

PUBLIC DISCLOSURE

November 10, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Martha's Vineyard Bank
RSSD # 196800

78 Main Street
Edgartown, Massachusetts 02539

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

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

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

The Lending Test is rated: SATISFACTORY

The Community Development Test is rated: OUTSTANDING

Martha's Vineyard Bank (MVB or the bank) demonstrates an excellent responsiveness to the credit needs of its assessment area based on the following findings:

Lending Test

- The loan-to-deposit (LTD) ratio is more than reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending related activities are in the bank's assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- There have been no complaints regarding the bank's CRA performance since the last CRA examination.

Community Development Test

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

SCOPE OF EXAMINATION

MVB's CRA performance review was conducted using the Federal Financial Institutions Examination Council (FFIEC) Examination Procedures for Intermediate Small Institutions¹. These procedures evaluate banks under two tests: the Lending Test and the Community Development Test. The Lending Test evaluates the bank's lending performance pursuant to the following criteria: LTD ratio, assessment area concentration of loans, geographic distribution of loans, loan distribution according to the income of the borrower, and response to CRA-related complaints. The Community Development Test measures the number and amount of community development loans, the number and amount of qualified investments, the extent to which the bank provides community development services, and the bank's responsiveness through such activities.

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

The Lending Test was based on home mortgage loans originated from January 1, 2023, to December 31, 2024. Home mortgage data for 2023 and 2024 is presented in the lending tables for the Borrower Profile and Geographic Distribution criteria. While both the number and dollar volume of the bank's home mortgage loans were reviewed, the number of originations was weighed more heavily than the dollar volume, as the number of loans is more indicative of loan demand. The bank's net LTD ratio was calculated from FFIEC Call Reports as of September 30, 2023, through June 30, 2025. Small business loans were not included in this evaluation.

Home mortgage lending reviewed during the evaluation was obtained from Loan Application Registers (LARs), maintained by the bank pursuant to the Home Mortgage Disclosure Act (HMDA). Changes in HMDA reporting requirements for 2018 included the determination of whether a loan is HMDA-reportable and includes loan types of "other purpose" and "NA". "Other purpose" loans are for purposes other than home purchase, refinancing, or home improvement. This evaluation does not include analysis of loans classified as "other purpose" or "NA" that were reported on the bank's LARs. The bank's residential loan performance was compared to applicable aggregate data, which was obtained from the Consumer Finance Protection Bureau (CFPB).

Aggregate HMDA data consists of lending information from all HMDA reporters that originated or purchased HMDA-reportable loans in the bank's assessment area. "Other purpose" and "NA" loans are excluded from the aggregate data. The bank's home mortgage lending performance was compared to demographics from the 2020 American Community Survey (ACS), unless otherwise noted.

The Community Development Test included a review of community development loans, investments, and services for the period of September 26, 2023, through November 10, 2025. The Community Development Test is evaluated in the context of community needs and the capacity of the bank. A third-party community organization was contacted to provide additional insight into the credit needs and opportunities in the assessment area.

¹ "Intermediate small institution" means a bank or savings association with assets of at least \$402 million as of December 31 of both of the prior two calendar years and less than \$1.609 billion as of December 31 of either of the prior two calendar years.

DESCRIPTION OF INSTITUTION

MVB is a state-chartered mutual savings bank, headquartered at 78 Main Street in Edgartown, Massachusetts. In addition to its headquarters, the bank operates nine full-service branches. The bank operates six branches on the island of Martha's Vineyard, which is in Dukes County. These branches are located in Chilmark, Edgartown, Oak Bluffs (2), Vineyard Haven, and West Tisbury. In addition, the bank operates three branches in Barnstable County. All three Barnstable County branches are in the town of Falmouth on Cape Cod. All branch locations have a deposit-taking ATM. In addition, the bank maintains eight remote ATMs; five are located on Martha's Vineyard, two are located on Cape Cod, and one is located in Hyannis. The bank is owned by a mutual holding company, Vineyard Bancorp MHC, which was established on March 30, 2021. MVB has the following six subsidiaries: Martha's Vineyard Investment Advisors, which offers brokerage services; Vineyard Sound Insurance, which offers both home and auto insurance; Agile Banking LLC, which provides back-office services to MVB; 84 Main St LLC, which holds the title to one of the bank's locations; DCS Security Corp, a special purpose entity without daily operational activities; and Workforce Housing LLC, which addresses the lack of affordable housing for employees.

As of June 30, 2025, the bank reported total assets of \$1.3 billion. The bank's asset size has remained stable since June 30, 2023. Additionally, deposits totaled \$1.1 billion, and loans totaled \$1.1 billion, as of June 30, 2025.

MVB is primarily a home mortgage lender with residential real estate loans, including multifamily loans, totaling \$761.6 million, or 67.3 percent, of the loan portfolio. Residential real estate loans mainly consist of 1-4 family closed-end loans secured by first liens. Commercial lending is the bank's second largest business line with commercial real estate, construction and land development, and commercial and industrial loans together totaling \$314.9 million, or 27.8 percent of the loan portfolio. The bank also originates consumer loans and loans to depository institutions. The bank's overall loan portfolio has remained relatively stable as a result of the higher interest rate environment and the low inventory of available housing on the island.

Table 1 shows the loan portfolio composition by dollar volume, as of June 30, 2025.

Table 1		
Loan Distribution as of June 30, 2025		
Loan Type	Dollar Amount \$(000)	Percent of Total Loans (%)
Residential RE	761,567	67.3
Commercial*	314,878	27.8
Consumer	55,668	4.9
Other	330	0.0
Total Loans	1,132,443	100.0

Call Report as of June 30, 2025.

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

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

The bank offers a standard array of retail loans and deposit products. Loan products include fixed-rate and adjustable-rate residential mortgage loans, home equity loans and lines of credit, home improvement loans, construction loans, consumer overdraft lines of credit, installment loans, commercial real estate loans, and commercial and industrial loans, including Small Business Administration (SBA) loans. Deposit products include personal and business checking accounts, statement savings and money market accounts, and certificates of deposit. In 2024, the bank launched Windward Bank (<https://windwardbank.com>), an online banking platform to capture additional deposits.

The bank's main website, <https://www.mvbank.com>, provides branch and ATM location information and a listing of loan and deposit services. Along with traditional delivery methods, the bank offers alternative delivery systems, such as online and mobile banking, and accepts personal and business deposit account applications through its website.

MVB operates in a competitive geographic area where several community banks and credit unions, as well as larger regional and national banks, maintain a branch presence. According to the FDIC Deposit Market Share Report, as of June 30, 2025, there were nine financial institutions offering deposit services within Dukes County and Falmouth. MVB ranked first for deposit market share, at 33.2 percent. Rockland Trust Company ranked second, at 17.7 percent, and The Cape Cod Five Cents Savings Bank ranked third, at 14.0 percent. Within the island of Martha's Vineyard, where the bank maintains six of its nine branches, the bank has a majority of the deposit market share, at 67.2 percent, which again is ranked first. Three other institutions maintain a branch presence on the island: Rockland Trust Company, Santander Bank, N.A., and The Cape Cod Five Cents Savings Bank.

The bank also operates within a highly competitive home mortgage lending environment. According to HMDA aggregate data, 206 financial institutions originated a HMDA-reportable loan within Dukes County and Falmouth in 2024. MVB ranked fifth with 68 originations. The Cape Cod Five Cents Savings Bank, a larger regional bank, ranked first with 163 originations. Rockland Trust Company, another larger regional bank, ranked second with 127 originations. The bank also faces strong competition for loans from mortgage companies, such as Rocket Mortgage, LLC., Detroit, MI, and larger national banks, including Leader Bank N.A., Arlington, MA, and Citizens Bank, N.A., Providence, RI. In 2023, 205 reporters originated or purchased a loan within Dukes County and Falmouth. The bank was ranked fourth that year with 87 originations.

MVB was last examined by the Federal Reserve Bank of Boston for compliance with the CRA on September 25, 2023, using the FFIEC Examination Procedures for Intermediate Small Institutions. The bank received an overall rating of Outstanding. The Lending Test was rated Satisfactory, and the Community Development Test was rated Outstanding. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its communities.

DESCRIPTION OF ASSESSMENT AREA

MVB’s assessment area consists of the entirety of Dukes County, which is not located in a Metropolitan Statistical Area (MSA), and the town of Falmouth in Barnstable County, which is located in the Barnstable Town, MA MSA (Barnstable MSA). Dukes County consists of the towns of Aquinnah, Chilmark, Edgartown, Oak Bluffs, Vineyard Haven, and West Tisbury on the island of Martha’s Vineyard, as well as the town of Gosnold on the Elizabeth Islands, the uninhabited island of Nomans Land, and other islets. Martha’s Vineyard is a popular vacation destination known for quaint villages, lighthouses, and sandy beaches. Falmouth is located on southwest Cape Cod, and its village of Woods Hole serves as the main ferry point to Martha’s Vineyard. Seasonal ferry service to Martha’s Vineyard is also available from Hyannis and New Bedford, MA; Quonset Point, RI; New York City, NY; and Highlands, NJ.

Details regarding the bank’s assessment area are provided in Table 2:

Table 2		
Assessment Area		
MSA	Counties	Towns
Non-MSA	<i>Dukes</i>	Aquinnah, Chilmark, Edgartown, Gosnold, Oak Bluffs, Tisbury, and West Tisbury
Barnstable Town, MA MSA	<i>Barnstable</i>	Falmouth

Source: Bank Provided

The assessment area consists of 12 census tracts. According to ACS data, of the 12 census tracts, three are moderate-income census tracts, or 25.0 percent, five are middle-income census tracts, or 41.7 percent, three are upper-income census tracts, or 25.0 percent, and one is unknown. One of the moderate-income census tracts is located in Vineyard Haven, and the other two moderate-income census tracts are located in Falmouth. One of the three upper-income census tracts is located in Falmouth, and two are located in Oak Bluffs and West Tisbury/Aquinnah. The unknown census tract consists of the ocean and has no population or housing units. There are no low-income census tracts in the assessment area.

Tables 3 and 4 detail the assessment area demographics. Separate tables are shown for 2023 and 2024 due to updated demographic data during the evaluation period. Note that while the number of census tracts remained the same, two middle-income tracts became upper-income census tracts.

Table 3								
2023 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,752	22.0
Moderate	3	25.0	3,332	26.6	112	3.4	2,234	17.8
Middle	7	58.3	7,979	63.7	356	4.5	2,589	20.7
Upper	1	8.3	1,211	9.7	15	1.2	4,947	39.5
Unknown	1	8.3	0	0.0	0	0.0	0	0.0
Total AA	12	100.0	12,522	100.0	483	3.9	12,522	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	9,733	4,427	27.6	45.5	1,404	14.4	3,902	40.1
Middle	26,725	10,146	63.2	38.0	3,220	12.0	13,359	50.0
Upper	3,560	1,485	9.2	41.7	188	5.3	1,887	53.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	40,018	16,058	100.0	40.1	4,812	12.0	19,148	47.8
Source: 2023 FFIEC Census Data								
2016-2020 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Table 4								
2024 Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,407	19.2
Moderate	3	25.0	3,332	26.6	112	3.4	2,236	17.9
Middle	5	41.7	5,875	46.9	306	5.2	2,349	18.8
Upper	3	25.0	3,315	26.5	65	2.0	5,530	44.2
Unknown	1	8.3	0	0.0	0	0.0	0	0.0
Total AA	12	100.0	12,522	100.0	483	3.9	12,522	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	9,733	4,427	27.6	45.5	1,404	14.4	3,902	40.1
Middle	17,352	7,420	46.2	42.8	2,440	14.1	7,492	43.2
Upper	12,933	4,211	26.2	32.6	968	7.5	7,754	60.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	40,018	16,058	100.0	40.1	4,812	12.0	19,148	47.8
<i>Source: 2024 FFIEC Census Data</i>								
<i>2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Housing

There are 40,018 housing units in the assessment area of which a significant majority, 96.3 percent, are 1-4 family housing, 3.8 percent have five or more units, and 0.2 percent are mobile homes. Housing unit statistics show a high vacancy rate due to the number of second homes in the area, which reflects the seasonal nature of the assessment area. Only 40.1 percent of housing units are owner-occupied, while 47.9 percent are vacant, and 12.0 percent are rental units. Within Dukes County, the percentage of vacant units is even higher, at 61.8 percent. By comparison, vacant units comprise 9.1 percent of housing units in Massachusetts.

As depicted in Table 4, of the total owner-occupied units in the assessment area, 27.6 percent, are located in moderate-income census tracts, 46.2 percent are located within middle-income census tracts, and 26.2 percent are located in upper-income census tracts.

Housing costs are high in the assessment area. Based on the ACS, the median housing value was

\$521,144 in the assessment area and \$794,000 in Dukes County, nearly twice the median housing value of \$398,800 in Massachusetts. Recent data obtained from The Warren Group, Boston, MA, indicates that housing prices continue to rise. For calendar year 2024, the median home sales price in Dukes County was \$1,228,750. The median home sales price for Falmouth was \$700,000. One of the challenges banks in this area face in meeting low- and moderate-income credit needs is the large number of seasonal property owners. Much of the housing market, particularly in Dukes County, is driven by its desirability as a vacation destination. Property owners are often non-year-round residents and demand has made Martha’s Vineyard property costs beyond even the affordability of middle-income year-round residents.

Table 5 illustrates the recent data on the median sales price of single-family homes and condos for Dukes County and the town of Falmouth.

Table 5		
Median Sales Prices		
County/Town	2023	2024
Dukes County	\$1,100,000	\$1,228,750
Falmouth	\$660,000	\$700,000

Source: The Warren Group, Boston, MA

Rising home prices have made homeownership challenging across Duke County and the town of Falmouth. The median sales price of single-family homes and condos for Dukes County increased by 12 percent from 2023 to 2024 and the median sales price of single-family homes and condos for the town of Falmouth increased by 6 percent from 2023 to 2024. An analysis of median home sale prices compared to the median family incomes (MFI) by year showed the town of Falmouth as the likely best opportunity for banks to originate home mortgage loans to moderate-income borrowers. However, home mortgage loans to low-income borrowers remain more difficult due to lack of affordability. Overall, given the high values of single-family homes and condos in Dukes County, originations of home mortgage loans to low-, moderate-, and even middle-income borrowers, would likely have been more challenging.

Population

The assessment area has a population of 53,117 individuals. Based on 2024 data, the population was distributed by geography as follows: 26.3 percent in moderate-income tracts, 45.1 percent in middle-income tracts, and 28.6 percent in upper-income tracts. The assessment area includes 20,870 households, of which 12,522 are families. The majority, 44.2 percent, of families are upper-income. Middle-income families represent 18.8 percent of the assessment area. Low and moderate-income families represent 19.2 percent and 17.9 percent, respectively, of the assessment area. The percentage of assessment area families with incomes below the poverty level is 3.9 percent. Of the total families with incomes below the poverty level, 23.2 percent reside in moderate-income census tracts, 63.4 percent reside in middle income census tracts, and 13.5 percent reside in upper income census tracts. Within the Commonwealth of Massachusetts, 6.6 percent of families have incomes below the poverty level and within the Barnstable MSA, 4.3 percent of families have incomes below the poverty level. As there are no low- and only three moderate-income census tracts in the assessment area, low- and moderate-income individuals, who are more than one-third of the population, and families with incomes below the

poverty level experience the economic disparity of living in mainly middle- or upper-income census tracts.

Population growth in the assessment area is stable; however, according to the Martha’s Vineyard Commission, a regional planning agency for Dukes County, the population of the island increases approximately 4.6 times in the summer with seasonal residents and visitors. The assessment area also has a larger population of individuals aged 65 and over, at 27.0 percent, relative to Massachusetts, at 16.2 percent, reflective of Martha’s Vineyard being a popular retirement destination.

Income

The FFIEC adjusts the MFI of metropolitan areas annually, based on estimates. The MFI for low-income is defined as family income less than 50 percent of the area median income; moderate-income is defined as income of at least 50 percent and less than 80 percent of median income; middle-income is defined as income of at least 80 percent but less than 120 percent of median income; and upper-income is defined as 120 percent of median income and above. Table 6 displays the MFIs for the assessment area.

Table 6		
Median Family Income		
MSA/MD	2023	2024
Barnstable MSA	\$124,300	\$122,700
Non-MSA Massachusetts*	\$130,000	\$106,700
<i>FFIEC median family income estimates</i>		
<i>*Represents non-MSA portions of the state</i>		

The MFI for the Barnstable MSA decreased from 2023 to 2024. The MFI for non-MSA Massachusetts, which includes Dukes County, also decreased during the evaluation period.

Employment Statistics

The national non-seasonally adjusted annual unemployment rates for 2023 and 2024 were 3.6 percent and 4.0 percent, respectively. The Massachusetts non-seasonally adjusted annual unemployment rates for 2023 and 2024 were 3.5 percent and 4.0 percent, respectively. The non-seasonally adjusted annual unemployment rates for Dukes County were 4.6 percent in 2023, and 5.0 percent in 2024, and the non-seasonally adjusted annual unemployment rates for Falmouth were 4.5 percent in 2023, and 4.9 percent in 2024.

The cornerstone of the economy on Martha’s Vineyard is providing services to seasonal residents and visitors. As a result, the unemployment rate experiences seasonal fluctuations, generally rising in the winter and early spring. According to data released by the U.S. Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for Dukes County during 2024 ranged from a low of 3.1 percent in July and August to a high of 8.1 percent in February. The variance in the unemployment rate and reliance on seasonal work could create challenges for homeownership for individuals in the service industry.

Community Contact

As part of the evaluation process, third parties that are active in community affairs are contacted to assist in assessing the housing and credit needs in the bank's assessment area. Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and whether additional opportunities are available.

One community contact was conducted as part of the evaluation. The contact is an executive of an organization that provides assistance for homeless individuals in the town of Falmouth. The contact noted that Falmouth is a seasonal resort community with significant economic strain and inequality. Seasonal employment dominates the market with the population tripling in the summer and shrinking in the winter, leading to job instability and financial hardship during the off-season. According to the contact, housing is the most severe challenge. Rents have risen dramatically since the pandemic, forcing low-income workers, seniors, and even teachers and healthcare workers into unstable arrangements such as camping at campgrounds, living in cars, or experiencing seasonal displacement. Short-term rentals dominate the summer market, making year-round housing scarce and unaffordable. Homelessness is present even among employed individuals, and emergency shelter and hotel programs are frequently full, especially during the winter months.

During the conversation with the contact, the performance of local financial institutions was discussed. The contact viewed community banking involvement positively overall. Martha's Vineyard Bank was especially noted for strong community development engagement, support of non-profit organizations, housing initiatives, and flexible financing. The contact noted the need for opportunities for affordable housing, support for seasonal employees, financial inclusion, and services for vulnerable populations (such as the elderly and disabled.)

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

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

Loan-to-Deposit Ratio

This performance criterion determines the percentage of the bank's deposit base that is reinvested in the form of loans and evaluates its appropriateness. The bank's net LTD figures are calculated from the bank's quarterly FFIEC Call Reports. The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits.

The loan-to-deposit ratio is more than reasonable (considering seasonal variations and taking into account lending-related activities) given the bank's size, financial condition, and assessment area credit needs.

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

The average LTD ratio during the 8 quarters under evaluation was 109.0 percent. The bank's quarterly LTD ratio ranged from a low of 106.2 percent, as of June 30, 2025, to a high of 112.2 percent, as of June 30, 2024.

Table 7 provides a comparison of the bank's average LTD over the past eight quarters under evaluation to similarly sized institutions operating within the assessment area. The bank's LTD ratio is bolstered by stable loan demand and borrowings from the Federal Home Loan Bank. The bank's average LTD ratio of 109.0 percent is higher than that of similarly situated institutions.

Table 7		
Loan-to-Deposit Ratio Comparison		
Institutions	Total Assets* \$(000)	Average LTD Ratio** (%)
Martha's Vineyard Bank	1,295,084	109.0
Cape & Coast Bank (f/k/a Cape Cod Co-operative Bank)	1,668,894	103.0
Fall River Five Cents Savings Bank	1,879,805	107.8
Seamens Bank	491,399	79.9

*Call Report as of September 30, 2025

**Call Reports from September 30, 2023, to June 30, 2025.

Assessment Area Concentration

This criterion evaluates the concentration of loans originated by the bank within its assessment area. As shown below, a substantial majority of loans and other lending-related activities are in the bank's assessment area. Table 8 presents the bank's levels of lending inside and outside the assessment area for the entire evaluation period.

Table 8 Lending Inside and Outside the Assessment Area								
Loan Type - Description	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase - Conventional	115	91.3	94,325	94.6	11	8.7	5,387	5.4
Home Improvement	13	100.0	4,214	100.0	0	0.0	0	0.0
Multi-Family Housing	1	25.0	1,200	22.9	3	75.0	4,050	77.1
Refinancing	16	76.2	7,083	80.5	5	23.8	1,720	19.5
TOTAL LOANS	145	88.4	106,822	90.5	19	11.6	11,157	9.5

HMDA data for 2023 & 2024

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

During the evaluation period, the bank originated 164 home mortgage loans, of which 145, or 88.4 percent, were inside the assessment area. While the number of loans decreased during the evaluation period, the percentage of lending in the assessment area increased. In 2023, the bank originated 93 home mortgage loans, of which 81, or 87 percent, were inside the assessment area. In 2024, the bank originated 71 home mortgage loans, of which 64, or 90.1 percent, were inside the assessment area. The concentration of loans across loan types was generally consistent during the evaluation period, with home improvement loans most heavily concentrated within the assessment area. Loans outside the assessment area primarily originated in the towns in the Cape Cod region.

Borrower Profile

This criterion analyzes the distribution of loans to borrowers of different income levels. The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

Table 9 provides a comparison of the bank's lending by income level of the borrower to the income distribution of families in the assessment area and demographic data. The table further outlines the bank's performance by loan type in comparison to the aggregate group. The bank's performance in lending to individuals of different income levels, including low- and moderate-income borrowers, is reasonable.

Table 9 Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Borrower Income Level	Bank And Aggregate Loans by Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	2.8	0	0.0	1.0	0	0.0	1.1	0	0.0	0.5	19.2
Moderate	5	7.8	7.3	1,260	2.1	2.4	1	2.0	5.7	250	0.7	2.3	17.9
Middle	7	10.9	11.5	3,603	6.1	5.4	3	5.9	7.6	1,000	2.8	4.3	18.8
Upper	42	65.6	57.6	44,862	75.9	60.0	42	82.4	63.2	30,697	87.1	67.4	44.2
Unknown	10	15.6	20.9	9,369	15.9	31.2	5	9.8	22.4	3,284	9.3	25.5	0.0
Total	64	100.0	100.0	59,094	100.0	100.0	51	100.0	100.0	35,231	100.0	100.0	100.0
Refinance Loans													
Low	1	11.1	11.0	214	5.6	4.4	0	0.0	8.8	0	0.0	4.6	19.2
Moderate	1	11.1	13.1	250	6.6	3.7	0	0.0	12.9	0	0.0	5.5	17.9
Middle	1	11.1	14.7	682	17.9	6.2	0	0.0	15.9	0	0.0	8.2	18.8
Upper	3	33.3	34.3	1,326	34.8	29.2	6	85.7	46.8	3,068	93.9	57.8	44.2
Unknown	3	33.3	26.9	1,343	35.2	56.5	1	14.3	15.6	200	6.1	24.0	0.0
Total	9	100.0	100.0	3,815	100.0	100.0	7	100.0	100.0	3,268	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	7.5	0	0.0	2.1	0	0.0	6.5	0	0.0	3.1	19.2
Moderate	1	14.3	13.4	100	10.3	4.2	0	0.0	14.3	0	0.0	5.5	17.9
Middle	2	28.6	23.9	492	50.6	12.0	0	0.0	16.6	0	0.0	9.2	18.8
Upper	4	57.1	46.3	381	39.2	48.2	6	100.0	53.9	3,241	100.0	51.7	44.2
Unknown	0	0.0	9.0	0	0.0	33.5	0	0.0	8.8	0	0.0	30.6	0.0
Total	7	100.0	100.0	973	100.0	100.0	6	100.0	100.0	3,241	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	2.3	5.9	2,657	3.9	1.9	0	0.0	4.4	0	0.0	1.8	19.2
Moderate	8	9.3	10.0	1,837	2.7	2.6	1	1.5	9.6	250	0.6	3.4	17.9
Middle	12	14.0	14.7	5,372	7.9	5.5	3	4.4	12.3	1,000	2.3	5.8	18.8
Upper	51	59.3	46.3	47,154	69.6	47.4	58	85.3	56.7	38,420	89.0	63.3	44.2
Unknown	13	15.1	23.1	10,712	15.8	42.6	6	8.8	17.0	3,484	8.1	25.6	0.0
Total	86	100.0	100.0	67,732	100.0	100.0	68	100.0	100.0	43,154	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

In 2023, the bank originated two home mortgage loans, or 2.3 percent, to low-income borrowers, which trailed the aggregate of 5.9 percent. In 2024, the bank originated zero home mortgage loans, or 0.0 percent, to low-income borrowers, which trailed the aggregate of 4.4 percent. Both the bank and the aggregate trailed the demographic indicator (the percentage of low-income families in the assessment area) by a healthy margin. However, it is not expected that the bank or

aggregate will match the percentage of low-income families. As noted by a community contact, housing prices are unaffordable for many low-income families.

In 2023, the bank originated 8 home mortgage loans, or 9.3 percent, to moderate-income borrowers, which was slightly below the aggregate of 10.0 percent. In 2024, the bank originated one home mortgage loan, or 1.5 percent, to moderate-income borrowers, which was below the aggregate of 9.6 percent.

In all years, for low- and moderate-income borrowers, the bank trailed the demographic indicator; however, the bank may not meet the percentage distribution of low- and moderate-income families as families with low- and moderate-income levels may not qualify for a home mortgage loan. Additionally, as previously noted, based on an analysis of median home sale prices compared to the MFIs by year and the high value of single-family homes and condos in Dukes County, it would likely have been challenging to originate home mortgage loans to low-, moderate, and middle-income borrowers. As noted by the community contact, there is a need to expand affordable housing initiatives, stronger support for seasonal workers, and improved financial inclusion.

In 2023, the bank originated 12 home mortgage loans, or 14.0 percent, to middle-income borrowers, which was slightly below the aggregate of 14.7 percent. In 2024, the bank originated 3 home mortgage loans, or 4.4 percent, to middle-income borrowers, which was below the aggregate of 12.3 percent.

The bank has been expanding home mortgage products to address housing affordability in the assessment area. For example, the bank introduced an Accessory Dwelling Unit (ADU) program to address the limited housing supply within the assessment area. The program provides financing for the construction or conversion of ADUs on owner-occupied properties. This can help low- and moderate-income homeowners to generate supplemental rental income and reduce overall housing costs. This demonstrates the bank's responsiveness to identified community credit needs and supports affordable housing objectives.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of loans to census tracts of all income levels. The bank demonstrates a reasonable geographic distribution of loans given the bank's assessment area.

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

Table 10 Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	10	15.6	25.1	7,379	12.5	19.5	9	17.6	28.9	5,626	16.0	22.2	27.6
Middle	53	82.8	67.5	51,000	86.3	74.2	19	37.3	42.2	13,889	39.4	44.9	46.2
Upper	1	1.6	7.4	715	1.2	6.3	23	45.1	29.0	15,716	44.6	32.9	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	64	100.0	100.0	59,094	100.0	100.0	51	100.0	100.0	35,231	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	11.1	23.8	214	5.6	17.3	2	28.6	28.0	870	26.6	22.6	27.6
Middle	8	88.9	65.4	3,601	94.4	73.3	0	0.0	41.5	0	0.0	43.0	46.2
Upper	0	0.0	10.7	0	0.0	9.4	5	71.4	30.5	2,398	73.4	34.4	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	9	100.0	100.0	3,815	100.0	100.0	7	100.0	100.0	3,268	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	28.7	0	0.0	16.4	2	33.3	22.1	541	16.7	19.5	27.6
Middle	7	100.0	61.9	973	100.0	72.9	1	16.7	48.8	550	17.0	48.8	46.2
Upper	0	0.0	9.3	0	0.0	10.7	3	50.0	29.0	2,150	66.3	31.7	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	7	100.0	100.0	973	100.0	100.0	6	100.0	100.0	3,241	100.0	100.0	100.0
Multifamily Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	10.6
Middle	1	100.0	100.0	1,200	100.0	100.0	0	0.0	100.0	0	0.0	100.0	70.7
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	18.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	1	100.0	100.0	1,200	100.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	12	13.8	25.4	7,820	11.3	17.2	13	19.1	27.5	7,037	16.3	21.0	27.6
Middle	74	85.1	66.0	60,397	87.6	76.0	21	30.9	42.7	14,728	34.1	46.1	46.2
Upper	1	1.1	8.7	715	1.0	6.8	34	50.0	29.8	21,389	49.6	32.9	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Total	87	100.0	100.0	68,932	100.0	100.0	68	100.0	100.0	43,154	100.0	100.0	100.0

Source: 2024 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey / Note: Percentages may not total 100.0 percent due to rounding.

There are no low-income census tracts in the bank's assessment area and the bank's lending performance in moderate-income census tracts is reasonable. In 2023, the bank originated 12 home mortgage loans, or 13.8 percent, in the moderate-income census tract which was below the aggregate of 25.4 percent. In 2024, the bank originated 13 home mortgage loans, or 19.1 percent, in the moderate-income census tract which was again below the aggregate of 27.5 percent.

In 2023, the bank originated 74 mortgage home loans, or 85.1 percent, in the middle-income census tract, which was above the aggregate of 66.0 percent. In 2024, the bank originated 21 mortgage home loans, or 30.9 percent, in the middle-income census tract, which was below the aggregate of 42.7 percent. By loan type in 2024, refinance loans and home improvement loans exceeded the aggregate in the moderate-income census tract by 0.6 percent and 11.2 percent, respectively.

The lending performance for both the bank and aggregate trailed the demographic indicator of 27.6 percent owner-occupied units in moderate-income census tracts for both 2023 and 2024.

According to ACS data, more than half of the housing units in the moderate-income census tracts were non-owner occupied and over 40.0 percent of housing units were vacant. As the community contact noted, year-round housing for Martha's Vineyard's workforce is a need and the bank's efforts to lend in moderate-income census tracts continue to create more opportunities for owner-occupied units.

The evaluation did not identify any conspicuous gaps in the geographic distribution of home mortgage loans in the assessment area.

Response to Complaints

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

CONCLUSIONS: LENDING TEST

The bank's performance in meeting the credit needs of its assessment area is demonstrated by a more than reasonable LTD ratio; substantial majority of loans inside the assessment area; and reasonable dispersion of loans throughout the assessment area. The bank has also demonstrated reasonable performance lending to borrowers of different incomes, including low- and moderate-income borrowers. This performance criterion was given greatest weight in arriving at the Lending Test rating of Satisfactory.

COMMUNITY DEVELOPMENT TEST

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

Community Development Loans

MVB originated 17 community development loans, totaling \$30.9 million, during the evaluation period. Of that total, 15 community development loans, totaling \$28.4 million, were originated in the bank's assessment area. The remaining 2 community development loans, totaling \$2.5 million, were originated on Cape Cod, which is the community bordering the bank's assessment area. The bank's community development lending increased in volume from the prior evaluation in 2023, when the bank had 23 community development loans, totaling \$23.4 million. This increase is notable as the previous evaluation period was a year longer and the current rate environment is less favorable. The majority of the bank's community development loans promoted economic development and affordable housing within the assessment area. The following are notable examples of the bank's qualified community development loan activity during the evaluation period:

- The bank made 3 SBA 504 loans, totaling \$3.4 million. The 504 Loan Program provides long-term, fixed-rate financing of up to \$5.5 million for major fixed assets that promote business growth and job creation. SBA 504 loans are available through Certified Development Companies, SBA's community-based partners who regulate nonprofits and promote economic development within their communities. Certified Development Companies are certified and regulated by the SBA.
- In 2024, the bank provided a \$650,000 loan to an affordable housing development company for a larger office space so it can expand its operations on Martha's Vineyard.
- In 2025, the bank provided a \$650,000 loan to the same affordable housing development company for construction of a 4-unit affordable housing project.
- In 2025, the bank provided two loans, totaling \$237,500, for the construction of affordable housing units in a moderate-income census tract. The loans provided funding for three affordable housing units.
- In 2025, the bank provided a \$2.0 million loan for a construction loan to provide housing for autistic adults on Martha's Vineyard.

Qualified Investments

MVB's qualified community development investments consist of donations to organizations that focus on providing affordable housing, increasing economic development and revitalization efforts, and offering community services that benefit low- and moderate-income individuals. During the evaluation period, the bank made 406 qualified donations, totaling \$2.4 million, which is an increase from the total of 293 qualified donations, totaling \$2.1 million, at the prior evaluation.

MVB identifies affordable housing, homelessness, and food insecurity as the greatest needs

within the assessment area, and, accordingly, the bank targeted donations to organizations that provide solutions for affordable housing, shelter for the homeless, and food to the hungry. The following are examples of organizations the bank donated to during the evaluation period:

- Island Housing Trust: This organization creates permanent affordable housing for the rental and ownership markets for low- or moderate-income individuals or families. The organization lowers the initial cost of homeownership by eliminating the land cost and a portion of the construction costs through grants and donations. MVB provided a grant in 2024 to help build four affordable units on Martha's Vineyard.
- Belonging to Each Other (BTEO): This organization provides transitional housing for adults experiencing homelessness in Falmouth during the cold weather months. In addition to housing, BTEO provides transportation to work; access to internet, food, and computers; assistance with sobriety, creating savings plans, and transitioning to permanent housing; and post-housing assistance to provide stability for up to two years. MVB makes multiple annual donations to this organization.
- Island Food Pantry: This organization provides nutritious food to 1-in-5 year-round residents in need of support. The food donated is grown on a 42-acre farm, which is also used to teach visitors about regenerative farming. MVB provided a large grant in 2023 and makes several annual donations to support the food pantry.
- Red Stocking Fund: The Red Stocking Fund is a local organization that provides warm winter clothing and other necessities to children and families in need during the winter holiday season. MVB makes multiple annual donations to the Red Stocking Fund.
- Falmouth Service Center: This organization provides a range of services to Cape Cod households to help provide a safety net. A major component of the program is an extensive food pantry that clients may visit weekly. In addition, financial assistance is available to Falmouth residents who need housing assistance or help paying utilities.

Community Development Services

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

- Healthy Aging Martha's Vineyard: This organization supports aging Martha's Vineyard residents on fixed incomes. A senior commercial lending officer serves on the organization's board of directors.
- YMCA of Martha's Vineyard: This organization is dedicated to improving the quality of life for children, individuals, families, and the island community. This organization provides a free afterschool space for all Martha's Vineyard teens, provides financial assistance based on need (all donations made to the YMCA support kids, adults, and families in need), and partners with IGI to provide free and healthy meals to children on

the island that are a part of the YMCA of Martha’s Vineyard programming. A senior lending officer serves on the organization’s board of directors.

- Falmouth Housing Trust: The mission of the Falmouth Housing Trust is to enhance the community of Falmouth by developing and maintaining sustainable, affordable workforce housing. A senior residential loan officer serves on the organization’s board of directors.

Bank employees also participated in financial literacy events to support community development services, affordable housing, and economic development. Table 11 shows the workshops and seminars that bank employees participated in during the review period:

Table 11 Seminars and Workshops	
Workshop/Seminar/Class	Number of Classes Taught
Accessory Dwelling Unit Program Workshop	1
Cape & Islands Elder Fraud Event	1
Elder Fraud Awareness Workshop (with MVB, DCSO, and FBI)	1
ESL Adult Financial Education Class	1
Falmouth First-Time Homebuyer Seminar	4
Island Youth Collaborative Adult Financial Education	3
Meshaket Commons First-Time Homebuyer Class	1

Source: Bank Provided

CONCLUSIONS: COMMUNITY DEVELOPMENT TEST

The bank’s community development performance demonstrates an excellent responsiveness to the community development needs of its assessment area through community development loans that support economic development and affordable housing; qualified investments that support community development services and affordable housing; and community development services that help support low- and moderate-income individuals and families. Overall, the Community Development Test is rated Outstanding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency (OCC), and the FDIC have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, the FDIC, and the OCC, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a

dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the

context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

For additional information, please see the Definitions section of Regulation BB at 12 C.F.R. 228.12