PUBLIC DISCLOSURE

May 11, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Northern Bank & Trust Company
Certificate Number: 18266

275 Mishawum Road
Woburn, Massachusetts 01801

Division of Banks	Federal Deposit Insurance Corporation
One Federal Street, Suite 710	350 Fifth Avenue, Suite 1200
Boston, Massachusetts 02110	New York, New York 10118

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 Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	**PERFORMANCE TESTS**		
	Lending Test*	**Investment Test**	**Service Test**
Outstanding			
High Satisfactory		X	
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.*
***FDIC rules and regulations stipulate use of a "high satisfactory" and "low satisfactory" rating for the three tests. This jointly issued public evaluation uses the term "satisfactory" in lieu of "low satisfactory" for the Lending, Investment, and Service Test ratings, as the Division does not have a "low satisfactory" rating.*

The Lending Test is rated Satisfactory.

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- An adequate percentage of loans are made in the bank's assessment area.
- The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the bank, poor penetration among retail customers of different income levels and business customers of different size.
- The bank has made a relatively high level of community development loans.
- The bank makes limited use of innovative and/or flexible lending practices in order to serve the assessment area credit needs.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits good responsiveness to credit and community economic development needs .
  The bank occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Northern Bank & Trust Company (NBTC) is wholly owned by Northern Bancorp, Inc., a one-bank holding company. NBTC has 14 subsidiaries. N.B.&T. Securities Corp V, NB Portfolio Investments LLC, and Northern Digital Solutions Inc. are new since the prior evaluation. N.B.&T. Securities Corp V is a Massachusetts Securities Corporation, NB Portfolio Investments is a bank holding company subsidiary for portfolio investments, and Northern Digital Solutions Inc. is a bank operating subsidiary used to market technology. The remaining subsidiaries include five that hold bank premises; two that are Massachusetts securities corporations; two that hold other real estate owned; one for 1031 exchanges; and one for charitable purposes (Northern Bank & Trust Charitable Foundation, Inc.). For a portion of this evaluation period, the bank also maintained a mortgage subsidiary, Northern Home Loans LLC (NHL). NHL offered residential mortgages and home equity lines of credit. In 2024, the bank dissolved NHL. Residential lending is now localized.

The bank received a Satisfactory CRA rating at its prior evaluation dated July 31, 2023. The Division of Banks (DOB) and Federal Deposit Insurance Corporation (FDIC) conducted a joint evaluation using the Federal Financial Institutions Examination Council's (FFIEC) Interagency Large Institution Examination Procedures.

Operations

NBTC is headquartered in Woburn, Massachusetts (MA) and operates 12 full-service branches throughout Middlesex County, MA.

NBTC focuses on commercial real estate and commercial and industrial lending and offers residential lending. As of March 31, 2026, commercial loans represented 70.0 percent of the loan portfolio, and residential loans represented 13.14 percent. NBTC also offers a variety of deposit products, including business-purpose checking, money market, and savings accounts, as well as consumer-purpose checking, money market, savings, and health savings accounts. Other banking services include internet, mobile, and telephone banking; electronic bill pay; and automatic teller machines (ATMs).

The bank maintains two websites. One website houses the bank's online banking platform and the other houses Northern Bank Direct (NBD), which is the bank's nationwide online deposit gathering platform. NBD account offerings include certificates of deposit and money market and health savings accounts.

Ability and Capacity

Assets totaled $3.2 billion as of March 31, 2026, which included total loans of $2.9 billion and total securities of $163.6 million. Deposits totaled $2.7 billion. The following table illustrates the loan portfolio:

Loan Portfolio Distribution as of 3/31/2026		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	401,721	13.7
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	381,755	13.1
Secured by Multifamily (5 or more) Residential Properties	82,575	2.8
Secured by Nonfarm Nonresidential Properties	745,611	25.7
Total Real Estate Loans	**1,611,662**	**55.2**
Commercial and Industrial Loans	1,276,917	43.7
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	427	0.0
Obligations of State and Political Subdivisions in the U.S.	16,260	0.5
Other Loans	17,305	0.6
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**2,922,571**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. NBTC designates Middlesex County as its assessment area. Middlesex County is part of the Cambridge-Newton-Framingham, MA Metropolitan Division (MD), which is part of the Massachusetts-New Hampshire Metropolitan Statistical Area (MSA). The assessment area has not changed since the prior evaluation.

Economic and Demographic Data

The assessment area consists of 357 census tracts. These tracts reflect the following income designations according to the 2020 United States (U.S.) Census data:

- 20 low-income census tracts,
- 56 moderate-income census tracts,
- 122 middle-income census tracts,
- 151 upper-income census tracts, and
- 8 census tracts without an income designation.

The low-income census tracts are in Cambridge (2), Everett, Framingham (3), Lowell (10), Malden (2), and Somerville (2). The moderate-income census tracts are in Arlington, Cambridge (4), Dracut, Everett (9), Framingham (3), Lowell (13), Malden (4), Marlborough (2), Medford (4), Melrose, Somerville (4), Waltham (5), Watertown (2), and Woburn (3).

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	357	5.6	15.7	34.2	42.3	2.2
Population by Geography	1,632,002	4.6	15.8	36.2	42.6	0.8
Housing Units by Geography	641,278	4.4	15.7	37.4	41.7	0.7
Owner-Occupied Units by Geography	380,079	1.7	11.1	37.4	49.4	0.4
Occupied Rental Units by Geography	231,771	8.9	22.9	37.4	29.6	1.2
Vacant Units by Geography	29,428	5.3	18.3	36.4	39.2	0.9
Businesses by Geography	205,863	3.4	14.1	36.5	45.5	0.5
Farms by Geography	3,638	2.4	12.0	38.1	47.1	0.4
Family Distribution by Income Level	392,836	19.5	15.6	20.1	44.8	0.0
Household Distribution by Income Level	611,850	23.5	13.9	17.0	45.6	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		$121,481	Median Housing Value			$586,934
			Median Gross Rent			$1,737
			Families Below Poverty Level			4.5%
Source: 2020 U.S. Census, 2025 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

Low- and moderate-income census tracts, by number, represent 21.3 percent of the total number of census tracts within the assessment area. Low- and moderate-income families make up 35.1 percent of the population, with 4.5 percent of families below the poverty level.

Examiners used the 2023, 2024, and 2025 Federal Financial Institutions Examination Council (FFIEC)-updated median family income (MFI) data to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories relevant to the assessment area.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Cambridge-Newton-Framingham, MA Median Family Income				
2023 ($146,200)	<$73,100	$73,100 to <$116,960	$116,960 to <$175,440	≥$175,440
2024 ($146,600)	<$73,300	$73,300 to <$117,280	$117,280 to <$175,920	≥$175,920
2025 ($155,300)	<$77,650	$77,650 to <$124,240	$124,240 to <$186,360	≥$186,360
Source: FFIEC				

The assessment area's median housing value is $586,934. Given the high housing costs and the MFI for low-income individuals, these factors suggest limited opportunity for home mortgage lending to low-income individuals.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of the bank's small business loans to the distribution of businesses by gross annual revenue (GAR) level. According to 2025 D&B data, there were 205,863 non-farm businesses operating in the assessment area. The GARs for these businesses are:

- 89.2 percent have $1 million or less,
- 3.8 percent have more than $1 million, and
- 7.0 percent have unknown revenues.

Service industries represent the largest portion of businesses in the assessment area at 38.1 percent; non-classified businesses at 23.5 percent; finance, insurance, and real estate at 11.2 percent; retail trade at 8.2 percent; and construction at 8.1 percent. In 2025, 61.5 percent of businesses had four or fewer employees, and 92.0 percent of businesses operated from a single location.

According to the U.S. Bureau of Labor and Statistics, the average unemployment rate in Middlesex County was 3.0 percent in 2023, 3.5 percent in 2024, and 4.1 percent in 2025. All three years were below statewide unemployment rates of 3.5 percent in 2023, 4.0 percent in 2024, and 4.5 percent in 2025.

Competition

Middlesex County is a highly competitive market for financial services. As of June 30, 2025, FDIC Deposit Market Share data reflected 47 financial institutions operated 446 full-service branches within the assessment area. Of these, NBTC ranked 10th with a 3.2 percent deposit market share. The top three financial institutions were national banks that made up 37.1 percent of the deposit market share.

There is a high level of competition for home mortgage loans in the assessment area. According to 2023 aggregate home mortgage lending data, 464 lenders originated or purchased 29,232 home mortgage loans, by number for $16.3 billion in the assessment area. Of these, NBTC ranked 101st with a 0.2 percent market share. According to 2024 aggregate home mortgage lending data, 478 lenders originated or purchased 29,257 home mortgage loans, by number, for $16.1 billion in the assessment area. Of these, NBTC ranked 50th with a 0.4 percent market share. Institutions ranking above NBTC in both years were mostly larger financial institutions, credit unions, and mortgage companies.

The assessment area is also competitive for small business lending. According to 2023 aggregate small business lending data, 150 lenders originated or purchased 46,001 small business loans, by number, for $1.2 billion in the assessment area. Of these, NBTC ranked 26th with 0.3 percent market share. According to 2024 aggregate small business lending data, 157 lenders originated or purchased 51,136 small business loans, by number, for $1.3 billion in the assessment area. Of these, NBTC ranked 38th with a 0.2 percent market share. Institutions ranked above NBTC were mostly large national banks and credit card companies. The top three small business lenders in the assessment area included American Express National Bank (30.2 percent), JP Morgan Chase Bank (20.4 percent), and Bank of America (11.3 percent).

Community Contact

As part of the evaluation process, examiners contacted third-parties active in the assessment area to assist in identifying the credit and community development needs. This information helps examiners determine whether local financial institutions are responsive to those needs and ascertain available credit and community development opportunities.

Examiners contacted a representative of an organization that works with businesses in Burlington. The contact stated that downsizing and the resulting decrease in office footprints has contributed to a decline in the number of the area's small businesses. The contact explained that the trend stems from more employees working remotely. The contact elaborated that the local economy centers around the area's numerous office and lab buildings and the small businesses (particularly those in the hospitality industry) that provide for these office workers. As a result, commercial landlords have struggled to fill office space, and the hospitality industry have experienced a decline in foot traffic.

The contact also noted that the area lacks "accessibility" to workers, both in terms of housing and transportation. More specifically, high housing prices and low housing stock have forced many local workers to leave the area. Additionally, public transportation is difficult for commuting to work and roadways suffer from congestion and insufficient maintenance.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing and economic development are the primary community development needs in the assessment area. The area's high housing costs (26.0 percent above the state average) contribute to affordability challenges, while the concentration of small businesses with GARs of $1 million or less (greater than 89.0 percent) reflects a need for continued access to capital and business support.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 31, 2023, to the current evaluation dated May 11, 2026. Examiners used the FFIEC Interagency Large Institution Examination Procedures to evaluate NBTC's CRA performance. These procedures include three tests: Lending Test, Investment Test, and Service Test (see Appendices for complete descriptions of each test).

This evaluation includes the home mortgage lending activity of NHL during 2023 and 2024. Unless otherwise specified, references to home mortgage lending activity in this evaluation will include that of NBTC and NHL.

Examiners used full-scope procedures to evaluate the bank's CRA performance in its assessment area.

Activities Reviewed

Examiners determined that the bank's two major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of originations during the evaluation period . The evaluation did not consider small farm loans because the bank did not originate any small farm loans during the evaluation period.

Based on the bank's business focus, origination activity, and the loan portfolio distribution, examiners assigned equal weight to the bank's home mortgage and small business lending performance when arriving at overall conclusions and ratings.

Examiners considered NBTC's and NHL's 2023, 2024, and 2025 home mortgage originations. Examiners obtained home mortgage loan information from each entity's Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR). Examiners considered home mortgage loans reported by NHL under the Geographic Distribution and Borrower Profile criteria, but did not consider loans reported by NHL under the Assessment Area Concentration criteria. NBTC reported 30 home mortgage loans totaling $50.4 million in 2023, 191 loans totaling approximately $150.8 million in 2024, and 216 loans totaling approximately $172.0 million in 2025. In 2023 and 2024, NHL originated 43 loans for $21.7 million and 17 loans for $5.7 million, respectively. Examiners compared the 2023 and 2024 home mortgage performance under the Geographic Distribution and Borrower Profile criteria to aggregate data. Aggregate data is not yet available for 2025. Examiners also compared 2023, 2024, and 2025 home mortgage performance to the 2020 U.S. Census demographic data. Examiners focused on the comparisons to aggregate lending data as this provides a better representation of assessment area lending demand and opportunities.

Examiners also considered all small business loans reported on the bank's 2023, 2024, and 2025 CRA Loan Registers. The bank reported 132 small business loans totaling $21.8 million in 2023, 109 loans totaling $23.4 million in 2024, and 99 loans totaling $25.2 million in 2025. Examiners compared the bank's 2023 and 2024 small business performance under the Geographic Distribution and Borrower Profile criteria to aggregate data. Aggregate data is not yet available for 2025. Examiners also compared 2023, 2024, and 2025 small business performance to annual D&B business demographic data. Examiners focused on the comparisons to aggregate lending data as this provides a better representation of assessment area lending demand and opportunities.

Examiners analyzed the number and dollar volume of home mortgage and small business loans. Although examiners presented the number and dollar volume, examiners emphasized performance by number of loans, as it is a better indicator of the number of businesses and individuals served.

Examiners also reviewed the bank's retail banking products and services targeted toward low- and moderate-income individuals and small businesses, delivery systems for providing retail-banking services, including branches and alternative delivery systems, and the impact of any branch openings and closings during the evaluation period. The evaluation also considered community development loans, qualified investments, and community development services, as well as innovative and/or flexible lending practices since the prior evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated Satisfactory. The following sections discuss the bank's performance under each criterion.

Lending Activity

NBTC's lending activity reflects adequate responsiveness to the assessment area's credit needs considering performance context and competition for loans.

The bank originated 17 home mortgage loans totaling $14.7 million in the assessment area in 2023, 117 home mortgage loans totaling $40.5 million in 2024, and 140 home mortgage loans totaling $84.6 million in 2025.

During the evaluation period, small business lending in the assessment area declined. NBTC originated 113 small business loans totaling $15.1 million in the assessment area in 2023, 90 small business loans totaling $16.2 million in 2024, and 72 small business loans totaling $15.8 million in 2025.

Assessment Area Concentration

As shown in the following table, the bank made an adequate percentage of loans in the assessment area. As previously stated, the analysis excludes home mortgages originated by NHL.

During the evaluation period, the bank originated a majority of its home mortgage and small business loans within the assessment area, by number. For home mortgage loans, the bank originated 62.7 percent inside the assessment area by number and 37.5 percent by dollar amount. The bank originated 80.9 percent of its small business loans inside the assessment area by number and 67.0 percent by dollar amount.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	
Home Mortgage										
2023	17	56.7	13	43.3	30	14,665	29.1	35,703	70.9	50,369
2024	117	61.3	74	38.7	191	40,541	26.9	110,216	73.1	150,758
2025	140	64.8	76	35.2	216	84,552	49.3	87,112	50.7	171,664
Subtotal	**274**	**62.7**	**163**	**37.3**	**437**	**139,759**	**37.5**	**233,032**	**62.5**	**372,791**
Small Business										
2023	113	85.6	19	14.4	132	15,118	69.5	6,640	30.5	21,758
2024	90	82.6	19	17.4	109	16,195	69.2	7,198	30.8	23,393
2025	72	72.7	27	27.3	99	15,845	62.8	9,402	37.2	25,247
Subtotal	**275**	**80.9**	**65**	**19.1**	**340**	**47,158**	**67.0**	**23,240**	**33.0**	**70,398**
Total	**549**	**70.7**	**228**	**29.3**	**777**	**186,917**	**42.2**	**256,272**	**57.8**	**443,189**
Source: Bank Data										

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects adequate penetration throughout the assessment area. Examiners focused on the percentage of loans in low- and moderate-income census tracts.

Small Business

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. During 2023, 2024, and 2025 the bank originated one loan in a low-income census tract.

Conversely, the bank's lending performance in moderate-income census tracts increased throughout the evaluation period, from 8.9 percent in 2023 to 11.1 percent in 2024 and 22.2 percent in 2025. The upward trend demonstrates an increased focus on serving businesses located in moderate-income geographics, particularly in 2025 when performance nearly doubled from the prior year. Despite this improvement, performance remained below both the aggregate lending performance and demographics in 2023 and 2024. In 2025, lending increased and was greater than demographics.

Geographic Distribution of Small Business Loans						
Tract Income Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	3.4	3.2	0	0.0	0	0.0
2024	3.4	3.1	0	0.0	0	0.0
2025	3.4	--	1	1.4	42	0.3
Moderate						
2023	14.0	14.4	10	8.9	1,612	10.7
2024	13.9	14.8	10	11.1	2,547	15.7
2025	14.1	--	16	22.2	4,190	26.4
Middle						
2023	36.3	37.6	87	77.0	9,243	61.1
2024	36.5	36.5	58	64.4	5,134	31.7
2025	36.5	--	41	56.9	7,763	49.0
Upper						
2023	45.8	44.3	15	13.3	4,208	27.8
2024	45.7	45.0	22	24.4	8,514	52.6
2025	45.5	--	14	19.4	3,850	24.3
Not Available						
2023	0.5	0.5	1	0.9	55	0.4
2024	0.5	0.6	0	0.0	0	0.0
2025	0.5	--	0	0.0	0	0.0
Total						
2023	**100.0**	**100.0**	**113**	**100.0**	**15,118**	**100.0**
2024	**100.0**	**100.0**	**90**	**100.0**	**16,195**	**100.0**
2025	**100.0**	**--**	**72**	**100.0**	**15,845**	**100.0**
Source: 2023, 2024 & 2025 D&B Data; Bank Data, 2023 & 2024 CRA Aggregate Data, "--" data not available.						

Home Mortgage

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Although the bank did not originate any home mortgage loans in low-income census tracts in 2023, lending activity increased in 2024 and remained at a similar level in 2025. Although performance exceeded both the aggregate lending performance and the demographic benchmark in 2024 and demographics in 2025, the overall level of lending in low-income geographies remained limited, supporting an adequate level of penetration within low-income census tracts.

In the moderate-income census tracts, the bank exceeded both the aggregate lending performance and demographics in 2023 and in 2024. In 2025, lending activity increased and was greater than demographics.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	1.7	2.2	0	0.0	0	0.0
2024	1.7	2.5	4	3.1	810	1.8
2025	1.7	--	4	2.9	7,403	8.8
Moderate						
2023	11.1	11.3	7	11.7	4,172	11.4
2024	11.1	11.9	17	13.0	5,464	11.8
2025	11.1	--	23	16.4	10,473	12.4
Middle						
2023	37.4	34.9	33	55.0	17,850	49.0
2024	37.4	38.3	63	48.1	21,534	46.6
2025	37.4	--	69	49.3	23,552	27.9
Upper						
2023	49.4	51.0	20	33.3	14,442	39.6
2024	49.4	46.9	46	35.1	18,223	39.4
2025	49.4	--	44	31.4	43,124	51.0
Not Available						
2023	0.4	0.6	0	0.0	0	0.0
2024	0.4	0.4	1	0.8	221	0.5
2025	0.4	--	0	0.0	0	0.0
Total						
2023	**100.0**	**100.0**	**60**	**100.0**	**36,464**	**100.0**
2024	**100.0**	**100.0**	**131**	**100.0**	**46,252**	**100.0**
2025	**100.0**	**--**	**140**	**100.0**	**84,552**	**100.0**
Source: 2020 U.S. Census, Bank Data, 2023 & 2024 HMDA Aggregate Data, "--" data not available.						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different size. The bank's below-aggregate and demographics performance in small business lending contributed to this conclusion.

Small Business

The distribution of small businesses reflects, given the product lines offered by the institution, poor penetration of loans to businesses with GARs of $1.0 million or less. During all three years, lending levels were significantly below demographics and aggregate performance.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Business Revenue Level	**% of Businesses**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000						
2023	89.5	52.4	30	26.5	7,239	47.9
2024	89.1	52.6	20	22.2	6,069	37.5
2025	89.1	--	20	27.8	5,339	33.7
>$1,000,000						
2023	4.0	--	83	73.5	7,879	52.1
2024	4.1	--	70	77.8	10,126	62.5
2025	3.8	--	52	72.2	10,506	66.3
Revenue Not Available						
2023	6.5	--	0	0.0	0	0.0
2024	6.8	--	0	0.0	0	0.0
2025	7.1	--	0	0.0	0	0.0
Total						
2023	**100.0**	**100.0**	**113**	**100.0**	**15,118**	**100.0**
2024	**100.0**	**100.0**	**90**	**100.0**	**16,195**	**100.0**
2025	**100.0**	**--**	**72**	**100.0**	**15,845**	**100.0**
Source: 2023, 2024 & 2025 D&B Data; Bank Data, 2023 & 2024 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Home Mortgage

The distribution of home mortgage loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank’s lending to low-income borrowers was comparable to aggregate performance in 2023 and less than in 2024. Although performance declined in 2024, lending increased substantially in 2025.

The bank's lending performance to moderate-income borrowers was below aggregate performance and demographics in 2023 and 2024. However, performance improved considerably in 2025 and exceeded the demographic benchmark.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2023	19.5	5.2	3	5.0	605	1.7
2024	19.5	4.7	5	3.8	804	1.7
2025	19.5	--	15	10.7	2,486	2.9
Moderate						
2023	15.6	13.0	7	11.7	2,175	6.0
2024	15.6	14.0	14	10.7	4,102	8.9
2025	15.6	--	25	17.9	5,552	6.6
Middle						
2023	20.1	20.5	4	6.7	1,870	5.1
2024	20.1	21.3	5	3.8	2,352	5.1
2025	20.1	--	26	18.6	6,088	7.2
Upper						
2023	44.8	40.6	6	10.0	3,844	10.5
2024	44.8	44.7	12	9.2	6,086	13.2
2025	44.8	--	56	40.0	21,849	25.8
Not Available						
2023	0.0	20.7	40	66.7	27,970	76.7
2024	0.0	15.3	95	72.5	32,909	71.2
2025	0.0	--	18	12.9	48,577	57.5
Total						
2023	**100.0**	**100.0**	**60**	**100.0**	**36,464**	**100.0**
2024	**100.0**	**100.0**	**131**	**100.0**	**46,252**	**100.0**
2025	**100.0**	**--**	**140**	**100.0**	**84,552**	**100.0**

Source: 2020 U.S. Census; Bank Data, 2023 &2024 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Community Development Loans

The bank has made a relatively high level of community development loans. During the evaluation period, the bank originated 30 community development loans for approximately $106.6 million, reflecting an increase since the prior evaluation. Of this total, 19 loans for approximately $23.3 million benefited the bank's assessment area. The assessment area has needs and opportunities for all of the noted community development categories reflecting a high level of responsiveness. The bank's community development lending activity represented 3.9 percent of average total loans and 3.4 percent of average total assets. When compared to comparable institutions, the bank reported the highest dollar volume of community development loans.

The following table illustrates the community development loans by year and purpose.

Community Development Lending										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2023	2	4,843	7	263	0	0	0	0	**9**	**5,106**
2024	4	9,224	2	5,000	1	1,001	0	0	**7**	**15,225**
2025	4	7,907	5	22,759	4	55,474	0	0	**13**	**86,140**
YTD 2026	0	0	1	100	0	0	0	0	**1**	**100**
Total	**10**	**21,974**	**15**	**28,022**	**5**	**56,475**	**0**	**0**	**30**	**106,571**
Source: Bank Data										

The following are examples of the bank's community development loans benefiting the assessment area:

- In 2024, the bank originated a $11.6 million loan to construct a 25-unit condominium project inside the assessment area. Of the 25 units, four are affordable units. The bank received pro rata credit of approximately $1.8 million as a community development loan.

- In 2025, the bank originated a $2.6 million loan to construct three affordable housing units in a low-income census tract in the assessment area.

- In 2026, the bank originated a $100,000 unsecured line of credit to provide working capital to an organization that provides education on affordable housing. The organization expands access to homeownership counseling for low- and moderate-income households through homebuyer education and one-on-one guidance.

Innovative or Flexible Lending Practices

The bank makes limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. NBTC and NHL originated 42 innovative and flexible loans, totaling approximately $22.2 million, to businesses and individuals during the evaluation period. Of these innovative and flexible loans, the bank extended approximately $16.9 million through small business lending programs and $5.3 million through home mortgage lending programs. The bank's innovative and flexible lending activity declined from the previous evaluation. This decrease was attributable to the prior evaluation including loans originated through the now discontinued Small Business Administration's (SBA) Paycheck Protection Program. The following table and narratives detail and describe the bank's innovative and flexible lending since the prior evaluation.

Innovative or Flexible Lending Programs										
Type of Program	**2023**		**2024**		**2025**		**2026**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Massachusetts Housing Partnership (MHP) One Program	0	0	10	2,767	6	1,900	1	350	17	5,017
MassHousing <= 80% Area Median Income (AMI)	0	0	1	264	0	0	0	0	1	264
Subtotal Home Mortgage Loans	**0**	**0**	**11**	**3,031**	**6**	**1,900**	**1**	**350**	**18**	**5,281**
SBA 504 Certified Development Company (CDC) Program	0	0	3	2,320	4	6,894	2	1,630	9	10,844
SBA 7a	1	196	8	2,776	5	2,808	1	250	15	6,030
Subtotal Small Business Loans	**1**	**196**	**11**	**5,096**	**9**	**9,702**	**3**	**1,880**	**24**	**16,874**
Total	**1**	**196**	**22**	**8,127**	**15**	**11,602**	**4**	**2,230**	**42**	**22,155**
Source: Bank Data										

Home Mortgage Lending Programs

- *MHP One Program* – This first-time home buyer program features a low fixed-rate with as little as 3.0 percent down and financial assistance for low- and moderate-income homebuyers.

- *MassHousing <=80% AMI Program* - This program offers individuals with incomes at or below 80 percent of the AMI, financing for up to 97.0 percent loan-to-value.

Small Business Lending Programs

- *SBA 504 CDC Program* – The SBA 504 CDC program is an economic development program that provides small business financing while promoting job growth and job creation. This program provides small businesses with long-term, fixed-rate financing to acquire fixed assets to expand or modernize.

- *SBA 7a Loan Program* – This loan program has a maximum loan amount of $5.0 million. For loans up to $150,000, SBA provides an 85.0 percent guarantee and for loans over

$150,000, SBA provides a 75.0 percent guarantee. Small businesses that meet the SBA's size eligibility standards benefit from long-term financing options, a fixed maturity, and no prepayment penalties.

INVESTMENT TEST

The Investment Test is rated High Satisfactory. The following sections discuss the bank's performance under each criterion.

Investment and Grant Activity

The bank has a significant level of qualified investments and grants, occasionally in a leadership position. During the evaluation period, the bank and its charitable foundation made 203 investments and donations totaling approximately $31.5 million. This total includes 17 qualified equity investments of approximately $29.3 million and 186 donations totaling approximately $2.2 million. The bank's investments remained the same by number and increased by dollar amount from the prior evaluation period. The total dollar amount of investments represents 1.0 percent of total assets and 19.7 percent of average total securities. The bank's performance exceeded that of similarly situated institutions.

As the bank was responsive to the assessment area needs, examiners also considered investments and donations benefiting a broader statewide or regional area that includes the assessment area. Of the 203 qualified investments and donations, 61 totaling approximately $20.9 million benefited a broader statewide or regional area that includes the assessment area. The following table illustrates the bank's qualified investments by year and purpose.

Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	10	9,072	0	0	2	433	0	0	12	9,505
2023	2	9,752	0	0	0	0	0	0	2	9,752
2024	0	0	0	0	0	0	0	0	0	0
2025	2	3,181	0	0	0	0	0	0	2	3,181
YTD 2026	1	6,846	0	0	0	0	0	0	1	6,846
Subtotal	**15**	**28,851**	**0**	**0**	**2**	**433**	**0**	**0**	**17**	**29,284**
Qualified Grants & Donations	15	992	171	1,264	0	0	0	0	186	2,256
Total	**30**	**29,843**	**171**	**1,264**	**2**	**433**	**0**	**0**	**203**	**31,540**
Source: Bank Data										

The following are examples of qualified investments and donations.

Equity Investments

NBTC maintains 17 investments totaling approximately $29.3 million. Five investments totaling approximately $19.8 million are new. Of the remaining 12 investments totaling approximately $9.5 million, the bank purchased these during the prior evaluation period and examiners considered each investment's current book value for this evaluation.

The following are examples of the bank's new and prior period equity investments.

New Investment

- In 2026, the bank invested $6.8 million in Low-Income Housing tax credits to construct a 52-unit affordable housing project within the assessment area in Lowell. This investment supports affordable housing for low- or moderate-income individuals.

Prior Period Investments

- The bank continues to maintain five mortgage-backed securities (MBSs). Mortgages originated to low- and moderate-income borrowers secure these loans. These investments support affordable housing for low- and moderate-income residents within the broader statewide area. The current book value of these investments is $1.0 million.

- The bank continues to maintain an investment in Blue Hub, a Community Development Financial Institution. These funds aim to finance projects in low-income and underserved communities nationwide, including the bank's assessment area. The current book value is $1.0 million.

Donations

The bank and its charitable foundation made approximately $2.3 million in qualified donations. The total number and dollar amount of qualified grants and donations increased since the prior evaluation. The following are examples of qualified donations.

- **Second Chances, Inc.**– Second Chances, Inc. is a non-profit organization that primarily serves low- and moderate-income individuals experiencing homelessness and housing instability in Middlesex County and adjacent communities.

- **The Lapointe Foundation** – The Lapointe Foundation is a non-profit organization headquartered in Middlesex County that provides a range of support to underprivileged youths. Programs target food insecurity and provide low- and moderate-income families with everyday household items.

- **Habitat for Humanity** –Habitat for Humanity is a non-profit organization that develops and rehabilitates affordable housing for low- and moderate-income individuals and families within the assessment area. The bank made multiple donations during the evaluation period.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs. The bank demonstrated responsiveness to Middlesex County's identified need for affordable housing. Notably, 30.0 percent of the bank's investments and donations supported affordable housing initiatives within the assessment area.

Community Development Initiatives

NBTC occasionally uses innovative and/or complex investments to support community development initiatives. During the current evaluation period, the bank invested in Low-Income Housing tax credits that support community development needs through affordable housing projects.

SERVICE TEST

The Service Test is rated Satisfactory. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank's assessment area. The following table illustrates the distribution of branches and ATMs by census tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	**Census Tracts**		**Population**		**Branches**		**ATMs**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	20	5.6	74,496	4.6	0	0.0	0	0.0
Moderate	56	15.7	258,080	15.8	2	16.7	4	20.0
Middle	122	34.2	590,841	36.2	6	50.0	10	50.0
Upper	151	42.3	694,719	42.6	4	33.3	6	30.0
Not Available	8	2.2	13,866	0.9	0	0.0	0	0.0
Total	**357**	**100.0**	**1,632,002**	**100.0**	12	**100.0**	20	**100.0**
Source: 2020 U.S. Census; Bank Data								

The bank operates 12 branches and 20 deposit-taking ATMs across the assessment area. Although the bank does not operate any branches or ATMs in the low-income census tracts, the bank's Chelmsford, Melrose, and Woburn branches are within a 5-mile radius of the low-income census tracts in Lowell and Malden.

The bank's alternative delivery systems provide customers with the ability to view and manage accounts, schedule bill payments, send or request money, and remotely deposit checks outside of typical business hours. Additionally, as the bank participates in the SUM ATM network, customers may conduct ATM transactions, including balance inquiries, transfers, and cash withdrawals, at more than 1,000 surcharge-free ATMs in the U.S.

Changes in Branch Locations

The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

During the evaluation period, the bank closed its 215 Lexington Street in Woburn branch which was located in a middle-income census tract. Although the closed branch abutted a moderate-income census tract, the Woburn Center branch at 303 Main Street is located within that abutting moderate-income census tract and is easily accessible through public transit. The bank also relocated its Littleton branch from 265 Great Road (middle-income census tract) to 289 Great Road. Both locations are in the same middle-income census tract.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and/or individuals. All branches maintain the same business hours and provide the same products and services. All branches have at least one ATM, and all except for the Burlington and Melrose branches have drive-up teller windows.

Branches are open from 8:30 a.m. – 5:00 p.m. Monday to Wednesday, with extended hours until 6:00 p.m. on both Thursday and Friday. Additionally, the bank maintains Saturday hours from 9:00 a.m. – 12:00 p.m.

Community Development Services

The bank provided a relatively high level of community development services. Employees devoted 2,295 hours of community development services through 36 community development organizations primarily supporting community service, affordable housing, and economic development across the assessment area. With a dedicated plan to concentrate efforts on presenting financial literacy and first-time home buyer programs, the bank's performance was significantly greatly than the number of qualified hours during the prior evaluation (666 hours), representing a 244.6 percent increase. Although the bank's community development services were not necessarily innovative, the assessment area has needs and opportunities for all of the noted community development categories reflecting a high level of responsiveness. When compared to three similarly situated institutions, the bank's total level of community development service hours ranked above two institutions and below another.

The following table illustrates the community development service hours by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2023	22	96	0	140	**258**
2024	69	468	0	40	**577**
2025	126	734	0	0	**860**
YTD 2026	62	538	0	0	**600**
Total	**279**	**1,836**	**0**	**180**	**2,295**
Source: Bank Data					

The following are examples of notable community development services:

- **Community Action Agency of Somerville (CAAS)** – CAAS is a federally designated anti-poverty agency serving Somerville. CAAS seeks to increase financial security of individuals and families through improved access to education, career development and employment opportunities, and health services. As a part of the Volunteer Income Tax Assistance and Tax Counseling for the elderly programs, employees assisted low- and moderate-income individuals by preparing income tax returns.

- **South Middlesex Opportunity Council Inc. (SMOC)** – SMOC is a community-based non-profit organization offering a variety of programs, the majority of which serve the Greater Metrowest, Central and Western MA, and Lowell. SMOC offers financial education, behavioral health and addiction services, childcare, workforce development, heating assistance, transitional and affordable housing, and domestic violence services, among other programs. A residential loan officer facilitated first time homebuyer seminars in 2023, 2024, 2025, and 2026.

- **Heading Home, Inc.** – Heading Home, Inc. is a charitable community organization that provides emergency transitional and permanent housing to low-income individuals and families. In addition to housing services, the organization offers supportive programs such as life skills development, career coaching, financial education, childcare, transportation assistance, and benefits counseling. The President and chief marketing officer served as board and committee members.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws related to discrimination and other illegal credit practices, including the Fair Housing Act and Equal Credit Opportunity Act, and did not identify any discriminatory or other illegal credit practices.

APPENDICES

DIVISON OF BANKS FAIR LENDING POLICIES AND PROCEDURES

The DOB provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. Examiners conducted the fair lending review in accordance with the FFIEC's Interagency Fair Lending Examination Procedures. The bank has an adequate record relative to its fair lending policies and procedures.

Minority Application Flow

Examiners reviewed the bank's 2024 and 2025 HMDA LARs to determine if the bank's application flow from different racial and ethnic groups reflected the assessment area's demographics. Comparison to aggregate data assists in deriving reasonable expectations for the rate of applications the bank received from minority home mortgage loan applicants.

According to the 2020 U.S. Census Bureau's data, the bank's assessment area contained a total population of 1,632,002 individuals, of which 33.5 percent are minorities. The assessment area's minority population consists of 8.8 percent Hispanic or Latino, 12.9 percent Asian, 5.2 percent Black/ African American, 0.02 percent American Indian or Alaskan Native, and 13.5 percent other race.

In 2024, the bank received 164 home mortgage loan applications from within its assessment area. Of these applications, the bank received 12, or 7.3 percent, from racial minority applicants. Examiners compared this lending to the aggregate lenders who received 21.4 percent of applications from racial minority groups. For the same period, the bank also received 6, or 3.7 percent, of applications from ethnic groups of Hispanic origin. Aggregate lenders received 7.8 percent of applications from Hispanic applicants.

In 2025, the bank received 180 home mortgage loan applications from within its assessment area. Of these applications, the bank received 21, or 11.7 percent, from racial minority applicants. For the same period, the bank received 2 applications, or 1.1 percent, of applications from ethnic groups of Hispanic origin. At the time of this evaluation, 2025 aggregate data was not available for comparison and therefore examiners considered 2025 data for trending purposes. Examiners noted an increasing trend in 2025 application performance from racial minorities and a slight decreasing trend in Hispanic application performance.

The bank's 2024 application flow was below aggregate percentages for both racial and ethnic minority applicants, particularly from Asian applicants. In 2025, racial minority application performance showed an increasing trend while 2025 Hispanic ethnicity applications showed a decreasing trend. Notably, there was a significant change in applicants reporting "Race Not Available," specifically 60.4 percent in 2024 versus 11.7 percent in 2025. Considering the assessment area demographics, market conditions, and comparisons with 2024 aggregate data, the performance is considered adequate. The bank's business strategy and marketing and community outreach efforts support the adequate conclusion.

MINORITY APPLICATION FLOW					
RACE	**2024**		**2024 Aggregate Data**	**2025**	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	11	6.7	15.0	14	7.8
Black/ African American	1	0.6	3.3	3	1.7
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	0	0.0	2.6	4	2.2
Total Racial Minority	**12**	**7.3**	**21.4**	**21**	**11.7**
White	53	32.3	54.2	138	76.7
Race Not Available	99	60.4	24.4	21	11.7
Total	**164**	**100.0**	**100.0**	**180**	**100.0**
ETHNICITY	#	%	%	#	%
Hispanic or Latino	5	3.1	6.1	2	1.1
Joint (Hisp/Lat /Not Hisp/Lat)	1	0.6	1.8	0	0.0
Total Ethnic Minority	**6**	**3.7**	**7.8**	**2**	**1.1**
Not Hispanic or Latino	59	36.0	68.4	154	85.6
Ethnicity Not Available	99	60.4	23.7	24	13.3
Total	**164**	**100.0**	**100.0**	**180**	**100.0**
Source: U.S. Census 2020, HMDA Aggregate Data 2024, HMDA LAR Data 2024 and 2025					

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
    i. The proportion of the bank's lending in the bank's assessment area(s);
    ii. The dispersion of lending in the bank's assessment areas(s); and
    iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
    i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
    ii. Small business and small farm loans to businesses and farms with gross annual revenues of $1 million or less;
    iii. Small business and small farm loans by loan amount at origination; and
    iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

1) The dollar amount of qualified investments;
2) The innovativeness or complexity of qualified investments;
3) The responsiveness of qualified investments to available opportunities; and
4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
2) In the context of its current distribution of the bank's branches, the bank's 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 (*e.g.,* RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) 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.

The bank's community development services are evaluated pursuant to the following criteria:

1) The extent to which the bank provides community development services; and
2) The innovativeness and responsiveness of community development services.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

(1) Support affordable housing for low- and moderate-income individuals;
(2) Target community services toward low- and moderate-income individuals;
(3) Promote economic development by financing small businesses or farms; or
(4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or non-profit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

(1) Has as its primary purpose community development; and

(2) Except in the case of a wholesale or limited purpose bank:

(i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and

(ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

(1) Has as its primary purpose community development;

(2) Is related to the provision of financial services; and

(3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income 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 prior 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 that 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.
Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

Qualified Investment: A 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating 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.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.