

PUBLIC DISCLOSURE

October 5, 2020

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.

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INSTITUTION RATING

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 adequate responsiveness to the credit needs of its assessment area. The major components supporting this rating include:

Lending Test

- A reasonable loan-to-deposit (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
- A majority of loans and, as appropriate, other lending related activities are in the bank's 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 excellent given the demographics of the bank's assessment area.
- A reasonable geographic distribution of loans given the bank's assessment area.
- A record of taking appropriate action, when warranted, in response to written complaints, if any, about the bank's performance in helping to meet the credit needs of its assessment area.

Community Development Test

- The bank'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, 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 Institutions¹.

These procedures evaluate banks under two tests: the Lending Test and the Community Development Test. The Lending Test evaluates the bank's lending performance pursuant to the following criteria: LTD ratio, assessment area concentration of loans, geographic distribution of loans, loan distribution according to the income of the borrower, 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 Lending Test focused on home mortgage and small business lending from January 1, 2017 to December 31, 2019. The bank's lending data for two most recent full years for which aggregate data is available; 2018 and 2019 data is included in tables unless otherwise noted. Performance in 2017 was generally in line with the years presented in the tables and will only be discussed where anomalies were present. Home mortgage and small business data for 2017 was used to analyze the assessment area concentration of loans. 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.

Home mortgage lending reviewed during the evaluation was obtained from Loan Application Registers (LARs), maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). Changes in HMDA reporting requirements for 2018 included the determination of whether a loan is HMDA-reportable and includes new loan types of other purpose and NA purpose. Other purpose loans are for purposes other than home purchase, refinancing, or home improvement. This evaluation does not include analysis of other loans reported on the bank's 2018 and 2019 LARs. Additionally, this evaluation does not compare the bank's HMDA lending performance prior to 2018 to its performance in 2018 and 2019.

Aggregate HMDA data consists of lending information from all HMDA reporters that originated or purchased HMDA-reportable loans in the bank's assessment area. The bank's residential loan performance was compared to applicable aggregate data; the aggregate 2018 and 2019 aggregate data was obtained from the Consumer Financial Protection Bureau (CFPB). Additionally, other purpose loans were excluded from the 2018 and 2019 aggregate.

¹ Intermediate small institutions are those with assets, as of December 31 of either of the prior two calendar years, of less than \$1.305 billion, but at least \$326 million for both of the prior two calendar years, adjusted annually.

The bank's home mortgage lending performance was compared to demographics from the 2015 American Community Survey (ACS) as reported in the 2018 and 2019 FFIEC Census Data.

Small business loans, for the purpose of this evaluation, include nonfarm nonresidential real estate loans and commercial and industrial loans with original loan amounts of \$1 million or less. The bank is not currently required to collect and report small business loans; however, this information was obtained from the bank for years 2018 and 2019 and compared to relative business information obtained from Dun & Bradstreet, Inc., Short Hills, NJ (D&B). As such, there was no comparison with the small business aggregate data. While both the number and dollar volume of the bank's small business loans were reviewed, the number of originations was weighted more heavily than the dollar volume because the number of originations provides a better depiction of how many small businesses were served.

The analysis of the bank's average LTD ratio includes the last 14 quarters, which represents the period since the prior examination.

The Community Development Test includes a review of community development loans, qualified investments, and community development services for the period of April 4, 2017 through October 5, 2020. The Community Development Test is evaluated in the context of the community needs and the capacity of the bank.

Two third-party community representatives were contacted to provide additional insight into the credit needs of the assessment area.

The bank's lending and operations occurred within Hampshire and Franklin counties, both located in the Springfield, MA Metropolitan Statistical Area (MSA); accordingly, a full-scope review was performed using this assessment area.

DESCRIPTION OF INSTITUTION

GCB is a state-chartered bank headquartered in Greenfield, Massachusetts. 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, Massachusetts. 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. Since the last CRA evaluation, the bank has opened one branch in South Hadley, closed one branch in Amherst, and closed one stand-alone ATM in Shelburne. 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. Four of the branches are located in upper-income tracts, five in middle-income tracts, and one in a moderate-income tract.

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 line of credit, and 1 to 4-unit investor loans. Consumer loan offerings include auto loans, overdraft protection lines of credit, and energy 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. The bank also offers an array of services including online banking with bill payment, mobile banking, as well as telephone banking.

According to the June 30, 2020 Call Report, the bank had total assets of \$742.6 million, an increase of approximately 29.1 percent from \$575.2 million, as of December 31, 2016, at the previous CRA evaluation. Additionally, total loans increased 26.9 percent from \$373.6 million, as of December 31, 2016, to \$474.2 million on June 30, 2020. During this same period, total deposits increased 30.2 percent, from \$489.0 million to \$636.9 million.

The bank is primarily a residential real estate lender, with residential real-estate loans comprising 69.5 percent of the loan portfolio, an increase from the last examination, at 65.1 percent. While still primarily a residential lender, the bank also maintains a 20.4 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 June 30, 2020.

Table 1 Loan Distribution as of June 30, 2020		
Loan Type	Dollar Amount \$(000s)	Percent of Total Loans (%)
1-4 Residential – Closed End	270,674	57.0
Commercial and Industrial	50,179	10.6
Nonfarm Nonresidential	46,640	9.8
Multi-family	40,277	8.5
Obligations of states and political subdivisions	32,290	6.8
1-4 Residential – Open End	18,752	4.0
Construction and Land Development	7,634	1.6
Farmland and Agricultural Loans	4,716	1.0
Consumer	2,971	0.6
All Other	43	0.0
Lease financing receivables	25	0.0
Total Loans	474,201	100.0

Consolidated Report of Condition and Income (Call Report) as of 6/30/2020.

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

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.

The bank operates in a highly competitive market. The bank conducts business primarily in Franklin and Hampshire Counties, which are dominated by several established local, regional and national banks, including: Florence Bank, Easthampton Savings Bank, Greenfield Savings Bank and Bank of America, N.A. According to the June 30, 2020 FDIC Deposit Market Share Report, GCB is ranked 5th in terms of deposit market share, with 9.1 percent of the market. Greenfield Savings Bank was ranked first in the assessment area in terms of HMDA market share, with 431 loans in 2018, followed by Florence Bank and Peoples Bank, with 314 and 271 loans, respectively. GCB earned the rank of the 4th placed lender, with 265 loans.²

The bank has the ability to meet the credit needs of its assessment area, taking into consideration its financial capacity, local economic conditions, demographics and the competitive market in which it operates. Furthermore, there are no legal or financial impediments that would impact the bank's ability to meet the credit needs of its assessment area.

The Federal Reserve Bank of Boston last evaluated GCB's CRA performance on April 3, 2017, in accordance with the intermediate small bank examination procedures. During that evaluation, the bank received an overall rating of "Outstanding."

² Included in the market share reports are 8 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. The evaluation is based upon activity within the defined assessment area. Currently, GCB has delineated its assessment area to include the counties of Franklin and Hampshire. In 2018, Franklin County was located in a Massachusetts non-MSA. In 2019, because of demographic changes, Franklin County became part of the Springfield, MA MSA. Hampshire County is also part of the Springfield, MA MSA. The cities/towns in the assessment area include:

- *Franklin County: Ashfield, Bernardston, Buckland, Charlemont, Colrain, Conway, Deerfield, Erving, Gill, Greenfield, Hawley, Heath, Leverett, Leyden, Monroe, Montague, New Salem, Northfield, Orange, Rowe, Shelburne, Shutesbury, Sunderland, Warwick, Wendell, and Whately.*
- *Hampshire County: Amherst, Belchertown, Chesterfield, Cummington, Easthampton, Goshen, Granby, Hadley, Hatfield, Huntington, Middlefield, Northampton, Pelham, Plainfield, South Hadley, Southampton, Ware, Westhampton, Williamsburg, and Worthington.*

Franklin County and Hampshire County are located in the mid-western section of Massachusetts, along the Connecticut River Valley. Interstate 91 is the area's primary highway. Franklin County³ is the most rural and the third-least populous county in the Commonwealth of Massachusetts, with farms, fields and valleys positioned around historic villages and bustling towns. Hampshire County⁴ is a residential and recreational area, located within a 45-minute drive of the Bradley International Airport, Windsor Locks, CT. The assessment area houses four of the "Five Colleges,"⁵ which is a consortium of four liberal arts colleges and one university in Western Massachusetts, including; Amherst College, Hampshire College, Mount Holyoke College, Smith College, and the University of Massachusetts Amherst (UMass Amherst). Mount Holyoke College is located directly outside of the assessment area.

In 2018, the assessment area consisted of 54 census tracts, of which one was low-income, four were moderate-income, 25 were middle-income, 20 were upper-income, and four were unknown-income.

In 2019, the assessment area retained the 54 census tracts, of which one is low-income, three are moderate-income, 24 are middle-income, 22 are upper-income, and four are unknown-income. This recent demographic information indicated changes to the moderate-, middle-, and upper-income tracts, and unknown tracts. The one low-income tract is located in Greenfield, within Franklin County. The three moderate-income tracts are located in Montague and Orange (Franklin County) and Ware (Hampshire County). The four unknown-income tracts represent the campuses of University of Massachusetts in Amherst, Amherst College and Hampshire College in Amherst, and Smith College in Northampton.

³ <http://franklincc.org/about-the-chamber/about-franklin-county>

⁴ <http://www.pvpc.org/sites/default/files/Hampshire%20County%20profile.pdf>

⁵ <https://www.fivecolleges.edu/>

Table 2 displays the assessment area demographics in 2018 and Table 3 displays the assessment area demographics in 2019.

Table 2								
2018 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.9	576	1.1	166	28.8	9,164	17.6
Moderate-income	4	7.4	3,838	7.4	493	12.8	7,970	15.3
Middle-income	25	46.3	26,414	50.6	1,781	6.7	10,736	20.6
Upper-income	20	37.0	21,321	40.8	942	4.4	24,339	46.6
Unknown-income	4	7.4	60	0.1	12	20.0	0	0.0
Total Assessment Area	54	100.0	52,209	100.0	3,394	6.5	52,209	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,123	347	0.6	30.9	731	65.1	45	4.0
Moderate-income	7,426	3,748	6.3	50.5	2,777	37.4	901	12.1
Middle-income	50,931	30,305	51.0	59.5	16,543	32.5	4,083	8.0
Upper-income	36,683	25,022	42.1	68.2	9,099	24.8	2,562	7.0
Unknown-income	343	15	0.0	4.4	246	71.7	82	23.9
Total Assessment Area	96,506	59,437	100.0	61.6	29,396	30.5	7,673	8.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	93	0.8	81	0.8	11	1.4	1	0.6
Moderate-income	582	5.1	538	5.2	35	4.6	9	5.8
Middle-income	5,861	51.8	5,312	51.1	450	58.9	99	63.5
Upper-income	4,648	41.0	4,349	41.8	254	33.2	45	28.8
Unknown-income	141	1.2	125	1.2	14	1.8	2	1.3
Total Assessment Area	11,325	100.0	10,405	100.0	764	100.0	156	100.0
	Percentage of Total Businesses:			91.9		6.7		1.4

2015 ACS and 2018 D&B data

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

Table 3 2019 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.9	576	1.1	166	28.8	8,640	16.5
Moderate-income	3	5.6	2,832	5.4	370	13.1	7,634	14.6
Middle-income	24	44.4	25,329	48.5	1,835	7.2	10,542	20.2
Upper-income	22	40.7	23,412	44.8	1,011	4.3	25,393	48.6
Unknown-income	4	7.4	60	0.1	12	20.0	0	0.0
Total Assessment Area	54	100.0	52,209	100.0	3,394	6.5	52,209	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,123	347	0.6	30.9	731	65.1	45	4.0
Moderate-income	5,564	2,704	4.5	48.6	2,086	37.5	774	13.9
Middle-income	49,203	28,941	48.7	58.8	16,392	33.3	3,870	7.9
Upper-income	40,273	27,430	46.1	68.1	9,941	24.7	2,902	7.2
Unknown-income	343	15	0.0	4.4	246	71.7	82	23.9
Total Assessment Area	96,506	59,437	100.0	61.6	29,396	30.5	7,673	8.0
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	87	0.8	75	0.7	12	1.6	0	0.0
Moderate-income	423	3.8	388	3.8	31	4.1	4	3.7
Middle-income	5,426	48.8	4,963	48.3	401	53.3	62	56.9
Upper-income	5,052	45.4	4,716	45.9	294	39.1	42	38.5
Unknown-income	138	1.2	123	1.2	14	1.9	1	0.9
Total Assessment Area	11,126	100.0	10,265	100.0	752	100.0	109	100.0
	Percentage of Total Businesses:			92.3		6.8		1.0

2015 ACS and 2019 D&B data

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

Housing

Based on the 2019 FFEIC Census Data, the assessment area contains 96,506 housing units, of which 61.6 percent are owner-occupied, 30.5 percent are rental, and 8.0 percent are vacant units. These percentages are not far apart from those of the Commonwealth of Massachusetts, with owner-occupied units at 56.0 percent, rental units at 34.2 percent, and vacant units at 9.8 percent. There are 59,437 owner-occupied housing units in the assessment area, of which 0.6 percent are located in low-income tracts, 4.5 percent in moderate-income census tracts, 48.7 percent are in middle-income tracts, and 46.1 percent are in upper-income tracts.

The single low-income census tract in the assessment area has the lowest rate of home ownership (30.9 percent) and highest rate for rental housing (65.1 percent). In addition, vacant units account for 4.0 percent of the units in low-income tracts. The three moderate-income tracts account for 48.6 percent of owner-occupied units, 37.5 percent of rental units, and 13.9 percent of vacant units. Middle- and upper-income tracts in the assessment area have the highest owner-occupancy rates, at 58.8 percent and 68.1 percent, respectively. Further, middle- and upper-income census tracts have the lowest rental rates, at 33.3 percent and 24.7 percent, respectively, and lower vacancy rates, at 7.9 percent and 7.2 percent, respectively. The percentages of the housing types as described above indicate that there are opportunities for financial institutions to originate home purchase loans, especially within low- and moderate-income tracts. The unknown tracts for 2019 exhibit 4.4 percent owner-occupied units, 71.7 percent rentals, and 23.9 percent vacant units. The percentages of rental and vacant housing units in the unknown tracts are consistent with campus dormitories in Amherst and Northampton.

Approximately 83.4 percent of the housing units in the assessment area are 1-4 family properties, and 14.8 percent are multi-family units. With 30.9 percent and 48.6 percent of owner-occupied housing units within low- and moderate-income tracts, respectively, the data support credit-related opportunities for banks in the assessment area. The median age of housing in the assessment area is 57 years, compared to that of Massachusetts, at 56 years.

Home values have a significant impact on an institution's ability to lend and on the opportunity for individuals to borrow. According to the 2019 FFIEC Census Data, the median housing value in the assessment area is \$250,045, below that of the median housing value for Massachusetts, at \$333,100. Further, the affordability ratio for the assessment area is 23.7 percent compared to Massachusetts at 20.6 percent. The affordability ratio is calculated by dividing the median household income by the median housing value. A higher ratio means housing is generally considered more affordable while a lower ratio reflects less affordable housing; housing in the assessment area is more affordable than at the state level with regards to affordability.

According to data compiled by The Warren Group, Boston, MA,⁶ the median sales prices for homes in Hampshire County and Franklin County were \$280,000 and \$224,000 in 2019. This

⁶ <http://www.twgstats.com/tssub/start.asp>

represents a fair increase from the last CRA evaluation, when the median sales prices for Hampshire County were \$262,500 and \$200,000 for Franklin County in 2017. This increase in home value is consistent with an overall increasing trend in home values in Massachusetts. In Massachusetts, the median sale price of a single-family home in 2019, reached \$400,000, an 8.8 percent increase from \$365,000 in 2017.

Business Characteristics

According to 2019 D&B data, the assessment area contains 11,126 businesses. The majority of those businesses, at 92.3 percent, have gross annual revenues less than or equal to \$1 million. The majority of businesses are located in middle- and upper-income census tracts, at 48.8 percent and 45.4 percent, respectively. Low- and moderate-income tracts accounted for 0.8 percent and 3.8 percent, respectively. Besides state and local government, primary employers include health care, retail services, manufacturing, and education sectors. In 2019, the major employers⁷ in Franklin County include Yankee Candle Co., Inc., Pelican Products, Inc., Seaman Warehouse, and Baystate Franklin Medical Center. Major employers in Hampshire County include C&S Wholesale Grocers, Inc., Amherst College, Cooley Dickinson Hospital, Delivery Express, and Northampton VA Medical Center.

Population

The assessment area has a population of 231,903, representing approximately 3.5 percent of the entire statewide population. The population is distributed as follows: 1.2 percent in low-income tracts, 4.8 percent in moderate-income tracts, 45.1 percent in middle-income tracts, 41.1 percent in upper-income tracts, and 7.8 percent in the unknown tracts.

In addition, the assessment area includes 88,833 households, of which 22.9 percent are low-income, 14.2 percent are moderate-income, 16.0 percent are middle-income, and 46.9 percent are upper-income. Approximately, 13.0 percent of households live below the poverty level, which is comparable to 12.0 percent statewide. Further, with 52,209 households that are families, 16.6 percent are low-income, 14.6 percent are moderate-income, 20.2 percent are middle-income, and 48.6 percent are upper-income. Approximately, 6.5 percent of families live below the poverty level, which is below the statewide level, at 8.2 percent.

Within Franklin County there is a higher percentage of the population that is over age 65, at 17.4 percent, versus the state, at 14.7 percent. Hampshire County is more in line with the state, at 14.1 percent.

⁷ <https://lmi.dua.eol.mass.gov/LMI/LargestEmployersArea#>

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 4 displays the MFI incomes for the assessment area.

Table 4 Median Family Income Comparison		
MSA/MD	FFIEC Estimated MFI	
	2018	2019
Springfield, MA (MSA)	73,900	76,700
Massachusetts Non-MSA/MD	80,700	102,600

FFIEC Median Family Income Estimates

As shown in Table 4, the MFI for the MSA and non-MSA increased from 2018 to 2019. The overall MFI in the assessment area is \$77,717. While homes in the assessment area are generally more affordable, as shown by the sales prices noted earlier, home ownership is still challenging for low- and moderate-income families earning \$38,858, and \$62,173, respectively.

Employment Statistics

According to the April 17, 2020 U.S. Bureau of Labor Statistics, the non-seasonally adjusted unemployment rates were 3.0 percent and 2.7 percent, respectively, in 2018 and 2019 for Franklin County and Hampshire County, while the non-seasonally adjusted unemployment rates in the Commonwealth of Massachusetts for those years were 3.4 percent and 2.9 percent, respectively.

Community Contact

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 obtained 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.

Two community contacts were conducted as part of this evaluation. The first contact took place with a housing authority which focuses on providing housing for low-income families. The second was conducted with an organization offering a variety of programming, products and services, both on the municipal and regional level. The organization works with federal, state, regional and local partners to assess economic development needs and issues, and support those initiatives that offer employment opportunities in Franklin County. The first contact identified a need for affordable

housing in the county and pointed out difficulties in developing affordable housing in rural communities. The contact noted that, while financial institutions in the area have been responsive when approached, they would like to see banks take more of a leadership role in addressing community development needs. The second also identified the need for affordable housing and noted the same difficulties in developing housing in the area. The second contact also pointed to the need to encourage business development and addressed how the COVID-19 crisis has heightened long-standing needs in the community. The second contact felt that banks, particularly community based institutions such as GCB and Greenfield Savings Bank, have provided leadership in terms of addressing credit and community development needs. The contact stated these institutions have partnered with an area community development corporation and provided financing for projects. The organization was selected by the US Environmental Protection Agency (EPA) for Brownfields cite grants and the organization stated that area banks have contributed to the Brownfields clean-ups which support economic development and job creation.

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 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 LTD ratio is reasonable (considering seasonable variations and taking into account lending related activities) given the institution's size, financial condition, and assessment area credit needs.

The bank's net LTD figures are calculated from the bank's quarterly FFIEC Reports of Condition and Income (Call Reports). The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits.

The bank's LTD average over a 14-quarter period from the previous examination ending June 30, 2020, averaged 77.2 percent, which is reasonable given the bank's size, financial condition, and assessment area credit needs. As shown below, the bank's average LTD was below that of its competitors. However, the LTD has been affected by the sale of residential mortgages to the secondary market. From March 31, 2017 through June 30, 2020, the bank sold 97 residential mortgages, totaling approximately \$19.4 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 5 provides a comparison of the bank's average LTD over the past 14 quarters under evaluation to similarly-sized institutions operating within or near the assessment area.

Table 5 Loan-to-Deposit Ratio Comparison		
<i>Institution</i>	<i>Total Assets*</i> <i>(\$)</i>	<i>Average LTD Ratio**</i> <i>(%)</i>
Greenfield Co-operative Bank	742,582	77.2
Easthampton Savings Bank	1,610,026	96.8
Florence Bank	1,618,703	86.0
Greenfield Savings Bank	978,889	99.0

Call Reports 03/31/2017 to current 06/30/2020

*As of 06/30/2020

**From 03/31/2017 to 06/30/2020

Assessment Area Concentration

This criterion evaluates the concentration of loans originated by the bank within its assessment area. As shown below, a majority of loans and other lending related activities are in the bank's assessment area. Table 6 presents the bank's levels of lending inside and outside the assessment area for the entire evaluation period.

Table 6 Lending Inside and Outside the Assessment Area								
Loan Type - Description	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase	189	77.1	42,181	80.7	56	22.9	10,063	19.3
Home Improvement	33	97.1	1,865	93.3	1	2.9	135	6.8
Multi-Family Housing	28	56.0	16,618	58.1	22	44.0	11,992	41.9
Refinancing	229	83.9	38,071	83.6	44	16.1	7,491	16.4
Total HMDA related	479	79.6	98,735	76.9	123	20.4	29,681	23.1
Small Business	109	77.9	15,651	74.6	31	22.1	5,316	25.4
Total Small Bus. related	109	77.9	15,651	74.6	31	22.1	5,316	25.4
TOTAL LOANS	588	79.2	114,386	76.6	154	20.8	34,997	23.4

HMDA and small business for 2018 & 2019. Small business data is bank provided.

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

In 2018 and 2019, the bank originated 79.2 percent by number and 76.6 percent by dollar amount of residential and small businesses in its assessment area. Of the 479 residential loans, 39.5 percent represent home purchase, 47.8 percent represented refinancing, 6.9 percent represented home improvement, and 5.8 percent represented multi-family housing. Small business loans totaled 109 loans and represented 77.9 percent within the assessment area.

As displayed in the table above, a high percentage of home improvement, home purchase and refinance loans were made within the assessment area. Multi-family lending was the lowest

percentage, at 56.0 percent. Multi-family lending outside the assessment area was concentrated in Hampden County, the southern border of the bank's assessment area.

As previously mentioned, 2017 lending data was included in the analysis, although not reflected in the tables. In 2017, the bank originated 81.8 percent by number and 77.1 percent by dollar amount of total residential and small businesses in its assessment area. Of the 322 residential loans, 33.5 percent represented home purchase, 24.2 percent represented refinancing, 40.1 percent represented home improvement, and 2.2 percent represented multi-family housing. Small business loans totaled 64 loans, and represented 75.3 percent within the assessment area.

The bank experienced a decline in the number of HMDA loans extended within the assessment area from 2017 to 2018 and 2019. Specifically, the bank made 129 home improvement loans inside the assessment area in 2017, compared to just 33 home improvement loans inside the assessment area in the two most current years in the review period. This is attributable to changes in HMDA reporting requirements. Prior to the changes, unsecured home improvement loans were HMDA-reportable; with the changes only residential real-estate secured loans are reportable. The bank has actively extended loans through the Mass Save HEAT Loan program (HEAT Loans), which offers unsecured, interest-free financing opportunities for energy-efficient home upgrades like heating and water heating equipment. In 2018, the bank made 96 HEAT loans within the assessment area, and in 2019, the bank extended 133 HEAT loans in the assessment area, which are no longer included in the HMDA totals above. While somewhat significant by number, these loans represented a small dollar percentage in relation to the bank's overall portfolio.

Overall, a majority of loans were made within the assessment area and the percentage of HMDA-reportable and small business loan originations within the assessment area indicates the bank is meeting the credit needs of its assessment area.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels as well as businesses with different revenues. The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes when compared to area demographics and aggregate performance.

Residential Lending

Table 7 provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and aggregate data. Table 7 further outlines the bank's performance by loan type in comparison to the aggregate group. Aggregate lending activity is often a better measure of lending opportunities inside the assessment area, as it is more indicative of market demand and accounts for those borrowers who cannot afford a mortgage loan. Therefore, the aggregate comparison is more heavily weighted when evaluating the bank's performance. The

bank's performance in lending to individuals of different income levels, including low- and moderate-income borrowers, is excellent.

Table 7 - Borrower Distribution of HMDA Loans															
PRODUCT TYPE	Borrower Income Levels	Bank & Aggregate Lending Comparison													
		Families by Family Income	2018						Families by Family Income	2019					
			Count			Dollar				Count			Dollar		
			Bank		Agg	Bank		Agg		Bank		Agg	Bank		Agg
			%	#	%	%	\$(000s)	\$ %		\$ %	%	#	%	%	\$(000s)
HOME PURCHASE	Low	17.6%	7	6.7%	4.8%	\$715	3.0%	2.5%	16.5%	6	7.1%	3.4%	\$719	4.0%	1.8%
	Moderate	15.3%	21	20.2%	19.5%	\$3,311	13.7%	14.6%	14.6%	10	11.8%	20.7%	\$1,544	8.6%	15.1%
	Middle	20.6%	31	29.8%	24.3%	\$5,860	24.2%	22.2%	20.2%	22	25.9%	25.3%	\$4,226	23.5%	23.1%
	Upper	46.6%	34	32.7%	37.4%	\$10,980	45.3%	46.2%	48.6%	33	38.8%	39.1%	\$7,784	43.4%	48.6%
	Unknown	0.0%	11	10.6%	13.9%	\$3,370	13.9%	14.5%	0.0%	14	16.5%	11.5%	\$3,672	20.5%	11.4%
	Total	100.0%	104	100.0%	100.0%	\$24,236	100.0%	100.0%	100.0%	85	100.0%	100.0%	\$17,945	100.0%	100.0%
REFINANCE	Low	17.6%	15	12.2%	9.2%	\$1,448	7.6%	5.8%	16.5%	8	7.5%	6.2%	\$611	3.2%	3.4%
	Moderate	15.3%	25	20.3%	20.7%	\$2,542	13.4%	17.0%	14.6%	21	19.8%	15.4%	\$2,689	14.1%	10.9%
	Middle	20.6%	28	22.8%	25.4%	\$2,711	14.3%	23.8%	20.2%	30	28.3%	24.6%	\$4,754	24.9%	22.0%
	Upper	46.6%	45	36.6%	36.9%	\$7,863	41.4%	43.8%	48.6%	40	37.7%	40.2%	\$7,526	39.4%	47.0%
	Unknown	0.0%	10	8.1%	7.8%	\$4,420	23.3%	9.6%	0.0%	7	6.6%	13.7%	\$3,507	18.4%	16.7%
	Total	100.0%	123	100.0%	100.0%	\$18,984	100.0%	100.0%	100.0%	106	100.0%	100.0%	\$19,087	100.0%	100.0%
HOME IMPROVEMENT	Low	17.6%	0	0.0%	6.7%	\$0	0.0%	5.5%	16.5%	1	5.6%	7.8%	\$74	9.9%	6.0%
	Moderate	15.3%	3	20.0%	15.5%	\$255	22.9%	12.8%	14.6%	0	0.0%	16.7%	\$0	0.0%	15.4%
	Middle	20.6%	7	46.7%	23.0%	\$538	48.3%	19.7%	20.2%	6	33.3%	25.5%	\$293	39.0%	20.7%
	Upper	46.6%	5	33.3%	51.3%	\$321	28.8%	56.6%	48.6%	11	61.1%	46.7%	\$384	51.1%	52.1%
	Unknown	0.0%	0	0.0%	3.5%	\$0	0.0%	5.3%	0.0%	0	0.0%	3.3%	\$0	0.0%	5.7%
	Total	100.0%	15	100.0%	100.0%	\$1,114	100.0%	100.0%	100.0%	18	100.0%	100.0%	\$751	100.0%	100.0%
MULTIFAMILY	Low	17.6%	0	0.0%	0.0%	\$0	0.0%	0.0%	16.5%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Moderate	15.3%	0	0.0%	0.0%	\$0	0.0%	0.0%	14.6%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Middle	20.6%	0	0.0%	0.0%	\$0	0.0%	0.0%	20.2%	0	0.0%	2.4%	\$0	0.0%	0.2%
	Upper	46.6%	0	0.0%	13.6%	\$0	0.0%	2.1%	48.6%	3	13.6%	14.6%	\$1,552	11.7%	1.4%
	Unknown	0.0%	6	100.0%	86.4%	\$3,316	100.0%	97.9%	0.0%	19	86.4%	82.9%	\$11,750	88.3%	98.4%
	Total	100.0%	6	100.0%	100.0%	\$3,316	100.0%	100.0%	100.0%	22	100.0%	100.0%	\$13,302	100.0%	100.0%
HMDA TOTALS	Low	17.6%	22	8.9%	6.4%	\$2,163	4.5%	3.4%	16.5%	15	6.5%	4.7%	\$1,404	2.7%	2.2%
	Moderate	15.3%	49	19.8%	19.4%	\$6,108	12.8%	14.7%	14.6%	31	13.4%	18.4%	\$4,233	8.3%	12.3%
	Middle	20.6%	66	26.6%	24.4%	\$9,109	19.1%	21.8%	20.2%	58	25.1%	23.0%	\$9,273	18.2%	20.5%
	Upper	46.6%	84	33.9%	38.3%	\$19,164	40.2%	44.3%	48.6%	87	37.7%	39.7%	\$17,246	33.8%	43.5%
	Unknown	0.0%	27	10.9%	11.5%	\$11,106	23.3%	15.9%	0.0%	40	17.3%	12.4%	\$18,929	37.1%	21.6%
	Total	100.0%	248	100.0%	100.0%	\$47,650	100.0%	100.0%	100.0%	231	100.0%	100.0%	\$51,085	100.0%	100.0%

2015 ACS & 2019 Aggregate HMDA Data, and 2018 & 2019 HMDA LARs.

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

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

In 2018, the bank's percentage of loans to low-income borrowers, at 8.9 percent, outperformed the aggregate's 6.4 percent. The bank and the aggregate lagged the percentage of low-income families, at 17.6 percent. However, it is not expected that the bank match the percentage of low-income families as some families with low incomes may not be able to afford a home mortgage loan. In

terms of lending to moderate-income borrowers, the bank slightly exceeded the aggregate, by originating 19.8 percent of loans to moderate-income borrowers, compared to the aggregate's 19.4 percent. The bank and the aggregate exceeded the percentage of moderate-income families in the assessment area, at 15.3 percent. The bank's originations to middle-income borrowers exceeded the aggregate and families. Lending to upper-income borrowers lagged the aggregate and families in that income level.

In 2019, the bank still exceeded the aggregate in lending to low-income borrowers, whereby the bank extended 6.5 percent of loans to low-income borrowers, compared to the aggregate's 4.7 percent. However, the bank and aggregate lagged the percentage of low-income families. The bank's lending to moderate-income borrowers fell below the aggregate and families while the aggregate exceeded moderate-income families. Similar to 2018, the bank's originations to middle-income borrowers exceeded the aggregate and families, and lending to upper-income borrowers lagged the aggregate and families in that income level.

Overall, while the bank's performance fell below the percentage of low- or moderate-income families, as stated not all low- or moderate-income individuals may be able to afford a home mortgage loan. In fact, as previously stated, the median home value in the assessment area was \$250,045, with a MFI of 38,858 for low-income families and \$62,173 for moderate-income families.

Given affordability and other considerations such as loan demand and competition, the aggregate's performance provides a better gauge of the bank's performance. As such, the bank's market share ranking highlights the bank's strong penetration among low- and moderate-income borrowers. In 2018, the bank ranked third of 142 lenders, and sixth of 138 lenders in 2019, originating mortgage loans to borrowers of those income levels in the assessment area.

The bank's home purchase lending to all levels of income borrowers only lagged the aggregate among upper-income borrowers in 2018. In 2019, the bank exceeded the aggregate in home purchases to low- and middle-income borrowers, but was below the aggregate when lending to moderate- and upper income borrowers. Refinance loans to low-income borrowers were above the aggregate, while the bank fell slightly below the aggregate in lending to moderate-, middle-, and upper-income borrowers in 2018. Conversely, in 2019, the bank exceeded the aggregate in lending to low-, moderate-, and middle-income borrowers, but fell below the aggregate in loans to upper-income borrowers. In 2018, the bank did not originate any home improvement loans to low-income borrowers, but exceeded the aggregate in loans to moderate- and middle-income borrowers. Loans to upper-income borrowers fell below the aggregate. In 2019, the bank lagged the aggregate among low-income borrowers, and did not originate any loans to moderate-income borrowers. The bank, however, exceeded the aggregate in loans to middle- and upper-income borrowers. Multi-family loans were mostly originated to borrowers with no income reported in both years therefore, they were not analyzed.

Also noted was the bank's programs to reach low- and moderate income individuals in its assessment area. The bank participated in the Federal Home Loan Bank of Boston's Equity Builder Program, which assists local homebuyers with down payment and closing costs as well as homebuyer counseling and rehabilitation assistance. GCB also participates in Federal Home Loan Bank of Boston's Housing Our Workforce (HOW) program. HOW provides assistance to Federal Home Loan Bank of Boston's financial institution members to help local homebuyers earning more than 80 percent and up to 120 percent of the area median income with down payments on owner-occupied primary residences. In addition, the bank offers the HomeReady product through Fannie Mae; the product offers a low down payment HomeReady mortgage designed to help lenders confidently serve today's credit-worthy low-income borrowers.

COVID-19 Response

The bank provided retail lending services that were responsive to the needs of individuals in their communities 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 2 to 6 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'. Between March and June 2020, 265 of the bank's customers took advantage of the program, and the bank had foregone \$224,095.50 in interest payments. Further, following the close of this program the bank made 10 additional loan modifications for customers who requested modifications or deferments due to loss of income because of the COVID-19 pandemic; no fees were assessed in association with these modifications. Activities that promote stability for low- or moderate-income homeowners who are experiencing financial hardship due to the COVID-19 pandemic are considered particularly responsive to the unique challenges presented. These activities include loan forbearance or loan modifications for low- or moderate-income homeowners.

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 8 details the bank's lending to small businesses according to revenue size. The bank's performance in lending to businesses with gross annual revenues (GARs) of \$1 million or less is excellent.

Table 8 - Small Business Loans by Business Revenue & Loan Size											
Business Revenue & Loan Size		Total Businesses	2018				Total Businesses	2019			
			Count		Dollar			Count		Dollar	
		%	#	%	\$ (000s)	\$ %	%	#	%	\$ (000s)	\$ %
BUSINESS REVENUE	\$1million or Less	91.9%	46	70.8%	\$4,693	53.2%	92.3%	29	65.9%	\$4,118	60.3%
	Over \$1 Million	6.7%	19	29.2%			6.8%	15	34.1%		
	Rev. Not Known	1.4%	0	0.0%			1.0%	0	0.0%		
	Total	100.0%	65	100.0%			100.0%	44	100.0%		
LOAN SIZE	\$100,000 or Less		41	63.1%	\$1,890	21.4%		21	47.7%	\$871	12.8%
	\$100,001 - \$250,000		14	21.5%	\$2,034	23.1%		18	40.9%	\$3,522	51.6%
	\$250,001 - \$1 Million		10	15.4%	\$4,899	55.5%		5	11.4%	\$2,435	35.7%
	Total		65	100.0%	\$8,823	100.0%		44	100.0%	\$6,828	100.0%

D&B 2018 & 2019. Small business data for 2018 and 2019 is bank provided.

Totals shown may vary due to automated rounding differences

GCB's small business loans originated both in 2018 and in 2019 indicate that a majority of small business loans, at 70.8 percent and 65.9 percent, respectively, were granted to businesses with revenues less than \$1 million, although performing below the percentage of small businesses operating in the assessment area at 91.9 percent and 92.3 percent, respectively. As noted previously, the bank is evaluated as an intermediate small bank. As such, the bank is not a small business reporter and is therefore not required to be compared to the aggregate in this criterion, although aggregate lending is a better indicator of loan demand than is the number of businesses in the assessment area. A review of aggregate data revealed that in 2018, the aggregate extended 43.6 percent of its loans to businesses with revenues of \$1 million or less and 41.5 percent in 2019. Therefore, the bank would have outperformed these larger lenders in extending loans to small businesses.

Table 8 also displays the bank's small business lending based on loan size. Of the loans originated to businesses, 63.1 percent and 47.7 percent, respectively, were made in 2018 and 2019 in amounts of \$100,000 or less. These are the types of loans that are most beneficial to small businesses, demonstrating the bank's willingness to meet the credit needs of small businesses in the assessment area. In addition, loans in amount below \$250,000 demonstrate the bank's responsiveness to providing lines of credit to small businesses, and support the opinion of community contacts that economic development is a need.

COVID -19 Response

As mentioned above, the Payment Holiday Program was also extended to small business customers who were affected by the crisis; 354 small business customers requested deferrals through the program which resulted in the bank forgoing \$684,625 in interest payments during the period. This activity supports the conclusion of excellent responsiveness to small business needs.

The distribution of loans to borrowers of different income levels and businesses of different sizes reflects an excellent responsiveness to assessment area credit needs.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The geographic distribution of loans reflects adequate dispersion throughout the assessment area.

Residential Mortgage Lending

Table 9 provides a comparison of the bank's residential mortgage lending by census tract income level to the aggregate lending data and demographics of the assessment area.

Table 9 Geographic Distribution of HMDA Loans															
PRODUCT TYPE	Tract Income Levels	Bank & Aggregate Lending Comparison													
		Owner Occupie d Units	2018						Owner Occupied Units	2019					
			Count			Dollar				Count			Dollar		
			Bank		Agg	Bank		Agg		Bank		Agg	Bank		Agg
			%	#	%	%	\$ (000s)	\$ %		\$ %	%	#	%	%	\$ (000s)
HOME PURCHASE	Low	0.6%	1	1.0%	0.9%	\$157	0.6%	0.6%	0.6%	0	0.0%	1.2%	\$0	0.0%	0.8%
	Moderate	6.3%	4	3.8%	7.4%	\$570	2.4%	4.9%	4.5%	6	7.1%	4.8%	\$1,014	5.7%	3.3%
	Middle	51.0%	69	66.3%	48.6%	\$14,093	58.1%	45.7%	48.7%	48	56.5%	48.7%	\$9,150	51.0%	45.0%
	Upper	42.1%	30	28.8%	43.1%	\$9,416	38.9%	48.6%	46.1%	30	35.3%	45.4%	\$7,565	42.2%	50.9%
	Unknown	0.0%	0	0.0%	0.0%	\$0	0.0%	0.1%	0.0%	1	1.2%	0.0%	\$216	1.2%	0.0%
	Total	100.0%	104	100.0%	100.0%	\$24,236	100.0%	100.0%	100.0%	85	100.0%	100.0%	\$17,945	100.0%	100.0%
REFINANCE	Low	0.6%	0	0.0%	0.6%	\$0	0.0%	0.5%	0.6%	1	0.9%	0.4%	\$90	0.5%	0.2%
	Moderate	6.3%	5	4.1%	6.3%	\$629	3.3%	4.1%	4.5%	7	6.6%	3.3%	\$792	4.1%	2.3%
	Middle	51.0%	86	69.9%	48.8%	\$10,388	54.7%	46.4%	48.7%	53	50.0%	45.5%	\$8,208	43.0%	40.9%
	Upper	42.1%	31	25.2%	44.3%	\$7,592	40.0%	49.0%	46.1%	45	42.5%	50.7%	\$9,997	52.4%	56.4%
	Unknown	0.0%	1	0.8%	0.0%	\$375	2.0%	0.0%	0.0%	0	0.0%	0.1%	\$0	0.0%	0.2%
	Total	100.0%	123	100.0%	100.0%	\$18,984	100.0%	100.0%	100.0%	106	100.0%	100.0%	\$19,087	100.0%	100.0%
HOME IMPROVEMENT	Low	0.6%	0	0.0%	0.5%	\$0	0.0%	0.3%	0.6%	1	5.6%	0.0%	\$25	3.3%	0.0%
	Moderate	6.3%	1	6.7%	6.1%	\$25	2.2%	5.7%	4.5%	0	0.0%	4.6%	\$0	0.0%	4.5%
	Middle	51.0%	7	46.7%	48.4%	\$636	57.1%	48.7%	48.7%	9	50.0%	51.3%	\$507	67.5%	45.3%
	Upper	42.1%	7	46.7%	44.9%	\$453	40.7%	45.4%	46.1%	8	44.4%	44.1%	\$219	29.2%	50.2%
	Unknown	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%	0	0.0%	0.0%	\$0	0.0%	0.0%
	Total	100.0%	15	100.0%	100.0%	\$1,114	100.0%	100.0%	100.0%	18	100.0%	100.0%	\$751	100.0%	100.0%
MULTIFAMILY*	Low	2.9%	1	16.7%	0.0%	\$39	1.2%	0.0%	2.9%	1	4.5%	4.9%	\$206	1.5%	16.0%
	Moderate	7.9%	1	16.7%	22.7%	\$258	7.8%	7.0%	5.4%	1	4.5%	7.3%	\$392	2.9%	18.6%
	Middle	54.1%	3	50.0%	50.0%	\$1,667	50.3%	53.5%	55.8%	16	72.7%	46.3%	\$10,440	78.5%	9.1%
	Upper	33.5%	1	16.7%	27.3%	\$1,352	40.8%	39.6%	34.3%	4	18.2%	39.0%	\$2,264	17.0%	55.2%
	Unknown	1.6%	0	0.0%	0.0%	\$0	0.0%	0.0%	1.6%	0	0.0%	2.4%	\$0	0.0%	1.1%
	Total	100.0%	6	100.0%	100.0%	\$3,316	100.0%	100.0%	100.0%	22	100.0%	100.0%	\$13,302	100.0%	100.0%
HMDA TOTALS	Low	0.6%	2	0.8%	0.8%	\$196	0.4%	0.5%	0.6%	3	1.3%	0.9%	\$321	0.6%	2.1%
	Moderate	6.3%	11	4.4%	7.0%	\$1,482	3.1%	4.8%	4.5%	14	6.1%	4.2%	\$2,198	4.3%	4.6%
	Middle	51.0%	165	66.5%	48.6%	\$26,784	56.2%	46.3%	48.7%	126	54.5%	47.7%	\$28,305	55.4%	40.2%
	Upper	42.1%	69	27.8%	43.5%	\$18,813	39.5%	48.3%	46.1%	87	37.7%	47.1%	\$20,045	39.2%	53.0%
	Unknown	0.0%	1	0.4%	0.0%	\$375	0.8%	0.0%	0.0%	1	0.4%	0.1%	\$216	0.4%	0.2%
	Total	100.0%	248	100.0%	100.0%	\$47,650	100.0%	100.0%	99.9%	231	100.0%	100.0%	\$51,085	100.0%	100.0%

*Distribution of multifamily units by census tract income

2015 ACS; 2018 & 2019 Aggregate HMDA Data, and 2018 & 2019 HMDA LARs.

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

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

Approximately 0.6 percent of owner occupied units are located in low-income census tracts. Between 2018 and 2019 the demographics in the assessment area shifted slightly; as a result owner-occupied units decreased from 6.3 percent in moderate-income tracts to 4.5 percent in 2019, within middle-income tracts, they decreased from 51.0 percent in 2018 to 48.7 percent in 2019, and

increased from 42.1 percent in upper-income tracts in 2018 to 46.1 percent in 2019. In 2018, the bank and the aggregate originated 0.8 percent of loans in low-income tracts, slightly above the demographic indicator. The bank made 11 loans or 4.4 percent of home mortgage loans extended in the assessment area in that year within moderate-income census tracts, falling below the aggregate's percentage, at 7.0 percent. The bank exceeded the aggregate in middle-income tracts but lagged the aggregate in upper-income tracts.

In 2019, the bank originated 1.3 percent of its loans in low-income tracts, exceeding the aggregate, at 0.9 percent. The bank also exceeded the aggregate in lending within moderate-income geographies, with 6.1 percent of loans compared to 4.2 percent. The bank's percentage was also above the percentage of owner-occupied units. The bank further exceeded the aggregate in middle-income tracts and lagged the aggregate in upper-income tracts. The bank exceeded the owner-occupied demographics in low-, moderate- and middle-income tracts, while the aggregate only exceeded the demographics in low- and upper-income tracts.

GCB's home purchase loans in low-income tracts slightly exceeded the aggregate and demographics in 2018, but none were made within the low-income census tracts in 2019. The bank's home purchase lending within each census tract income category generally fell in line with the bank's overall performance. Refinance loans also mirrored the bank's overall performance in 2018; however, there was an increase in refinance loans within upper-income geographies in 2019. The bank's home improvement loans were mainly concentrated in middle- and upper-income census tracts; however, the overall volume was not significant. The bank's multi-family lending increased from 2018 to 2019 which is attributable to an increase in commercial lending.

The one low-income tract and three of the four tracts that were designated as moderate-income in 2018 are located in Franklin County. In 2019, one of three moderate-income census tracts in that county was re-designated to middle-income. As previously mentioned that county has a higher population of individuals 65 and over, which may impact demand for home mortgage loans.

Although not significant in number, home improvement and multi-family loans exhibit a pattern of exceeding demographics and lagging the aggregate, similar to home purchase and refinance loans.

Small Business Lending

Table 10 represents the distribution of small business loans by census tract income level. The bank's geographic distribution of small business loans is reasonable.

Table 10 - Geographic Distribution of Small Business Loans										
Tract Income Level	Total Businesses	2018				Total Businesses	2019			
		Count		Dollar			Count		Dollar	
	%	#	%	\$ 000s	\$ %	%	#	%	\$ 000s	\$ %
Low	0.8%	1	1.5%	\$300	3.4%	0.8%	0	0.0%	\$0	0.0%
Moderate	5.1%	1	1.5%	\$15	0.2%	3.8%	0	0.0%	\$0	0.0%
Middle	51.8%	50	76.9%	\$6,185	70.1%	48.8%	28	63.6%	\$5,067	74.2%
Upper	41.0%	13	20.0%	\$2,323	26.3%	45.4%	16	36.4%	\$1,761	25.8%
Unknown	1.2%	0	0.0%	\$0	0.0%	1.2%	0	0.0%	\$0	0.0%
Total	100.0%	65	100.0%	\$8,823	100.0%	100.0%	44	100.0%	\$6,828	100.0%

D&B 2018 2019 data and CRA 2018 and 2019 Bank Data

Totals shown may vary due to automated rounding differences

In 2018, the bank originated one loan representing 1.5 percent of its loans to businesses in low-income census tracts, and one loan at 1.5 percent in moderate-income tracts. The performance in the one low-income tract exceeded the percentage of small businesses, at 0.8 percent, while the performance in moderate-income tracts lagged the percentage of small businesses, at 5.1 percent. In 2019, the bank did not originate any small business loans in low- and moderate-income tracts. Lending in middle-income tracts exceeded the percentage of small businesses in 2018 and 2019. In both years, the bank's lending lagged the small businesses in upper-income tracts. Nonetheless, the bank's small business lending activity is considered reasonable.

Gap Analysis

The assessment area included one low-income tract and four moderate-income census tracts in 2018, and one low-income tract and three moderate-income tracts in 2019. The bank originated loans within the one low-income census tract in each year. In addition, the bank originated loans in one of the moderate-income tracts in each year. The bank's branch locations are generally concentrated in population centers along the Connecticut River/Interstate I-91 corridor that bisects the assessment area from north to south. Areas beyond this corridor are more rural, with the Quabbin Reservoir to the east and the Berkshire Mountains to the west. In general, the bank's lending patterns follow a north to south pattern through the center of the assessment area. The bank was able to penetrate the low- and moderate-income tracts within its lending footprint; however, there were no loans in one tract in Orange in each year and no loans within one moderate-income tract in Ware which are both located in the North and South East edges of the bank's assessment area.

Response to Complaints

Neither the bank nor this Reserve Bank has not received any CRA-related complaints since the previous examination.

CONCLUSIONS: LENDING TEST

The bank's lending performance is rated satisfactory based on a reasonable loan-to-deposit ratio, a majority of its loans and, as appropriate, other lending-related activities in its assessment area; an excellent distribution of loans and other lending-related activities for individuals of different income levels (including low- and moderate-income individuals) and of different sizes given the demographics of the bank's assessment area and a reasonable geographic distribution of loans given the bank's assessment. The bank has not received any written complaints.

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.

The bank 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.

The bank increased the dollar volume of community development loans since the previous examination when the bank extended 9 community development loans, totaling \$1.7 million. During the period under review, the bank originated 12 community development loans, totaling \$2.8 million. The bank's loans were considered responsive to the needs of the assessment area.

- The bank extended 5 loans, totaling \$1.1 million, which were considered to promote economic development by financing small farms and supporting job retention in the assessment area.
- The bank extended 5 loans, totaling \$999,500, which were considered to promote economic development by financing small businesses including a loan to the Franklin County Community Development Corporation (CDC) and SBA 504 loans.
- The bank made a \$500,000 short term construction loan for affordable housing in Millers Falls. Financing for the project includes an agreement with a CDC and an additional organization funding by HUD, with the purpose of providing low-income housing. This

loan was considered responsive and reflects the complexity of creating affordable housing in the bank's assessment area, as identified by the community contacts.

- The bank extended a final loan for \$300,000 to an organization that provides needed services for low- and moderate-income individuals.

In addition, in response to the COVID-19 pandemic in 2020, GSB originated 252 Paycheck Protection Program (PPP) loans, totaling \$19.3 million. These loans were administered by the SBA as part of the Coronavirus Aid, Relief, and Economic Security Act. PPP loans are designed to help businesses retain workers and staff during the economic crisis due to the pandemic. The SBA will forgive loans if the borrower meets the employee retention and eligible expenses criteria. PPP loans in amounts greater than \$1 million may be considered as community development loans if they also have a primary purpose of community development as defined under the CRA. Generally, loans to small businesses with gross annual revenues \$1 million or less that create or retain jobs for low- or moderate-income individuals or in low- or moderate-income geographies, or that otherwise meet the economic development "size" and "purpose" tests, qualify as community development loans. Such loans also qualify if they help to revitalize or stabilize low- or moderate-income geographies or distressed or underserved nonmetropolitan middle-income geographies. As an intermediate small bank, the bank is not required to report its small business lending; therefore, loans in amounts under \$1 million may also be considered community development.

The bank originated a vast majority of its PPP loans, 222 of the 252 loans, within its assessment area. Within the assessment area, 9 loans totaling \$1.7 million, were originated to businesses in low- or moderate-income census tracts. PPP loans within low- and moderate-income geographies can be considered particularly responsive as they provide funding to businesses in order to retain jobs in low- and moderate-income areas during the pandemic. However, as previously mentioned, the assessment area contains just one low- and three moderate-income census tracts. Of note, of the 30 PPP loans made outside the assessment area, 22 were made in Hampden County within the Springfield, MA MSA; of those, 11 loans, totaling \$829,208, were made within low- and moderate-income geographies.

In addition, for 86 of the PPP loans where the bank collected revenue information, the businesses had GARs under \$1 million. All of the loans met the size requirements set out by the SBA, and the vast majority were also to businesses where the jobs retained would benefit low- and moderate-income individuals. These loans were considered highly responsive to the needs of small businesses during the COVID-19 pandemic. The bank's response in providing PPP loans was highlighted during a community contact interview. The contact had conducted an analysis of PPP lending within Franklin County during the COVID-19 pandemic and commented positively on the amount of loans GCB was able to extend in support of job retention in the area.

In addition to originating loans, the bank has provided community development donations to support local organizations. The bank exhibits good responsiveness to the credit and community needs of the assessment area through charitable contributions to organizations, which has supported community development missions such as affordable housing, community services for low-and-

moderate-income individuals, economic development, and revitalization efforts. Qualified donations for the current period total \$272,625, which is an increase from \$167,784 at the prior examination. The following is a sample of the organizations that benefited from the bank's contributions:

- *Just Roots/Greenfield Community Farm* - Just Roots is a nonprofit community organization located in Greenfield, MA. Just Roots started the Supported Farm Share program in 2013, with the belief that everyone deserves access to farm fresh food; the program makes Farm Shares available to low-income households. Further, the organization donates fresh produce to a local food pantry, as well as a housing property which distributes the food to low-and moderate-income residents.
- *Friends of Hampshire County Homeless Individuals, Inc (The Friends)* - The mission of The Friends is to provide financial and volunteer support for the Interfaith Emergency Shelter for homeless individuals and its associated programs.
- *Valley Community Development* - Valley Community Development, located in Northampton, MA, 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 the development of affordable housing, providing economic opportunities, and encouraging community leadership.
- *Common Capital* – Common Capital is a nonprofit, community development financial institution (CDFI) working to strengthen communities by creating economic opportunities for low- and moderate-income individuals, women, people of color, and immigrants in western Massachusetts.

In addition to the contributions highlighted above, the bank made several donations between March and August 2020, totaling \$45,000, 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.

Further, the Federal Emergency Management Agency (FEMA) has issued major disaster declarations that include assistance for emergency protective measures (Public Assistance Category B) for all 50 states in connection with COVID-19. Areas identified for Category B assistance are not normally considered designated disaster areas under CRA; however, the agencies believe that it is appropriate to recognize such COVID-19 designated disaster areas due to the circumstances of this national pandemic; therefore, the agencies will grant consideration for activities that revitalize or stabilize these areas by protecting public health and safety. The following outline the bank's donations which supported health care and economic development in the assessment area.

- In March of 2020, the bank made a \$10,000 donation to the Cooley Dickinson Hospital. This was in addition to a \$5,000 donation made a month later as part of a 5 year \$25,000 commitment, bringing total donations to the hospital to \$15,000.
- In March of 2020, the bank made a \$10,000 donation to the Baystate Franklin Medical Center. The Baystate Franklin Medical Center is a not-for-profit 89-bed hospital in Greenfield, MA.
- In May of 2020, the bank made a \$5,000 donation to the Downtown Amherst Foundation (DAF). With the onset of the COVID-19 pandemic, the DAF shifted its mission from a “Downtown-focused Arts and Culture creator” to an Amherst-wide recovery and resilience grant-making foundation for small businesses and the working community.
- The bank also extended a \$5,000 donation to the Community Foundation of Western Massachusetts (CFWM) in May of 2020. The mission of the organization is to give back to the communities in Franklin, Hampden, and Hampshire counties. As of October 2020, the CFWM announced it has awarded \$2.05 million in stabilization grants to 70 nonprofit organizations, targeting nonprofits that have been negatively impacted financially by the COVID-19 pandemic.
- In July of 2020, the bank made a \$5,000 donation to the Northampton Chamber of Commerce. The funds were to support the Community Revitalization Fund. The fund provided micro loans to small businesses in the Northampton area as they recover from the COVID-19 pandemic.
- In August of 2020, the bank made a \$5000 donation to the Franklin County Chamber of Commerce. The Chamber has been distributing COVID-19 relief funds among various businesses throughout the county.

Table 10 provides a summary of the banks contributions during the review period.

Table 10- Greenfield co-operative Bank Qualified Donations by Purpose										
Community Development Category	2017 (as of 1/18/17)		2018		2019		2020 (through 5/31/2020)		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing	4	6,000	1	250	0	----	0	---	5	6,250
Community Services	19	48,500	36	76,125	6	7,250	5	40,000	66	171,875
Economic Development	5	43,500	4	36,000	2	5,000	1	5,000	12	89,500
Revitalization/ Stabilization	0	-----	0	-----	1	5,000	0	---	1	5,000
Total	28	98,000	41	112,375	9	17,250	6	45,000	84	272,625

Source: Internal Bank Documents

While the bank's donations were concentrated in community services, community development categories can often overlap. Many organizations that provide community services to low- and moderate-income individuals also promote affordable housing, economic development, and local revitalization efforts. As previously noted, the bank's donations primarily provided support services to low- and moderate-income individuals; these contributions are particularly impactful in the market in which the bank is operating.

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 several organizations that foster economic development, affordable housing, or social services to low- or moderate-income individuals. GCB was mentioned during a community contact as a partner in the community.

Bank employees engaged in community development services through participation on boards and committees of community organizations and by providing other community development services. The following lists a sample of the bank's involvement during the evaluation period:

- Big Brothers Big Sisters of Franklin County (Big Brothers Big Sisters) – The mission of Big Brothers Big Sisters 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 during the review period.
- Amherst Survival Center – The mission of the Amherst Survival Center is to connect residents of Hampshire and Franklin Counties to food, clothing, healthcare, wellness, and community, primarily through volunteer efforts. It serves many low- or moderate-income individuals and families. A bank employee served as a co-chair of the finance committee during the review period.
- United Way of Franklin County – This 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:

- Money Management International of Massachusetts – This non-profit organization 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 serves on the Money Management Advisory Board.
- Greenfield Community College Reality Fair – The Reality Fair is a program that teaches school age children at local schools that provide free or reduced lunch programs about the value of savings. A bank employee serves on the advisory committee, and several bank employees volunteered on multiple occasions within the review period to help students practice making adult decisions about money.
- Volunteer Income Tax Assistance (VITA) – This is an organization that provides assistance to individuals and families in preparing and filing 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.

- Franklin County CDC – This is an economic development non-profit organization providing comprehensive business development education and access to capital for small businesses located in the Franklin County. One bank employee is a board member, and another was a loan committee member during the review period.
- Franklin County Regional Housing Authority (FCRHA) – This 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 home buyer seminars through the FCRHA on multiple occasions within the review period.
- Valley Community Development– This is a non-profit corporation that focuses on the development of affordable housing, providing economic opportunities, and encouraging community leadership to empower low- and moderate-income individuals. Bank employees provided first time home buyer seminars on multiple occasions within the review period.
- Pioneer Valley 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, the bank provided financing for two homes that are located in the assessment area.

The bank also 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.

CONCLUSION: COMMUNITY DEVELOPMENT TEST

The community development performance is rated Outstanding, based on the bank demonstrating an excellent responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

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.