



PUBLIC DISCLOSURE

August 22, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Massena Savings and Loan
Charter Number: 705323

255 Main Street
Massena, NY 13662-1908

Office of the Comptroller of the Currency

5000 Brittonfield Parkway, Suite A132
East Syracuse, NY 13057

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

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Overall CRA Rating

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

The major factors that support this rating include:

- Massena Savings and Loan's (MS&L) average loan-to-deposit (LTD) ratio is more than reasonable based on the bank's size, financial condition, and credit needs of the assessment area (AA).
- The Lending Test based on the bank's performance in the AA in the state of New York (NY) is satisfactory.
- A majority of the bank's home mortgage loans are inside the AA.
- The bank exhibits a reasonable distribution of loans to borrowers of different income levels in the AA.
- The bank has had no consumer complaints regarding its community reinvestment performance during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit ratio is **more than reasonable**.

The average quarterly LTD ratio for the 12 quarters since the preceding evaluation through December 31, 2021, was 118.68 percent. The ratio ranged from a high of 131.29 percent to a low of 105.38 percent. In comparison, the quarterly average LTD of similarly situated institutions in the surrounding areas was 92.44 percent and ranged from a high of 105.32 percent to a low of 69.80 percent.

MS&L's quarterly average LTD ratio is more than reasonable compared to institutions of similar asset size, geographic location, and assessment areas. These institutions included Citizens National Bank of Hammond, Upstate National Bank, and North Country Savings Bank.

Lending in Assessment Area

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

The bank originated and purchased 78.3 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	47	78.3	13	21.7	60	4,387,380	63.8	2,488,809	36.2	6,876,189
Total	47	78.3	13	21.7	60	4,387,380	63.8	2,488,809	36.2	6,876,189

Description of Institution

MS&L is a \$178.8 million, single-state, mutual savings and loan association headquartered in Massena, NY since 1924. MS&L has one branch located in Waddington, NY. The Village of Massena and the Town of Waddington are in the northeastern portion of St. Lawrence County, which is not part of a metropolitan statistical area (MSA). The main office and the branch offer full-service banking, including 24-hour automated teller machine (ATM) access. Both the main office and the branch are open Monday through Friday, from 8:30 a.m. to 5:00 p.m. Since the prior CRA evaluation, the bank has not closed or opened any new branches or been involved in any mergers or acquisitions.

The bank has one AA. The AA includes nine census tracts (CT) in the northeastern portion of St. Lawrence County, NY, which is not part of an MSA. The AA includes Brasher, Colton, Hopkinton, Lawrence, Louisville, Madrid, Massena, Norfolk, Stockholm, and Waddington. The bank's AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income (LMI) geographies.

MS&L's loan portfolio as of December 31, 2021 totaled \$147.7 million and represented 82.6 percent of total assets. MS&L offers conventional real estate mortgages, home equity lines of credit, passbook demand notes and other consumer loans. The bank's primary lending product is residential mortgages. Residential real estate loans totaled \$123.7 million as of December 31, 2021 and represented 83.0 percent of the loan portfolio.

MS&L's deposits as of December 31, 2021 totaled \$134.6 million or 75.3 percent of total assets. The bank's deposit products include savings accounts, NOW accounts, money market accounts and time deposits. Deposits are sourced from within MS&L's market area.

There have been no CRA public comments since the last evaluation as of April 2, 2018. MS&L has no legal, financial, or other impediments hindering its ability to meet the credit needs of its AA. MS&L was rated "Satisfactory" at its last CRA evaluation dated April 2, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assessed the bank's lending performance in its AA under the Community Reinvestment Act (CRA). Examiners evaluated MS&L using the Small Bank evaluation procedures, which included a lending test. The lending test evaluates the bank's record of meeting the credit needs in its AA through its lending activities. Examiners reviewed the bank's primary loan product, residential mortgages, originated during the time period of January 1, 2019, through December 31, 2021, to evaluate performance under the lending test.

MS&L does not have a branch office or deposit taking ATM in a MSA. Therefore, the bank is not required to maintain loan data in accordance with the Home Mortgage Disclosure Act (HMDA). Examiners determined the bank's performance under the Lending Test using a statistical sample.

Selection of Areas for Full-Scope Review

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

Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The bank's overall rating is based on the rating for the state of New York. The State Rating is based on the full-scope review of the bank's one AA in NY non-MSA AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

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 Bureau of Consumer Financial Protection, 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 New York

CRA rating for the State of New York: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The lending activity in the AA demographic is reasonable, given the size and business strategy of the institution.
- The bank's distribution of lending to borrowers of different income levels is reasonable.
- Management did not receive any complaints regarding MS&L's CRA performance.

Description of Institution's Operations in State of New York

MS&L had one AA within the state of New York. The AA consists of nine CTs in the Northeastern portion of St. Lawrence County, NY, which is not part of an MSA. Per the 2015 American Community Survey (ACS) data, the AA included nine middle-income tracts. The AA appropriately include CTs where MS&L maintains its main office and branch location. The AA borders the St. Lawrence River and includes contiguous CTs. The assessment area delineations do not reflect illegal discrimination; and do not arbitrarily exclude any low- or moderate-income areas.

No adjustments or revisions to the bank's designated assessment area were necessary.

The following table provides a summary of the demographics that includes housing and business information for the NY non-MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: NY non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	0.0	100.0	0.0	0.0
Population by Geography	39,724	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	19,511	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	12,012	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	4,490	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	3,009	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,796	0.0	0.0	100.0	0.0	0.0
Farms by Geography	119	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	10,542	25.0	18.4	22.9	33.7	0.0
Household Distribution by Income Level	16,502	26.2	17.9	19.2	36.7	0.0
Median Family Income Non-MSAs - NY		\$59,570	Median Housing Value			\$89,008
			Median Gross Rent			\$716
			Families Below Poverty Level			12.9%
<i>Source: 2015 ACS and 2021 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

MS&L has its headquarters and one branch in its AA, both in the State of New York. The bank has a limited presence in the market relative to the largest depository and lending institutions. Sea Comm Federal Credit Union, KeyBank National Association (KeyBank), and Community Bank, N.A. are dominant competitors in the AA, comprising the vast majority of loans and deposits in the AA. The concentration of deposits and loans with a few competitors creates constraints for the bank, considering its branch presence, in achieving high volumes of deposits and loans.

Competition for home mortgage loans in the AA is significant. MS&L competes with four regional banks, three large community credit unions, a savings bank, and finance companies operating in the same non-MSA AA. Several of these competitors attract the area's younger borrowers with first-time homebuyer programs that offer rate reductions and closing cost assistance. MS&L does not offer a similar product. Additionally, MS&L competes with nationwide mortgage providers, including Lending Tree, Rocket Mortgage and Quicken Loans, that offer a greater variety of products than the bank.

As of June 30, 2021, the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report showed MS&L had a 9.80 percent deposit market share, ranking fourth among all the banks in the AA. The top competitors include Sea Comm Federal Credit Union with 44.11 percent market share, KeyBank with 14.90 percent market share, and Community Bank NA with 13.68 percent market share.

St. Lawrence County is situated in northern NY state. The county's northern boundary is the St. Lawrence River, which separates it from Canada. According to the United States Census Bureau, the population of St. Lawrence County was approximately 108,505, as of July 1, 2021. The county is home

to four higher education institutions which collectively enroll approximately 14,000 students, or 13 percent of the county's estimated population.

The unemployment rate in St. Lawrence County, NY was 4.6 percent as of December 31, 2021, below the NY state unemployment rate of 5.4 percent. The county was moderately impacted by the economic effects of the COVID-19 pandemic, evidenced by a three-year high unemployment rate of 16.0 percent in April 2020. In 2021, the unemployment rate in St. Lawrence County decreased to 5.1 percent, returning to more historic pre-pandemic levels. The county's resident wealth and income levels are below average, though understated due to correctional and psychiatric facility populations. The county has an above average poverty rate of 17.9 percent, compared to the national average of 14.1 percent. The largest industries in St. Lawrence County, NY are health care & social assistance, educational services, and retail trade. Additionally, agriculture, forestry and mining are major components of the county's economy. The county's top employers include ALCOA, Clarkson University, St. Lawrence-Lewis BOCES, Canton-Potsdam Hospital, and Massena Operations.

As part of the CRA evaluation, the OCC reviewed information from two community contacts within the bank's AA to determine local economic conditions and community needs. The first community contact, a local government official from the Village of Massena, works with Community Development Block Grants, which helps low-income individuals afford housing and home improvement projects; however, the Village of Massena is not directly involved in low-cost lending. The second community contact, located in St. Lawrence County, works to provide home ownership counseling, housing rehabilitations, and property management services. This contact identified housing affordability, low-cost transportation, and sustainable employment as community needs. Both contacts reported that the banks and credit unions in St. Lawrence County are active in meeting the credit needs of the community and did not single out any banks for criticism.

Scope of Evaluation in New York

Examiners completed a full-scope review of the bank's only AA, which consists of nine CTs in the northeast corner of St Lawrence County, NY. Please refer to Appendix A: Scope of the Examination for additional information.

Lending Test

The bank's performance under the Lending Test in New York is rated **Satisfactory**.

Distribution of Loans by Income Level of the Geography

An analysis of the geographic distribution of loans originated in the bank's NY non-MSA AA during the evaluation period would not be meaningful. The NY non-MSA AA does not contain any low- or moderate-income geographies.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

Refer to Table P in the state of New York 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 distribution of the bank's home mortgage loans to low- and moderate-income borrowers is reasonable. Based on the sample, the percentage of home mortgage loans to low-income borrowers was well below both the distribution of low-income families and the aggregate peer lending data. The percentage of home mortgage loans to moderate-income borrowers was within a reasonable range compared to the distribution of moderate-income families and aggregate peer lending data.

Responses to Complaints

MS&L did not receive any complaints about its performance in helping meet the credit needs in the AA during this evaluation period. This has a neutral impact on the bank's CRA assessment.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs 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”.

Time Period Reviewed:	1/1/2019 to 12/31/2021	
Bank Products Reviewed:	Home mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of New York		
Non-MSA AA	Full Scope	Towns of Brasher, Colton, Hopkinton, Lawrence, Louisville, Madrid, Massena, Norfolk, Stockholm, and Waddington

Appendix B: Summary of State Ratings

RATINGS	
Overall Bank:	Lending Test Rating
Massena S&L	Satisfactory
MMSA or State:	
New York	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

Content of Standardized Tables

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

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

Table 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.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21	
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	
NY Non MSA AA	47	--	100	597	25.0	0	5.7	18.4	14.9	18.6	22.9	21.3	26.6	33.7	63.8	36.3	0.0	--	12.7	
Total	47	--	100	597	25.0	0	5.7	18.4	14.9	18.6	22.9	21.3	26.6	33.7	63.8	36.3	0.0	--	12.7	

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