

**PUBLIC DISCLOSURE**

**DECEMBER 14, 2011**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**MANSFIELD CO-OPERATIVE BANK**

**CERT #26448**

**80 NORTH MAIN STREET**

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**NOTE:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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## GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") and the Federal Deposit Insurance Corporation ("FDIC") to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of Mansfield Co-operative Bank (or the "Bank"), prepared by the Division and FDIC, the institution's supervisory agencies.

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

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

The assigned rating is based on the results of two performance tests: the Lending Test and the Community Development Test. The Bank's performance under each of these two tests is summarized below.

### ***Lending Test***

The Lending Test is rated "Satisfactory." Mansfield Co-operative Bank's average net loan-to-deposit ratio is adequate given the institution's size and assessment area credit needs. A majority of the Bank's loans and other lending related activities are in the institution's assessment area. The geographic distribution of the Bank's loans reflects adequate dispersion throughout the assessment area. Given the demographics of the assessment area, the distribution of loans reflects an adequate penetration among borrowers of different income levels (including low- and moderate-income) and businesses of different sizes. The Bank has not received any CRA related complaints.

### ***Community Development Test***

The Community Development Test is rated "Satisfactory." Mansfield Co-operative Bank's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area through its community development loans, qualified investments, and community development services.

## SCOPE OF EVALUATION

Intermediate Small Bank (“ISB”) CRA evaluation procedures were used to assess the Bank’s CRA performance. These procedures utilize two performance tests: the Lending Test and the Community Development Test. The Lending Test focused on home mortgage and small business lending, with residential lending receiving greater weight in assigning the overall rating since it accounts for a majority of Mansfield Co-operative Bank’s lending activity. As the Bank did not originate any small farm loans, they were not part of the Lending Test analysis. Additionally, since the Bank’s consumer loans make up a small portion of the Bank’s loan portfolio at 0.4 percent, these loans were also not considered in the Lending Test analysis.

Home mortgage data analyzed included full-year data from January 1, 2010, through September 30, 2011. Information concerning home mortgage lending was derived from the Loan Application Registers (“LARs”) maintained by the Bank, pursuant to the Home Mortgage Disclosure Act (“HMDA”). The LARs contain data about home purchase and home improvement loans, including refinancings, of one- to four-family and multifamily (five or more units) properties. Primary emphasis was placed on the Bank’s 2010 lending. Calendar year 2010 was the focus, since this is the most recent year for which aggregate HMDA lending data is available. The aggregate HMDA lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders that extended loans in the Bank’s assessment area. Residential lending activity for 2009 was also analyzed to identify any significant trends or anomalies in the Bank’s distribution of loans inside and outside of the assessment area. The 2011 data was not included in the tables, except for lending inside and outside the assessment area, but was instead referenced in the text to show trends and anomalies in comparison with 2010 lending patterns.

Due to the large proportion of commercial lending within the portfolio, the evaluation also considered small business loan activity. Information concerning small business lending was derived from data maintained by the Bank for commercial real estate and commercial and industrial loans with original balances of \$1 million or less. A sample of the data from 2010 was the focus of the small business review, since this is the most recent full year for which business demographic data is available. Although aggregate information regarding the small business lending performance of larger banks is available for 2010, such information was not used for comparison purposes since such lending is conducted by much larger institutions and would not be an appropriate measure of lending opportunities for a smaller community bank.

The Community Development Test included community development loans, investments, and services for the period of April 13, 2009, through December 14, 2011. Demographic information is from the 2000 U.S. Census unless otherwise noted. Financial data was derived from the Bank’s September 30, 2011 Report of Condition and Income (Call Report).

## PERFORMANCE CRITERIA

### Description of Institution

Mansfield Co-operative Bank is a mutually-insured, state-chartered bank headquartered in Mansfield, Massachusetts. In addition to the main office located in Mansfield, the Bank operates four full-service branch offices in the following municipalities: Easton, Norton, Plainville, and West Bridgewater. Both the main office and the branch in Norton are located in upper-income census tracts. The Easton, Plainville, and West Bridgewater branches are located in middle-income tracts. The Bank opened the Easton branch in 2010.

Mansfield Co-operative Bank is a full-service financial institution that offers a wide variety of products and services. The Bank offers a variety of home financing programs for the purchase, refinance, and construction of residential property. The Bank sells some residential loans on the secondary market, but retains some in portfolio. This combination allows for flexibility in the products the Bank can offer its residential mortgage applicants. The Bank also offers secured and unsecured consumer loans including home equity lines of credit, personal loans, and automobile loans.

Mansfield Co-operative Bank's primary lending focus remains residential even though residential lending has declined since the previous evaluation. Conversely, commercial lending has almost doubled since the prior evaluation. The softening of the residential market, along with the addition of three commercial loan officers, has contributed to this shift in the Bank's loan portfolio.

Retail customers can choose from a variety of deposit product offerings, including savings, checking, and retirement accounts. The Bank also offers non-FDIC insured investment products such as mutual funds, fixed- and variable-rate annuities, and retirement accounts through MCB Financial, a subsidiary of Mansfield Co-operative Bank. Commercial customers can choose from an array of savings, checking, and investment account services, as well as a full line of financing options. The Bank offers loan programs for small businesses guaranteed by the Small Business Administration (SBA) including the 7(a) and the 504 loan programs.

The Bank has total assets of approximately \$353 million. Since the previous FDIC CRA evaluation dated April 13, 2009, total assets have increased approximately 16.5 percent from \$303 million to the current level. There has been a slight change in the overall dollar volume of loans within the Bank's portfolio; increasing 12.6 percent since the previous evaluation. There has been a significant change in the composition of the Bank's portfolio. Residential one- to four-family first and second lien loans decreased approximately 46.9 percent. Commercial lending increased approximately 84 percent.

Loans total nearly \$241 million at September 30, 2011, and account for 68.0 percent of total assets. Refer to Table 1 for information regarding the composition of the Bank's loan portfolio.

	<b>Dollar Amount \$(000s)</b>	<b>Percent of Total Loans (%)</b>
Construction and Land Development	14,018	5.8
1-4 Family Residential	103,804	43.1
Multifamily Residential	17,298	7.2
Commercial	96,405	40.0
<b>Total Real Estate Loans</b>	<b>231,525</b>	<b>96.1</b>
Commercial and Industrial	8,894	3.7
Consumer	508	0.2
<b>Total Loans</b>	<b>240,927</b>	<b>100.0</b>

The FDIC last evaluated the Bank's CRA performance on April 13, 2009, and assigned a rating of "Satisfactory" using the ISB procedures. The Division last evaluated the Bank as of June 12, 2006, and assigned a rating of "Satisfactory" using the small bank procedures. The Bank became an intermediate small bank for CRA purposes on January 1, 2007, as its total assets for the prior two calendar year-ends exceeded the asset threshold in place at that time.

There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area.

### Description of Assessment Area

The CRA requires each financial institution to define an assessment area(s) within which its CRA performance will be evaluated. Mansfield Co-operative Bank's assessment area as currently defined meets the technical requirements of the CRA regulation since it: (1) consists of one or more political subdivisions; (2) includes the geographies where the Bank has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the institution originated a substantial portion of its loans; (3) consists of whole census tracts; (4) does not extend substantially beyond state boundaries, unless otherwise permitted; (5) does not reflect illegal discrimination; and (6) does not arbitrarily exclude low- and moderate-income areas.

The Bank has defined its assessment area to include seven municipalities located in Norfolk, Plymouth, and Bristol Counties in Massachusetts. The assessment area is located within two Metropolitan Statistical Areas (MSAs); Attleboro, Easton, Mansfield, North Attleboro, and Norton (all in Bristol County) are located in the Providence-New Bedford-Fall River, RI – MA MSA, and Plainville (Norfolk County) and West Bridgewater (Plymouth County) are located in the Boston-Cambridge-Quincy, MA MSA.

Table 2 includes pertinent assessment area demographic information.

<b>Table 2 Assessment Area Demographic Information</b>					
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>
Geographies (Census Tracts)	23			39.1	60.9
Population by Geography	146,277			30.1	69.9
Owner-Occupied Housing by Geography	38,259			28.0	72.0
Business by Geography	9,876			33.4	66.6
Farms by Geography	223			34.5	65.5
Family Distribution by Income Level	38,149	11.1	13.8	20.7	54.4
Distribution of Low and Moderate Income Families throughout AA Geographies	9,481			42.6	57.4
Median Family Income		60,661	Median Housing Value		174,645
2010 HUD Adjusted Median Family Income		82,185	Unemployment Rate		2.6%
Households Below Poverty Level		5%	(2000 US Census)		

Source: 2000 US Census and 2010 HUD updated MFI

As the data in Table 2 shows, the area is composed of 23 census tracts, of which none is low- or moderate-income; 9 are middle-income; and 14 are upper-income. Table 2 also shows that the assessment area's population and owner-occupied housing are concentrated in the upper-income census tracts. Most of the business establishments are also located in the upper-income census tracts. Overall, the assessment area is fairly affluent, with 54.4 percent of the

area's families categorized as upper-income. The majority (57.4 percent) of the low- and moderate-income families reside in the upper-income census tracts.

Recent statistics published by the Warren Group show that the median home sales prices in the assessment area for 2010 range from a low of \$225,000 in Attleboro to a high of \$318,500 in Plainville. The average median home sales price for the assessment area is \$263,964. This data shows that housing prices in the assessment area make it challenging for low- and moderate-income individuals to achieve homeownership.

Numerous businesses operate throughout the assessment area, with the highest concentration being in the upper-income census tracts. According to 2010 Business Geodemographic Data, the area has 9,876 non-farm businesses in operation, 76.4 percent of which are known to have gross annual revenues of \$1 million or less. The highest proportion of these business establishments, 45.7 percent, is engaged in the service industry and retail trade. In terms of employees, approximately 69.4 percent of the area's businesses employ four or fewer people; meaning that almost 70 percent of the area's businesses are very small businesses.

Mansfield Co-operative Bank operates in a competitive market area in terms of financial services. The Bank competes for loan volume with many commercial banks, savings banks, credit unions, and mortgage lenders that operate in the area. Among the more prominent mortgage lenders competing with the Bank in 2010 were Wells Fargo Bank, Bank of America, Sovereign Bank, and RBS Citizens. According to a 2010 residential lending market share report, Mansfield Co-operative Bank captured 3.2 percent of this market and ranked 7<sup>th</sup>. This represents a significant increase from the prior evaluation, when the Bank ranked 24<sup>th</sup>. In 2010, 279 lenders reported a total of 6,276 residential mortgage loans within the Bank's assessment area.

The assessment area has no one primary credit need. However, given that the area is largely comprised of residential communities, retail residential home loan products are perhaps in most demand. The area's residents need a variety of consumer loan products to meet personal needs and an array of home financing programs for the purchase, construction, or refinance of a residence. The area's business base also requires numerous commercial credit options to meet a wide variety of financing purposes.

### **Community Contact**

A community contact was conducted with an organization focused on meeting the housing needs of the community through advocacy for affordable housing, education, and foreclosure prevention. The contact identified unemployment and subsequent property foreclosure as the primary concerns of municipalities in the area. A more effective and responsive loan modification program for families in crisis is needed in order to alleviate the uncertain economic environment. The contact made mention of a relationship with several local bank's that were very active through grant funding, education, and assistance with loan modification, while noting that work with national banks has continued to pose a challenge. Mansfield Co-operative Bank was mentioned among local banks the contact had recently solicited, and the contact found their response to grant requests encouraging for the future. The contact noted that, while there are many attendees for the First Time Homebuyer Courses, a significant portion do not have any savings or banking knowledge, from which they infer a need for more basic banking programs or financial literacy courses.

## CONCLUSIONS REGARDING PERFORMANCE CRITERIA

The Lending Test considers the institution's performance pursuant to the following criteria: loan-to-deposit ("LTD") ratio, comparison of credit extended inside and outside the assessment area, distribution of credit among borrowers of different income levels, geographic distribution, and response to CRA complaints. The Community Development Test considers qualified community development loans, investments, and services.

### LENDING TEST

Mansfield Co-operative Bank is rated **Satisfactory** in the Lending Test.

#### 1. Loan To Deposit Analysis

Mansfield Co-operative Bank's LTD ratio is reasonable given the institution's size, resources, business strategy, and assessment area credit needs. The average quarterly LTD ratio determined for the period since the prior evaluation is 80.3 percent. This ratio was determined by averaging the quarterly net LTD ratios derived from the 10 consolidated Reports of Condition and Income filed during the period from June 30, 2009 through September 30, 2011. Since the previous evaluation, the Bank's LTD ratio has fluctuated slightly, with it being lowest on June 30, 2010, (76.7 percent) and highest on December 31, 2010 (84.4 percent).

Additionally, Mansfield Co-operative Bank's average net LTD ratio is compared with similarly-situated institutions. The Bank's net LTD ratio is higher than two similarly-situated institutions and lower than two other institutions. As shown in Table 3, the four other institutions' average net LTD ratios ranged from 62.7 percent to 95.0 percent.

<b>Institution</b>	<b>Average Net LTD Ratio Since prior evaluation</b>	<b>Assets at September 30, 2011 (\$000)</b>
Randolph Savings Bank	62.7	382,068
Mechanics Cooperative Bank	68.8	379,366
<i>Mansfield Co-operative Bank</i>	<i>80.3</i>	<i>353,163</i>
The Bank of Canton	90.1	625,627
Norwood Cooperative Bank	95.0	394,389

Source: Reports of Condition and Income

Not reflected in the Bank's net LTD ratio is the volume of loans it has sold on the secondary market. Loans originated but sold during an evaluation period help to meet the credit needs of a community, but are not reflected in the LTD ratios since the loans do not remain on the Bank's balance sheet. The sale of residential loans enables the Bank to "recycle" its funds and originate additional loans with the proceeds from the sales. Between April 2008 and September 2011, Mansfield Co-operative Bank sold 638 mortgages totaling approximately \$132.3 million to secondary market investors. This demonstrates its willingness to reinvest in the community through its lending services.



## 2. Comparison of Credit Extended Inside and Outside the Assessment Area

This performance criterion determines what percentage of the Bank's lending occurs within the assessment area and evaluates its appropriateness. Based on a review of the residential (also referred to as home loans) and small business loan data, a majority of the Bank's lending activity has occurred inside the assessment area. Refer to Table 4 for specific information concerning the distribution of loans inside and outside the assessment area.

Loan Type	Number Loans					Dollar Volume (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2009										
Home Purchase	18	41.86	25	58.14	43	3,869	35.01	7,181	64.99	11,050
Refinance	291	67.36	141	32.64	432	60,905	64.63	33,331	35.37	94,236
Home Improvement	42	75.00	14	25.00	56	8,156	78.03	2,296	21.97	10,452
Total	351	66.10	180	33.90	531	72,930	63.01	42,808	36.99	115,738
2010										
Home Purchase	21	55.26	17	44.74	38	4,286	44.94	5,251	55.06	9,537
Refinance	162	71.37	65	28.63	227	34,772	67.68	16,608	32.32	51,380
Home Improvement	19	76.00	6	24.00	25	3,645	70.07	1,557	29.93	5,202
Total	202	69.66	88	30.34	290	42,703	64.59	23,416	35.41	66,119
YTD 2011										
Home Purchase	17	56.67	13	43.33	30	4,325	38.57	6,888	61.43	11,213
Refinance	73	72.28	28	27.72	101	17,136	64.64	9,373	35.36	26,509
Home Improvement	7	100.00	0	0.00	7	1,074	100.00	0	0.00	1,074
Total	97	70.29	41	29.71	138	22,535	58.09	16,261	41.91	38,796
<b>Total Home Loan</b>	<b>650</b>	<b>67.78</b>	<b>309</b>	<b>32.22</b>	<b>959</b>	<b>138,168</b>	<b>62.62</b>	<b>82,485</b>	<b>37.38</b>	<b>220,653</b>
Small Business 2010	15	55.56	12	44.44	27	4,734	75.56	1,531	24.44	6,265
<b>Grand Total</b>	<b>665</b>	<b>67.44</b>	<b>321</b>	<b>32.56</b>	<b>986</b>	<b>142,902</b>	<b>62.98</b>	<b>84,016</b>	<b>37.02</b>	<b>226,918</b>

Source: HMDA LAR Data for 2009, 2010, YTD 2011 and Bank's Small Business Loan Data Reports for 2010

### *Home Loans*

Table 4 shows that the Bank originated 650 home loans totaling \$138.2 million in the assessment area during this evaluation period. This represents 67.8 percent of the total number of home loans originated by the Bank and 62.6 percent by dollar volume. The proportion of home mortgage lending in the assessment area remained relatively stable over the time period, with a slight increase noted during the evaluation period.

### *Small Business Loans*

Mansfield Co-operative Bank originated 37 small business loans during 2010. Out of those loans, 27 loans were sampled and included in Table 4. As noted, Table 4 illustrates that the Bank originated 15 small business loans totaling \$4.7 million in the assessment area during the evaluation period. This represents 55.6 percent of the total number of small business loans originated by the Bank and 75.6 percent by dollar volume.

### 3. Distribution of Credit Among Borrowers of Different Income Levels

The Bank's loans were analyzed by borrower income and business revenue to determine the extent to which the Bank is addressing the credit needs of the area's residents and small businesses. Based upon the review of the HMDA LARs and small business loan data, the Bank has achieved an overall adequate penetration of loans among borrowers of different income levels and to businesses of different revenues. Refer to Table 5 for information concerning the distribution of HMDA loans by borrower income and Table 6 for the distribution of small business loans by business revenue.

Loan Category	# of Bank Loans	Percent of Bank Loans				Percent of Aggregate Lending			
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
Home Purchase	19	15.79	10.53	26.32	47.36	5.09	24.15	27.22	43.54
Refinance	158	1.27	8.86	25.95	63.92	2.69	10.63	22.63	64.04
Home Improvement	19	0.00	10.53	42.11	47.36	5.65	12.37	22.26	59.72
Total	196	2.56	9.18	27.55	60.71	3.35	13.59	23.58	59.48
Families	38,149	11.10	13.80	20.70	54.40				

Source: HMDA LAR and HMDA aggregate data for 2010 and the 2000 Census Data

#### *Home Loans*

The Bank has achieved a reasonable penetration of home loans among borrowers of different incomes based on the area's demographics, a comparison to aggregate lending data, and a review of the Bank's market rank. As shown in Table 5, upper-income borrowers accounted for the highest proportion of home purchase, refinance, and home improvement loans combined (60.7 percent). Lending to middle-income borrowers accounted for the next highest proportion (27.6 percent). The strong penetration in these two borrower income categories is not unexpected, considering that approximately 75 percent of the area's families are middle or upper income.

Most of the remaining loan volume was to moderate-income borrowers, with the percentage of such lending lower than the percentage of moderate-income families in the assessment area. Lending to moderate-income borrowers also lagged behind the aggregate data. Lending to low-income borrowers was lower than the percentage of low-income families in the area. This is not unusual, since qualifying for home mortgage loans is particularly difficult for low-income families given the current economic environment. Furthermore, according to 2000 U.S. Census data, 2.7 percent of all families in the assessment area are below the poverty level and would have significant difficulty in seeking home financing. Finally, lending to low-income borrowers is in line with the aggregate data, being only 80 basis points lower.

#### *Small Business Loans*

The Bank has achieved an excellent penetration of small business loans among businesses of different sizes based upon the area's demographics. Refer to Table 6 for information concerning the Bank's small business lending.

Table 6 Distribution of 2010 Small Business Loans by Revenue		
# of Bank Loans	Businesses with Revenues of \$1 million or less	
	Percent of Businesses	Percent of Bank Loans
15	76.25	80.00

Source: Small Business Loan Data sample (2010) and 2010 Business Geodemographic Data

As shown in Table 6, the Bank originated 15 small business loans inside the assessment area in 2010, of which 80.0 percent were to businesses with gross annual revenues of \$1 million or less. This percentage of loans exceeds the percentage of businesses reporting gross annual revenues of \$1 million or less.

#### 4. Geographic Distribution

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment area. The Bank has achieved an adequate dispersion of home loans and small business loans throughout its assessment area based on the area's demographics and a comparison to aggregate lending data. As the Bank does not have any low- or moderate-income census tracts in its assessment area, this criterion was not weighted heavily in arriving at the overall Lending Test rating. Refer to Tables 7 and 8 for specific information concerning the distribution of HMDA and small business loans among the census tract income categories.

##### *Home Loans*

Mansfield Co-operative Bank has achieved a reasonable dispersion of home loans throughout the assessment area. Summarized in Table 7 is the distribution of HMDA loans by census tract income.

Table 7 Distribution of 2010 HMDA Loans by Census Tract Income Level					
Loan Category	# of Bank Loans	Percent of Bank Loans		Percent of Aggregate Lending	
		Middle	Upper	Middle	Upper
Home Purchase	21	23.81	76.19	28.73	71.27
Refinance	162	14.20	85.80	21.36	78.64
Home Improvement	19	5.26	94.74	28.81	71.19
Total	202	14.36	85.64	23.24	76.76
Owner-Occupied Housing Units	89,388	28.00	72.00		

Source: HMDA LAR and HMDA aggregate data for 2010 and the 2000 U.S. Census Data

As stated previously, Mansfield Co-operative Bank's assessment area does not contain any low- or moderate-income census tracts. As a result and as shown in Table 7, the Bank's total home lending is predominately in the upper-income census tracts. This strong performance in the upper-income census tracts is not unexpected considering that these census tracts contain 72.0 percent of the assessment area's owner-occupied housing.

In 2011, the percentage of lending in the middle- and upper-income census tracts changed slightly. Specifically, lending in the middle-income tracts decreased to 14.4 percent, whereas, lending in the upper-income tracts increased to 85.6 percent.

*Small Business Loans*

Mansfield Co-operative Bank has achieved a reasonable dispersion of small business loans throughout the assessment area based on assessment area demographics. Summarized in Table 8 is the distribution of the small business loans by census tract income level.

Table 8 Distribution of 2010 Small Business Loans by Census Tract Income Level					
Loan Category	# of Bank Loans	Percent of Bank Loans		Percent of Businesses	
		Middle	Upper	Middle	Upper
Small Business	15	26.67	73.33	30.06	69.94

Source: Bank’s Small Business Loan Data (2010) and 2010 Business Geodemographic Data

As shown in Table 8, the upper-income census tracts accounted for the greatest share of the small business loans. The proportion of the Bank’s small business loans in the upper-income areas is slightly greater than the demographics of the area, while the distribution in the middle-income tracts is slightly lower than demographics.

**5. Fair Lending Policies and Practices and Response to CRA Complaints**

No CRA-related complaints have been received.

The Bank’s compliance with fair lending regulations and other credit-related practices were reviewed. There were no indications of discriminatory practices, but a violation of the Real Estate Settlement Procedures Act and the implementing regulation, Regulation X, was identified. The effect of the violation on the assessment area is considered to be limited; therefore, the Bank’s CRA rating was not impacted.

**COMMUNITY DEVELOPMENT TEST**

Mansfield Co-operative Bank is rated **Satisfactory** in the Community Development Test. The Bank’s overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment area(s) through community development loans, qualified investments, and community development services, considering the institution’s capacity and the need and availability of such opportunities within the assessment area.

Opportunities for banks to extend community development loans, investments, and services are evidenced through an analysis of demographic information, which shows that that nearly 25 percent of the assessment area’s families are categorized as low- or moderate-income. Additionally, the needs identified by the community contact include the following: providing financial support (i.e. grants) to local community development corporations and other community-based groups; financial literacy training; foreclosure prevention counseling.

**Community Development Loans**

For purposes of this evaluation, a community development loan is defined as a loan that: (1) has community development as its primary purpose, (2) has not already been reported by the Bank for consideration under small business or home mortgage lending (unless it is a multi-family dwelling loan), and (3) benefits the Bank’s assessment area or a broader statewide or regional area that includes the Bank’s assessment area.

During the evaluation period, Mansfield Co-operative Bank originated eleven qualified community development loans for a total of \$740,280. The loans are as described below:

- Six commercial loans were originated with a social service agency for a total of \$152,280. The agency assists members of the community with developmental disabilities through job training, housing and other forms of support. The vast majority of clients receives social security assistance and represents some of the most vulnerable residents of the area. Three loans were originated in 2009 for \$67,160, two loans were originated to the organization in 2010 for \$56,440, and one loan was originated in 2011 for \$28,680.
- Four loans were originated as part of the SBA 504 program, which are granted on the basis of having a primary purpose of community development. While the funds were used for property land or machinery purposes, the 504 program stipulates that eligibility depends upon job creation and retention, economic development, or revitalization or stabilization of the area. One loan was originated in 2009 for \$180,000, and one loan was originated in 2010 for \$132,000. Two other SBA loans were originated in 2011 for \$116,000 and \$130,000.
- Additionally, one loan was modified in 2009 to increase from \$90,000 to \$120,000 to an area Chamber of Commerce, an organization that provides small business education and loan support.

### **Qualified Investments**

A qualified investment for purposes of this CRA evaluation is a lawful investment, deposit, donation, membership share, or grant that has community development as its primary purpose. The evaluation considered (1) investment and grant activity, (2) the responsiveness to credit and community development needs, and (3) community development initiatives.

The Bank funded 82 qualified grants and donations during the assessment period, for a total of \$191,260. No qualified equity investments were made. Donations were made primarily to agencies performing services to low- and moderate-income members of the community. Table 9 below details the Bank's community development donations by community development purpose category.

Category <sup>1</sup>	Year	Number of Donations	Dollar Amount
Affordable Housing	4/13/2009-12/31/2009	0	0
	2010	1	1,000
	01/01/11 – 12/14/2011	1	500
<b>Total Affordable Housing</b>		<b>2</b>	<b>1,500</b>
Community Services to Low- and Moderate-Income (LMI) Individuals	4/13/2009-12/31/2009	19	56,750
	2010	24	65,900
	01/01/11 – 12/14/2011	32	66,990
<b>Total LMI Services</b>		<b>75</b>	<b>189,640</b>
Economic Development	4/13/2009-12/31/2009	0	0
	2010	0	0
	01/01/11 – 12/14/2011	5	120
<b>Total Economic Development</b>		<b>5</b>	<b>120</b>
<b>GRAND TOTAL</b>		<b>82</b>	<b>191,260</b>

*Source: Internal bank records*

<sup>1</sup> There are 4 community development purposes for which a bank can receive credit under the CRA. The fourth community development purpose category – activities that revitalize or stabilize low- and moderate-income census tracts, designated disaster areas, or distressed or underserved metropolitan middle-income census tracts – is not referenced in Table 9 as the Bank did not make any donations that qualified under that purpose.

Mansfield Co-operative Bank's qualified donations represent approximately 3.3 percent of the Bank's pre-tax net operating income during the evaluation period, and 80.1 percent of its total donations during the evaluation period. The following table details the Bank's donations as a percentage of pre-tax net operating income by year.

Year	Dollar Amount of Qualified Donations	% of Total Donations	% of Pre-tax Net Operating Income
4/13/2009-12/31/2009	56,750	74.4	3.3
2010	66,900	82.5	3.9
01/01/11 – 12/14/2011	67,610	82.9	4.0
<b>Evaluation Period</b>	<b>191,260</b>	<b>80.1</b>	<b>3.8</b>
<i>Source: Internal bank records</i>			

The following are a sample of the organizations benefiting from the Bank's qualified donations during the evaluation period.

- Hockomock YMCA: This area YMCA, with Branches in North Attleboro, Foxboro, and Mansfield, provides the community with a variety of social service programs, including job training, childcare assistance, and health and wellness education. Donations and contributions received through the Reach Out for Youth and Families campaign are directed towards financial assistance for those that have a demonstrated need. Mansfield Co-operative Bank donated a total of \$90,500 to the Hockomock YMCA since the previous evaluation.
- South Shore Housing (SSH): The mission of this organization is to enhance the quality of life for low- and moderate-income people by providing decent, safe, and affordable housing. Through rental assistance homebuyer education and advocating for affordable housing throughout Bristol and Plymouth Counties, SSH helps families move toward economic and social independence. Mansfield Co-operative Bank donated \$1,000 to SSH in 2010.
- New Hope: A domestic violence prevention and social service organization, New Hope provides support, education, and transitional services to victims of domestic violence throughout Southeastern and Central Massachusetts. According to the organization, the majority of clientele fall within low- to moderate-income levels. The Bank provided a total of \$7,500 since the previous evaluation.

### ***Community Development Services***

A community development service has community development as its primary purpose and is generally related to the provision of financial services or technical services and assistance. Listed below are the community development services provided by the Bank.

#### Officer and Employee Involvement

Officers and employees of the Bank are involved in a number of community development and non-profit organizations. Several examples of such are included below.

- South Eastern Economic Development Corporation (SEED): SEED is a non-profit, SBA-certified corporation established to improve the economy of Southeastern Massachusetts by assisting small businesses to start-up, expand, and create new employment opportunities. The chief operating officer serves as a Board member.

- Our Daily Bread Food Pantry (Mansfield): Our Daily Bread's mission is to provide food and access to other resources for Mansfield residents in need. A first senior vice president works on the Advisory Committee, overseeing special fundraising.
- Kennedy Donovan Center: Kennedy Donovan Center is a social service agency striving to bring the highest quality assistance to people in need. Through early intervention, job training and placement, as well as promoting awareness and education, the agency is able to help individuals and families with developmental disabilities throughout Southeastern Massachusetts. A senior vice president (SVP) served as a member of the Finance Committee for this organization.

### Educational Seminars/Programs

In addition to the involvement of the Bank's officers and employees in the above-mentioned organizations, the Bank provided information on the following community development services.

- SEED Basic Entrepreneurial Workshops: These workshops are a series of seminars conducted by professionals for the benefit of prospective or new entrepreneurs. Topics include how to form a business plan, available loan programs, and how to grow one's business. Two commercial loan officers conducted these workshops in 2009 and 2010.
- Mansfield Bank Mortgage Seminar: Mansfield Co-operative Bank's SVP of Residential Lending led a discussion for first time homebuyers at the Mansfield branch. Topics covered included first time homebuyer programs and refinancing options. This seminar was conducted in 2010.
- South Shore Housing Authority First Time Homebuyer Seminars: Held at Wynn & Wynn Law firm, the SVP of Residential Lending participated in the educational workshop for prospective homeowners, discussing grant opportunities, legal guidance, and credit counseling. This seminar was conducted in 2011.

### Other

The Bank participates in the following public and privately sponsored programs that are of particular benefit to low- and moderate-income consumers.

- The Bank participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking in Massachusetts program. This statewide program is designed to offer low-cost checking and savings accounts, which benefit low- and moderate-income individuals.
- Mansfield Co-operative Bank administers an Interest of Lawyers' Trust Accounts (IOLTA) program. Interest earned on the applicable accounts is turned over to the Massachusetts IOLTA Program. Proceeds are used to provide low-income individuals with a variety of services, including education and legal services. During the review period, the Bank paid \$4,174 in interest from these accounts to the IOLTA Committee.

## METROPOLITAN AREAS

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PROVIDENCE-NEW BEDFORD-FALL RIVER, RI-MA METROPOLITAN STATISTICAL AREA (MSA)

Mansfield Co-operative Bank's main office is located in Mansfield, Massachusetts. In addition, the Bank operates two additional branches within this MSA; located in Easton and Norton. The main office and Norton branch are located in upper-income census tracts, and the Easton branch is located within a middle income census tract. The Bank opened the Easton branch since the last FDIC CRA evaluation. All offices are equipped with an automated teller machine (ATM) and drive-up teller windows.

### CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PROVIDENCE-NEW BEDFORD-FALL RIVER, RI-MA MSA

The portion of assessment is comprised of Attleboro, Easton, Mansfield, North Attleborough, and Norton. Summarized in Table 11 below is pertinent demographic information concerning this MSA.

<b>Table 11 Assessment Area Demographic Information</b>					
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>
Geographies (Census Tracts)	20			30.00	70.00
Population by Geography	131,960			22.46	77.54
Owner-Occupied Housing by Geography	33,980			18.96	81.04
Business by Geography	8,444			22.12	77.88
Farms by Geography	173			15.61	84.39
Family Distribution by Income Level	34,416	10.53	13.20	20.36	55.91
Distribution of Low and Moderate Income Families throughout AA Geographies	8,141			33.10	66.90
Median Family Income		53,013	Median Housing Value		174,891
2010 HUD Adjusted Median Family Income		72,100	Unemployment Rate		2.68%
Households Below Poverty Level		5%	(2000 US Census)		

Source: 2000 US Census and 2010 HUD updated MFI

This portion of the Bank's assessment area contains 20 of the entire assessment area's 23 census tracts and demographics are very similar

#### Lending Test

During 2010, the Bank originated 202 home loans in its assessment area. Of these loans, 190 home loans, or 94.1 percent, were originated in this MSA portion of the assessment area. Of the sampled small business loans, 15 were within the assessment area; 14 of those were within this portion. As a result, the distribution of home loans by geography and borrower income was nearly identical to that of the assessment area as a whole.

The Bank received no complaints regarding its CRA performance in this MSA.



## Community Development Test

For the period under review, Mansfield Co-operative Bank originated eleven qualified community development loans for a total of \$740,280. Of these, ten loans were originated within this MSA for a qualified amount of \$560,280. With regard to charitable donations, overall 81 donations were distributed for a total of \$191,260, of which 49 grants for \$123,870 were distributed specifically within this MSA, approximately 64.8 percent. This proportion corresponds to the Bank's presence within the MSA. Additionally, 22 donations for \$22,140 were distributed to organizations which covered a broader geographic area than the MSA. The community development services also were in proportion to presence within the MSA, and overall the community development activity is considered reasonable in the area.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BOSTON-CAMBRIDGE-QUINCY, MA METROPOLITAN STATISTICAL AREA (MSA)**

This portion of the Bank’s assessment area includes the towns of Plainville and West Bridgewater. Mansfield Co-operative Bank has one branch in each of the two towns. The Bank has not opened or closed any branches in this MSA since the prior FDIC CRA evaluation.

These two offices are both located in middle-income census tracts. Each office is equipped with an ATM and drive-up teller windows.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BOSTON-CAMBRIDGE-QUINCY, MA MSA**

This portion of the Bank’s assessment area is comprised of three census tracts; all of which are middle-income. Table 12 below shows pertinent demographic information concerning the portion of the Bank’s assessment area located in this MSA.

<b>Table 12 Assessment Area Demographic Information</b>					
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>
Geographies (Census Tracts)	3			100.00	
Population by Geography	14,317			100.00	
Owner-Occupied Housing by Geography	4,279			100.00	
Business by Geography	1,432			100.00	
Farms by Geography	50			100.00	
Family Distribution by Income Level	3,833	15.99	18.97	24.21	40.83
Distribution of Low and Moderate Income Families throughout AA Geographies	1,340			100.00	
Median Family Income		62,948	Median Housing Value		172,502
2010 HUD Adjusted Median Family Income		85,200	Unemployment Rate		1.86%
Households Below Poverty Level		5%	(2000 US Census)		

Source: 2000 US Census and 2010 HUD updated MFI

In comparison, this portion of the Bank’s assessment area has a higher percentage of low- and moderate-income families (27.7 percent in the Providence-New Bedford-Fall River, RI-MA portion of the MSA vs. 35.0 percent in this portion).

Lending Test

During 2010, the Bank originated 202 home loans in its assessment area. Of these loans, 12 home loans, or 5.94 percent, were originated in this MSA portion of the assessment area. All three census tracts that comprise this area are middle income. Lending to low-income borrowers (16.7 percent) and to moderate-income borrowers (25.0 percent) was significantly higher than that for the overall assessment area (2.6 percent and 9.2 percent, respectively). However, the number of loans is so low that a small change in any number would have a significant impact on the percentages.

Of the 15 small business loans within the Bank's assessment area, one (6.7 percent) was within this section. It is noted that this area only contains three (13.0 percent of the total assessment area census tracts) census tracts. Based on that, the lending within this area is considered adequate.

The Bank received no complaints regarding its CRA performance in this MSA.

#### Community Development Test

For the period under review, MCB originated eleven qualified community development loans for a total of \$740,280. Of these, one loan was originated within this MSA for an SBA-qualified amount of \$180,000. With regard to charitable donations, overall 82 donations were distributed for a total of \$191,260, of which eleven grants for \$15,250 were distributed specifically within this MSA, approximately 8.0 percent. This proportion corresponds to the Bank's presence within the MSA. Additionally, 22 donations for \$22,140 were distributed to organizations which covered a broader geographic area than the MSA. The community development services also were in proportion to their limited presence within MSA, and overall the community development activity is considered reasonable in the area.

**APPENDIX A**  
**Fair Lending Policies and Procedures**

The Bank did not receive any complaints relative to fair lending issues; however, adequate procedures are in place for handling such items. Overall, the institution's fair lending policies, procedures, training programs, and internal assessment efforts were deemed satisfactory.

**Minority Application Flow**

The purpose of the minority application flow is to assess the number of HMDA-reportable applications the Bank received from minorities within its delineated assessment area. The data analyzed was obtained from the Bank's HMDA LAR for 2010, and the first three quarters of 2011. In addition, the 2010 HMDA LAR aggregate data was analyzed in order to measure the Bank's performance relative to all other lenders within the assessment area. The Bank's minority application flow for this period was also compared with the racial make-up of the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's minority application flow.

According to 2000 Census Data, the Bank's assessment area contained a total population of 146,277 individuals, 7.9 percent of which is representative of various racial and ethnic minorities. The breakout of the assessment areas minority population is as follows: 2.2 percent Hispanic, 1.4 percent Black, 2.0 percent Asian, 0.1 percent American Indian/Alaska Native and 2.2 percent "other race."

During 2010, the Bank received 5 minority applications, all of which were originated. For the first three quarters of 2011, the Bank received 8 applications, 7 of which were originated. The minority application flow is detailed in the table below and the subsequent narrative.

<b>MINORITY APPLICATION FLOW</b>				
<b>RACE</b>	<b>2010 Aggregate Data</b>		<b>Bank 2010</b>	
	#	%	#	%
<i>American Indian/ Alaska Native</i>	23	0.2	0	0.0
<i>Asian</i>	324	2.7	2	0.8
<i>Black/ African American</i>	166	1.4	2	0.8
<i>Hawaiian/Pac Isl.</i>	14	0.1	0	0.0
<i>2 or more Minority</i>	3	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	115	1.0	1	0.4
<b>Total Minority</b>	<b>645</b>	<b>5.4</b>	<b>5</b>	<b>2.0</b>
<i>White</i>	8,873	74.7	226	87.2
<i>Race Not Available</i>	2,357	19.9	28	10.8
<b>Total</b>	<b>11,875</b>	<b>100.0</b>	<b>259</b>	<b>100.0</b>
<b>ETHNICITY</b>				
<i>Hispanic or Latino</i>	106	0.9	1	0.4
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	90	0.8	5	1.9
<i>Not Hispanic or Latino</i>	9,312	78.4	222	85.7
<i>Ethnicity Not Available</i>	2,367	19.9	31	12.0
<b>Total</b>	<b>11,875</b>	<b>100.0</b>	<b>259</b>	<b>100.0</b>

*Source: US Census, 2010 HMDA LAR, 2010 Peer Mortgage Data*

The percentage of applications the Bank received from minority individuals was below the minority composition of the assessment area for both years, and below the aggregate level of loan applications in 2010. However, from 2010 to the first three quarters of 2011, the Bank increased its proportion of minority applications from 2.0 to 6.8 percent, the result of an increase in Asian applicants. The minority application flow performance of 6.8 percent is comparable to the overall minority population of the assessment area.

Regarding ethnicity, the Bank's 2010 performance is comparable to aggregate applications, yet there was a decrease from 2010 to 2011 from 2.3 to 0.9 percent, respectively. Overall, the level of minority applications is considered reasonable.

## **APPENDIX B**

### ***General Definitions***

#### **GEOGRAPHY TERMS**

**Census Tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Metropolitan Area (MA):** One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

**Metropolitan Statistical Area (MSA):** One or more metropolitan areas that have economic and social ties.

**Primary Metropolitan Statistical Area (PMSA):** A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

**Consolidated Metropolitan Statistical Area (CMSA):** The larger area of which PMSAs are component parts.

**Non-Metropolitan Area:** All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

#### **HOUSING TERMS**

**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).

**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.

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

**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.

## **INCOME TERMS**

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

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

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

**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.

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

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

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

**HUD Adjusted Income Data:** The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

## **OTHER TERMS**

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

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

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



## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and by the Federal Deposit Insurance Corporation, at 80 North Main Street, Mansfield, MA 02428."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.