, Lincoln, Middletown, Newport, North Kingstown, Pawtucket,

¹ The Providence MSA is a multi-state MSA that includes all five counties in Rhode Island (Bristol, Kent, Newport, Providence, and Washington counties), and Bristol County in Massachusetts.

Providence (2), Smithfield, Wakefield, Warwick (3), and Woonsocket.

In August 2023, the bank opened a de novo branch in Cranston, RI, which includes an ATM. In December 2023, the bank opened a de novo branch in Newport, RI, which includes two ATMs.

In addition to its branch locations, the bank's website, www.bankri.com, provides customers with access to information on BRI's products and services and online banking.

As of June 30, 2024, BRI's assets totaled \$3.4 billion; loans totaled \$2.8 billion, and deposits totaled \$2.5 billion. Since the last CRA evaluation conducted by the Federal Reserve Bank of Boston on May 16, 2022,² assets increased by 8.6 percent, primarily driven by a \$514.6 million, or 22.7 percent, increase in loans. The \$514.6 million increase in loans is primarily attributed to a \$470.5 million, or 26.6 percent, increase in commercial loans, and a \$44.9 million, or 13.9 percent, increase in 1-4 family closed-end first lien loans. Total deposits decreased slightly since the last evaluation, from \$2.6 billion to \$2.5 billion.

Table 1 shows the bank's loan portfolio composition, by dollar, as of June 30, 2024.

Table 1		
Loan Distribution as of June 30, 2024		
Loan Type	Dollar Amount \$(000)	Percent of Total Loans (%)
Commercial*	2,240,637	80.6
Residential RE	477,693	17.2
Other	59,544	2.1
Consumer	979	0.0
Agriculture	0	0.0
Total Loans	2,778,853	100.0

Call Report as of June 30, 2024.

*May include construction, land development, and other land loans reported on the HMDA LAR

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

Commercial loans, which include 1-4 family residential construction, other construction, multifamily residential properties, owner-occupied nonfarm nonresidential properties, other nonfarm nonresidential properties, and commercial and industrial loans, continue to account for most of the bank's loans by dollar amount, at 80.6 percent. Residential real estate loans, comprised of revolving, open-end loans secured by 1-4 family residential properties, and closed-end first and junior liens secured by 1-4 family residential properties, account for 17.2 percent of the bank's loans by dollar amount. Consumer, other, and agriculture loans account for approximately 2.2 percent of the bank's loans by dollar amount.

The bank operates in a competitive market for deposits among national, regional, and community banks. According to the June 30, 2024, Federal Deposit Insurance Corporation Deposit (FDIC) Market Share Report, the bank ranked 4th of 17 depository institutions for deposit market share within the assessment area, at 6.7 percent. Citizens Bank, N.A., ranked 1st at 38.9 percent, Bank of America, N.A., ranked 2nd at 22.2 percent, and Santander Bank, N.A., ranked 3rd at 7.1 percent.

² Hereinafter referred to as the "last" or "prior" evaluation. The bank was rated "Satisfactory" at the prior evaluation.

Given the volume of depository institutions within the assessment area, including community banks and national banks, and the breadth of national mortgage companies operating in the assessment area, the bank operates in a highly competitive geographic area for residential loans. In 2021, there were 412 originators and/or purchasers of residential mortgage loans in the assessment area; in 2022, there were 394 originators and/or purchasers; and in 2023, there were 364 originators and/or purchasers. During the evaluation period, the top residential mortgage lenders in Rhode Island included Citizens Bank, N.A., Navigant Credit Union, Rocket Mortgage, LLC., Coastal1 Credit Union, and The Washington Trust Company. In each year of the evaluation period, the bank ranked within at least the 92nd percentile in mortgage originations in the assessment area.

The bank also operates in a competitive geographic area for small business lending. In 2021, numerous national, regional, and community banks, including BRI, were active originators of SBA Payment Protection Program (PPP) loans. PPP loans were administered by the SBA as part of the Coronavirus Aid, Relief, and Economic Security Act, and were designed to help businesses retain workers and staff during the economic hardship resulting from the COVID-19 pandemic.

In each year of the evaluation period, American Express, N.B., JPMorgan Chase Bank, N.A., Bank of America, N.A., and Citizens Bank, N.A. were among the top small business lenders in the assessment area. Additional top small business lenders in the assessment area include Capital One, N.A., Citibank, N.A., and US Bank, N.A. In 2021, the bank ranked in the 95th percentile for origination of small business loans in the assessment area. In both 2022 and 2023, the bank ranked in the 85th percentile.

Considering BRI's financial capacity, local economic conditions, assessment area demographics, and the competitive market in which it operates, the bank demonstrated an ability to meet the credit needs of the assessment area. 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.

BRI defines one assessment area for CRA purposes. The assessment area consists of a portion of the Providence MSA; specifically, two whole counties, Kent County and Newport County, and the adjacent (eastern) sections of Providence and Washington counties. These two partial counties are comprised of whole cities and towns. The cities and towns located in Kent County are Coventry, East Greenwich, Warwick, West Greenwich, and West Warwick. The cities and towns in Newport County are Jamestown, Little Compton, Middletown, Newport, Portsmouth, and Tiverton. The cities and towns in Providence County are Central Falls, Cranston, Cumberland, East Providence, Johnston, Lincoln, North Providence, North Smithfield, Pawtucket, Providence, Scituate, Smithfield, and Woonsocket. These portions of Providence County account for the largest portion of the bank's assessment area. BRI's assessment area also includes the towns of Narragansett, North Kingstown, and South Kingstown in Washington County.

Tables 2 and 3 detail pertinent demographic data related to the bank's assessment area in 2021 and 2023.³

³ Based on the Federal Financial Institutions Examination Council's (FFIEC) methodology for determining sufficiently accurate data sources to use in examinations, the bank's 2021 residential mortgage lending performance was compared to demographics from the ACS and the bank's

Table 2 2021 BRI AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	32	15.0	27,489	12.4	8,994	32.7	55,236	25.0
Moderate	34	15.9	33,693	15.2	6,678	19.8	36,240	16.4
Middle	84	39.3	88,967	40.2	5,769	6.5	42,681	19.3
Upper	60	28.0	70,498	31.9	2,560	3.6	87,178	39.4
Unknown	4	1.9	688	0.3	184	26.7	0	0.0
Total AA	214	100.0	221,335	100.0	24,185	10.9	221,335	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	52,862	11,170	5.4	21.1	33,997	64.3	7,695	14.6
Moderate	63,805	22,152	10.7	34.7	34,963	54.8	6,690	10.5
Middle	158,135	94,208	45.3	59.6	51,686	32.7	12,241	7.7
Upper	123,780	79,818	38.4	64.5	27,780	22.4	16,182	13.1
Unknown	2,593	628	0.3	24.2	1,669	64.4	296	11.4
Total AA	401,175	207,976	100.0	51.8	150,095	37.4	43,104	10.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	4,482	10.1	4,061	10.0	400	10.7	21	6.0
Moderate	7,100	15.9	6,210	15.4	822	21.9	68	19.5
Middle	16,801	37.7	15,320	37.9	1,359	36.2	122	35.0
Upper	15,723	35.3	14,474	35.8	1,126	30.0	123	35.2
Unknown	417	0.9	358	0.9	44	1.2	15	4.3
Total AA	44,523	100.0	40,423	100.0	3,751	100.0	349	100.0
Percentage of Total Businesses:				90.8		8.4		0.8
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

2022 and 2023 residential mortgage lending performance was compared to demographics from the U.S. Census (Census). The 2022 and 2023 Census data is nearly identical aside from minor, non-statistically significant differences between 2022 and 2023 small business demographic data.

Table 3 2023 BRI AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	28	12.8	23,992	10.8	6,190	25.8	53,687	24.2
Moderate	36	16.4	38,276	17.2	5,443	14.2	36,507	16.4
Middle	97	44.3	96,992	43.7	5,256	5.4	46,255	20.8
Upper	55	25.1	62,288	28.1	1,749	2.8	85,572	38.5
Unknown	3	1.4	473	0.2	191	40.4	0	0.0
Total AA	219	100.0	222,021	100.0	18,829	8.5	222,021	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	44,387	10,811	5.0	24.4	28,431	64.1	5,145	11.6
Moderate	70,358	27,491	12.8	39.1	34,299	48.7	8,568	12.2
Middle	183,696	105,818	49.1	57.6	60,653	33.0	17,225	9.4
Upper	106,523	71,201	33.0	66.8	22,014	20.7	13,308	12.5
Unknown	1,192	131	0.1	11.0	951	79.8	110	9.2
Total AA	406,156	215,452	100.0	53.0	146,348	36.0	44,356	10.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	3,525	8.4	3,159	8.3	351	9.8	15	4.4
Moderate	5,610	13.3	5,112	13.4	464	12.9	34	9.9
Middle	20,341	48.3	18,189	47.6	1,974	54.8	178	51.9
Upper	12,480	29.6	11,579	30.3	786	21.8	115	33.5
Unknown	161	0.4	135	0.4	25	0.7	1	0.3
Total AA	42,117	100.0	38,174	100.0	3,600	100.0	343	100.0
Percentage of Total Businesses:				90.6		8.5		0.8
Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Based on the 2015 American Community Survey (ACS), there were 214 tracts in the assessment area, of which 32 tracts, or 15.0 percent, were low-income, 34 tracts, or 15.9 percent, were moderate-income, 84 tracts, or 39.3 percent, were middle-income, 60 tracts, or 28.0 percent, were upper-income, and 4 tracts, or 1.9 percent were unknown-income. As of the 2023 Census, there are 219 tracts in the assessment area, of which 28 tracts, or 12.8 percent, are low-income, 36 tracts, or 16.4 percent, are moderate-income, 97 tracts, or 44.3 percent, are middle-income, 55

tracts, or 25.1 percent, are upper-income, and 3 tracts, or 1.4 percent, are unknown-income.

Table 4 illustrates the dispersion of low- and moderate-income census tracts in the cities and towns in the assessment area based on the ACS and Census.

Table 4 Assessment Area Low- and Moderate-Income census tracts				
City/Town	2015 ACS		2020 U.S. Census	
	Low	Moderate	Low	Moderate
Bristol	0	1	0	1
Central Falls	4	0	4	0
Coventry	0	0	0	1
Cranston	0	2	0	3
Cumberland	0	1	0	0
East Providence	0	4	0	1
Johnston	0	1	0	1
Middletown	0	0	1	0
Newport	1	1	1	1
North Providence	0	0	0	2
Pawtucket	4	9	6	5
Providence	16	12	10	16
Warwick	0	0	0	3
West Warwick	0	2	0	2
Woonsocket	7	2	6	2
2011-2015 U.S. Census Bureau: American Community Survey				
2016-2020 U.S. Census Bureau: American Community Survey				

The city of Providence has the largest concentration of low- and moderate-income census tracts in the assessment area. Other notable concentrations of low- and moderate-income census tracts are in Pawtucket, Woonsocket, and Central Falls.

Housing

Based on the Census, the assessment area includes 406,156 housing units, of which 10.9 percent are in low-income census tracts, 17.3 percent are in moderate-income census tracts, 45.2 percent are in middle-income census tracts, 26.2 percent are in upper-income census tracts, and 0.3 percent are in unknown-income census tracts. Compared to the data from the ACS, the number of total housing units increased by 1.2 percent and the dispersions of housing units by tract-income remained stable.

Of all the housing units in the assessment area, 53.0 percent are owner-occupied, 36.0 percent are rental units, and 10.9 percent are vacant. Based on the Census, the median housing value in the assessment area is \$266,890, which is a 16.8 percent increase compared to the median housing value of the ACS.

Table 5 illustrates more recent data on the median sales price of single-family homes and condos.

Table 5 Median Sales Price				
Geography	2021	2022	2023	% Change 2021- 2023
Kent County	\$ 309,500	\$ 337,700	\$ 360,000	16.3
Newport County	\$ 515,000	\$ 600,000	\$ 630,000	22.3
Providence County	\$ 315,000	\$ 350,000	\$ 375,000	11.1
Washington County	\$ 430,700	\$ 499,000	\$ 500,000	16.1
Rhode Island	\$ 339,000	\$ 375,000	\$ 399,900	18.0
Source: The Warren Group, Boston, MA				

From 2021 to 2023, the average median sales prices of single-family homes and condominiums in Rhode Island increased by 18.0 percent. Newport County increased by 22.3 percent, Kent and Washington counties increased by more than 16.0 percent, and Providence County increased by 11.1 percent. The median sales price ranged from a low of \$309,500 in Kent County in 2021, to a high of \$630,000 in Newport County in 2023. The rapid increase in housing costs during the review period suggests that home ownership may be difficult for moderate- and particularly low-income families in the assessment area.

Business Characteristics

According to 2021 Dun & Bradstreet (D&B) data, there were 44,523 businesses within the assessment area, of which 10.1 percent were in low-income census tracts, 15.9 percent were in moderate-income census tracts, 37.7 percent were in middle-income census tracts, 35.3 percent were in upper-income census tracts, and 0.9 percent were in unknown-income census tracts. From 2021 to 2023, the percentage of businesses in low-income census tracts decreased by 1.7 percentage points, the percentage of businesses in moderate-income census tracts decreased by 2.6 percentage points, the percentage of businesses in middle-income census tracts increased by 10.6 percentage points, and the percentage of businesses in upper-income census tracts decreased by 5.7 percentage points.⁴ From 2021 to 2023, the percentage of businesses with gross annual revenue (GAR) of \$1 million or less remained stable, at 91.0 percent.

Population

Based on the Census, the assessment area has a total population of 960,341 individuals, of which 12.2 percent reside in low-income census tracts, 17.5 percent reside in moderate-income census tracts, 44.6 percent reside in middle-income census tracts, 25.4 percent reside in upper-income census tracts, and 0.3 percent reside in unknown-income census tracts. Compared to the ACS, the population residing in low-income census tracts decreased by 1.7 percentage points, the population residing in moderate-income census tracts increased by 1.2 percentage points, the population residing in middle-income census tracts increased by 6.1 percentage points, and the population residing in upper-income census tracts decreased by 4.8 percentage points. Of the 222,021 families in the assessment area, 10.8 percent reside in low-income census tracts, 17.2 percent reside in moderate-income census tracts, 43.7 percent reside in middle-income census tracts, 28.1 percent reside in upper-income census tracts, and 0.2 percent reside in

⁴ The percentages for 2022 are nearly identical to 2023.

unknown-income census tracts. Of the families in the assessment area, 24.2 percent are low-income, 16.4 percent are moderate-income, 20.8 percent are middle-income, and 38.5 percent are upper-income. The dispersion of families by income category remained stable from the ACS to the Census.

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 family income of at least 50 percent and less than 80 percent of median income; middle-income is defined as family income of at least 80 percent but less than 120 percent of median income; and upper-income is defined as 120 percent of median family income and above. Based on the ACS, the MFI for the assessment area was \$71,105 in 2021. According to the Census, in 2023 the MFI for the assessment area increased to \$85,357.

Employment Statistics

Table 6 illustrates the Bureau of Labor Statistics non-seasonally adjusted unemployment rates for each county and for Rhode Island.

Table 6			
Unemployment Rates			
Geography	2021	2022	2023
Kent County	5.1%	2.9%	2.7%
Newport County	4.9%	2.8%	2.6%
Providence County	5.9%	3.5%	3.3%
Washington County	4.8%	2.7%	2.5%
Rhode Island	5.5%	3.2%	3.0%
<i>Source: Bureau of Labor Statistics, Local Area Unemployment Statistics</i>			

The county and statewide unemployment rates decreased since 2021 when the rates were higher during the COVID-19 pandemic. Unemployment rates decreased in each county by 0.2 percent from 2022 to 2023. In 2022, the unemployment rate ranged from a low of 2.8 percent in Newport County to a high of 3.5 percent in Providence County. In 2023, the unemployment rate ranged from a low of 2.5 percent in Washington County to a high of 3.3 percent in Providence County.

SCOPE OF EXAMINATION

BRI's CRA performance review was conducted using FFIEC Examination Procedures for Large Institutions.⁵ These procedures evaluate banks under three tests: the Lending Test, the Investment Test, and the Service Test.

The Lending Test evaluates the bank's lending performance pursuant to the following criteria: lending activity, assessment area concentration of loans, geographic distribution of loans, borrower's profile, responsiveness of credit needs, community development lending activity, and product innovation. The Investment Test evaluates the bank's performance pursuant to the following criteria: investment and grant activity, responsiveness to credit and community development needs, and community development initiatives. The Service Test evaluates the bank's performance pursuant to the following criteria: accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services, and community development services.

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

The Lending Test evaluated the bank's residential mortgage and small business loans originated from January 1, 2021, to December 31, 2023. Based on the number of loans originated during the evaluation period, residential mortgage loans and small business loans were weighted equally. While both the number and dollar volume of the bank's loans were reviewed, the number of originations was weighted more heavily as the number of loans is more indicative of loan demand. Community development loans originated from May 17, 2022, through September 9, 2024, were also considered.

Home mortgage lending data reviewed during the evaluation was obtained from Loan Application Registers (LARs), maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). Residential loans with a purpose of "other" and/or "not applicable" were excluded from the analysis. The bank's residential lending activity was compared to the aggregate of all lenders operating within the assessment area and to applicable demographic information obtained from FFIEC Census data. Aggregate data was obtained from the Consumer Financial Protection Bureau (CFPB) and consists of lending information from all HMDA reporters that originated or purchased residential mortgage loans in the assessment area. "Other" and "not applicable" loans have also been excluded from the aggregate data.

Small business loans 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 aggregate small business data obtained from the FFIEC and to demographic information obtained from D&B.

The review period for the Investment Test and the Service Test was May 17, 2022, through September 9, 2024. Qualified investments and community development services were evaluated in the context of community needs and the capacity of the bank.

⁵ "Large institutions" are banks or savings associations with assets of at least \$1.564 billion as of December 31 of both of the prior two calendar years.

Community Contacts

As part of the evaluation process, third parties active in community affairs are contacted to help assess housing and credit needs in the bank's assessment area and whether local financial institutions are responsive to, or could in other ways address, the credit needs of the community. Examiners leveraged two community contacts conducted during a CRA examination for a different institution that serves the same communities as BRI.

A community contact was conducted with an officer of a financial institution whose mission is providing financial and training assistance to organizations working to improve the lives of individuals living in underserved communities in Rhode Island. The contact identified statewide needs such as food security, financial literacy and education (particularly for rapidly growing non-English speaking immigrant and refugee populations), and social services targeted to these populations. The contact also identified workforce development and professional assistance as a pressing need for both seasoned workers and those entering the workforce (e.g., pathways to obtain certifications and training to help find jobs). In terms of additional opportunities for financial institutions to serve the assessment area, the contact stated that products and practices like no-fee checking accounts and flexibility with minimal balances (including banks matching initial deposits at account opening) benefit both low- and moderate-income and non-English speaking customers (and establishes trust with the banking system). Lastly, the contact discussed a growing need for mental and behavioral health services in the aftermath of the COVID-19 pandemic.

A second community contact was conducted concurrently with the executive directors for two organizations that support affordable housing in Rhode Island. The first organization predominantly works in the policy and advocacy space while providing support for member organizations. The other organization focuses on affordable housing development and homeownership education. The contacts discussed the challenge of developing affordable housing in the coastal and rural areas of Rhode Island because of an influx of opportunistic investors that acquire housing inventory to renovate as second homes or short-term rentals. The contacts also stated that rapidly rising home and rental costs have taken previously affordable areas out of the reach of low- and moderate-income individuals. For example, recently, home values near the Pawtucket train station quickly increased, reducing affordable options for low- and moderate-income individuals. Similarly, surging home prices in Woonsocket and Central Falls, driven by opportunistic investors converting existing properties into higher-end housing, has limited the availability of affordable housing in those previously affordable areas. In terms of additional observations, the contacts highlighted the prominent and expanding use of fintech banking mobile applications among low- and moderate-income individuals, particularly younger clients, in lieu of traditional checking and/or savings accounts. The contacts believe that these applications, although filling a gap in financial services, are ultimately less impactful because they are not insured, rarely pay interest, and do not help customers establish credit history.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

BRI's performance under the Lending Test is rated Low Satisfactory, which reflects consideration of the following components. Lending levels reflected excellent responsiveness to the credit needs in the assessment area, and a high percentage of the bank's loans were made in the assessment area. There was an adequate distribution of loans in the assessment area as well as an adequate distribution of loans among individuals of different income levels and businesses of different sizes. The bank has made a relatively high level of community development loans. The bank had an adequate record of serving the credit needs of highly economically disadvantaged areas in the bank's assessment area, low-income individuals, or businesses with GARs of \$1 million or less. The bank also made limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies.

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

Lending Activity

The bank demonstrates excellent responsiveness to the credit needs in its assessment area, taking into account the number and amount of home mortgage and small business loans in its assessment area. During the evaluation period, the bank originated a total of 1,380 residential and 1,663 small business loans, of which 2,458 were in the assessment area. Of the loans in the assessment area, 1,129 were residential loans and 1,328 were small business loans.

Residential Lending

The bank's origination of residential loans inside the assessment area during the evaluation period declined from 481 loans in 2021, to 424 in 2022, to 224 in 2023. In 2021, the bank ranked 33rd of 412 lenders in originating or purchasing HMDA loans inside the assessment area, and was in the 92nd percentile by number of loans originated and purchased. In 2022, the bank ranked 12th of 394 lenders and was in the 97th percentile by number of loans originated and purchased. In 2023, the bank ranked 18th of 364 lenders and was in the 95th percentile by number of loans originated and purchased. Being a top lender in the assessment area during the evaluation period demonstrates the bank's excellent responsiveness to residential credit needs in Rhode Island.

Small Business Lending

The bank's origination of small business loans inside the assessment area during the evaluation declined significantly from 2021 and 2022 based on the high volume of SBA PPP loans originated in 2021 and subsequent drop as the program ceased originations. In 2021, the bank originated 1,006 small business loans inside the assessment area. In 2021, the bank ranked 8th of 138 lenders in originating or purchasing small business loans inside the assessment area and was in the 95th percentile by number of loans originated and purchased. PPP loans represented the significant majority of the bank's small business lending activity in 2021.

With the SBA PPP loan program not available in 2022, the bank originated 180 small business loans inside the assessment area. In 2022, the bank ranked 19th of 123 lenders in originating or purchasing small business loans inside the assessment area and was in the 85th percentile. The bank's origination of small business loans declined from 2022 to 2023. In 2023, the bank originated 142 small business loans, which ranked 17th of 106 lenders in originating or purchasing small business loans inside the assessment area, but remained in the 85th percentile by number of loans originated and purchased.

Distribution of Lending within the Assessment Area

This criterion evaluates the concentration of loans originated by the bank within its assessment area for the entire evaluation period. Table 7 demonstrates that BRI made a high percentage of its loans in its assessment area.

Table 7								
Lending Inside and Outside the Assessment Area								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	286	82.4	\$39,428	70.1	61	17.6	\$16,845	29.9
Home Purchase	258	77.2	\$103,549	74.0	76	22.8	\$36,427	26.0
Multi-Family Housing	107	89.9	\$228,531	89.5	12	10.1	\$26,944	10.5
Refinancing	478	82.4	\$146,385	76.3	102	17.6	\$45,456	23.7
Residential Total	1,129	81.8	\$517,893	80.5	251	18.2	\$125,672	19.5
Small Business Loans	1,328	79.9	\$279,869	73.6	335	20.1	\$100,175	26.4
TOTAL LOANS	2,457	80.7	\$797,762	77.9	586	19.3	\$225,847	22.1

HMDA and small business for 2021, 2022, and 2023.

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

Residential Lending

The bank originated 1,129 loans home mortgage loans, or 81.8 percent, inside the assessment area. By year, the bank originated 481 loans inside the assessment area in 2021 (82.2 percent), 424 loans in 2022 (81.7 percent), and 224 loans in 2023 (81.2 percent). By number, refinance loans represented the largest share of loans originated inside the assessment area with 478 originations, followed by home improvement loans with 286 originations, and home purchase loans with 258 originations.

Small Business Lending

The bank originated 1,328 small business loans, or 79.9 percent, inside the assessment area. By year, the bank originated 1,006 loans in 2021 (79.5 percent), 180 loans in 2022 (84.5 percent), and 142 loans in 2023 (76.8 percent). PPP loans represented the substantial majority of small business loans originated inside the assessment area in 2021.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The bank demonstrates an adequate geographic distribution of loans in its assessment area.

Residential Lending

Table 8 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 is adequate.

Table 8 Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: BRI AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##%	##%	\$(000)	\$%	\$%	#	##%	##%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	1.0	7.1	323	0.8	6.0	3	6.8	7.0	1,216	6.1	6.4	5.0
Moderate	15	14.4	16.9	4,230	10.2	14.0	1	2.3	16.0	206	1.0	13.5	12.8
Middle	44	42.3	49.0	16,071	38.7	44.6	19	43.2	48.9	6,341	31.6	44.1	49.1
Upper	44	42.3	26.9	20,870	50.3	35.3	21	47.7	28.0	12,304	61.3	35.8	33.0
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	104	100.0	100.0	41,494	100.0	100.0	44	100.0	100.0	20,067	100.0	100.0	100.0
Refinance Loans													
Low	4	2.6	5.8	1,390	2.9	5.0	3	3.6	6.0	255	1.1	5.1	5.0
Moderate	25	16.6	14.2	6,288	13.2	11.6	8	9.6	14.3	1,939	8.2	19.8	12.8
Middle	66	43.7	48.5	14,503	30.5	43.2	43	51.8	49.7	9,271	39.0	40.7	49.1
Upper	56	37.1	31.5	25,419	53.4	40.1	29	34.9	29.9	12,279	51.7	34.3	33.0
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	151	100.0	100.0	47,600	100.0	100.0	83	100.0	100.0	23,744	100.0	100.0	100.0
Home Improvement Loans													
Low	7	5.3	3.8	846	4.3	2.9	6	8.1	4.8	737	7.7	3.7	5.0
Moderate	13	9.9	10.3	1,118	5.7	7.3	11	14.9	11.2	629	6.5	8.2	12.8
Middle	77	58.8	46.4	9,507	48.5	38.4	39	52.7	49.1	4,983	51.8	44.5	49.1
Upper	34	26.0	39.4	8,149	41.5	51.3	18	24.3	34.9	3,275	34.0	43.6	33.0
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	131	100.0	100.0	19,620	100.0	100.0	74	100.0	100.0	9,624	100.0	100.0	100.0
Multifamily Loans													Multi- family Units %
Low	5	13.2	24.6	8,707	9.4	14.4	1	4.3	31.8	919	1.7	14.4	17.5
Moderate	7	18.4	22.1	13,427	14.5	22.9	5	21.7	19.3	4,598	8.5	15.3	20.2
Middle	20	52.6	40.2	60,304	65.3	45.1	11	47.8	34.1	39,349	72.4	49.2	46.9
Upper	6	15.8	13.2	9,871	10.7	17.6	6	26.1	14.8	9,476	17.4	21.0	14.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.8
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	38	100.0	100.0	92,309	100.0	100.0	23	100.0	100.0	54,342	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	17	4.0	6.1	11,266	5.6	6.4	13	5.8	6.3	3,127	2.9	6.4	5.0
Moderate	60	14.2	14.6	25,063	12.5	13.8	25	11.2	14.5	7,372	6.8	14.3	12.8
Middle	207	48.8	48.4	100,385	49.9	43.9	112	50.0	49.0	59,944	55.6	43.9	49.1
Upper	140	33.0	30.8	64,309	32.0	35.8	74	33.0	30.0	37,334	34.6	35.4	33.0
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	424	100.0	100.0	201,023	100.0	100.0	224	100.0	100.0	107,777	100.0	100.0	100.0
Source: 2023 FFIEC Census Data 2016-2020 U.S. Census Bureau; American Community Survey Note: Percentages may not total 100.0 percent due to rounding													

In 2021, the bank originated 32 home mortgage loans, or 6.7 percent, in low-income census

tracts and 70 loans, or 14.6 percent, in moderate-income census tracts. The bank's lending percentage was 0.7 percentage points higher than the aggregate in low-income census tracts, and 3.1 percentage points higher than the aggregate in moderate-income census tracts. The bank's lending percentage in low- and moderate-income census tracts was higher than the percentage of owner-occupied housing units in those tracts in 2021.

Refinance loans accounted for 50.7 percent of the bank's residential mortgage activity in the assessment area in 2021. Of the refinance loans, 80.7 percent were in middle-and upper-income census tracts. Given the low owner-occupancy rate in low-income census tracts at 5.4 percent, it would generally be more challenging for a bank to originate refinance loans in areas where a large portion of borrowers did not own their home.

In 2022, the bank originated 17 home mortgage loans, or 4.0 percent, in low-income census tracts and 60 loans, or 14.2 percent, in moderate-income census tracts. The bank's lending percentage was 2.1 percentage points lower than the aggregate in low-income census tracts, and 0.4 percentage points lower than the aggregate in moderate-income census tracts. The bank's lending percentage in low-income census tracts was lower than the percentage of owner-occupied housing units in those tracts, but higher than the percentage of owner-occupied housing units in moderate-income census tracts. The bank's residential lending in 2022 was more evenly allocated between refinance loans (35.6 percent), home improvement loans (30.9 percent), and home purchase loans (24.5 percent).

In 2023, the bank originated 13 home mortgage loans, or 5.8 percent, in low-income census tracts and 25 loans, or 11.2 percent, in moderate-income census tracts. The bank's lending percentage was 0.5 percentage points lower than the aggregate in low-income census tracts, and 3.3 percentage points lower than the aggregate in moderate-income census tracts. The bank's lending percentage in low-income census tracts was higher than the percentage of owner-occupied housing units in those tracts, but lower than the percentage of owner-occupied housing units in moderate-income census tracts. The bank's residential lending in 2023 was allocated between refinance loans (37.1 percent), home improvement loans (33.0 percent), and home purchase loans (19.6 percent).

The overall number of residential loan originations, in addition to the number of originations in low- and moderate-income census tracts, decreased in each year of the review period. Between 2022 and 2023, the overall number of residential loan originations decreased by 200. The decrease in originations both overall and in low- and moderate-income census tracts reflects difficult market conditions and the high-interest rate environment. As explained by two community contacts, the impact of surging home prices and opportunistic investors have combined to significantly limit the availability and affordability of suitable housing stock in previously affordable portions of the assessment area. Despite the changes in origination volume, the bank's percentile rank for originating and/or purchasing loans in low- and moderate-income census tracts remained consistent. In low-income tracts the bank's percentile rank was 83rd in both 2021 and 2023, and 82nd in 2022. In moderate-income census tracts, the bank's percentile rank was 89th in 2021, 93rd in 2022, and 88th in 2023.

Small Business Lending

Table 9 represents the distribution of small business loans by census tract income level. The bank's geographic distribution of small business loan is adequate.

Table 9													
Distribution of 2022 and 2023 Small Business Lending By Income Level of Geography													
Assessment Area: BRI AA													
Geographic Income Level	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	13	7.2	8.4	3,920	5.9	7.8	7	4.9	8.7	1,970	4.5	6.3	8.4
Moderate	34	18.9	14.6	16,889	25.2	11.7	21	14.8	14.7	7,890	17.9	12.9	13.3
Middle	90	50.0	48.7	29,259	43.7	52.6	70	49.3	47.8	20,917	47.6	54.7	48.3
Upper	43	23.9	28.0	16,828	25.2	27.4	43	30.3	28.5	12,990	29.5	25.7	29.6
Unknown	0	0.0	0.2	0	0.0	0.4	1	0.7	0.2	200	0.5	0.4	0.4
Tract-Unk	0	0.0	0.1	0	0.0	0.0	0	0.0	0.1	0	0.0	0.0	
Total	180	100.0	100.0	66,896	100.0	100.0	142	100.0	100.0	43,967	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2023 Dun & Bradstreet Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

In 2021, the bank originated 81 small business loans, or 8.1 percent, in low-income census tracts. At 8.1 percent, the bank was 1.8 percentage points below the aggregate and below the percentage of total businesses in low-income census tracts. For the same year, the bank originated 193 small business loans, or 19.2 percent, to businesses in moderate-income census tracts, which was 2.9 percentage points above the aggregate and above the percentage of total businesses in moderate-income census tracts. The bank was in the 83rd percentile for originating small business loans in low-income census tracts and 95th percentile for originating small business loans in moderate-income census tracts.

The bank's volume of small business lending decreased substantially in 2022 because it no longer included PPP lending. In 2022, the bank originated 13 small business loans, or 7.2 percent, in low-income census tracts, and 34 loans, or 18.9 percent, in moderate-income census tracts. The bank's percentage of loans in low-income census tracts was 1.2 percentage points below the aggregate and below the percentage of total businesses in low-income census tracts. The bank's percentage of loans in moderate-income census tracts was 4.3 percentage points above the aggregate and above the percentage of total businesses in moderate-income census tracts. The bank's percentile ranks for the origination of small business loans declined compared to 2021. In 2022, the bank was in the 70th percentile for originating small business loans in low-income census tracts and 77th percentile for originating small business loans in moderate-income census tracts.

The bank's volume of small business lending further decreased from 2022 to 2023, primarily because of market conditions. In 2023, the bank originated 7 small business loans, or 4.9 percent,

in low-income census tracts, and 21 loans, or 14.8 percent, in moderate-income census tracts. The bank's percentage of loans in low-income census tracts was 3.8 percentage points below the aggregate and below the percentage of total businesses in low-income census tracts. The bank's percentage of loans in moderate-income census tracts was 0.1 percentage points above the aggregate and above the percentage of total businesses in moderate-income census tracts. In 2023, the bank dropped to the 56th percentile for originating small business loans in low-income census tracts, but remained in the 77th percentile for originating small business loans in moderate-income census tracts.

There were no conspicuous gaps in the bank's residential and small business loan penetration in low- and moderate-income census tracts during the evaluation period.

Borrowers' Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The bank demonstrates an adequate distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Residential Lending

Table 10 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 adequate.

Table 10													
Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level													
Assessment Area: BRI AA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	##	##	\$(000)	\$%	\$%	#	##	##	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	3	2.9	4.6	516	1.2	2.5	0	0.0	3.3	0	0.0	1.6	24.2
Moderate	16	15.4	22.2	3,798	9.2	16.1	3	6.8	18.4	539	2.7	13.2	16.4
Middle	14	13.5	26.1	3,706	8.9	23.3	9	20.5	28.5	2,060	10.3	25.4	20.8
Upper	51	49.0	32.3	20,977	50.6	42.9	24	54.5	34.8	13,625	67.9	43.7	38.5
Unknown	20	19.2	14.8	12,497	30.1	15.2	8	18.2	15.0	3,843	19.2	16.2	0.0
Total	104	100.0	100.0	41,494	100.0	100.0	44	100.0	100.0	20,067	100.0	100.0	100.0
Refinance Loans													
Low	5	3.3	10.7	777	1.6	6.5	6	7.2	11.4	497	2.1	5.8	24.2
Moderate	33	21.9	25.3	5,463	11.5	19.5	18	21.7	22.5	2,663	11.2	15.0	16.4
Middle	32	21.2	24.7	6,262	13.2	22.0	19	22.9	24.3	2,897	12.2	18.4	20.8
Upper	72	47.7	29.3	29,634	62.3	38.1	35	42.2	28.7	15,694	66.1	32.2	38.5
Unknown	9	6.0	10.0	5,464	11.5	13.8	5	6.0	13.1	1,993	8.4	28.6	0.0
Total	151	100.0	100.0	47,600	100.0	100.0	83	100.0	100.0	23,744	100.0	100.0	100.0
Home Improvement Loans													
Low	7	5.3	7.4	325	1.7	5.0	10	13.5	9.4	438	4.6	5.5	24.2
Moderate	20	15.3	19.9	2,121	10.8	14.0	12	16.2	23.0	1,017	10.6	15.8	16.4
Middle	46	35.1	26.6	5,358	27.3	22.0	22	29.7	27.1	3,240	33.7	23.5	20.8
Upper	54	41.2	44.6	10,072	51.3	56.6	29	39.2	38.7	4,914	51.1	51.0	38.5
Unknown	4	3.1	1.5	1,744	8.9	2.3	1	1.4	1.8	15	0.2	4.1	0.0
Total	131	100.0	100.0	19,620	100.0	100.0	74	100.0	100.0	9,624	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	15	3.9	7.2	1,618	1.5	4.0	16	8.0	6.9	935	1.7	3.0	24.2
Moderate	69	17.9	22.8	11,382	10.5	16.9	33	16.4	20.6	4,219	7.9	13.8	16.4
Middle	92	23.8	25.8	15,326	14.1	22.7	50	24.9	27.3	8,197	15.3	23.5	20.8
Upper	177	45.9	33.4	60,683	55.8	42.6	88	43.8	33.8	34,233	64.1	41.9	38.5
Unknown	33	8.5	10.7	19,705	18.1	13.8	14	7.0	11.3	5,851	10.9	17.9	0.0
Total	386	100.0	100.0	108,714	100.0	100.0	201	100.0	100.0	53,435	100.0	100.0	100.0
Source: 2023 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

In 2021, the bank originated 13 loans, or 3.0 percent, to low-income borrowers, which trailed the aggregate by 2.4 percentage points, and 59 loans, or 13.6 percent, to moderate-income borrowers, which trailed the aggregate by 6.8 percentage points. The bank's lending percentage to low- and moderate-income borrowers was below the percentage of low- and moderate-income families in the assessment area.

In 2022, the bank originated 15 home mortgage loans, or 3.9 percent, to low-income borrowers,

which trailed the aggregate by 3.3 percentage points. Although the bank increased the number and percentage of home mortgage lending to low-income borrowers compared to 2021, the bank's lending performance compared to the aggregate lending percentage slightly decreased. For the same year, the bank originated 69 loans, or 17.9 percent, to moderate-income borrowers, an increase by number and percentage from 2021. Despite that increase, the bank still trailed the aggregate by 4.9 percentage points. For 2022, the bank's lending percentage to low-income borrowers was below the percentage of low-income families in the assessment area, but its lending percentage to moderate-income borrowers was above the percentage of moderate-income families in the assessment area.

In 2023, the bank originated 16 home mortgage loans, or 8.0 percent, to low-income borrowers, which exceeded the aggregate by 1.1 percentage points. For the same year, the bank originated 33 loans, or 16.4 percent, to moderate-income borrowers, which trailed the aggregate by 4.2 percentage points. For 2023, the bank's lending percentage to low-income borrowers was below the percentage of low-income families in the assessment area, but its lending percentage to moderate-income borrowers equaled the percentage of moderate-income families in the assessment area.

Although the bank trailed the aggregate in lending to low-income borrowers in two of the three years of the review period, and trailed the aggregate in lending to moderate-income borrowers in all three years, community contacts stated that housing prices are unaffordable for low- and moderate-income individuals. Between rising home prices, competition between prospective homebuyers and opportunistic investors, and the high-interest rate environment, it is difficult for low- and moderate-income individuals to consummate home purchases even in portions of the assessment area that historically had been affordable (and are often no longer affordable due to market conditions).

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 11 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 adequate.

Table 11													
Distribution of 2022 and 2023 Small Business Lending By Revenue Size of Businesses													
Assessment Area: BRI AA													
	Bank And Aggregate Loans By Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	82	45.6	50.1	25,617	38.3	33.5	69	48.6	52.6	17,699	40.3	31.0	90.6
Over \$1 Million	86	47.8		39,439	59.0		64	45.1		25,328	57.6		8.5
Revenue Unknown	12	6.7		1,840	2.8		9	6.3		940	2.1		0.8
Total	180	100.0		66,896	100.0		142	100.0		43,967	100.0		100.0
By Loan Size													
\$100,000 or Less	39	21.7	95.2	2,210	3.3	45.6	57	40.1	95.5	3,707	8.4	47.8	
\$100,001 - \$250,000	39	21.7	2.6	7,328	11.0	15.1	27	19.0	2.6	5,418	12.3	16.0	
\$250,001 - \$1 Million	102	56.7	2.2	57,358	85.7	39.3	58	40.8	1.9	34,842	79.2	36.2	
Total	180	100.0	100.0	66,896	100.0	100.0	142	100.0	100.0	43,967	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	21	25.6		1,332	5.2		37	53.6		2,429	13.7		
\$100,001 - \$250,000	20	24.4		3,544	13.8		11	15.9		2,284	12.9		
\$250,001 - \$1 Million	41	50.0		20,741	81.0		21	30.4		12,986	73.4		
Total	82	100.0		25,617	100.0		69	100.0		17,699	100.0		
Source: 2023 FFIEC Census Data													
2023 Dun & Bradstreet Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													

PPP loans represented the substantial majority of the bank's small business lending in 2021. As part of the PPP application criteria, banks were not required to rely on and/or collect GAR information from applicants. As a result, the bank collected and reported a substantial majority of small business loans without GAR. Based on the share of loans without GAR, examiners used loan size as a proxy for estimating borrower characteristics rather than the 2021 aggregate lending data for percentage of loans originated to borrowers with GAR of \$1 million or less.

In 2021, the bank originated 583 small business loans, or 58.0 percent, in loan amounts of \$100,000 or less, and 214 loans, or 21.3 percent, in loan amounts of \$100,001 to \$250,000. The bank trailed the aggregate in originating loan amounts of \$100,000 or less by 33.9 percentage points, but exceeded the aggregate in originating loan amounts from \$100,001 to \$250,000 by 16.5 percentage points.

In 2022, the bank originated 82 small business loans, or 45.6 percent, to businesses with GAR of \$1 million or less, which trailed the aggregate lending percentage by 4.5 percentage points. In 2023, the bank originated 69 small business loans, or 48.6 percent, to businesses with GAR of \$1 million or less, which trailed the aggregate lending percentage by 4.0 percentage points.

The bank made limited use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals and small businesses. Below is a summary of loans and grants originated through such programs during the evaluation period:⁶

- *SBA 7(a) Loans* – For the SBA 7(a) program, small businesses that meet the SBA’s size eligibility standards benefit from long-term financing options, a fixed maturity, and no prepayment penalties. The bank originated 48 loans, totaling \$17.6 million.
- *SBA 504 Loans* – The SBA 504 loan program provides long-term fixed-rate financing for major fixed assets that promote business growth and job creation. These loans are available through Certified Development Companies, SBA's community-based partners who regulate nonprofits and promote economic development within their communities. The bank originated 13 loans, totaling \$10.3 million.
- *First Time Home Buyers (FTHB) Program* – The bank’s FTHB program includes benefits such as up to 97 percent financing, competitive rates, down payment assistance, and lower fees. The bank originated 6 loans, totaling \$1.6 million.

Community Development Lending Activities

The institution’s community development lending activities are evaluated pursuant to the following criteria: 1) The number and amount of community development loans in the institution’s assessment area; 2) the extent to which community development lending opportunities have been made available to the institution; 3) the responsiveness to the opportunities for community development lending; 4) the extent of leadership the institution has demonstrated in community development lending; and 5) the innovativeness or complexity involved.

The bank demonstrates it has made a relatively high level of community development loans. The bank originated 20 qualified community development loans, totaling \$35.1 million. Within the assessment area, BRI originated 17 qualified community development loans, totaling approximately \$31.0 million. 13 of those loans, totaling approximately \$19.2 million, primarily served the need of providing affordable housing, which a community contact highlighted as particularly responsive to the community’s credit and service needs. In addition, the bank extended 3 loans helping to meet the needs of the broader New England region totaling \$4.1 million. Information about the bank’s community development lending activity during the evaluation period is provided below:

- The bank provided a \$1,285,000 first-position construction real estate mortgage to refinance a loan originated by another institution for a 24-unit multifamily property. All units had rents below HUD Fair Market Rent standards, providing low- or moderate-income individuals with the opportunity for potentially affordable housing.
- The bank provided a total of \$1,879,500 to SWAP, Inc. (Stop Wasting Abandoned

⁶ In response to the COVID-19 pandemic, the bank was an active originator of PPP loans. In general, PPP loans were considered particularly responsive to businesses located in low- or moderate-income geographies. The impact and responsiveness of the bank’s PPP lending was assessed as part of the last evaluation.

Property), a private non-profit community development corporation whose mission is providing affordable housing opportunities for persons of low- and moderate-income, revitalizing urban neighborhoods, and building new communities. SWAP owns and manages rental properties, offers homebuyer and financial literacy training, and provides opportunities for first-time homeownership and affordable apartment rentals. The bank provided a \$427,500 construction real estate mortgage to SWAP for the acquisition of 7 vacant residential land parcels located in a low-income census tract in Providence for the development of affordable housing. The bank also provided SWAP with a \$702,000 loan for the construction of 3 two-family affordable homes in East Providence and modified an additional loan to provide SWAP with a \$750,000 revolving line of working capital related to a project in another low-income tract in Providence.

The bank's dollar volume of community development loans decreased by 73.3 percent compared to the last evaluation. During the prior evaluation period, the bank received community development lending credit for \$73,400,000 in PPP loans and \$58.1 million in loans that primarily served the need of providing affordable housing in the assessment area. Qualified community development loans originated during the prior evaluation period included loans in amounts of \$21.1 million, \$18.0 million, \$12.0 million, and \$7.9 million. Based on the expiration of the PPP loan program and these larger dollar originations during the last evaluation, the decrease in the dollar volume of community development lending is not reflective of a lack of community development lending efforts by the bank. Furthermore, market conditions, particularly the high-interest rate environment, impacted demand.

Overall, the bank demonstrated an adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with GARs of \$1 million or less, consistent with safe and sound operations. The bank's record is demonstrated through the activities discussed above along with its limited use of innovative or flexible lending practices as previously described.

INVESTMENT TEST

BRI's performance under the Investment Test is rated Low Satisfactory. The Investment Test evaluates the institution's record of meeting the credit needs of its assessment area through its use of qualified investments that benefit the assessment area or a broader statewide or regional area that includes the institution's assessment area was considered. The institution's investment performance is evaluated pursuant to the following criteria: 1) the number and dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; 4) the degree to which the qualified investments are not routinely provided by private investors.

The bank demonstrates an adequate level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position. The bank demonstrates occasional use of innovative or complex qualified investments. The bank demonstrates adequate responsiveness to credit and community development needs.

Overall, the bank made approximately \$3.6 million in qualified investments during the evaluation period, which includes two prior period investments in funds with the primary purpose of affordable housing with combined current book values of \$2,880,894, \$2,870

in Interest on Lawyers' Trust Accounts, and \$710,820 in donations. The dollar volume of qualified investments decreased by 34.3 percent compared to the prior evaluation because of the decrease in book value of the two prior period equity investments.

Equity Investments

The bank holds two prior period investments:

- In 2018, the bank purchased a \$1.4 million low-income housing tax credit (LIHTC), with a current book value of \$547,906 that provided funding to a 53-unit apartment building in the assessment area.
- In 2019, BRI received assignment of a \$6.2 million LIHTC, with a current book value of \$2,332,988 for a rehabilitation project converting a former mill storage house into a 45-unit affordable housing apartment complex in the assessment area.

While no new equity investments were extended during the review period, both prior period investments align with the need for affordable housing identified by a community contact.

Grants and Donations

Table 12 displays the bank's qualified grants and donations by year and community development purpose.

Table 12 Qualified Donations by Purpose								
Community Development Category	2022 (5/17/2022-12/31/2022)		2023		2024 YTD (thru 9/9/2024)		Total	
	#	\$	#	\$	#	\$	#	\$
Affordable Housing	2	\$10,500	3	\$20,500	1	\$15,000	6	\$46,000
Community Services	53	\$156,750	86	\$242,870	85	\$197,700	224	\$597,320
Economic Development	2	\$17,500	5	\$31,000	2	\$12,500	9	\$61,000
Revitalization/Stabilization	0	-	2	\$4,000	1	\$2,500	3	\$6,500
Total	57	\$184,750	96	\$298,370	89	\$227,700	242	\$710,820

Bank provided qualified investment data.

In total, the bank provided 242 donations for \$710,820. Of the total, the largest by number and dollar volume were qualified as supporting community development services for organizations serving the assessment area. The bank demonstrated adequate responsiveness to credit and community development needs primarily through the alignment of bank donations with needs identified through community contacts. The following is a sample of organizations that benefited from the bank's contributions:

- *Pawtucket Central Falls Development Corporation (PCFDC)* – PCFDC develops and manages affordable housing in Pawtucket and Central Falls, RI. Central Falls is comprised of four moderate-income census tracts and is adjacent to Pawtucket, which also has a notable concentration of low- and moderate-income census tracts. During the

evaluation period, the bank provided \$25,000 to support PCFDC. A community contact highlighted affordable housing as particularly responsive to community credit and service needs.

- *Rhode Island Community Food Bank* – The Rhode Island Community Food Bank distributes millions of pounds of food to those in need of assistance through a network of member agencies across Rhode Island. During the evaluation period, the bank provided \$25,000 to support the organization. Food security is a statewide need that was discussed by a community contact.
- *McAuley Ministries* – McAuley Ministries assists struggling individuals and families with the basic needs of food, clothing, and health services. This also includes affordable housing for single parents and their young children. BRI's donations supported the organization's "Lunch on Us" program, which provides breakfast, lunch, and dinner five days a week to those in need. During the evaluation period, the bank provided \$12,500 to support McAuley Ministries.
- *Community Care Alliance (CCA)* – CCA, a non-profit organization, is a Community Action Program agency and a member of the Rhode Island Community Action Association. CCA is licensed with Department of Behavioral Health, Developmental Disabilities and Hospitals (BHDDH), Department of Health, and maintains accreditation with Council on Accreditation and Healthy Families America and is a nationally Certified Community Behavioral Health Clinic (CCBHC). CCA offers more than 50 services and programs for people challenged by mental health and addiction problems, basic needs, trauma, housing, education and employment. During the evaluation period, the bank provided \$12,500 to support CCA. Mental and behavioral health were identified by a community contact as a growing area of need in the low- and moderate-income community, particularly in the aftermath of the COVID-19 pandemic.
- *Salve Regina University* – BRI partners with Salve Regina University, a private university in Newport, RI, to provide scholarships to low- and moderate-income students. During the evaluation period, the bank provided \$40,000 designated for scholarships to low-income students for the purpose of helping them become active and engaged contributors to the workforce. A community contact discussed the importance of workforce development, particularly for low- and moderate-income individuals.
- *Local Initiatives Support Corporation (LISC)* – LISC's mission is to tackle issues that have the greatest impact on community, family, and individual stability, including affordable housing, financial literacy, workforce development, health equity, early learning, and childcare. During the evaluation period, the bank provided \$20,000 in support of LISC's Neighborhood Development Fund. The NDF program provides grants to fund capacity-building activities such as training, resource development, staffing support, and technical assistance. The primary objective of the program is to increase the ability of the state's community-based organizations to produce affordable housing at scale while addressing broader community revitalization issues, which aligns with needs identified by a community contact.
- *Entrepreneurship for All (EforAll)* – EforAll is a nonprofit organization that partners with

communities nationwide to help under-represented individuals successfully start and grow a business through intensive business training, mentorship, and an extended professional support network. This includes women, immigrants, and racial/ethnic minorities, which aligns with needs identified by a community contact. During evaluation period the bank provided \$30,000 in support of EforAll.

SERVICE TEST

BRI's performance under the Service Test is rated High Satisfactory. The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

Retail Banking Services

Retail banking services evaluates the availability and effectiveness of an institution's systems for delivering retail banking services, pursuant to the following criteria: 1) the current distribution of the institution's branches among low-, moderate-, middle-, and upper-income geographies; 2) in the context of its current distribution of branches, the record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals; 3) the availability and effectiveness of alternative systems for delivering retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

Table 13 displays the distribution of the bank's current branch network compared to the percentage of census tracts within the assessment area as well as the percentage of the population that resides in those tracts.

Table 13 Distribution of Branch Offices by Income Category				
Census Tract Income Category	Assessment Area Demographics		Bank Offices by Tract Location	
	Total Census Tracts	Total Population		
	% of #	% of #	#	%
Low	12.8	12.2	0	0.0
Moderate	16.4	17.5	1	4.6
Middle	44.3	44.6	15	68.2
Upper	25.1	25.4	6	27.3
Unknown	1.4	0.3	0	0.0
Total	100.0	100.0	22	100.0

Source: 2020 U.S. Census

The bank demonstrates its service delivery systems are accessible to geographies and individuals of different income levels in its assessment area. At the last evaluation, based on the 2015 ACS data, six of the bank's branches were in moderate-income census tracts. As of the 2020 Census,⁷

⁷ The 2020 Census is the applicable demographic comparator for lending and community development activities in 2021 and beyond.

only one of those branches, the Cranston branch on Atwood Avenue, remains located in a moderate-income tract. This branch also includes an onsite ATM.

Although no bank branches are in low-income census tracts and only one branch is in a moderate-income tract, BRI's delivery systems are considered accessible to these areas and to borrowers of different income levels based on branch proximity to low- and moderate-income areas. Sixteen of the bank's 22 branches (72.7 percent) are located within a two-mile radius of at least one low- or moderate-income census tract. Additionally, the bank maintains multiple branches within a two-mile radius of Providence, Pawtucket, Woonsocket, and Central Falls, the geographies where most low- and moderate-income census tracts in the assessment area are located. Further, two of the bank's standalone ATMs (located in Cranston and Warwick) are in moderate-income census tracts.

The bank also provides alternative delivery systems. The bank's website provides customers with access to online and mobile banking. Online banking allows customers to access their account, make transfers, set account alerts, process stop payments, view check images and account history, and communicate securely with the bank. With mobile banking, customers can view account balances and transaction history, receive account alerts, transfer money, and pay bills. Through online bill pay, customers can pay bills automatically, set recurring payments, receive bills electronically, and view bill payment history. BRI also offers the Aira service to blind and low-vision customers for free. Aira is a phone application service that connects blind and low-vision people to highly trained, remotely located agents.

To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. The bank opened two new branches in 2023, one on Oaklawn Avenue in Cranston, and the other on Bellevue Avenue in Newport. The new Cranston branch is located less than 0.1 miles from a moderate-income tract, and the new Newport branch is located less than 1.75 miles from a moderate-income tract.

The bank demonstrates its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Branch lobby hours are generally Monday through Thursday from 9:00am to 4:00pm, Fridays from 9:00am to 5:00pm, and Saturdays from 9:00am to 12:00pm. Lobby hours are generally consistent across all branches with minor exceptions. For example, the main office is closed on Saturdays, but open for an additional thirty minutes Monday through Friday. The branch located in East Providence and the branch located in a moderate-income tract in Cranston are open for an additional one-hour Monday through Friday. Eighteen branches also offer traditional drive-up services.

BRI operates 38 ATMs, which includes at least one ATM at each of the 22 branch locations, and 12 standalone ATMs. Several standalone ATMs are located at non-proprietary locations, including the Rhode Island Convention Center, Rhode Island School of Design bookstore, hotels, a restaurant, and a bowling alley.

Lastly, BRI employs 36 staff members who collectively speak French, Khmer, Portuguese, Armenian, Spanish, Creole, Lao, Russian, and Thai. These individuals are mostly employed at branch locations, which makes them readily available to bank customers.

Community Development Services

Community development services are evaluated pursuant to the following criteria: 1) The extent to which the institution provides community development services; and 2) the innovativeness and responsiveness of community development services.

The bank demonstrates it provides a relatively high level of community development services. The following details the bank's community development service activity:

Employee Services

During the evaluation period, 15 employees were either on the board or on an advisory committee for 16 organizations, which either had the primary purpose of community development or engaged in activities that supported community development services. The following details a sample of the bank's community development service activity by bank employees.

- *Lucy's Hearth* – Lucy's Hearth's mission is to provide comprehensive programs and services to families experiencing housing insecurity due to economic hardship, family crisis, divorce, eviction, and severe shortage of safe, affordable housing. Services include an emergency shelter program, permanent subsidized housing, and financial literacy to help residents achieve self-sufficiency to pursue permanent, affordable housing. A branch manager is a board member of this organization. A community contact highlighted affordable housing as particularly responsive to community credit and service needs.
- *Sophia Academy* – Sophia Academy is an all-girls middle school located in a low-income tract in Rhode Island focusing on the intellectual and emotional growth of black indigenous people of color (BIPOC) girls from low-income households. A senior vice president is a board member of this organization.
- *Dorcas International Institute of Rhode Island (DIIRI)* – DIIRI is a non-profit organization whose mission is to cultivate an inclusive community for immigrants and those seeking refuge by providing integrated services, fostering cross-cultural understanding, and nurturing strong partnerships. Services include adult education, language learning, job training, citizenship and immigration legal services, refugee resettlement, translation and interpreting, and clothing and household needs. These services align with the need identified by a community contact, including workforce development and services for immigrant and refugee populations. A senior vice president is a board member of this organization.
- *Valley Affordable Housing Corporation (VAHC)* - VAHC is a private non-profit 501(c)(3) organization created over twenty years ago to develop, own, and manage safe, sanitary, and suitable affordable housing properties for income qualifying individuals. An assistant vice-president/branch manager serves on the board of this non-profit. A community contact highlighted affordable housing as particularly responsive to community credit and service needs.
- *LISC* – A bank director serves on the board of this organization.

Educational Programs and Seminars

During the evaluation period, numerous bank employees were engaged in more than thirty instances of financial literacy primarily targeted to low- and moderate-income individuals, students, and FTHB. These services align with the need for financial literacy and education identified by a community contact.

The following is non-exhaustive summary of the types of financial education seminars provided by the bank:

- *PCFDC* – During the evaluation period, the bank provided five FTHB sessions that covered topics such as credit, finances, debt-to-income ratio, the mortgage process, and closing costs and related expenses. Over 100 individuals attended these sessions.
- *EforAll* – During the evaluation period, numerous bank employees participated in several events and sessions designed to help under-represented individuals on their path to successfully starting and growing a business.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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 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