



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

September 9, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Middlesex Federal Savings, F.A.
Charter Number: 701452

1 College Avenue
Somerville, MA 02144-0000

Office of the Comptroller of the Currency

75 Federal Street
Suite 805
Boston, MA 02110

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on Middlesex Federal Savings, F.A.'s ('MFS' or 'the bank') record of performance in meeting the credit needs of the bank's Massachusetts assessment area (AA) during the January 1, 2021, to December 31, 2023, evaluation period through its lending activities.
- Considering the institution's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit (LTD) ratio is reasonable.
- A majority of the bank's loans are inside its AA.
- The bank exhibits an excellent geographic distribution of loans in the AA.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels, given performance context.
- The bank was not subject to any CRA related complaints during the evaluation period.
- The Community Development Test rating is based on Middlesex Federal Savings, F.A.'s record of performance in meeting the needs of its AA through CD lending, investment, donations, and services, and based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is considered reasonable. The bank's quarterly LTD ratio averaged approximately 78.5 percent over the 12-quarter evaluation period. During this period, the LTD ratio ranged from a quarterly low of 66.5 percent to a high of 83.1 percent. The bank's quarterly average LTD ratio is comparable to other institutions of similar size and/or geographic footprint. Peer institutions during the evaluation period reported an average quarterly LTD ratio of 86.3 percent, ranging from a quarterly low average of 77.2 percent to a high average of 93.5 percent. Peer institutions largely consisted of other community banks based within Middlesex County, MA, with asset sizes ranging from \$287 million to \$805 million. The ratio experienced a moderate decline since the last evaluation when the quarterly LTD ratio averaged approximately 111.4 percent due to stimulus and fintech deposits outpacing slowed loan growth during the COVID-19 pandemic.

Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and/or purchased 63.5 percent of its total loans by number inside the bank's AA during the evaluation period of January 1, 2021, through December 31, 2023. This analysis is performed at a bank-wide level, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	188	63.5	108	36.5	296	164,100	59.3	112,650	40.7	276,750
Total	188	63.5	108	36.5	296	164,100	59.3	112,650	40.7	276,750

Source: Bank Data. Due to rounding, totals may not equal 100.0%.

Description of Institution

Middlesex Federal Savings, F.A. is a mutual federal savings association established in 1890 and headquartered in Somerville, MA. The bank is wholly owned by Middlesex Federal MHC, a mutual holding company, and maintains three operating subsidiaries including Highland Investment Corporation, Midshares, Inc., and One College, LLC. For this evaluation, we did not include the holding company and any subsidiaries. In addition to the bank's main office located in Davis Square in Somerville, MA, the bank has two full-service branches; one located in Teele Square in Somerville and the other located in Medford, MA. The bank also operates a loan center in Sommerville, MA. There were no branch locations opened or closed during the evaluation period, and branches operate reasonable hours from 8:30am to 4:00pm Monday through Friday, and 8:30am to 12:00pm on Saturday. The bank offers traditional loan and deposit products to both personal and business customers. Retail products include residential mortgages, auto loans, home equity loans, and personal loans, with a full listing and description of all products and services available at the bank's website, www.middlesexfederal.com.

The bank's rating area consists of a single AA in the state of Massachusetts comprised of Cambridge-Newton-Framingham MA MD geographies, namely the entirety of Middlesex County, MA. As of the 2020 US census, Middlesex County was reported as both the most populous county within the state and the greater New England region, and borders the urban Boston, MA MD region to the southeast, as well as the more rural Worcester County to the west. Middlesex County also shares a state border with New Hampshire to the north. The bank's main office location is approximately a 21-minute drive to Boston MA.

As of December 31, 2023, the bank reported total assets, total deposits, and tier 1 capital of approximately \$642.4 million, \$593.6 million, and \$55.3 million, respectively. The net loan portfolio totaled approximately \$475 million or 73.9 percent of total assets.

The table below provides a summary of the loan mix as of December 31, 2023.

Loan Portfolio Summary by Loan Product December 31, 2023	
Loan Category	% of Gross Loans and Leases
1-4 Family Residential	41.6
Commercial	24.3
Multifamily	21.2
Construction and Development	10.5
Commercial and Industrial	2.1
Home Equity	<1
Consumer	<1
Total	100.0

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2023. Due to rounding, totals may not equal 100.0 percent.

The bank has no financial or legal impediments in meeting the credit needs of the assessment area. The bank was rated ‘Satisfactory’ during the previous CRA performance evaluation dated September 7, 2021.

Scope of the Evaluation

Evaluation Period/Products Evaluated

MFS was evaluated using Intermediate Small Bank (ISB) procedures, which assess the bank’s CRA performance according to components of a Lending Test and Community Development Test. The Lending Test evaluates the bank’s record of meeting the community credit needs of its AAs through lending activities. The bank’s lending performance was assessed using Home Mortgage Disclosure Act (HMDA) reportable home mortgage loans originated and/or purchased during the evaluation period from January 1, 2021, to December 31, 2023, as home mortgage loans accounted for approximately 98.8 percent of all originated loans by number. The CD test evaluates the bank’s responsiveness to the community credit needs of its AAs through CD lending, investment, donations, and services. Examiners verified the accuracy of loan data and CD activities submitted by management as part of this evaluation prior to conducting analysis and drawing conclusions.

Due to updates made to demographic information during the evaluation period stemming from the 2020 U.S. Census, the bank’s lending activity from January 1, 2021, to December 31, 2021, was assessed separate from lending occurring during January 1, 2022, to December 31, 2023. Between the two periods, consideration was first assigned to the bank’s lending activity during 2022-2023, as this time period contained the majority of the bank’s lending when compared to 2021. For the geographic and borrower distribution analyses, loans originated during the 2021 evaluation year were compared to the 2015 American Community Survey (ACS) Census, while loans originated and sampled during the 2022-2023 evaluation years were compared to the 2020 U.S. Census.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA) are combined and evaluated as a single AA. Refer to the “Scope”

section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is based on its lending performance in the state of Massachusetts. Refer to the "Scope" section under the State Rating section for details regarding how the areas were weighted in arriving at the respective rating.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

State Rating

State of Massachusetts

CRA rating for the State of Massachusetts: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The bank exhibits an excellent geographic distribution of loans in the AA.
- The bank exhibits a reasonable distribution of loans to individuals of different income levels, given performance context.
- The bank was not subject to any CRA related complaints during the evaluation period.
- Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through community development loans, qualified investments and donations, 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 AA.

Description of Institution's Operations in Massachusetts

The state of Massachusetts represents MFS's primary area of operations. As previously discussed, the bank's full-scope AA is comprised only of Cambridge-Newton-Framingham MA MD geographies, namely the entirety of Middlesex County, MA and contains all branch locations. The AA consists of wholly contiguous political subdivisions in MA and does not arbitrarily exclude any low- or moderate-income geographies nor does the AA delineation contain any unexplained conspicuous gaps. All bank locations are centered in either Somerville or Medford, MA in the southeast portion of the county. According to Moody's Analytics report dated September 2023, the Cambridge-Newton-Framingham MA MD economy performance outpaced both the state and the greater New England region, although it was still underperforming when compared to national metrics. Unemployment during the pandemic COVID-19 pandemic peaked during January 2021 at 6.1 percent before declining to more comparable pre-pandemic ranges of 2.6 percent to 3.3 percent beginning in Spring 2022 through the end of our evaluation period. Long-term, high business and living costs will continue to foster domestic out-migration patterns from the area causing the Cambridge-Newton-Framingham MA MD economy to continue to lag the nation.

Due to census updates, the bank did experience some changes to the classification of AA geographies which we considered as part of our analysis of the bank's performance under the CRA. For the 2021 evaluation period, the rating area contained 318 census tracts, including 22 low-, 55 moderate-, 126 middle-, 114 upper-income and one tract that did not receive an income classification as of the 2015 ACS Census. For the 2022-2023 evaluation period, the rating area contained 357 census tracts, including 20 low-, 56 moderate-, 122 middle-, 151 upper-income and eight tracts that did not receive an income classification as of the 2020 US Census.

The bank's primary business focus is to obtain core deposits which are used to fund loan growth. Within the AA the bank faces significant competition for deposits and home mortgage lending. According to Federal Deposit Insurance Corporation (FDIC) deposit market share data as of June 30, 2023, MFS ranks 72nd among over 100 other deposit-taking institutions located in the AA, with the top three

accounting for approximately 58.9 percent of the market. Leading competitors for deposits in Middlesex County include State Street Bank and Trust Company, Bank of America, Citizens Bank, Santander Bank, and TD Bank. Additionally, 2023 Peer Mortgage Data for home mortgage lending within Middlesex County, indicates that MFS ranks 95th among 462 other lenders within the AA with less than one percent market share representing 51 instances of lending. In this space the top six lenders account for nearly 33 percent of the market, while all lenders outside of the top six individually maintain less than three percent market share. Top five lenders for home mortgage loans during 2023 within the AA were JPMorgan/Chase Bank, CBNA, Leader Bank, Guaranteed Rate, Bank of American, and TD Bank.

We were unable to make a community contact during the evaluation period. Instead, we utilized community contact data from a similar organization. The information was obtained within the evaluation period and is from a discussion with a town's Office of Planning, Stability, and Development. The local community recently expanded their public transportation within the AA, leading to a positive impact on the community. However, housing costs remain high and difficult for low- and/or moderate-income borrowers to afford. Any new construction is predominately luxury units with only a small number of units reserved for low- and/or moderate-income families. Labor shortages and high renovation costs for buildings within the community may also present challenges going forward.

Cambridge-Newton-Framingham MA MD AA 2021

Table A – Demographic Information of the Assessment Area						
Assessment Area: Cambridge-Newton-Framingham MA MD AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	318	6.9	17.3	39.6	35.8	0.3
Population by Geography	1,556,116	6.2	16.9	41.4	35.4	0.0
Housing Units by Geography	617,089	6.1	17.2	42.4	34.3	0.0
Owner-Occupied Units by Geography	365,501	2.4	11.9	43.1	42.6	0.0
Occupied Rental Units by Geography	220,141	12.0	25.5	41.5	21.0	0.0
Vacant Units by Geography	31,447	7.6	21.2	40.1	31.1	0.0
Businesses by Geography	167,308	5.5	13.7	40.8	40.0	0.0
Farms by Geography	3,056	3.1	10.7	41.9	44.3	0.0
Family Distribution by Income Level	376,456	20.5	15.7	19.8	44.1	0.0
Household Distribution by Income Level	585,642	24.0	14.3	16.3	45.4	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Housing Value			\$448,925
			Median Gross Rent			\$1,359
			Families Below Poverty Level			5.6%
<i>Source: 2015 ACS and 2021 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Cambridge-Newton-Framingham MA MD AA 2023

Table A – Demographic Information of the Assessment Area						
Assessment Area: Cambridge-Newton-Framingham MA MD AA 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	357	5.6	15.7	34.2	42.3	2.2
Population by Geography	1,632,002	4.6	15.8	36.2	42.6	0.8
Housing Units by Geography	641,278	4.4	15.7	37.4	41.7	0.7
Owner-Occupied Units by Geography	380,079	1.7	11.1	37.4	49.4	0.4
Occupied Rental Units by Geography	231,771	8.9	22.9	37.4	29.6	1.2
Vacant Units by Geography	29,428	5.3	18.3	36.4	39.2	0.9
Businesses by Geography	203,956	3.4	14.0	36.3	45.8	0.5
Farms by Geography	3,574	2.5	11.7	38.1	47.3	0.4
Family Distribution by Income Level	392,836	19.5	15.6	20.1	44.8	0.0
Household Distribution by Income Level	611,850	23.5	13.9	17.0	45.6	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Housing Value			\$586,934
			Median Gross Rent			\$1,737
			Families Below Poverty Level			4.5%

Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%. () The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in Massachusetts

The rating for the state of Massachusetts is based on a full-scope review of the performance in the Cambridge-Newton-Framingham MA MD AA. Refer to appendix A for additional information on the AA under review.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MASSACHUSETTS

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the state of Massachusetts is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits an excellent geographic distribution of loans in the state.

Home Mortgage Loans

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

The overall geographic distribution of home mortgage loans is excellent.

2021

The geographic distribution of home mortgage loans is excellent.

The percentage of home mortgage loans in low-income geographies exceeded both the percentage of owner-occupied (OO) units and aggregate lending in the AA. The percentage of home mortgage loans in moderate-income geographies exceeded both the percentage of OO units and aggregate lending in the AA.

2022-2023

The geographic distribution of home mortgage loans is excellent.

The percentage of home mortgage loans in low-income geographies exceeded both the percentage of OO units and aggregate lending in the AA. The percentage of home mortgage loans in moderate-income geographies exceeded both the percentage of OO units and aggregate lending in the AA. The 2020 Census data decreased the number of low-income census tracts from 22 to 20 and increased the number of moderate-income census tracts from 55 to 56. While the overall number of census tracts within the AA increased from 318 to 357, adjustments to the number of low- and moderate-income census tracts across segmented evaluation periods was not considered significant.

Lending Gap Analysis

We reviewed demographic summary and mapping reports to identify any gaps in the geographic distribution of the bank's home mortgage loans in the Cambridge-Newton-Framingham MA MD AA

during the evaluation period. The analysis did not identify any unexplained or conspicuous gaps, given performance context.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

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

The overall borrower distribution of home mortgage loans is reasonable.

2021

The borrower distribution of home mortgage loans is reasonable.

The percentage of home mortgage loans to low-income borrowers was lower than the percentage of low-income families and exceeded aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers was lower than both the percentage of moderate-income families and aggregate lending in the AA.

Demographics show that 5.6 percent of families were below the poverty level in the AA during 2021. With median family income of \$100,380, both low- and moderate-income borrowers earn no more than \$50,190 and \$80,304 a year, respectively. One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payments of approximately \$1,255 and \$2,008 for low- and moderate-income borrowers, respectively. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the \$448,925 median housing value would be approximately \$2,410, which would cause a shortfall for both low- and moderate-income borrowers. These costs are challenging and may limit lending opportunities to LMI families. Additionally, we noted during this time period for home mortgage lending that 38.8 percent of the bank's loans were made to non-natural persons without a reportable income.

2022-2023

The borrower distribution of home mortgage loans is reasonable, given performance context.

The bank did not make any home mortgage loans to low-income borrowers within the AA during the 2022-2023 segmented evaluation period. The percentage of home mortgage loans to moderate-income borrowers was somewhat lower than both the percentage of moderate-income families and aggregate lending in the AA.

Demographics show that 4.5 percent of families were below the poverty level in the AA during 2023. With median family income of \$121,481, both low- and moderate-income borrowers earn no more than \$60,741 and \$97,185 a year, respectively. One method used to determine housing affordability assumed

a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated to a maximum monthly mortgage payments of approximately \$1,519 and \$2,430 for low- and moderate-income borrowers, respectively. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the \$586,934 median housing value would be approximately \$3,151, which would cause a shortfall for both low- and moderate-income borrowers. These costs are challenging and may limit lending opportunities to LMI families. Additionally, we noted during this time period for home mortgage lending that 53.7 percent of the bank's loans were made to non-natural persons without a reportable income.

Responses to Complaints

The bank was not subject to any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank’s performance under the Community Development Test in the state of Massachusetts is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits adequate responsiveness to community development needs in the state 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.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank’s level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000’s)	% of Total \$
Cambridge-Newton-Framingham MA MD AA	6	100.0	\$7,077	100.0

MFS provides an excellent level of CD lending within the Cambridge-Newton-Framingham MA MD AA. During the evaluation period, MFS made six qualified CD loans benefitting the AA, totaling approximately \$7.1 million or 12.8 percent of tier 1 capital as of December 31, 2023. CD loans submitted and qualified largely provided economic development financing to small businesses located within the AA. While the submitted amount of loans made by the bank during the evaluation period was greater than the qualified amount, some loans did not meet the definition of CD and/or were located outside of the delineated AA.

The highlights of the bank’s CD loans in the Cambridge-Newton-Framingham MA MD AA are as follows:

- An economic development loan to a local small business located in a moderate-income census tract within the Cambridge-Newton-Framingham MA MD AA for \$418,000 to provide financing for the creation of low- and moderate-income jobs.
- A \$1 million economic development loan to a start-up business operating within the Cambridge-Newton-Framingham MA MD AA to fund the purchase of land and construction of a 1-unit commercial property, which will serve as the start-up’s main business location. The subject building is located in a moderate-income census tract within the AA.

The CD loan table does not contain data pertaining to the bank’s participation in the Small Business Administration’s Payment Protection Plan (PPP) program as part of the national response to economic

pressures imposed by the COVID-19 pandemic. Within the AA, the bank originated 36 PPP loans totaling approximately \$1.4 million.

Number and Amount of Qualified Investments

MFS's qualified investment and donation activity demonstrates adequate responsiveness to credit and community development needs of the Cambridge-Newton-Framingham MA MD AA. During the evaluation period, the bank did not make any investments that were targeted towards the AA; however, the bank did make 47 qualified CD donations amongst a variety of community organizations operating within the full-scope Cambridge-Newton-Framingham MA MD AA, totaling approximately \$40,708 or 0.07 percent of tier 1 capital for the evaluation period. This level of CD donations is comparable to the amount cited during the previous performance evaluation. Donations were made to qualified CD organizations that support community services targeted towards low- and moderate-income populations or economic development for small businesses based in Middlesex County, MA. While the bank's actual total of charitable giving in the AAs was higher, these 47 donations within the full-scope AA were verified as meeting the definition of CD.

The highlights of the bank's CD donations in the Cambridge-Newton-Framingham MA MD AA are as follows:

- A \$2,000 donation to a local homeless shelter that provides housing and food services to low- and moderate-income populations in Somerville, MA.
- A \$1,500 donation to help sponsor an economic development conference event for local small businesses located within Somerville, MA.

Extent to Which the Bank Provides Community Development Services

The bank did not conduct any qualified CD services within the Cambridge-Newton-Framingham MA MD AA during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	(01/01/2021 to 12/31/2023)	
Bank Products Reviewed:	HMDA-reportable home mortgage loans Community Development-eligible loans, investments/donations, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None reviewed.		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Maine		
Cambridge-Newton-Framingham MA MD AA	Full-scope	<ul style="list-style-type: none"> • Cambridge-Newton-Framingham MA MD • Full Middlesex County

Appendix B: Summary of State Ratings

RATINGS MIDDLESEX FEDERAL SAVINGS, F.A.			
Overall Bank:	Lending Test Rating	CD Test Rating	Overall Bank/State Rating
Middlesex Federal Savings, F.A.	Satisfactory	Satisfactory	Satisfactory
State:			
Massachusetts	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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

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

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

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

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

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

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

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

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

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

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Cambridge-Newton-Framingham MA MD AA	80	57,850,000	100.0	97,231	2.4	11.3	2.8	11.9	16.3	12.2	43.1	45.0	41.8	42.6	27.5	43.2	0.0	0.0	0.0
Total	80	57,850,000	100.0	97,231	2.4	11.3	2.8	11.9	16.3	12.2	43.1	45.0	41.8	42.6	27.5	43.2	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-23
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Cambridge-Newton-Framingham MA MD AA	108	106,250,000	100.0	29,229	1.7	3.7	2.2	11.1	13.9	11.3	37.4	32.4	34.9	49.4	50.0	51.0	0.4	0.0	0.6
Total	108	106,250,000	100.0	29,229	1.7	3.7	2.2	11.1	13.9	11.3	37.4	32.4	34.9	49.4	50.0	51.0	0.4	0.0	0.6

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Cambridge-Newton-Framingham MA MD AA	80	57,850,000	100.0	97,231	20.5	5.0	5.0	15.7	6.3	15.4	19.8	15.0	21.7	44.1	35.0	45.5	0.0	38.8	12.3
Total	80	57,850,000	100.0	97,231	20.5	5.0	5.0	15.7	6.3	15.4	19.8	15.0	21.7	44.1	35.0	45.5	0.0	38.8	12.3

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-23
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Cambridge-Newton-Framingham MA MD AA	108	106,250,000	100.0	29,229	19.5	0.0	5.2	15.6	9.3	13.0	20.1	9.3	20.5	44.8	27.8	40.6	0.0	53.7	20.7
Total	108	106,250,000	100.0	29,229	19.5	0.0	5.2	15.6	9.3	13.0	20.1	9.3	20.5	44.8	27.8	40.6	0.0	53.7	20.7

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.