



**PUBLIC DISCLOSURE**

August 15, 2022

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

The Bank of Bennington  
Charter Number: 705214

155 North Street  
Bennington, VT 05201-1826

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 **Outstanding**.

**The lending test is rated: Outstanding.**

**The community development test is rated: Outstanding.**

The major factors that support this rating include:

- Given the bank's size, financial condition, and performance context factors, the Lending Test rating is based on The Bank of Bennington's (Bennington or the bank) more than reasonable loan-to-deposit (LTD) ratio, a substantial majority of loans are in the assessment area (AA), a reasonable distribution of lending in low- and moderate-income (LMI) geographies, and an excellent distribution of lending to borrows of different income levels.
- Given the bank's size, financial condition, and performance context factors, the Community Development (CD) Test rating is based on Bennington's excellent responsiveness to CD needs in the AA through CD loans, qualified investments and donations, and CD services.

### Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, Bennington's LTD ratio is considered more than reasonable.

Bennington's quarterly LTD ratio averaged approximately 96.0 percent over the last 12 quarters since the end of the previous evaluation's LTD analysis. Specifically, this analysis considers LTD data occurring from January 1, 2019, to December 31, 2021. During the 12 preceding quarters, the bank's quarterly LTD ratio ranged from a quarterly low of 79.4 percent to a quarterly high of 109.9 percent.

The bank's LTD ratio compares favorably to other peer institutions of similar size, business strategy, and geographic location. The peer group had a quarterly average net LTD ratio of 77.6 percent over the same 12 quarters, ranging from an average quarterly low of 67.4 percent to an average quarterly high of 88.4 percent.

### Lending in Assessment Area

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

Bennington originated and/or purchased 88.3 percent by number and 87.5 percent by dollar amount of its total loans inside the AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. This performance does not include extensions of credit by affiliates that may be considered under the other performance criteria. Bennington did not submit affiliate lending for consideration during this evaluation.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
<b>Home Mortgage</b>										
2019	195	88.2	26	11.8	221	34,319	86.4	5,399	13.6	39,719
2020	251	90.9	25	9.1	276	48,465	87.8	6,711	12.2	55,176
2021	266	86.1	43	13.9	309	55,828	88.0	7,621	12.0	63,449
<b>Total</b>	<b>712</b>	<b>88.3</b>	<b>94</b>	<b>11.7</b>	<b>806</b>	<b>138,613</b>	<b>87.5</b>	<b>19,731</b>	<b>12.5</b>	<b>158,343</b>
<i>Source: Bank Data – 01/01/2019 – 12/31/2021 Due to rounding, totals may not equal 100.0%</i>										

## Description of Institution

The Bank of Bennington is a single state, \$542.9 million federal mutual savings institution headquartered in Bennington, VT and wholly owned by Community Financial Mutual Holding Company. The bank's main office is located on North Street in Bennington, VT with four additional full-service branches located in the VT municipalities of Arlington, Bennington, Manchester Center, and Rutland. All branches are located inside the bank's delineated AA with the main office located in a moderate-income geography and the remaining branches located within middle-income geographies. Operating hours are reasonable and largely uniform amongst the five bank locations with most locations opening by 8:00 am, and closing by 5:00 pm, if not later, Monday through Friday. No branches are open on Sundays and the main office, Arlington, and Rutland branches are not open on Saturdays. The Bennington – Phyllis Lane and Manchester Center locations do offer Saturday hours, opening by 9:00 am, and closing by noon or later. The bank did not open or close any branches during the evaluation period. All bank locations have automated teller machines (ATMs), including four additional stand-alone ATMs, available for 24-hour banking access. The stand-alone ATMs are located in: Bennington, VT, a moderate-income geography; Shaftsbury, VT, a middle-income geography; Dorset, VT, a middle-income geography; and Bondville, VT, a middle-income geography.

The bank offers residential, consumer, and commercial loan products, as well as traditional deposit, and non-deposit investment products and services. As indicated by the bank's balance sheet, the primary loan products are residential mortgages, including home purchase, home refinance, and home equity loans and lines of credit. The bank also provides its customers various means of account access, including telephone banking, online banking with bill pay options, and a mobile banking application. The bank's website, [www.thebankofbennington.com](http://www.thebankofbennington.com), provides a listing and description of product offerings.

As of December 31, 2021, Bennington reported total assets of \$542.9 million, total deposits of \$453.5 million, and tier 1 capital of \$55.1 million. The loan portfolio totaled approximately \$365.2 million, or 67.3 percent of total assets.

The table below provides a summary of the loan mix as of December 31, 2021:

<b>Loan Portfolio Summary by Loan Product December 31, 2021</b>	
<b>Loan Category</b>	<b>% of Gross Loans and Leases</b>
<b>1-4 Family Residential Mortgages – Closed End</b>	70.0
<b>Other Real Estate (Commercial)</b>	15.8
<b>Commercial &amp; Industrial</b>	6.3
<b>Home Equity</b>	4.0
<b>Multifamily</b>	2.6
<b>Construction &amp; Development</b>	<1
<b>Municipal Bonds/Loans</b>	<1
<b>Consumer</b>	<1
<b>Total</b>	100

Source: Federal Deposit Insurance Corporation Call Report, December 31, 2021.

The bank has no financial or legal impediments to meeting the credit needs of the AA. The bank was rated ‘Outstanding’ using Intermediate Small Bank (ISB) procedures at the last CRA performance evaluation dated August 5, 2019.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Bennington was evaluated using ISB evaluation procedures, which assess the bank’s performance according to CRA under components of both a Lending Test and Community Development Test. The evaluation period for the Lending and CD Test is from January 1, 2019, to December 31, 2021. The Lending Test evaluates the bank’s record of performance in meeting the credit needs of the AA during the evaluation period through lending activities. The CD Test evaluates the bank’s responsiveness to CD needs in its AA through CD lending, qualified investments and donations, and CD services.

The bank is not subject to the reporting requirements of the Home Mortgage Disclosure Act (HMDA). Based on an analysis of bank submitted loan origination data, home mortgage loans accounted for the majority of lending activity occurring during the evaluation period and were identified as the primary lending product for consideration. Examiners conducted a data integrity review of the bank’s submitted loan data to determine its accuracy and reliability for drawing conclusions as to the institution’s lending performance according to CRA. Examiners also verified the CD activity submitted by management.

We compared the bank’s 2019-2021 lending performance to 2015 American Community Survey (ACS) and 2021 Dun and Bradstreet (D&B) data. Peer 2020 mortgage data was used as supporting performance context (as applicable). Peer 2021 deposit market share data is as of June 30, 2021, based on information from the Federal Deposit Insurance Corporation (FDIC). HMDA aggregate lending and market share percentages consider only lenders that submit HMDA data. Lenders that collect, but do not submit data, are not considered in the percentages.

### Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of the AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same

metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. 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.

The CRA requires an institution to define the AA in which it will be evaluated. Bennington has delineated a single, full-scope AA that meets the requirements of the regulation by consisting of wholly contiguous political subdivisions (counties) and does not arbitrarily exclude any low- or moderate-income census tracts (CTs). Bennington’s AA consists of a single full-scope area comprised entirely of VT non-MSA (#99999) geographies. Specifically, the VT non-MSA AA contains the full Bennington (#003) and Rutland (#021) VT Counties.

### **Ratings**

The bank’s overall rating is based primarily on Bennington’s single delineated AA, which received a full-scope review.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, 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 Vermont

<b>CRA rating for the State of Vermont:</b>	Outstanding
<b>The Lending Test is rated:</b>	Outstanding
<b>The Community Development Test is rated:</b>	Outstanding

The major factors that support this rating include:

- The bank exhibits a reasonable geographic distribution of loans in the state.
- The bank exhibits an excellent distribution of loans to individuals of different income levels, given the product lines offered by the bank.
- There were no CRA, or Fair Lending (FL) related complaints received by the bank or the agency since the previous CRA ISB PE nor were there any noted complaints occurring during the evaluation period.
- Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments, and CD services.

### Description of Institution's Operations in Vermont

As previously discussed, the bank's full-scope AA complies with regulatory requirements and is composed of the adjacent Bennington and Rutland Counties in Vermont. All geographies within the bank's AA are Vermont non-MSA geographies and were assessed as one combined rating area for Bennington's lending and CD performance according to the CRA. This AA contains a total of 32 CTs, including four moderate-, 26 middle-, and two upper-income CTs. The bank's AA does not contain any low-income geographies.

Bennington operates in a competitive market for deposits in its AA from local savings banks and larger, regional lending institutions. According to FDIC deposit information as of June 30, 2021, a total of 11 depository institutions maintain a branch presence within Bennington and Rutland Counties. Among competitors, Bennington ranked second in deposit market share with 18.2 percent market share representing approximately \$432 million. The top three institutions in terms of deposit market share in the AA account for approximately 54.8 percent of the entire market and include TD Bank, National Association (19.8 percent), The Bank of Bennington (18.2), and People's United Bank, National Association (16.8). Local competitors include but are not limited to Berkshire Bank, Community Bank, National Association, and The National Bank of Middlebury.

As reported by Moody's Analytics Inc. in September 2021, VT is experiencing a recovery period within the credit cycle in line with the greater New England region. The recovery had been spurred by gains in the leisure and hospitality industry and expanding manufacturing sector, however overall gains are constrained as the state remains predominantly rural with poor population trends. Longer term the tourism industry is anticipated to continue to rebound following returns to pre-pandemic levels and healthcare will also be a growth factor as the state of VT ranks fourth in the nation with the highest concentration of residents aged 65 or older.

As part of this evaluation, to better assess the bank's lending performance with AA context, we leveraged two recent community contacts made with representatives from local CD organizations (CDO), whose primary initiatives are to create and promote affordable housing opportunities and CD services within both the VT non-MSA AA and greater statewide region. The contacts described LMI affordable housing, particularly for seniors and more rural regions, as an emerging need within the state. The contacts indicated that there are opportunities and programs within both the AA and the state that relate to affordable housing and community services that include partnering with local CDOs that can connect financial institutions and mortgage lenders with LMI borrowers. The contacts also noted that local financial institutions are supportive in meeting community credit needs.

Please refer to the Table A below for the bank's 2021 demographic information.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: VT non-MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	32	0.0	12.5	81.3	6.3	0.0
Population by Geography	97,119	0.0	17.6	73.5	8.9	0.0
Housing Units by Geography	54,661	0.0	14.8	78.0	7.3	0.0
Owner-Occupied Units by Geography	29,081	0.0	11.2	80.8	8.0	0.0
Occupied Rental Units by Geography	12,014	0.0	35.0	56.8	8.2	0.0
Vacant Units by Geography	13,566	0.0	4.4	90.7	4.8	0.0
Businesses by Geography	11,051	0.0	22.0	70.8	7.2	0.0
Farms by Geography	646	0.0	4.5	89.2	6.3	0.0
Family Distribution by Income Level	25,621	21.7	18.5	23.0	36.9	0.0
Household Distribution by Income Level	41,095	25.1	16.8	18.6	39.5	0.0
Median Family Income Non-MSAs - VT		\$64,849	Median Housing Value			\$204,165
			Median Gross Rent			\$819
			Families Below Poverty Level			8.6%

*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.*

## Scope of Evaluation in Vermont

Bennington delineated a single AA in the State of Vermont for analysis under the requirements of the CRA. The bank's AA is composed of Bennington and Rutland Counties, both of which are VT non-MSA geographies. These counties were combined into a single, full-scope rating area for the bank's lending and CD tests. The delineated AA is inclusive of all the bank's branch locations, contains the entire deposit base, and does not arbitrarily exclude any low- or moderate-income geographies.



## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN VERMONT**

### **LENDING TEST**

The bank's performance under the Lending Test in Vermont is rated Outstanding.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank's performance in the State of Vermont is considered excellent, given performance context.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits a reasonable geographic distribution of loans in the state.

#### ***Home Mortgage Loans***

Refer to Table O in the State of VT 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 geographic distribution of home mortgage loans is considered reasonable given performance context.

The AA does not contain any low-income CTs. The percentage of home mortgage loans in moderate-income CTs was below both the percentage of owner-occupied units and aggregate lending in the AA.

Bennington's geographic home mortgage lending activity in the AA compares favorably to other peer institutions who operated within the AA during the evaluation period. In 2020, Bennington originated 19 home mortgage loans in moderate-income geographies which would have placed second amongst 61 peer lending institutions with approximately 7.5 percent market share. The top five lenders of home mortgage loans to borrowers located in moderate-income AA geographies include Quicken Loans, LLC (19.3 percent), PrimeLending (7.5 percent), US Bank, NA (6.3 percent), Vermont State Employees Credit Union (4.6 percent), and Wells Fargo Bank, NA (4.6 percent), and had a combined market share of 42.3 percent, with all lenders outside the top five individually maintaining less than four percent market share.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of loans to individuals of different income levels, given performance context and offered product lines.

#### ***Home Mortgage Loans***

Refer to Table P in the State of VT 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 borrower distribution of home mortgage loans is considered excellent given performance context.

The percentage of home mortgage loans to low-income borrowers was well below the percentage of low-income families and near to aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers was near to the percentage of moderate-income families and significantly exceeds aggregate lending in the AA.

The assessment of performance considered the affordability for LMI borrowers and competition amongst lenders in the AA. Based on 2021 median family income of \$64,849, low-income families with maximum income of \$32,425 would find it challenging to qualify for a mortgage loan given the \$204,165 median housing value.

<b>2021 Housing Affordability Analysis</b>									
<b>MSA/MD</b>	<b>Median Family Income*</b>	<b>Median Housing Value</b>	<b>Low-Income Annual Income</b>	<b>Low-Income Monthly Income</b>	<b>Mod-Income Annual Income</b>	<b>Mod-Income Monthly Income</b>	<b>Monthly Mortgage Payment**</b>	<b>Low-Income Payment***</b>	<b>Moderate-Income Payment***</b>
VT non-MSA AA	\$64,849	\$204,165	\$32,425	\$2,702	\$51,879	\$4,323	\$1,096	\$811	\$1,297

*\*Weighted Average of Census MSA Median Family Income via 2021 Demographic Data and 2015 ACS US Census data*

*\*\*Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses*

*\*\*\*Payments calculated at one-third of monthly income*

Bennington's borrower distribution of home mortgage loans in the AA compares favorably to other peer institutions who operated within the AA during the evaluation period, particularly for lending to low-income borrowers. In 2020, Bennington originated 11 home mortgage loans to low-income borrowers which would have ranked second amongst 35 peer lending institutions with approximately 7.19 percent market share. The top six lenders of home mortgage loans to low-income borrowers in the AA include Quicken Loans, LLC (27.3 percent), Community Bank, National Association (7.2), PrimeLending (6.5), Citizens Bank, National Association (5.8), Academy Mortgage Corporation (5.0), and People's United Bank, National Association (5.0), and had a combined market share of 56.8 percent, with all lenders outside the top six individually maintaining less than four percent market share.

### **Responses to Complaints**

Bennington did not receive any complaints about its performance in helping to meet the credit needs in the AA during the evaluation period. Additionally, no complaints were received by the agency related to CRA or FL during the evaluation period. This has a neutral impact on the bank's CRA assessment.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in Vermont is rated Outstanding.

### **Conclusions for Area Receiving a Full-Scope Review**

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments and donations, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

### **Number and Amount of Community Development Loans**

The bank provides an excellent level of CD loans in the AA.

During the evaluation period, the bank made five qualified CD loans aggregating to approximately \$3.7 million. Specifically, CD loans were made to promote affordable housing for LMI borrowers living within the delineated AA.

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

- An aggregate commitment of \$850,000 across two loans to refinance and fund affordable housing properties based in moderate-income geographies within Rutland County.
- A \$2.13 million lending relationship with a residential housing corporation based in southwestern Vermont which includes provisions for affordable housing.
- An aggregate commitment of \$707,131 across two loans to improve facilities and expand operations for a local corporation that provides affordable housing to LMI families in the AA.

In addition to the above qualified CD loans, Bennington also participated in the SBA's Payment Protection Plan (PPP) program in response to the economic pressures imposed by the Covid-19 pandemic. Within the delineated AA, the bank made approximately 547 instances of PPP lending totaling approximately \$40.5 million during the 2020 and 2021 program years. Specifically, from April 4, 2020, through August 12, 2020, the bank made 340 PPP loans in the AA totaling approximately \$26.3 million, and from January 20, 2021, through May 13, 2021, the bank made 207 PPP loans in the AA totaling approximately \$14.2 million. Additionally, the bank also made 46 PPP loans outside the AA during the evaluation period totaling approximately \$1.9 million. The submitted number of CD loans was greater than the qualified amount, some CD loans did not meet the definition of CD and/or were located outside of the delineated AA. Furthermore, the PPP lending activity in 2020, is not considered directly in our assessment of the bank's excellent level of CD lending as qualifying data was not required to be collected.

### **Number and Amount of Qualified Investments**

The bank provides an excellent level of CD qualified investments and donations in the AA.

Bennington's qualified donations occurring during the evaluation period totaled approximately \$76,941 representing 80 instances of qualified CD giving in the delineated AA. Additionally, the bank had eight prior period investments in affordable housing and economic development focused investment funds based within the bank's AA. The amortized value of these investments was approximately \$3.15 million as of December 31, 2021. In consideration with the prior investments, the total qualified CD investments and donations amounted to approximately \$3.22 million. While the submitted number of investments and donations made by Bennington during the evaluation period was greater than the qualified amount, some investments did not meet the definition of CD and/or were located outside of the delineated AA.

The highlights of the bank's CD investments and donations are as follows:

- An aggregate of \$555,886 investment in four different economic development projects based within Bennington County, VT. The funds are targeted towards stimulating and promoting small businesses within the local community.
- A \$263,707 investment in a statewide affordable housing fund that includes projects based in Bennington and Rutland Counties. The investment fund helps support home assistance and repair services for LMI populations.
- Aggregate donations of \$69,250 over the three-year evaluation period to local community organizations and nonprofits that provide food services to LMI populations living in the bank's AA.

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

Bank staff provide an excellent level of CD services in the AA.

During the evaluation period, eight bank employees participated with 14 different CD organizations in providing approximately 939 service hours in response to the credit needs of the AA. Services provided by these organizations included first-time homebuyer workshops and homeownership education resources for LMI borrowers and food and childcare community services targeted towards LMI groups and geographies. While the bank's submission of community service hours during the evaluation period was greater than the qualified hours, some community services did not meet the definition of CD and/or were located outside the delineated AA.

The highlights of the bank's CD services are as follows:

- A bank director serves as the chair of a finance committee for a local non-profit organization that provides food services for LMI families and individuals who reside within Bennington's AA.
- A senior member of management serves as a counselor for a local chapter of a national tax-aid program that specializes in providing tax preparation and financial reporting counsel to LMI persons.
- A bank employee volunteers to provide technical assistance to a local community organization that offers financial education, services, and resources to LMI families living inside the bank's AA.

## 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 MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	Lending and Community Development Tests – (01/01/2019 to 12/31/2021)	
<b>Bank Products Reviewed:</b>	Residential mortgage loans Community development loans, investments, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None reviewed.		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Vermont</b>		
<b>VT non-MSA AA</b>	Full-scope	Full-scope Assessment Area is comprised of the following geographies: <ul style="list-style-type: none"> <li>• VT non-MSA (#99999)                             <ul style="list-style-type: none"> <li>• Bennington County (#003)</li> <li>• Rutland County (#021)</li> </ul> </li> </ul>

## Appendix B: Summary of MMSA and State Ratings

RATINGS – The Bank of Bennington			
Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/Multistate Rating
The Bank of Bennington	Outstanding	Outstanding	Outstanding
MMSA or State:			
State of Vermont	Outstanding	Outstanding	Outstanding

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

## Appendix C: Definitions and Common Abbreviations

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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.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**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.

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

**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.

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

**Low-Income Individual:** 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:** 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:** 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 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.

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

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

**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

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### 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 30<sup>th</sup> 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.

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2019-21</b>
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	
VT non-MSA AA	712	138,613	100.0	2,501	0.0	0.0	0.0	11.2	7.4	9.6	80.8	91.3	81.0	8.0	1.3	9.4	0.0	0.0	0.0	
<b>Total</b>	<b>712</b>	<b>138,613</b>	<b>100.0</b>	<b>2,501</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.2</b>	<b>7.4</b>	<b>9.6</b>	<b>80.8</b>	<b>91.3</b>	<b>81.0</b>	<b>8.0</b>	<b>1.3</b>	<b>9.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2019-21</b>
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	
VT non-MSA AA	712	138,613	100.0	2,501	21.7	5.5	5.6	18.5	16.2	13.9	23.0	22.8	19.0	36.9	55.6	47.3	0.0	--	14.3	
<b>Total</b>	<b>712</b>	<b>138,613</b>	<b>100.0</b>	<b>2,501</b>	<b>21.7</b>	<b>5.5</b>	<b>5.6</b>	<b>18.5</b>	<b>16.2</b>	<b>13.9</b>	<b>23.0</b>	<b>22.8</b>	<b>19.0</b>	<b>36.9</b>	<b>55.6</b>	<b>47.3</b>	<b>0.0</b>	<b>--</b>	<b>14.3</b>	

Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%