



## **PUBLIC DISCLOSURE**

July 29, 2013

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

Westfield Bank, FSB  
Charter Number 716697

Two Park Circle Westfield Center, OH 44251-5001

Office of the Comptroller of the Currency  
200 Public Square, Suite 1610, Cleveland, OH 44114-2301

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

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

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

**The Community Development Test is rated: Satisfactory.**

The primary factors supporting these ratings are:

- The loan-to-deposit (LTD) ratio is reasonable.
- Distribution of loans among individuals of different income levels and businesses of different sizes throughout the assessment areas (AAs) is reasonable.
- Geographic distribution of loans among geographies of different income levels is reasonable.
- Community development (CD) performance, based on the record of CD loans, qualified investments, and CD services, demonstrates adequate responsiveness to CD needs in the bank's AAs.
- Lending in the AAs does not meet the standards for satisfactory performance.

## **Scope of Examination**

We evaluated Westfield Bank, FSB's (Westfield's or bank's) performance in relation to the Community Reinvestment Act (CRA) using full-scope CRA intermediate small bank procedures. The prior CRA exam was as of March 22, 2010 and used lending and CD data through year-end 2009. The evaluation period for this examination was January 1, 2010 through July 29, 2013. Specifically, we assessed the bank's lending performance based on its lending in the AAs for calendar years 2010 and 2011. Our review period for CD lending, investments, and services was January 1, 2010 through July 29, 2013.

As described in the *Description of Institution* and the *Description of AAs* portions of this Public Evaluation, Westfield opened two new branch offices and acquired Western Reserve Bank since the prior CRA examination. As a result, Westfield expanded its AA in the Cleveland - Elyria - Mentor MSA to include six census tracts in Cuyahoga County. Additionally, Westfield increased the number of its AAs to four by adding a branch office in Stark County, which is part of the Canton-Massillon, OH MSA. However, for purposes of this examination, we evaluated Westfield's performance using the AAs prior to its expansion. The branch office in Stark County was not opened until June 2012 and the purchase of Western Reserve Bank did not occur until December 2012, both of which were too late in the evaluation period to enable meaningful analyses.

The procedures used to assess Westfield's performance focused on the bank's primary lending products as well as CD activities. Based on reports of lending activities over the review period, Reports of Condition and Income, and discussions with senior management, we determined the bank's primary lending focus to be home mortgage

and business lending. As such, we evaluated the bank's CRA performance based on home loans and small loans to businesses. The bank's performance related to home loan lending is based on home purchase and refinance lending, as the bank did not originate any home improvement loans during the period of review. The bank's consumer loans make-up the third largest portion of the bank's loan portfolio and is primarily comprised of indirect auto loans. In addition, Westfield did not originate any farm loans during the evaluation period. Therefore, we did not consider consumer or farm lending as part of the evaluation as these loan products are not the bank's primary lending focus and an analysis would not be meaningful.

When developing conclusions regarding the bank's overall performance, we placed more weight on the bank's borrower distribution record than on its geographic distribution record. Low- and moderate-income census tracts (CTs) do not represent a substantial portion of the bank's AAs, and significant competition further impacts the bank's opportunity to lend in those tracts. In addition, we gave greater consideration to Medina County, which is the bank's primary AA. The primary market contains the bank's main headquarters and a majority of its branch locations. Additionally, a substantial majority of the bank's deposits, lending and CD activities are conducted within this market. Westfield's other AAs include a branch office located in both Summit and Wayne Counties. These branch offices have a limited presence and deposit market share within the AAs of Summit and Wayne Counties. We utilized other supporting information while evaluating the bank's CRA performance. The information includes 2000 Census Data, bank records, deposit market share data, and information from governmental websites regarding the characteristics and economy of the bank's AAs. We also considered information derived from members of the community through community contacts with local organizations.

Prior to the examination, we tested the accuracy of the bank's reported Home Mortgage Disclosure Act (HMDA) data and bank data related to small business loans and found errors. As a result, we performed a follow-up review and determined the HMDA errors were corrected and data was reliable prior to the examination. During the examination, we reviewed the bank's CD loans, investments, and services to ensure they met the regulatory definition of CD. Our evaluation is based on corrected data and qualified CD activities.

## **Description of Institution**

Westfield is a full-service intrastate community bank headquartered in Westfield Center, Ohio. Westfield is a federal savings bank and a wholly owned subsidiary of Westfield Bancorp, a one-bank holding company also headquartered in Westfield Center, Ohio. Westfield Bancorp also owns Credit Corp, a non-banking entity, which invests primarily in commercial and premium finance loans originated by the bank. Westfield Bancorp is a wholly owned subsidiary of Ohio Farmers Insurance Agency. According to the Report of Condition and Income, the bank's total assets totaled \$787 million as of June 30, 2013. In the prior two calendar years of 2011 and 2012, the bank's assets totaled \$583 million and \$792 million, respectively.

Westfield offers traditional loan products, which include home mortgage, consumer, and commercial, commercial real estate, and small business loans originated through its offices. The bank also originates some home and commercial loans that are referred through its insurance agent network and provides loans to its insurance agents located throughout the country. In addition, Westfield offers indirect manufactured housing loans and indirect auto loans through dealers. The indirect auto dealers are located throughout Ohio and the manufactured housing dealers are located in Pennsylvania, West Virginia, and Kentucky. As of December 31, 2012, commercial and commercial real estate loans comprised 70 percent of the bank's loan portfolio. The remainder of the loan portfolio includes 18 percent in home loans, 11 percent in consumer loans, and 1 percent in farm loans. Westfield also sells first lien residential loans to the secondary market, which are not included as part of the bank's loan portfolio. Based on the bank's 2010 and 2011 HMDA loan application registrar, the bank sold \$34 million of residential loans to the secondary market.

Westfield's consumer deposit related products and services include checking, savings, money market accounts, certificates of deposit, individual retirement accounts, online and telephone banking, overdraft protection, and safe deposit boxes. Business related products and services include checking, savings, business money market accounts, interest-only lawyer's trust accounts (IOLTA), cash sweep services, cash management services, merchant services, night depository, remote deposit capture, and telephone and online banking.

Prior to June 2012, the bank operated four branch offices, two located in Medina County and one each in Summit and Wayne Counties. On June 25, 2012, the bank converted a loan production office located in Stark County into a branch. In December 2012, Westfield acquired Western Reserve Bank. Western Reserve Bank had approximately \$200 million in assets and three branch offices. At acquisition, Westfield relocated one of its Medina County branch offices into the former Western Reserve Bank's main office. As a result of the acquisition and branch relocation, Westfield increased its branch network by two. One branch is located in Medina County, and one branch is located in Cuyahoga County.

Westfield has two branch offices located in Medina, Ohio, which includes a branch located at the Western Reserve Masonic Community. The bank also has one branch office located in each of the cities of Westfield Center, Wooster, Fairlawn, Canton, and Brecksville. The Western Reserve Masonic Community branch is only open two days a week for two hours and does not have an automated teller machine (ATM) or offer drive-through services. All other branch offices have ATMs located onsite. However, the Medina and Brecksville branch offices are the only two offering drive-through services and are open on Saturdays. As of the review, the bank had not closed any branch offices or banking centers since the prior CRA examination.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of the communities it serves. Westfield received a rating of "Satisfactory" at the previous CRA examination dated March 22, 2010.

## Description of Assessment Areas

The bank had three AAs prior to opening a branch office in Stark County in June 2012 and acquiring Western Reserve Bank in December 2012. The three AAs include Medina, Summit, and Wayne Counties. Medina County is part of the Cleveland-Elyria-Mentor, OH MSA and Summit County is part of the Akron, OH MSA. Wayne County is not part of a MSA. Each AA meets the requirements of the CRA. They consist of contiguous geographies, and low and moderate-income areas are not arbitrarily excluded. Each AA is described below.

### Medina County

The Medina County AA is comprised of Medina County, which is part of the Cleveland-Elyria-Mentor OH, MSA. The MSA is comprised of Cuyahoga, Geauga, Lake, Lorain, and Medina Counties. The Medina County AA consists of 34 CTs. The AA has no low- or moderate-income CTs, 18 middle-income CTs, and 16 upper-income CTs. This is the bank's primary AA, as 74 percent of its deposits and 58 percent of its home loans were originated within this AA during the evaluation period.

According to the 2000 United States (US) Census data, the combined population of the AA equated to 151,095 persons comprising 42,354 families and 54,538 households. The Department of Housing and Urban Development's (HUD's) updated median family income (MFI) for the AA is \$62,800. Based on this information, families in the AA are 11.50 percent low-income, 14.67 percent moderate-income, 24.74 percent middle-income, and 49.09 percent upper-income. In addition, demographics indicate that 4.35 percent of the households are below poverty level with 1.42 percent relying on public assistance. The 2000 US Census data further reflected there were 56,793 housing units in the AA. Of these housing units, 78 percent were owner-occupied, 18 percent were rental units, and 4 percent were vacant. The median home value was \$150,009.

A majority of businesses in the AA are small as measured by the number of employees and gross revenues. According to the 2011 Dun & Bradstreet data, 69 percent of businesses located in the AA have less than \$1 million in gross annual revenues, and 63 percent of businesses have fewer than five employees. Only 1 percent of businesses are headquartered in the AA, and 93 percent operate from a single location. The five largest employers within the AA include the Westfield Group, Medina County, Medina City Schools, Brunswick City School District, and Medina General Hospital.

The economic conditions in the Medina County AA have generally fared better than the other AAs and the State of Ohio during the period of review. However, the AA still experienced high unemployment. Unemployment levels in 2010 totaled 7.9 percent and decreased to 6.8 percent in 2011. The State of Ohio unemployment rates during 2010

and 2011 equated to 10.0 and 8.7 percent, respectively. As of 2012, the unemployment rate in Medina County improved to 6.0 percent.

Competition within Medina County is high. According to FDIC deposit market share data, there are 17 financial institutions with 60 offices serving the Medina County AA as of June 30, 2012, which does not include credit unions or other financial organizations. This data indicates that Westfield is ranked second in terms of deposit market share, holding 12.01 percent of the total deposits. According to 2011 peer mortgage data, Westfield is ranked 34 out of 242 institutions lending within the AA with a 0.53 percent share of the market. The top five home loan and business loan lenders are large banks, which held 35 percent and 59 percent of the market share, respectively.

### Summit County

The Summit County AA is comprised of Summit County, which is part of the Akron, OH MSA and includes Summit and Portage Counties. The bank has a limited presence within Summit County with one branch office located in Fairlawn, Ohio. As of June 30, 2012, the office only held 1.68 percent of the bank's total deposits and is located approximately six miles from the City of Akron. Akron is the largest city in the county and contains most of the AA's low- and moderate-income CTs.

Based on 2000 US Census data, the AA consists of 131 CTs, which includes 19 low-income, 34 moderate-income, 45 middle-income, and 33 upper-income CTs. The population of the AA equated to 542,899 persons and 145,058 families. HUD estimates the updated MFI for this AA is \$65,600. Based on this information, 19.72 percent of the families in the AA are low-income; 18.56 percent are moderate-income; 22.70 percent are middle-income; and 39.03 percent are upper-income. Demographics also indicate that 9.92 percent of the households are below the poverty level, with 3.70 percent relying on public assistance. Twenty-seven percent of the households derive their income from social security. The median home value for the AA was \$113,745.

A majority of businesses in the AA are small. According to the 2011 Dun & Bradstreet data, 75 percent of businesses located in the AA have less than \$1 million in gross annual revenues, and 77 percent of businesses have fewer than five employees. The five largest employers within the AA include Summa Health System, Akron General Health System, Kent State University, Summit County, and Akron School District.

The Summit County AA has been experiencing improving economic conditions. However, the AA had the highest unemployment rates as compared to Medina and Wayne Counties. As of 2010 and 2011, the unemployment rate for the AA was 10.0 percent and 8.5 percent, respectively, which were consistent with the State of Ohio unemployment rates. As of 2012, Summit County's unemployment rate improved to 6.8 percent, slightly below the State of Ohio unemployment rate at that time.

Competition within Summit County is high. According to FDIC deposit market share data, there are 23 financial institutions with 173 offices serving the Summit County AA

as of June 30, 2012. This does not include credit unions or other financial organizations. This data indicates that Westfield is ranked 15 out of 173 in terms of deposit market share, holding less than 1 percent of the total deposits. According to 2011 peer mortgage data, Westfield is ranked 55 out of 285 institutions lending within the AA with a 0.20 percent share of the market. The top five home loan and business loan lenders are large banks, which held 33 percent and 52 percent market share, respectively.

### Wayne County

The Wayne County AA is comprised of Wayne County, which is not located in a MSA. The bank has limited presence in Wayne County with one branch office located in Wooster, Ohio, the county's largest city. As of June 30, 2012, the branch office held 6.90 percent of the bank's total deposits.

Based on 2000 US Census data, the AA consists of 33 CT, which includes no low-income, one moderate-income, 26 middle-income, and six upper-income tracts. The population of the AA equated to 111,564 persons and 29,742 families. HUD estimates the updated MFI for this AA is \$52,900. Based on this information, the families in the AA are 13.12 percent low-income, 17.75 percent moderate-income, 25.13 percent middle-income, and 44.00 percent upper-income. Demographics also indicate that 8.02 percent of the households are below the poverty level with 2.40 percent relying on public assistance. Twenty-six percent of the households derive their income from social security. The median home value for the AA was \$105,582.

A majority of businesses in the AA are small. According to the 2011 Dun & Bradstreet data, 72 percent of businesses located in the AA have less than \$1 million in gross annual revenues, and 66 percent of businesses have fewer than five employees. The five largest employers within the AA include JM Smucker Company, Luk USA, College of Wooster, Buehler Food Markets, and Wooster Community Hospital.

The economic conditions within the Wayne County AA are similar to the Summit County AA. As of 2010 and 2011, the unemployment rate for the AA was at 9.4 percent and 7.7 percent, respectively, which are slightly better than the Ohio state unemployment rates. As of 2012, Wayne County's unemployment rate improved to 6.1 percent.

Competition within Wayne County is high. According to FDIC deposit market share data, there are 12 financial institutions with 49 offices serving the AA as of June 30, 2012, which does not include credit unions or other financial organizations. This data indicates that Westfield is ranked ninth in terms of deposit market share, holding less than two percent of the total deposits. According to 2011 peer mortgage data, Westfield is ranked 37 out of 181 institutions lending within the AA with a 0.50 percent share of the market. The top five lenders are large banks, which held a combined market share of 46 percent.

The bank's opportunities to lend within the one moderate-income CT are limited due to competition and economic conditions as well as the number of housing units and small businesses located within the CT. According to 2000 US Census data, the one moderate-income tract contains 1,570 occupied housing units, of which 57 percent are rental units, 7 percent are vacant, and 17.64 percent of the households are below the poverty level. In addition, according to the 2011 Dun & Bradstreet data, the moderate-income tract contains only 1.89 percent of the businesses with revenues under \$1 million and .13 percent of businesses with revenues exceeding \$1 million.

### **Community Contacts**

We conducted one community contact servicing the bank's primary AA, Medina County. We also utilized information from an existing community contact servicing Summit County that was conducted prior to the CRA performance review. The purpose of the contacts was to determine the credit and CD needs in the bank's AAs. Based on our community contact information, there have been opportunities to make qualifying CD loans and investments as well as conduct CD services within the AAs. However, competition for involvement in CD activities is high as a large number of financial institutions operate in the AA, as discussed above. The contacts indicated the primary need is affordable housing and/or subsidies for rent-burdened households. Other needs within the AAs include financial education related to foreclosure prevention, first-time home buying, credit repair, and home improvement. One community organization with a focus on affordable housing mentioned Westfield was one of three financial institutions within the Medina County AA that was considered more responsive by providing outreach and support to the organization.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

Overall, the bank's record of lending within the AAs meets the standard for satisfactory performance.

#### **Loan-to-Deposit (LTD) Ratio**

The bank's LTD ratio is reasonable. We evaluated Westfield's LTD ratio for the quarterly periods between March 31, 2010 and June 30, 2013. Westfield's average LTD ratio during this period was 84.79 percent, with quarterly ratios ranging from a low of 78.96 percent to a high of 94.66 percent. There are no institutions within the AAs that have a similar asset size as Westfield. However, the bank's performance was better than one other savings bank with assets less than \$300 million that had an average LTD ratio of 41.83 percent.

#### **Lending in Assessment Areas**

The bank's record of lending in the AAs does not meet the standards for satisfactory

performance, as a majority of the bank’s loans were made outside of the bank’s AAs during the evaluation period. As shown in Table 1 below, Westfield originated a majority of its home loans by both number and dollar amount outside of its AAs. As of 2011, Westfield began its indirect manufactured housing lending program with out of state indirect dealers. Of the 473 home loans originated or purchased, Westfield originated 145 indirect manufactured home loans totaling \$6.2 million outside the AAs in 2011. This impacted the total number of loans originated or purchased within the AAs despite a majority of small loans to businesses being originated within the AAs.

<b>Table 1 - Lending in Assessment Areas</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	178	37.63	295	62.37	473	29,487	46.83	33,482	53.17	62,969
Small Loans to Businesses	177	56.37	137	43.63	314	42,006	51.31	39,854	48.69	81,860
Totals	355	45.11	432	54.89	787	71,493	49.36	73,336	50.64	144,829

Source: Bank generated reports; Combined data reported under HMDA for 2010 and 2011.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The distribution of loans among individuals of different income levels and businesses of different sizes throughout the AAs is reasonable.

In evaluating the borrower distribution of home mortgage loans, we compared Westfield’s distribution of HMDA reportable loans to the peer mortgage aggregate percentages of all lenders lending within the AAs for the 2010 and 2011 review period. We placed more weight on purchase mortgage loans as this was the banks primary lending focus.

We also considered the level of competition and economic conditions as well as the bank’s presence within the AAs that would affect the bank’s ability to lend locally. In addition, we considered the number of households that live below the poverty level and the barriers that this may have on home ownership. It is especially difficult for individuals and/or families living at or below the poverty level to afford and maintain a home. As a result, the opportunity to lend to the low-income population of the AAs is limited.

Medina County

Lending to borrowers of different income levels within the Medina County AA is reasonable. Table 2 below shows the bank’s home purchase and home refinance ratios are somewhat below the peer mortgage aggregate percentages for both low-income and moderate-income borrowers in the AA. However, the differences in percentages do not represent very many loans. Therefore, Westfield’s overall performance is reasonably consistent with peer. Specifically, Westfield originated a combined 35 home

purchase loans and 69 home refinance loans within the AA during 2010 and 2011. Based on this information, Westfield only needed to originate one additional home purchase loan to low-income borrowers and three more home purchase loans to moderate-income borrowers to meet or exceed peer mortgage aggregate ratios. Also, Westfield only needed to originate two additional home refinance loans to low-income borrowers and four additional home refinance loans to moderate-income borrowers to meet or exceed peer mortgage aggregate ratios. Factors affecting the bank’s ability to lend within this review period include competition as well as economic conditions.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans
Home Purchase	7.68	5.71	21.30	11.43	23.87	22.86	36.18	60.00
Home Refinance	4.25	1.45	12.12	5.80	21.92	17.39	48.63	75.36
Total	5.50	2.89	15.46	7.69	22.63	19.23	44.09	70.19

Source: Combined data reported under HMDA for 2010 and 2011; Combined 2010 and 2011 Peer Mortgage Aggregate data.

The distribution of small loans to businesses among businesses of different sizes within the Medina County AA is reasonable. During 2010 and 2011, Westfield only originated 67 small loans to businesses within the Medina County AA. The low amount of small loans to businesses is primarily attributable to the level of competition within the AA. However, as evidenced in Table 3 below, the bank’s percentages of small loans to businesses with revenues under \$1 million slightly exceeded the percentages of peer small business data by both number and dollar amount.

Business Revenues (or Sales)	Number of Loans		Dollar of Loans	
	% Peer Small Business Data	WB % Small Loans to Businesses	% Peer Small Business Data	WB % Small Loans to Businesses
	#	#	\$	\$
≤\$1,000,000	38.14	41.79	30.02	34.66
>\$1,000,000	61.86	58.21	69.98	65.34

Source: Combined 2010 and 2011 bank generated reports; Combined 2010 and 2011 Peer Small Business Data.

**Summit County**

Westfield’s lending to borrowers of different income levels within the Summit County AA is reasonable. Table 4 below shows the bank’s ratios are somewhat below the peer mortgage aggregate percentages for both low-income and moderate-income borrowers in the AA. However, the differences in percentages do not represent very many loans. Therefore, the bank’s overall performance is reasonable and consistent with peer. Specifically, the bank originated a combined 26 home purchase loans and 27 home refinance loans within the AA during 2010 and 2011. Based on this information,

Westfield only needed to originate two additional home purchase loans to low-income borrowers and two additional home purchase loans to moderate-income borrowers to meet or exceed peer mortgage aggregate ratios. Also, the bank only needed to originate two more home refinance loans to low-income borrowers and one more home refinance loan to moderate-income borrowers to meet or exceed peer mortgage aggregate ratios. Similar to the Medina County AA, factors affecting the bank’s ability to lend within this review period include competition as well as economic conditions.

Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans
Home Purchase	13.88	7.69	23.06	15.38	20.01	26.92	30.13	50.00
Home Refinance	6.06	0.00	14.54	11.11	21.05	33.33	44.31	55.56
Total	9.02	3.77	17.77	13.21	20.66	30.19	38.93	52.83

Source: Combined data reported under HMDA for 2010 and 2011; Combined 2010 and 2011 Peer Mortgage Aggregate data.

The distribution of small loans to businesses among businesses of different sizes within the Summit County AA is reasonable. During 2010 and 2011, Westfield only originated 60 small loans to businesses within the Summit County AA. The low amount of small loans to businesses is primarily attributable to the level of competition within the AA. However, as evidenced in Table 5 below, the bank’s percentages of small loans to businesses with revenues under \$1 million, both by number and dollar amount, slightly exceeded the percentages of peer small business data.

Business Revenues (or Sales)	Number of Loans		Dollar of Loans	
	% Peer Small Business Data	Bank % Small Loans to Businesses	% Peer Small Business Data	Bank % Small Loans to Businesses
	#	#	\$	\$
≤\$1,000,000	35.23	36.67	26.13	42.93
>\$1,000,000	64.77	63.33	73.87	57.07

Source: Combined 2010 and 2011 bank generated reports; Combined 2010 and 2011 Peer Small Business Data.

Wayne County

Westfield’s lending to borrowers of different income levels within the Wayne County AA is reasonable. Table 6 shows the percentage of home purchase loans to low-income borrowers exceeded the peer mortgage aggregate percentage. However, the bank’s percentage of home purchase loans to moderate-income borrowers was below the peer mortgage aggregate percentage. In addition, Westfield’s percentage of home refinance loans for both low- and moderate-income borrowers was below peer mortgage aggregate percentages. Despite the lower percentages, the differences in ratios do not represent very many loans. As such, the bank’s overall performance is reasonable and

consistent with peer. Westfield originated a combined eight home purchase loans and 13 home refinance loans within the AA during 2010 and 2011. Based on this information, the bank only needed to originate two additional home purchase loans to moderate-income borrowers to meet peer mortgage aggregate ratios. Additionally, the bank only needed to originate one additional home refinance loan to low-income borrowers and two more home refinance loans to moderate-income borrowers to meet or exceed peer mortgage aggregate ratios. Factors affecting the bank’s ability to lend within this review period include competition as well as economic conditions.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans	% Peer Mortgage Aggregate Data	Bank % of Number of Loans
Home Purchase	7.68	25.00	26.56	0.00	24.58	25.00	28.15	50.00
Home Refinance	3.70	0.00	16.17	7.69	24.79	23.08	43.80	69.23
Total	5.26	9.52	20.24	4.76	24.71	23.81	37.67	61.90

Source: Combined data reported under HMDA for 2010 and 2011; Combined 2010 and 2011 Peer Mortgage Aggregate data.

The distribution of small loans to businesses among businesses of different sizes within the Wayne County AA is not reasonable. As evidenced in Table 7 below, Westfield’s percentages of small loans to businesses with revenues under \$1 million, both by number and dollar amount, are less than the percentages of peer small business data. The primary factors affecting the bank’s lending are primary attributable to its limited presence within the AA and the level of competition. As a result, the bank only originated 50 small loans to businesses within the Wayne County AA during 2010 and 2011.

Business Revenues (or Sales)	Number of Loans		Dollar of Loans	
	% Peer Small Business Data	Bank % Small Loans to Businesses	% Peer Small Business Data	Bank % Small Loans to Businesses
	#	#	\$	\$
≤\$1,000,000	40.71	28.00	33.84	18.97
>\$1,000,000	59.29	72.00	66.16	81.03

Source: Combined 2010 and 2011 bank generated reports; Combined 2010 and 2011 Peer Small Business Data.

**Geographic Distribution of Loans**

The bank’s geographic distribution of loans among geographies of different income levels is reasonable.

Medina County

Medina County has no low- or moderate-income census tracts. Therefore, a geographic dispersion analysis of the bank’s lending activity within this county would not be meaningful.

Summit County

The geographic distribution of home loans originated or purchased by the bank in the Summit County AA is reasonable. As illustrated in Table 8, the percentage of the bank’s lending in low- and moderate-income tracts is lower than the percentages of peer mortgage aggregate data. However, despite the lower percentages, the differences in ratios do not represent very many loans. Therefore, Westfield’s overall performance is reasonable. As stated earlier, the bank originated 26 home purchase and 27 home refinance loans within the Summit County AA during the review period. As such, Westfield only needed to originate one home purchase and one home refinance loan each in a low-income CT and three home purchase and two home refinance loans in a moderate-income CT to meet or exceed peer mortgage aggregate ratios. Additionally, the bank’s opportunity to lend within the Summit County AA has been affected by its limited presence, competition, and economic conditions during the review period.

<b>Table 8 - Geographic Distribution of Residential Real Estate Loans in Summit County AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% Peer Mortgage Aggregate Data	% of Number of Loans	% Peer Mortgage Aggregate Data	% of Number of Loans	% Peer Mortgage Aggregate Data	% of Number of Loans	% Peer Mortgage Aggregate Data	% of Number of Loans
Home Purchase	1.27	0.00	12.00	0.00	43.38	61.54	43.35	38.46
Home Refinance	0.82	0.00	6.33	3.70	39.58	37.04	53.27	59.26
Total	0.99	0.00	8.48	1.89	41.02	49.06	49.51	49.06

Source: Combined data reported under HMDA for 2010 and 2011; Combined 2010 and 2011 Peer Mortgage Aggregate data.

The geographic distribution of small loans to businesses among geographies of different income levels within the Summit County AA is reasonable. As shown in Table 9, the percentage of the bank’s small loans to businesses exceeded the percentage level of peer small business loans in low-income tracts and was below the percentage of peer small business loans in moderate-income CTs. Factors affecting the bank’s ability to lend within AA include its limited presence within the county, competition, and the economic conditions during the period of review.

<b>Table 9 - Geographic Distribution of Loans to Businesses in Summit County AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans	% of Peer Small Business Loans	Bank % of Number of Loans
Small Loans to Businesses	8.52	25.00	11.72	3.33	34.91	16.67	44.85	55.00

Source: Combined 2010 and 2011 bank generated reports; Combined 2010 and 2011 Peer Small Business Data.

Wayne County

The geographic distribution of home loans originated or purchased among geographies of different income levels is reasonable. As shown in Table 10, the bank made no loans in the one moderate-income CT of the AA during the period of review. However, as identified in the *Description of the AAs* above, the opportunities for the bank to lend within the one moderate-income CT are limited due to competition and the limited amount of occupied housing units within the moderate CT. Additionally, Westfield operates only one branch office in Wayne County, limiting its presence.

<b>Table 10 - Geographic Distribution of Residential Real Estate Loans in Wayne County AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% Peer Mortgage Aggregate Data	% of Number of Loans	% Peer Mortgage Aggregate Data	% of Number of Loans	% Peer Mortgage Aggregate Data	% of Number of Loans	% Peer Mortgage Aggregate Data	% of Number of Loans
Home Purchase	.00	.00	2.22	.00	76.68	37.50	21.10	62.50
Home Refinance	.00	.00	1.28	.00	75.58	53.85	23.14	46.15
Total	.00	.00	1.65	.00	76.01	47.62	22.34	52.38

Source: Combined data reported under HMDA for 2010 and 2011; Combined 2010 and 2011 Peer Mortgage Aggregate data.

The geographic distribution of small loans to businesses among geographies of different income levels within the Wayne County AA is reasonable. As shown in Table 11, the bank did not originate or purchase any small loans to businesses within the one moderate CT of the AA. Despite not originating or purchasing any small loans to businesses within the one moderate-income tract, the ratios are consistent with the distribution of peer small business lending throughout the AA. In addition, the bank’s ability to lend to businesses within the moderate-income tract was limited as most businesses within the AA are located in middle- and upper-income tracts. Also, the bank has a limited presence in the Wayne County AA, and competition is high.

<b>Table 11 - Geographic Distribution of Loans to Businesses in Wayne County AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Peer Small Business Loans	WB % of Number of Loans	% of Peer Small Business Loans	WB % of Number of Loans	% of Peer Small Business Loans	WB % of Number of Loans	% of Peer Small Business Loans	WB % of Number of Loans
Small Loans to Businesses	0.00	0.00	1.70	0.00	79.37	80.00	18.93	20.00

Source: Combined 2010 and 2011 bank generated reports; Combined 2010 and 2011 Peer Small Business Data.

### Responses to Complaints

The bank has not received any written complaints during the evaluation period related to its performance in meeting the credit and deposit needs of the AAs.

### COMMUNITY DEVELOPMENT (CD) TEST

The bank’s performance under the CD test is satisfactory.

#### Number and Amount of Community Development Loans

##### Medina County

The bank originated five CD loans totaling \$3.55 million during the evaluation period. The loans were provided to housing development and non-profit organizations whose primary purposes are for providing subsidized or affordable housing to low- and moderate-income individuals.

##### Summit and Wayne Counties

The bank did not originate any CD loans within either of these AAs during the period of review.

#### Number and Amount of Qualified Investments

##### Medina, Summit, and Wayne Counties

The bank was responsive to the CD needs of the AAs by making qualified investments totaling \$8.3 million during the evaluation period. As of June 30, 2013, this amounted to 10.7 percent of Tier One Capital. Current and prior period investments are detailed below.

The bank funded two investments totaling \$7 million in Low-Income Housing Tax Credits (LIHTC), which benefitted the AAs. The investments in the LIHTC helped create and preserve approximately 3,200 affordable housing units benefiting low- and moderate-income geographies or individuals.

The bank invested \$1.25 million in funds to support the Senior Housing Crime Prevention Foundation, benefiting the AAs as well as the statewide area. The funds were invested in a qualified CD investment, which includes a mortgage-backed security collateralized with home loans for low- and moderate-income individuals within the bank's AA.

The bank invested \$21,500 in a financial literacy program. The program is a web-based financial literacy learning platform that will be provided to local high schools within the AAs that are primarily comprised of low- and moderate-income students.

The bank provided five qualifying CD in-kind donations totaling \$3,875 to five local community organizations during the period of review. The donations benefitted CD initiatives for affordable housing, social services for low- and moderate-income individuals, and economic revitalization throughout the AAs.

In addition to the investments noted, affiliates of the bank also provided qualifying CD in-kind donations totaling \$102,667 to community organizations during the review period. The donations benefitted CD initiatives for affordable housing, social services for low- and moderate-income individuals, and financial education within the AAs.

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

#### Medina, Summit and Wayne Counties

The bank's services performance over the evaluation period reflects an adequate level of responsiveness to CD service needs.

Westfield offers a full range of consumer and commercial banking products and services throughout all of its branch offices. In addition to full-service branches, the bank offers surcharge-free ATM access via Westfield, US Bank, and MoneyPass Network-related ATMs located throughout the AAs and US. WB also offers on-line banking to provide customer access to consumer and business accounts. The bank's office hours and services are provided in a manner that does not inconvenience any portions of the AA.

The bank also offers IOLTA accounts. The IOLTA account funds are used to assist in providing legal help to low- and moderate-income individuals. As of July 29, 2013, the bank had 24 IOLTA accounts totaling \$694,000 in deposits.

Bank staff members participate on the boards of local organizations primarily responsible for providing services to low- and moderate-income families or individuals. For instance, bank staff members sit on the boards of organizations primarily focused on affordable housing or providing social services. In addition, bank staff members have volunteered as mortgage underwriters with an organization focused on providing affordable housing, assisting low- and moderate-income individuals in obtaining home loan financing.

### **Responsiveness to Community Development Needs**

The bank's CD performance is satisfactory. Responsiveness to CD needs of the AAs through CD loans, qualified investments, and qualified services is reasonable.

### **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.