



## **PUBLIC DISCLOSURE**

March 06, 2020

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Colonial Federal Savings Bank  
Charter Number 701673

15 Beach St  
Quincy, MA 02170-2802

Office of the Comptroller of the Currency

99 Summer St  
Suite 1400  
Boston, MA 02110

**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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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory.**

The major factors that support this rating include:

- The lending test rating is based on Colonial Federal Savings Bank's ("CFSB" or "the Bank") record of performance in meeting the credit needs of the assessment area (AA) during the evaluation period through its lending activities. The evaluation period for the lending test is from January 1, 2017 to December 31, 2019.
- Considering the Bank's size, financial condition, and credit needs of the AA, the Bank's loan-to-deposit (LTD) ratio is reasonable.
- A majority of the Bank's loans are within the AA.
- The Bank's geographic distribution of home mortgage loans within the AA is considered excellent for the 2017-2019 period.
- The Bank exhibits a reasonable distribution of loans to individuals of different income levels.
- The Bank's community development (CD) services, investments and donations have a neutral impact on the lending test.

### Loan-to-Deposit Ratio

Considering the Bank's size, financial condition, and credit needs of the AA, the Bank's quarterly net LTD ratio is reasonable.

CFSB's quarterly average net LTD ratio is reasonable given the Bank's size, AA credit needs, financial condition of the Bank, and local economic and competition factors. The Bank's net LTD ratio averaged 71.0 percent over the previous 13 quarters since the last CRA evaluation. The previous CRA performance evaluation (PE) is dated December 6, 2016, with the lending evaluation period ending September 30, 2016. During the 13 preceding quarters, the net LTD ratio has ranged from a quarterly low of 65.4 percent to a quarterly high of 73.4 percent. The quarterly average LTD ratio increased from 60.8 percent at the prior PE. CFSB's net LTD ratio is somewhat lower than other similarly sized and located institutions but has increased since the prior evaluation. Local banks similar in size had a quarterly average net LTD of 79.6 percent.

### Lending in Assessment Area

A majority of the Bank's loans are inside its assessment area.

The Bank originated 68.4 percent by number and 66.7 percent by dollar amount of its total loans inside the Bank's AA during the evaluation period. Table D details the Bank's lending within the AA by number and dollar amount of loans.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	87	71.9	34	28.1	121	29,654	72.4	11,308	27.6	40,962
2018	48	64.9	26	35.1	74	15,100	58.6	10,647	41.4	25,747
2019	58	66.7	29	33.3	87	21,818	66.0	11,235	34.0	33,053
<b>Subtotal</b>	<b>193</b>	<b>68.4</b>	<b>89</b>	<b>31.6</b>	<b>282</b>	<b>66,572</b>	<b>66.7</b>	<b>33,189</b>	<b>33.3</b>	<b>99,761</b>
<i>Source: Evaluation Period: 01/01/2017 - 12/31/2019 Bank HMDA Data            Due to rounding, totals may not equal 100.0</i>										

### Description of Institution

CFSB is a federally chartered mutual thrift institution headquartered in Quincy, Massachusetts. As of December 31, 2019, total assets, total deposits, and tier one capital were \$316 million, \$261 million, and \$46 million, respectively. Net loans and leases totaled \$189 million, or 60 percent of total assets. The Bank is a traditional thrift lender and primarily offers residential mortgage loan products and deposit services to its customers. CFSB offers traditional loan and deposit products and services for both personal and business customers. The Bank’s website, [www.colonialfed.com](http://www.colonialfed.com), provides a listing and description of account services. CFSB also offers mobile and online banking, as well as online bill pay and telephone banking.

The CRA evaluation has one rating area for the AA in Massachusetts. The AA includes portions of Norfolk County, which is part of the Boston Metropolitan Division 14454 (MD).

The Bank is headquartered at 15 Beach Street, Quincy, Massachusetts and operates as a traditional thrift lender by promoting residential mortgage loan products and deposit services to its customers. CFSB also has two full service branches located in Weymouth, MA and Holbrook, MA. The Quincy and Holbrook branches are located in moderate-income geographies, while the Weymouth branch is located in a middle-income geography. The Bank also has a limited service branch at the Southern Artery, a local elderly housing property in Quincy, for the benefit of residents. Branch hours for the three full service branches are 9:00 AM to 4:00 PM Monday through Wednesday, 9:00 AM to 6:00 PM Thursday, 9:00 AM to 5:00 PM on Friday, and 9:00 AM to 12:00 PM on Saturdays, with extended hours on Saturdays at the Holbrook and Weymouth branches. The main Quincy branch offers extended hours through the drive-up service Monday through Saturday. The Southern Artery location has hours from 9:00 AM to 12:00 PM Monday through Friday. All locations have a 24-hour ATM available. No branches were opened or closed during the evaluation period.

Below is a summary of the bank's loan mix:

<b>Loan Portfolio Summary by Loan Product December 31, 2019</b>	
<b>Loan Category</b>	<b>% of Gross Loans and Leases</b>
1-4 Family Residential Mortgage – Closed End	78.5
Home Equity	<1
Multifamily	11.5
Non-Farm Non-Residential	8
Construction and Development	0
Consumer	<1

*Source: 12/31/2019 FDIC Call Report*

The Bank has no financial or legal impediments to meeting the credit needs of the community. Using the Small Bank criterion, the Bank received an “Outstanding” rating at its last CRA evaluation as of December 6, 2016.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

CFSB is headquartered in Quincy, MA and was evaluated using Small Bank CRA examination procedures, which includes a lending test. The lending test evaluates the Bank's record of meeting the credit needs of its AA through its lending activities. The evaluation period for the lending test covers the Bank's performance from January 1, 2017 to December 31, 2019, which is representative of the Bank's activities since the prior CRA evaluation. The Bank also provided the OCC with optional CD information to evaluate the Bank's effort to enhance credit availability within its AA through qualified investments, donations, and services. The evaluation period for the CD test is from December 6, 2016, the date of the prior CRA PE, through December 31, 2019. CD investments and services submitted by management were verified to ensure they meet the regulatory definition to classify as community development.

The Bank's primary loan product based on originations during the evaluation period are residential mortgages, including home purchase, home refinance, and home improvement loans. Residential loans or home mortgage loans including 1-4 family residential loans, home equity loans, and residential construction loans represent approximately 79 percent of the loan portfolio as indicated by the December 31, 2019 call report.

The Bank reports data under the requirements of the Home Mortgage Disclosure Act (HMDA). As part of our evaluation, we tested the Bank's HMDA data for residential real estate loans originated and purchased and found that the data was reliable. All residential mortgage loans originated and purchased during the evaluation period were included in our analysis of the Bank's lending. Our primary comparator was the aggregate performance of peer lenders within the AA subject to HMDA reporting requirements.

A full scope review was performed on the AA, which is located in Norfolk County. All branches are located in Massachusetts.

### Selection of Areas for Full-Scope Review

The CRA requires an institution to define the AA in which it will be evaluated. CFSB's single delineated AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income (LMI) geographies. The Bank's AA includes the geographies of Quincy, Randolph, Braintree, Weymouth, and Holbrook, MA. These towns and cities are in Norfolk County. Given the Bank's size, the AA does not include the entirety of the County. The AA is located in the Boston MD 14454.

### Ratings

The Bank's overall rating is based on CFSB's single delineated AA, which received a full scope review. The evaluation period is the entirety of 2017, 2018, and 2019.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next PE in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this PE.

## **State Rating**

### **State of Massachusetts**

#### **CRA rating for the State of Massachusetts: Satisfactory**

#### **The Lending Test is rated: Satisfactory**

The major factors that support this rating include:

- The lending test rating is based on CFSB's record of performance in meeting the credit needs of the AA during the evaluation period through its lending activities. The evaluation period for the lending test is from January 1, 2017 to December 31, 2019.
- Considering the Bank's size, financial condition, and credit needs of the AA, the Bank's net LTD ratio is reasonable.
- A majority of the Bank's loans are within the AA.
- The Bank's geographic distribution of home mortgage loans within the AA is considered excellent for the 2017-2019 period.
- The Bank exhibits a reasonable distribution of loans to individuals of different income levels.
- The Bank's community development (CD) services, investments and donations have a neutral impact on the lending test.
- There were no CRA related complaints received by the Bank or the Agency during the evaluation period.

### **Description of Institution's Operations in Massachusetts**

The CRA requires a bank to define an AA in which it will be evaluated. The Bank's AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income tracts.

The Bank's AA consists of the towns of Quincy, Weymouth, Holbrook, Braintree, and Randolph, Massachusetts. All communities are located in Norfolk County and are part of the Boston MD 14454. The AA consists of 45 census tracts, compared to 40 tracts at the last evaluation. The town of Randolph, which includes five census tracts, was added to the AA since the prior evaluation. The town of Randolph is adjacent to the bank's historical AA. CFSB does not have a branch in Randolph, but does business for the community, and advertises to that area. Out of the 45 census tracts in the AA, one (2.2 percent) is a low-income census tract, 11 (24.4 percent) moderate-income census tracts, 31 (68.9 percent) middle-income census tracts, and two (4.4 percent) upper-income census tracts. The 2015 American Community Survey (ACS) Census data indicates that 42.1 percent of the families in the AA are low- or moderate-income, and 6.7 percent of families are below poverty level.

Refer to Table A below for demographic information of the Bank’s AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Colonial FS AA 2019</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	45	2.2	24.4	68.9	4.4	0.0
Population by Geography	229,770	1.3	25.7	68.5	4.5	0.0
Housing Units by Geography	96,928	1.3	26.7	67.8	4.2	0.0
Owner-Occupied Units by Geography	55,131	0.6	22.1	71.8	5.5	0.0
Occupied Rental Units by Geography	37,137	2.5	33.2	61.7	2.5	0.0
Vacant Units by Geography	4,660	0.4	29.5	67.7	2.4	0.0
Businesses by Geography	16,978	0.4	25.5	70.4	3.7	0.0
Farms by Geography	228	0.4	25.4	67.5	6.6	0.0
Family Distribution by Income Level	55,186	23.2	18.9	21.4	36.5	0.0
Household Distribution by Income Level	92,268	26.7	15.0	18.0	40.3	0.0
Median Family Income MD - 14454 Boston, MA		\$90,699	Median Housing Value			\$328,743
			Median Gross Rent			\$1,231
			Families Below Poverty Level			6.7%
<i>Source: 2015 ACS Census and 2019 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

CFSB remains in a highly competitive market with competition from national and regional commercial banks, local savings banks, and credit unions. The Federal Deposit Insurance Corporation’s (FDIC) Market Share Report as of June 30, 2019 indicates that financial institutions operate within the Norfolk County. CFSB ranks 23<sup>rd</sup> with a deposit market share of 0.9 percent. The primary local competitors include, but are not limited to, Rockland Trust Company, Needham Bank, Brookline Bank, Dedham Institution for Savings, and South Shore Bank, which hold a combined deposit market share of over 23 percent. Other large competitors in the area include Bank of America, NA, Citizens Bank, NA, and Santander Bank, NA, which hold a combined market share of just over 43 percent.

As reported in Moody’s Analytics report dated January 2020, the Boston Metro continues to see employment growth that outpaces the rest of the northeast. Drivers of employment and economic growth include the education and healthcare industries, finance, and technology divisions. Net hiring is expected to decelerate in the near future as unemployment is low at 2.7 percent and there is a lack of supply in the labor market. High costs of living in the Boston area are expected to prevent an influx of additional workers. Major employers in the area include Partners HealthCare, the University of Massachusetts, Stop & Shop Supermarkets, Steward Health Care System, Beth Israel Deaconess Medical Center, and State Street Corporation.

We reached out to a community contact that focuses on providing affordable housing to LMI individuals in the local area but were not able to make contact. While we were not able to talk directly with the

community contact mentioned, we were able to use information gathered in conjunction with another evaluation of a bank that shares portions of CFSB's AA. As part of that interview, the contact stated that the community would prosper with additional transportation and infrastructure improvements and an increase in the availability of living wage jobs in the area. They noted that local community banks are very responsive to the needs of the area.

## **Scope of Evaluation in Massachusetts**

CFSB's overall and state rating is based on the Bank's single delineated AA, which received a full scope review. CFSB has a single delineated AA within the state of Massachusetts for evaluation under the requirements of the CRA. The AA consists of 45 census tracts from Norfolk County, and consists of the towns of Quincy, Weymouth, Randolph, Holbrook, and Braintree. The AA includes all areas in which the Bank has branches and ATMs and includes surrounding geographies in which the Bank regularly does business. The AA does not arbitrarily exclude any low- or moderate-income geographies.

## **LENDING TEST**

The Bank's performance under the Lending Test in Massachusetts is rated Satisfactory.

Based on a full scope review, the Bank's performance in the AA is good.

## **Distribution of Loans by Income Level of the Geography**

The Bank exhibits excellent geographic distribution of loans in the state.

### *Home Mortgage Loans*

Refer to Table O in the state of Massachusetts section of appendix D for the facts and data used to evaluate the geographic distribution of the Bank's home mortgage loan originations and purchases.

The Bank's geographic distribution of home mortgage loans within the AA is considered excellent for the 2017-2019 period. The geographic distribution of residential home mortgage loans reflects excellent distribution amongst moderate-income census tracts. CFSB did not make any home mortgage loans in low-income census tracts during the evaluation period; however, there is limited opportunity for home mortgage lending given that only 0.6 percent of owner-occupied units within the AA are located in low-income tracts and aggregate lending was less than 1 percent. Lending in moderate-income census tracts shows excellent distribution, exceeding both the aggregate and percent of owner-occupied units in the AA.

## **Distribution of Loans by Income Level of the Borrower**

The Bank exhibits a reasonable distribution of loans to individuals of different income levels.

### *Home Mortgage Loans*

Refer to Table P in the state of Massachusetts section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The Bank's borrower distribution of home mortgage loans within CFSB's AA, which includes portions of Norfolk County, is reasonable. Home mortgage loans made to low- and moderate- income borrowers is less than both the aggregate data and the percent of families in the AA. However, the Bank's performance and lower penetration for LMI borrowers is considered reasonable given strong market competition in the AA, as well as limited lending opportunities due to a lack of affordable housing. The Bank is below peer in distribution of home mortgage loans to low- and moderate-income borrowers. The median housing price within the AA remains high relative to the 2015 ACS US Census adjusted median family income. According to Census data for the Boston, MA MD, the average median home price \$328,743 and the adjusted median family income is \$90,699. This means that the maximum income that is considered low income is, on average, \$49,850. Low income borrowers are likely to have difficulty qualifying for home mortgages within the Bank's AA. Moderate income borrowers would also encounter difficulty, as the maximum income that is considered moderate income is \$79,760.

According to the most recent Peer Mortgage Market Share Data from 2018, market competition for home mortgage loans within the AA is significant, especially for low- and moderate-income borrowers. CFSB places 40<sup>th</sup> out of 50 banks in the AA and holds 0.64 percent of the market share. Large national institutions such as Citizens Bank, Wells Fargo, and Bank of America, Quicken Loans, and Santander Bank together hold over 23 percent of the market share. There is also significant competition for loans from local and regional banks such as Eastern Bank, Leader Bank, and South Shore Bank. The top 20 institutions in the AA hold over 53 percent of the market share, and 61 percent for LMI borrowers.

### **Responses to Complaints**

There were no CRA related complaints received by the Bank or Agency during the evaluation period of January 1, 2017 to December 31, 2019.

## **COMMUNITY DEVELOPMENT**

Based on a full-scope review, the Bank exhibits adequate responsiveness to CD needs in the state through qualified CD investments and CD services considering the Bank's capacity and the need and availability of such opportunities for CD in the Bank's AA. Performance related to CD activities had a neutral effect on the Bank's rating in the state.

### **Number and Amount of Qualified Investments**

The Bank demonstrates adequate responsiveness based on the level of CD investments and donations made during the evaluation period. CFSB purchased an investment in 2012 for \$1.05 million with a book value of \$314,668 at December 31, 2019 that qualifies under CRA as a CD investment. The investment is a mortgage backed security that provides affordable housing for LMI individuals within the AA. No new CD investments were made during the evaluation period. CFSB renews their membership to the Massachusetts Community and Banking Council annually, which works to make credit and financial services more accessible in LMI communities, including the Bank's AA. The Bank also participates in the organization's Basic Banking for Massachusetts program by providing low cost checking accounts to encourage those with modest incomes to establish banking relationships. Qualifying CD donations totaled \$13,350 for the evaluation period and benefitted six different CD organizations within the AA. Donations were made to support organizations with a mission of affordable housing, workforce training for LMI individuals, assisting the homeless, and reducing poverty and encouraging financial stability of LMI individuals. CFSB made additional donations during the evaluation period that benefitted the AA, however, did not meet the definition of CD.

### **Extent to Which the Bank Provides Community Development Services**

The Bank demonstrates an adequate commitment to its AA and promotes the availability of credit within the AA. The Bank's main branch located in Quincy, as well as their full service branch in Holbrook and the limited service branch at Southern Artery in Quincy are located in moderate-income census tracts. The Bank's Weymouth full service branch is located in a middle-income geography. The limited service Southern Artery branch is located in a retirement community and provides access to senior citizen residents. Bank branches are easily accessible to residents of the local community.

The Bank participates in the Basic Banking for Massachusetts program, which expands access to bank products and services and encourages those with modest income to establish banking relationships. In addition, the President and a Board member are involved with the following organizations that promote affordable housing and credit availability within the AA:

- The CEO and a Board member are on the Board of Directors for a senior housing facility located in Quincy. They assist by providing financial advice and expertise.
- The Bank President participates in monthly meetings for an organization that increases affordable housing units in Quincy.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	Lending Test- 01/01/2017- 12/31/2019. CD- 12/06/2016-12/31/2019	
<b>Bank Products Reviewed:</b>	HMDA reportable residential mortgage loans Community development qualified investments and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None reviewed.		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MSA</b>		
CFSB_AA	Full scope	<i>Includes the towns of: Quincy, MA Holbrook, MA Braintree, MA Weymouth, MA Randolph, MA All towns are located in Norfolk County</i>

## Appendix B: Summary of MMSA or State Ratings

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RATINGS	Colonial Federal Savings Bank
Overall Bank:	Lending Test Rating
Colonial Federal Savings Bank	Satisfactory
MMSA or State:	
Massachusetts	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

**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, 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 that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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.

**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.

**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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** 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, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### *Content of Standardized Tables*

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal

to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2017-2019</b>	
<b>Assessment Area:</b>	<b>Total Home Mortgage Loans</b>				<b>Low-Income Tracts</b>			<b>Moderate-Income Tracts</b>			<b>Middle-Income Tracts</b>			<b>Upper-Income Tracts</b>			<b>Not Available-Income Tracts</b>				
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% of Owner-Occupied Housing Units</b>	<b>% Bank Loans</b>	<b>Aggregate</b>		
CFSB	193	66,572	100.0	7,469	0.6	0.0	0.5	22.1	28.5	23.1	71.8	70.5	71.0	5.5	1.0	5.3	0.0	0.0	0.0		
<b>Total</b>	<b>193</b>	<b>66,572</b>	<b>100.0</b>	<b>7,469</b>	<b>0.6</b>	<b>0.0</b>	<b>0.5</b>	<b>22.1</b>	<b>28.5</b>	<b>23.1</b>	<b>71.8</b>	<b>70.5</b>	<b>71.0</b>	<b>5.5</b>	<b>1.0</b>	<b>5.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2019		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
CFSB	193	66,572	100.0	7,469	23.2	4.1	7.3	18.9	13.0	22.6	21.4	39.4	28.0	36.5	36.3	30.0	0.0	7.3	12.1		
<b>Total</b>	<b>193</b>	<b>66,572</b>	<b>100.0</b>	<b>7,469</b>	<b>23.2</b>	<b>4.1</b>	<b>7.3</b>	<b>18.9</b>	<b>13.0</b>	<b>22.6</b>	<b>21.4</b>	<b>39.4</b>	<b>28.0</b>	<b>36.5</b>	<b>36.3</b>	<b>30.0</b>	<b>0.0</b>	<b>7.3</b>	<b>12.1</b>		

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0