



# INTERMEDIATE SMALL BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

August 12, 2013

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Rollstone Bank & Trust  
Charter Number 707794

780 Main Street, Fitchburg, MA 01420-3112

Office of the Comptroller of the Currency  
Boston Field Office  
99 Summer Street, Suite 1400, Boston, MA 02110

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

**INSTITUTION'S CRA RATING: This Bank is rated Outstanding.**

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

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

The major factors supporting the Bank's ratings are:

- Rollstone Bank and Trust's (RBT or Bank) level of lending, as reflected by the net loan-to-deposit ratio, is favorable.
- A majority of originated loans are made within the Bank's assessment area (AA).
- The borrower distribution of home loans reflects excellent distribution among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable distribution in the low- and moderate-income census tracts.
- The Bank demonstrates excellent responsiveness to the community development needs within its AAs.

### **Scope of Examination**

RBT was evaluated using Intermediate Small Bank CRA examination procedures, including a lending test (LT) and a community development (CD) test. The LT evaluates the Bank's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the Bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and community development services. The evaluation period for the LT covers the Bank's performance from January 1, 2010 through June 30, 2013. For the period January 1, 2010, through December 31, 2011, the Bank's performance was compared to the 2000 U.S. Census data. For the period from January 1, 2012, through June 30, 2013, performance was compared to the 2010 U.S. Census data. The CD test evaluation period is April 19, 2010, the date of the last CRA examination, through August 12, 2013. CD loans, investments, and services submitted by management were verified to ensure they meet the regulatory definition for community development.

RBT's primary loan products, based on loan originations during the evaluation period, are residential mortgages including home purchase, home refinance, and home improvement loans. Although the table on Page 3 shows that residential loans represent approximately 48% of the overall loan portfolio, the vast majority of the loans originated during the evaluation period were residential mortgage loans. Refinance loans comprised the majority, 72%, of loans originated, followed by home purchase loans, at 27%, and 1% in home improvement loans.

The Bank reports data under requirements of the Home Mortgage Disclosure Act (HMDA). All residential real estate loans originated during the evaluation period were included in our evaluation of the Bank's lending. As part of our evaluation, we tested the Bank's HMDA data for residential real estate loans originated and found the data was reliable. All residential real estate loans originated during the assessment period were included in our evaluation of the Bank's lending.

A full scope review was performed on AA1 – Worcester County, while a limited scope review was performed on AA2 – Middlesex County. Six of the Bank's seven full service branches are located within AA1. The majority of the Bank's deposits, 90%, and approximately 80% in loans, are attributable to AA1.

## **Description of Institution**

RBT is a federally chartered stock bank headquartered in Fitchburg, Massachusetts (MA). RBT is wholly owned by Rollstone Bancorp, MHC. As of March 31, 2013, the Bank had total assets of \$554 million.

The Bank has seven branches, three in Fitchburg, two in Leominster, one in Harvard, and one in Townsend. Six of the branches are located within Worcester County and the Townsend branch is located in Middlesex County. The main office branch is open from 8:30 am to 4:30 pm. Hours for the other branch locations are 9:00 am to 4:00 pm, Monday through Friday. Extended hours are available for all branches, except the main office. Extended hours vary from 5:30 pm to 6:00 pm on Thursdays and Fridays, and on Saturdays from 9:00 am to 12:00 pm. During the evaluation period, RBT relocated the Whitney Field Branch located in Leominster to 24 Monument Square in Leominster. The new branch is located in a moderate-income census tract. RBT also opened a loan production office in Worcester, MA in May 2011; however, for CRA purposes, this location is not considered a branch.

RBT continues to operate as a traditional thrift lender by promoting residential mortgage loan products and deposit services to its customers. Retail loan products include residential mortgages, home equity loans, and personal loans. Commercial loan products include short term and long term commercial mortgages, working lines of credit, and Small Business Administration guaranteed loans. The Bank offers asset management services through the wealth management department. Detailed product information can be found on the Bank's Internet website, [www.rollstonebank.com](http://www.rollstonebank.com). Bank management identified increasing credit to small businesses and affordable housing in the low-income tracts as the primary credit needs in their AAs.

The distribution of the Bank’s loan portfolio is provided in the table below.

<b>Loan Portfolio Summary by Loan Product as of March 31, 2013</b>	
<b>Loan Category</b>	<b>% of Gross Loans and Leases</b>
1-4 Family Residential Mortgage – Closed End	48%
Home Equity	6%
Commercial & Industrial	8%
Other Real Estate	32%
Construction and Development	2%
Consumer	1%
Other Loans	3%
Total	100%

*Source: Federal Deposit Insurance Corporation (FDIC) Call Report*

The Bank has no financial or legal impediments to meeting the credit needs of the community. RBT was rated "Outstanding" using intermediate small bank procedures at the last CRA examination dated April 19, 2010.

**Description of Assessment Areas**

The CRA requires a bank to define the AA in which it will be evaluated. RBT has two AAs that include all branches, as well as the contiguous towns/cities around these offices. The Bank's AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income tracts.

*Full Scope AA1 – Worcester County*

AA1 is part of the Worcester, MA Metropolitan Statistical Area (MSA) and comprises part of Worcester County. AA1 includes the town/cities of Ashburnham, Fitchburg, Harvard, Lancaster, Leominster, Lunenburg, Sterling, and Westminster. During the assessment period, 80% of home mortgage loans were originated in Worcester County. In 2010 and 2011, AA1 was comprised of 25 census tracts. There were two low-income tracts, six moderate-income tracts, 14 middle-income tracts, and three upper-income tracts. In 2012 and 2013, AA1 was comprised of 26 census tracts. There were three low-income tracts, eight moderate-income tracts, 10 middle-income tracts, and five upper-income tracts. Refer to the tables on the following page for additional information.

Demographic Information for RBT AA1 2010 & 2011					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	25	8%	24%	56%	12%
Population by Geography	122,126	4%	21%	62%	13%
Owner-Occupied Housing by Geography	48,217	2%	14%	68%	16%
Family Distribution by Income Level	45,955	21%	18%	23%	38%
2000 Census Median Family Income (MFI)		\$58,426	2011 Median Housing Value*		\$239,639
HUD Updated MFI: 2011		\$82,500	Households Below Poverty Level		10%

Source: 2000 US Census data

\*Data from Zillow.com

Demographic Information for RBT AA1 2012 & 2013					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	26	12%	31%	38%	19%
Population by Geography	126,904	7%	25%	44%	24%
Owner-Occupied Housing by Geography	50,744	4%	19%	51%	26%
Family Distribution by Income Level	46,259	23%	17%	22%	38%
2010 Census Median Family Income (MFI)		\$79,121	2012 Median Housing Value*		\$238,404
HUD Updated MFI: 2012		\$83,600	Households Below Poverty Level		11%
			Unemployment Rate**		7.5%

Source: 2010 US Census data

\*Data from Zillow.com

\*\* Data from US Bureau of Labor Statistics as of 12/31/2012. Rate is for Worcester County.

The Federal Deposit Insurance Corporation's Deposit Share Report for June 30, 2012, indicates that 38 financial institutions operate within the Worcester, MA MSA. At June 30, 2012, RBT ranked 14<sup>th</sup> with 2.3% of the market share. The Bank's local competitors include, but are not limited to, UniBank for Savings, Webster Five Cents Savings Bank, Clinton Savings Bank, Fidelity Co-operative Bank, Southbridge Savings Bank, and Savers Co-operative Bank. Larger regional banks that provide further competition and dominate the deposit market share include Bank of America, National Association (N.A.), TD Bank, N.A., Sovereign Bank, N.A., People's United Bank, and RBS Citizens Bank, N.A.

Competition for the Bank's primary loan product is high, as many nationwide lenders are present in the Bank's lending market. These lenders include Wells Fargo Bank, N.A., Bank of America, N.A., JPMorgan Chase Bank, N.A., Ally Bank, and US Bank, N.A. Large mortgage companies, such as GMAC Mortgage, LLC, CitiMortgage, Inc., and Mortgage Master, Inc., provide further competition. Peer Mortgage 2011 Market Share data indicates that RBT competes with 253 lenders within the Worcester AA, and the top five lenders control the market with an overall market share of approximately 36%. RBT ranks 17<sup>th</sup> with a market share of 1.5%.

The January 2013 Moody's Analytics Report shows the Worcester, MA MSA has improved, but not at the pace of the economies of Boston, Cambridge, and Peabody. Moody's indicates that in the Bank's full scope AA, which is part of the Worcester, MA MSA, the high technology and healthcare industries have remained the primary drivers of the recovery in the market and continued modest growth is projected based on the heavy concentration of high-technology firms in the area. The combination of an improving labor market and easier access to credit suggests strong growth in consumer spending for 2013. Although spending will likely demonstrate continued upward trends, performance will not meet the pace set in the Boston metropolitan area due to Worcester's weaker demographic trends, supplemented by increased delinquency trends in credit cards, auto loans, and first mortgages since the middle of 2012.

The unemployment rate of 7.5% as of December 2012 for the Worcester MSA remains above pre-recession levels; however, the unemployment figures have declined significantly from the peak levels reached during the recession, specifically 10.2% reached in January 2010. As of December 2012, the unemployment rate remains higher than the state average of 6.7%; however, compares favorably to the national average of 7.8%. Major employers are primarily in the education, healthcare, and financial services sectors, and include University of Massachusetts (UMass) Memorial Health Care, UMass Medical School, Saint Vincent's Hospital, Hanover Insurance Group, Saint-Gobain Abrasives, Inc., and Fallon Clinic.

During our evaluation, we held a discussion with a local community organization to identify the area's primary credit needs and the opportunities for financial institutions to assist in the community. Our contact is the Executive Director of a community development organization dedicated to providing youth programs, financial education to adults, family services, and neighborhood revitalization targeted to low- and moderate-income (LMI) individuals in the city of Fitchburg. The contact discussed several opportunities for participation by local financial institutions and the continued need for flexible financing opportunities for affordable housing among LMI borrowers. The community contact stated the local financial institutions adequately meet the credit needs of the community; however, there are additional opportunities for improvement.

Limited Scope AA2 – Middlesex County

AA2 is part of the Cambridge – Newton – Framingham, MA Metropolitan Division and comprises part of Middlesex County. AA2 includes the towns/cities of Ashby, Ayer, Groton, Pepperell, Shirley, and Townsend. During the assessment period, 20% of home mortgage loans that were originated within the Bank's AAs were originated in Middlesex County. In 2010 and 2011, AA2 was comprised of nine census tracts, with one moderate-income, seven middle-income, and one upper-income tracts. In 2012 and 2013, AA2 was comprised of 10 census tracts, with two moderate-income, five middle-income, and three upper-income tracts.

**Conclusions with Respect to Performance Tests**

**LENDING TEST**

RBT's performance under the lending test is Outstanding. RBT's loan-to-deposit ratio is more than reasonable and the majority of loans are originated inside the Bank's AAs. Overall, the distribution of loans among individuals of different income levels is excellent. The geographic distribution of loans in the low- and moderate-income census tracts is reasonable.

**Loan-to-Deposit Ratio**

The Bank's net loan-to-deposit (LTD) ratio is more than reasonable given the Bank's size, AA credit needs, and current economic factors. The quarterly ratio averaged 108% over the last 13 quarters and ranged from a high of 112% at September 30, 2010, to a low of 102% at September 30, 2012. The ratio stands at 107% at March 31, 2013. RBT's LTD ratio remains significantly higher than the Bank's national peer institutions quarterly average of 85%.

**Lending in Assessment Area**

A majority of the Bank's primary loan products were originated within its assessment areas during our review period and, as a result, RBT meets the standard for satisfactory performance. During the review period, 70% of the Bank's primary loan product was originated within its AAs, representing 65% of the total dollar amount.

The following table details the Bank's lending within its AAs by number and dollar amount of loans.

Lending in RBT's AAs (000's)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	159	68%	76	32%	235	\$30,759	59%	\$21,698	41%	\$52,457
Home Refinance	450	71%	182	29%	632	\$87,045	66%	\$44,087	34%	\$131,132
Home Improvement	10	71%	4	29%	14	\$1,957	80%	\$502	20%	\$2,459
Totals	619	70%	262	30%	881	\$119,761	65%	\$66,287	35%	\$186,048

Source: HMDA reported data from 1/1/2010-6/30/2013

**Lending to Borrowers of Different Incomes**

The distribution of home loans among borrowers of different income levels is excellent.

Conclusion for Full Scope AA I – Worcester County

There is excellent distribution of home loans to borrowers of different income levels for loans originated in 2010 and 2011. The percent of home refinance loans made to moderate-income borrowers exceeds the percent of aggregate lending data, which is our primary comparator, as well as the percent of moderate-income families in the AA. The percent of home refinance loans made to low-income borrowers is near the aggregate lending data, but significantly lower than the percent of low-income families in the AA.

The percent of home purchase loans made to moderate-income borrowers is near to the percent of aggregate lending data and significantly exceeds the percent of moderate-income families in the AA. The percent of home purchase loans to low-income borrowers is lower than both the percent of aggregate lending data and the low-income families in the AA. The percent of home improvement loans made to low-income borrowers significantly exceeds both the percent of aggregate lending data and the low-income families in the AA. No home improvement loans were made to moderate-income borrowers.

According to Zillow.com, the median housing value equaled approximately \$240 thousand. Housing costs are high relative to the HUD adjusted median family income. For 2011, the HUD adjusted median family income was \$83 thousand, which means the maximum income for low-income families is \$41 thousand, making it difficult to qualify for loans. Additionally, moderate-income families also could encounter difficulty qualifying for mortgage loans with an income range of \$41 thousand to a maximum income of \$66 thousand.



Market competition for mortgage loans is significant. According to the Peer Mortgage 2011 Market Share data, larger institutions as well as larger credit unions dominate mortgage lending in AA1. The top five lenders control the market with an overall market share of approximately 36%. RBT ranks 17<sup>th</sup> with a market share of 1.5%. The Bank's performance is considered Outstanding given the cost of housing and the strong level of competition.

The following tables show the aggregate lending data for HMDA reporters within the Bank's AA, as well as the distribution of home loan products among borrowers of different income levels compared to the percent of families in each income category.

Aggregate Lending Data for Borrower Distribution in AA1 (2010 & 2011)								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans	% Aggregate Data	% of Number of Loans
Home Purchase	17%	13%	33%	32%	24%	24%	26%	31%
Home Improvement	14%	34%	20%	0%	31%	33%	35%	33%
Home Refinance	8%	7%	18%	20%	29%	30%	45%	43%

Source: HMDA reported data from 1/1/2010-12/31/2011; 2000 US Census data

Borrower Distribution of Residential Real Estate Loans in AA1 (2010 & 2011)								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Purchase	21%	13%	18%	32%	23%	24%	38%	31%
Home Improvement	21%	34%	18%	0%	23%	33%	38%	33%
Home Refinance	21%	7%	18%	20%	23%	30%	38%	43%

Source: HMDA reported data from 1/1/2010-12/31/2011; 2000 US Census data

There is excellent distribution of home loans to borrowers of different income levels originated during 2012 and 2013. The data used for the Bank's primary comparator, aggregate HMDA data, was unavailable at the time of our analysis. Therefore, we used the percentage of families by income level as the comparator for this analysis. The percent of home purchase and home refinance loans to low-income borrowers is significantly lower than the percent of low-income families in the AA. The percent of home purchase and home refinance loans made to moderate-income borrowers exceeds the percentage of moderate-income families within the AA. The Bank made no home improvement loans to low- or moderate-income borrowers.

RBT's performance in 2012 and 2013 is considered excellent given the continued level of competition and lack of affordable housing. Low-income borrowers continued to have difficulties affording home loans during this period. The 2012 HUD adjusted median income was \$84 thousand. This income level indicates that low-income families earn a maximum income of \$42 thousand, while the average home price for 2012 was \$238 thousand.

The following table shows the distribution of home loan products among borrowers of different income levels compared to the percent of families in each income category.

<b>Borrower Distribution of Residential Real Estate Loans in AA1 (2012 &amp; year-to-date 2013)</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans	% of Families	% of Number of Loans
Home Purchase	23%	3%	17%	19%	22%	27%	38%	51%
Home Improvement	23%	0%	17%	0%	22%	0%	38%	0%
Home Refinance	23%	6%	17%	19%	22%	24%	38%	51%

*Source: HMDA reported data from 1/1/2012-6/30/2013; 2010 US Census data*

*Conclusion for Limited Scope AA2 – Middlesex County*

Based on a limited-scope review, RBT's borrower distribution of home loans in AA2 is not inconsistent with the Bank's overall performance in the full scope area.

**Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable distribution in the low- and moderate-income tracts in AA1. We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

*Conclusion for Full Scope AA1 – Worcester County*

The Bank's geographic distribution of home loans reflects reasonable distribution in the low- and moderate-income tracts. The percent of RBT's lending for home refinance loans exceeds the percent of aggregate lending data, but is lower than the percent of owner occupied housing in the moderate-income geographies. The percent of home purchase loans is lower than the percent of aggregate lending data and the percent of owner-occupied housing in the moderate-income geographies. The percent of lending for home refinance loans meets both the percent of aggregate lending data and the percent of owner occupied housing located in the low-income geographies. The Bank made no home purchase or home improvement loans in the low-income tracts, and made no home improvement loans in the moderate-income tracts. Demographics support limited lending opportunities as aggregate lending data is very low, in the 1% to 2%

range. The percent of owner occupied housing is very low at 2%. RBT's performance is satisfactory given the market competition and limited lending opportunities in the AA.

The following tables detail the lending data for all HMDA reporters within the Bank's AA as well as the Bank's performance compared to the percent of owner-occupied housing units in each census tract income level.

Aggregate Lending Data for Geographic Distribution in AA 1 (2010 & 2011)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans	% Aggregate Lending Data	% of Number of Loans
Home Purchase	2%	0%	13%	9%	68%	80%	17%	11%
Home Improvement	1%	0%	11%	0%	68%	100%	20%	0%
Home Mortgage Refinance	1%	1%	6%	8%	65%	76%	28%	15%

Geographic Distribution of Residential Real Estate Loans in AA 1 (2010 & 2011)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	2%	0%	14%	9%	68%	80%	16%	11%
Home Improvement	2%	0%	14%	0%	68%	100%	16%	0%
Home Mortgage Refinance	2%	1%	14%	8%	68%	76%	16%	15%

Source: HMDA reported data from 1/1/2010 to 12/31/2011; 2000 US Census data

The Bank's geographic distribution of home loans reflects reasonable distribution within the low- and moderate-income tracts during 2012 and 2013. The data used for the Bank's primary comparator, aggregate HMDA data, was unavailable at the time of our analysis. Therefore, we used the percentage of owner occupied housing as the comparator for this analysis. The percent of lending for home refinance loans equals the percent of owner occupied housing in the low-income geographies and is near to the percent of owner-occupied housing in the moderate-income geographies. The percent of lending for home purchase loans is near to the percent of owner occupied housing located in both the low- and moderate-income geographies. The Bank did not originate any home improvement loans in the low- or moderate-income tracts.

Demographics support the limited lending opportunities, as the percent of owner occupied housing is low at 4%. RBT's performance is considered satisfactory given the level of competition and limited lending opportunities.

The following table details the Bank's performance compared to the percent of owner-occupied housing units in each census tract income level.

<b>Geographic Distribution of Residential Real Estate Loans in AA 1 (2012 &amp; year-to-date 2013)</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	4%	3%	19%	16%	51%	56%	26%	25%
Home Improvement	4%	0%	19%	0%	51%	100%	26%	0%
Home Mortgage Refinance	4%	4%	19%	17%	51%	57%	26%	22%

Source: HMDA reported data from 1/1/2012-6/30/2013; 2010 US Census data

Conclusion for Limited Scope AA2 – Middlesex County

Based on the limited-scope review, RBT's distribution in the low- and moderate-income tracts is not inconsistent with the Bank's overall performance in the full scope area.

**Responses to Complaints**

There were no CRA complaints received by the Bank or the OCC during the evaluation period.

**COMMUNITY DEVELOPMENT TEST**

The Bank's performance under the community development (CD) test is Outstanding. RBT demonstrates excellent responsiveness to the community development needs in its assessment area through CD loans, investments, and services. The following qualified loans, investments, and services reflect the Bank's effort to enhance the credit availability within its AA.

**Number and Amount of Community Development Loans**

Conclusion for Full Scope AA1 – Worcester County

RBT originated a high level of CD loans during the evaluation period and represents excellent responsiveness. The Bank originated eight loans totaling \$2.6 million during the evaluation period that qualified as CD loans. The CD loans made by the Bank provided financing for organizations that provide affordable housing and services targeted towards low- and moderate-income individuals, both identified needs in the AA.

The highlights of the Bank's CD loans are as follows:

- A \$1.7 million loan made to construct a 15,736 square foot facility in Sterling, dedicated to provide services for autistic children. The majority of the organization's clientele are LMI individuals.
- A \$300 thousand working capital line of credit to support operations for a local not-for-profit organization that provides healthcare services to LMI individuals located in Northern Worcester County.
- Five loans totaling \$536 thousand over the evaluation period to a local organization dedicated to providing healthcare facilities and services to LMI individuals with disabilities. Four loans were originated to expand the organizations' operations and services in Worcester County. The Bank refinanced the original loan into a lower rate to lower the payments for the organization to reinvest the funds into existing programs.
- A \$30 thousand loan made to a local non-for-profit organization to fund educational programs for both at-risk youth and job training programs for adults.

Conclusion for Limited Scope AA2 – Middlesex County

RBT did not originate any community development loans in Middlesex County over the evaluation period. Based on the Bank's small footprint within Middlesex County and strong competition, the opportunities to originate CD loans are limited.

**Number and Amount of Qualified Investments**

Conclusion for Full Scope AA1 – Worcester County

The level of CD investments and donations is excellent considering the Bank's capacity and significant market competition. RBT's investments and donations during the assessment period totaled approximately \$1.2 million. This is comprised of one CD investment and 62 grants/donations to 35 community development organizations in AA1. There were no prior period investments.

RBT made a \$1 million investment to a local transit organization that provides low cost transportation services for LMI individuals in the greater Fitchburg area. The investment funded purchasing additional vehicles to expand the company's outreach in Northern Worcester County. Qualifying CD grants and donations totaled \$229 thousand benefiting 35 different CD organizations. The majority of the grants and donations were targeted towards organizations that provide assistance and promote financial literacy for low- and moderate-income individuals; both identified needs. While the actual level of Bank donations made was higher, these donations met the definition of community development.

Conclusion for Limited Scope AA2 – Middlesex County

Based on a limited-scope review, RBT's investments and donations in AA2 is not inconsistent with the Bank's overall performance in the full scope area.

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

### *Conclusion for Full Scope AA1 – Worcester County*

The Bank's level of CD services in AA1 is excellent. Accessibility to the Bank's delivery systems in the AA is good. RBT's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. The Bank has six full-service branches located within AA1. The main office located in Fitchburg is located within a low-income tract. The branch located at 486 John Fitch Highway in Fitchburg and the 24 Monument Square branch in Leominster are located within moderate-income tracts.

RBT is also involved in Fitchburg's Home Ownership Initiative Buy It – Fix It program. The Bank partnered with Fitchburg's Division of Housing to offer loans that help families buy a home in Fitchburg and make repairs to the home at the same time. The costs of the home purchase and repairs are combined. Participating lenders provide families with a first mortgage for approximately 80% of the combined cost. The Division of Housing lends the remaining funds of approximately 20% as a second mortgage. Although no loans were originated in the evaluation period, two loans were in the pipeline as of August 12, 2013.

Seven RBT employees and officers were involved with the following organizations that promote affordable housing, credit availability, and economic development within the AA:

- The President provided numerous CD services over the evaluation period. The President served as the Chairman and Vice Chairman of an organization dedicated to economic development within North Central MA. The President served as the Chairman of the Regional Economic Development Institute, a program sponsored by Fitchburg State University to promote job creation and job retention in Northern Worcester County. The President also provided financial expertise to a local hospital dedicated to providing services to LMI individuals located in Fitchburg. The President served as a Trustee and the Chair of the hospital's Audit Committee.
- One officer served as a director for the local Boys and Girls Club located in Leominster, MA. The majority of youths attending the club are LMI individuals. The officer provided financial expertise while serving on the Board of Directors. Over the evaluation period, the officer also served as the Chairman of the club's Endowment Campaign Steering Committee.
- The CRA Officer served as the Treasurer for a local organization dedicated to revitalizing downtown Fitchburg, a low-income geography. The officer provided financial expertise to manage the funds of the organization.
- One officer served as the Treasurer for a local healthcare organization dedicated to supporting the communities of Leominster, Fitchburg, and Gardner. The organization provides a wide range of health services targeted to LMI residents of North Central MA.

- One officer served on the Board of a local community development organization dedicated to stimulating economic development and job creation in Northern Worcester County.
- One officer served as a director for a local coalition initiative whose mission is to promote community development in LMI geographies in North Central MA. The officer also served as Chairman of an affordable housing committee sponsored by a local community development organization. Both organizations promote economic development, affordable housing, and community services to LMI individuals in Northern Worcester County.
- One officer served as a board member for a local opportunity council. The organization is dedicated to promoting economic development in North Central Massachusetts and to alleviating poverty in the area.

In addition, the Bank participated in financial education seminars to increase awareness and knowledge on the home buying process. Multiple lending officers participated in the annual Home Buyer Education Seminar sponsored by Twin Cities Community Development Corporation, a local non-for-profit organization dedicated to supporting community development activities within the Fitchburg and Leominster communities, also an identified need in the community.

#### *Conclusion for Limited Scope AA2 – Middlesex County*

Based on a limited-scope review, RBT's CD services in AA2 is not inconsistent with the Bank's overall performance in the full scope area.

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

Considering the Bank's capacity, the need, and the availability of CD opportunities, RBT's performance, through CD loans, investments, and services, demonstrates excellent responsiveness to the needs of the AAs.

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

Pursuant to 12 C.F.R. 195.28(c), in determining a Federal Savings Association's (FSA) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the FSA, or in any assessment area by an affiliate whose loans have been considered as part of the FSA's lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.