



PUBLIC DISCLOSURE

August 05, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Family Federal Savings, F.A.
Charter Number 704434

130 Whalon Street
Fitchburg, MA 01420

Office of the Comptroller of the Currency

99 Summer St
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 institution is rated Satisfactory.

The major factors supporting the institution's CRA ratings are:

- Family Federal Savings, F.A.'s ("Family Federal" or the "Bank") level of lending, as reflected in its loan-to-deposit ratio, is more than reasonable.
- A majority of originated loans were made within the Bank's assessment areas.
- The distribution of loans reflects reasonable distribution among borrowers of different income levels.
- The geographic distribution of loans reflects excellent distribution in the low- and moderate-income census tracts.

SCOPE OF EXAMINATION

Family Federal was evaluated using Small Bank Community Reinvestment Act (CRA) examination procedures, which includes a lending test. The evaluation period for the lending test 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 lending test evaluates the Bank's record of meeting the credit needs of its assessment area (AA) through its lending activities.

Family Federal's primary loan products, based on loan originations during the evaluation period, are residential mortgage loans, including home purchase, home improvement, and refinance loans. The June 30, 2013 Uniform Bank Performance Report shows that residential loans represent over 99 percent of the loan portfolio.

The Bank reports data under the requirements of Home Mortgage Disclosure Act (HMDA). All residential real estate loans originated during the evaluation period were included in our analysis of the Bank's lending. We reviewed the testing results of the Bank's HMDA data and found the data was reliable.

DESCRIPTION OF INSTITUTION

Family Federal is a federally chartered mutual savings and loan association, established in 1877, and headquartered in Fitchburg, Massachusetts (MA). As of June 30, 2013, the Bank had total assets of \$95 million and Tier 1 Capital of \$11 million. Family Federal continues to operate as a traditional thrift lender by providing residential mortgage loan products and deposit services to its customers.

Family Federal's main office is located in Fitchburg, with two branches located in the communities of Stow and Needham, MA. Each location is open from 8:00 am to 4:00 pm, Monday through Wednesday, with extended hours on Thursday to 6:00 pm, and Friday until 5:00 pm. All branches are open on Saturday from 9:00 am until 12:00 pm. Each branch location has a drive-up automated teller machine (ATM) for 24 hour banking. The Bank offers free telephone and online banking. No branches were opened or closed during the evaluation period.

The Bank offers a standard array of deposit and loan products. Family Federal is involved in the Basic Banking for Massachusetts Program, which expands access to bank products and services and encourages those with modest income to establish banking relationships. A certificate of deposit product is offered for potential first-time homebuyers, which earns a higher interest rate and the early withdrawal penalty is waived if funds are used to purchase a home with a mortgage with the Bank. Loan products include home mortgage related loans as well as consumer loans. More information can be found on all products at Family Federal's website, <https://www.familyfederal.com>. Deposit and loan product information can also be found in the Bank's public file.

As of June 30, 2013, total loans were \$63 million, or 66 percent of total assets. The distribution of the bank's loan portfolio is provided in the table below.

Loan Portfolio Summary by Loan Product June 30, 2013	
Loan Category	% of Total Loans and Leases
Residential Mortgage	99.62%
Consumer	0.38%

Source: June 2013 Federal Deposit Insurance Corporation (FDIC) Call Report

The Bank has no financial or legal impediments to meeting the credit needs of the community. The Bank was rated "Satisfactory" using small bank procedures at the prior CRA examination dated June 18, 2008.

DESCRIPTION OF ASSESSMENT AREA(S)

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

We conducted full scope reviews on Worcester and Norfolk Counties AAs (AA 1 and AA 2, respectively); while a limited scope review was conducted on Middlesex County (AA 3). The Bank has one branch office in each of these counties. The majority of the Bank's originated loans during the evaluation period, approximately 78 percent, are attributed to AA 1 and AA 2.

Full Scope AA 1 – Worcester County

AA 1 includes a portion of Worcester County, MA, and is part of the Worcester, MA-CT Metropolitan Statistical Area (MSA) which is part of Boston-Worcester-Providence, MA-RI-NH-CT Combined Statistical Area (CSA). AA 1 includes the eight cities/towns of Ashburnham, Bolton, Fitchburg, Harvard, Lancaster, Leominster, Lunenburg, and Westminister. In 2010 and 2011, AA 1 is comprised of 26 census tracts. There are two low-income tracts, six moderate-income tracts, 14 middle-income tracts, three upper - income tracts, and one income not assigned (NA). In 2012, AA 1 is comprised of 26 census tracts. There are three low-income tracts, eight moderate-income tracts, ten middle-income tracts, and five upper-income tracts.

Demographic Information for AA 1 (2010 and 2011)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	8	23	54	11	4
Population by Geography	119,768	4	21	63	11	1
Owner-Occupied Housing by Geography	28,782	2	14	70	14	0
Family Distribution by Income Level	30,891	21	19	22	38	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,352	7	30	59	4	0
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		\$58,426 \$82,500 10%	2007-2011 Median Housing Value**		\$274,900	

Source: 2000 U.S. Census data

* The NA category consists of geographies that have not been assigned an income classification

**Data from quickfacts.census.gov

Demographic Information for AA 1 (1/1/2012 to 6/30/2013)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	26	12	31	38	19	0
Population by Geography	123,993	8	25	45	22	0
Owner-Occupied Housing by Geography	31,173	4	20	52	24	0
Family Distribution by Income Level	31,511	24	17	21	38	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	12,869	12	36	40	12	0
Median Family Income		\$79,121	2012 Median Housing Value		\$280,226	
HUD Adjusted Median Family Income for 2012		\$83,600	Unemployment Rate*		8.3%	
Households Below Poverty Level		12%				

Source: 2010 U.S. Census data

*Data from U.S. Bureau of Labor Statistics for Worcester County as of June 2013

Full Scope AA 2 – Norfolk County

AA 2 comprises a portion of Norfolk County, MA, in the Boston, MA Metropolitan Division (MD), and part of the Boston-Cambridge-Newton MA-NH MSA within the Boston-Worcester-Providence, MA-RI-NH-CT CSA. AA 2 includes the five cities/towns of Dedham, Dover, Needham, Newton, and Wellesley. In 2010 and 2011, AA 2 is comprised of 18 census tracts. There are no low- or moderate-income tracts, four middle-income tracts, and 14 upper-income tracts. In 2012, AA 2 is comprised of 17 census tracts. There are no low- or moderate-income tracts, four middle-income tracts, and 13 upper-income tracts.

Demographic Information for AA 2 (2010 and 2011)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	18	0	0	22	78	0
Population by Geography	84,546	0	0	18	82	0
Owner-Occupied Housing by Geography	24,423	0	0	18	82	0
Family Distribution by Income Level	22,094	8	10	16	66	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,014	0	0	35	65	0
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		\$62,948 \$87,600 4%	2007-2011 Median Housing Value*		\$398,100	

Source: 2000 U.S. Census data

*Data from quickfacts.census.gov

Demographic Information for AA 2 (1/1/2012 to 6/30/2013)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	17	0	0	24	76	0
Population by Geography	81,535	0	0	21	79	0
Owner-Occupied Housing by Geography	22,810	0	0	22	78	0
Family Distribution by Income Level	20,515	10	9	15	66	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,993	0	0	35	65	0
Median Family Income HUD Adjusted Median Family Income for 2012 Households Below Poverty Level		\$83,664 \$88,800 5%	2012 Median Housing Value Unemployment Rate*		\$660,467 6.4%	

Source: 2010 U.S. Census data

*Data from U.S. Bureau of Labor Statistics for Norfolk County as of June 2013

Limited Scope AA 3 – Middlesex County

AA 3 comprises a portion of Middlesex County, MA, in the Cambridge-Newton-Framingham, MA MD, and part of Boston-Cambridge-Newton, MA-NH MSA within the Boston-Worcester-Providence, MA-RI-NH-CT CSA. AA 3 includes the seven cities/towns of Acton, Ashby, Boxborough, Hudson, Shirley, Stow and Maynard. In 2010 and 2011, AA 3 is comprised of 30 census tracts. There is one low-income census tract, no moderate-income census tracts, 14 middle-income census tracts, and 15 upper-income census tracts. In 2012, AA 3 is comprised of 30 census tracts. There are no low-income census tracts, three moderate-income census tracts, 11 middle-income census tracts, and 16 upper-income census tracts.

Demographic Information for AA 3 (2010 and 2011)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	30	3	0	47	50	0
Population by Geography	140,547	0	0	49	51	0
Owner-Occupied Housing by Geography	37,606	0	0	48	52	0
Family Distribution by Income Level	35,743	13	14	21	52	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	9,893	0	0.00	64	36	0
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		\$74,121 \$105,000 5%	2007-2011 Median Housing Value*		\$410,000	

Source: 2000 U.S. Census data
*Data from quickfacts.census.gov

Demographic Information for AA 3 (1/1/2012 to 6/30/2013)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	30	0	10	37	53	0
Population by Geography	145,110	0	11	34	55	0
Owner-Occupied Housing by Geography	38,072	0	10	37	53	0
Family Distribution by Income Level	35,355	16	15	20	49	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,866	0	18	43	39	0
Median Family Income HUD Adjusted Median Family Income for 2012		\$97,382	2012 Median Housing Value		\$558,505	
Households Below Poverty Level		\$106,400	Unemployment Rate*		6.1%	
		7%				

Source: 2010 U.S. Census data

*Data from U.S. Bureau of Labor Statistics for Middlesex County as of June 2013

Family Federal operates in a highly competitive market with competition from local, regional, and national banks, credit unions, as well as internet-only banks. The Federal Deposit Institution Corporation's Deposit Market Share Report, as of June 30, 2012, indicates that 146 financial institutions operate within the Boston-Cambridge-Quincy MA-NH MSA. At June 30, 2012, Family Federal ranks 118th with 0.02 percent of the market share.

The primary local competitors include, but are not limited to, Fidelity Co-operative Bank, Rollstone Bank & Trust, People's United Bank, and The Needham Bank. Larger national and regional banks, that comprise the majority of deposit market share and provide further competition, include Bank of America, National Association (N.A.); RBS Citizens, N.A.; Sovereign Bank, N.A.; and TD Bank, N.A. Competition for residential mortgage loans is intense. Peer Mortgage 2011 Market Share Data indicates that Family Federal competes with 389 lenders within their AAs. The top ten lenders, predominantly large regional banks, account for 45 percent of the overall market share. Family Federal ranks 59th with a market share of 0.31 percent.

The January 2013 Moody's Analytics report shows that economies located within the Worcester, MA MSA have been making steady progress, but lag most other metropolitan areas in Massachusetts. The housing market is showing some signs of improvement, but not nearly to the extent as those in the greater Boston area. The unemployment rate of 8.3 percent for Worcester County, as of June 2013, exceeds the state average of 7.0 percent.

In Norfolk County, Moody's Analytics shows that economic recovery has been occurring at a rapid pace, driven by robust growth in education, high technology and health care fields. Housing numbers continue to improve and growth in multifamily housing construction will be even stronger. The unemployment rate of 6.4 percent for Norfolk County, as of June 2013, is below the state average of 7.0 percent. However, high business and living costs combined with below-average population growth will result in underperformance relative to the national economy in the long-term.

Moody's Analytics for Middlesex County shows that recovery has been strong due to high technology and residential construction. Financial services employment has risen driven by the strengthening commercial and residential real estate markets. The unemployment rate of 6.1 percent for Middlesex County, as of June 2013, is below the state average of 7.0 percent.

Bank management has identified home purchase, improvement, and refinance loans as credit needs within the AAs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Family Federal's level of lending, as reflected in its loan-to-deposit ratio, is more than reasonable. A majority of originated loans were made within the Bank's assessment areas. The distribution of loans reflects reasonable distribution among borrowers of different income levels. The geographic distribution of loans reflects excellent distribution in the low- and moderate-income census tracts.

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, market competition, and economic factors. The ratio averaged 89 percent over the last 21 quarters since the prior CRA evaluation; and ranged from a quarterly low of 74 percent to a high of 106 percent. Family Federal's LTD ratio is slightly higher than the quarterly average for peer institutions, which was 85 percent over the same period. In addition, the ratio does not include loans sold to the secondary market, which totaled \$24 million during the evaluation period.

Lending in Assessment Area

A majority of the Bank's primary loan product was originated within its assessment areas. Family Federal originated 61 percent by number and 56 percent by dollar amount of loans in the AAs.

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

Table 1 - Lending in Family Federal's AAs (000's)										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	16	44%	20	56%	36	\$2,332	30%	\$5,443	70%	\$7,775
Home Refinance	211	62%	131	38%	342	\$37,462	58%	\$26,968	42%	\$64,430
Home Improvement	22	73%	8	27%	30	\$3211	75%	\$1,080	25%	\$4,291
Totals	249	61%	159	39%	408	\$43,005	56%	\$33,491	44%	\$76,496

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

Lending to Borrowers of Different Incomes

The distribution of home loans to borrowers reflects reasonable distribution among borrowers of different income levels.

Conclusions for Full Scope AA 1 – Worcester County

There is a reasonable distribution of home loans to borrowers of different income levels for loans originated in 2010 and 2011. There were no home purchase loans made to low-income borrowers. The percent of home purchase loans made to moderate-income borrowers is lower than the percent of aggregate lending data, which is the primary comparator, and exceeds the percent of moderate-income families in the AA. The percent of home improvement loans made to low-income borrowers exceeds the percent of aggregate lending data, as well as the percent of low-income families in the AA. The percent of home improvement loans made to moderate-income borrowers is near to the percent of aggregate lending data and the percent of moderate-income families in the AA. The percent of home refinance loans made to low-income borrowers is lower than the percent of aggregate lending data, and significantly lower than the percent of low-income borrowers in the AA. The percent of home refinance loans made to moderate-income borrowers is near to the percent of aggregate lending data and the percent of moderate-income families in the AA.

Housing costs are high relative to the HUD adjusted median family income. According to the U.S. Census data, the median housing price from 2007-2011 was \$274,900. For 2011, the HUD adjusted median family income was \$82,500, which means the maximum income for low-income families, is \$41,250, making it difficult to qualify for loans. Peer Mortgage 2011 Market Share Data indicates that the top ten lenders in AA 1 accounted for 63 percent of home purchase loans made to low-income borrowers. The Bank's performance is considered satisfactory given housing costs 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.

Table 2 - Aggregate Lending Data for Borrower Distribution in AA 1 (2010 and 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	16%	0%	32%	20%	23%	60%	29%	20%
Home Improvement	14%	33%	19%	17%	31%	0%	36%	50%
Home Refinance	7%	2%	17%	15%	27%	43%	49%	40%

Table 2A - Borrower Distribution of Home Loans in AA 1 (2010 and 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%	0%	19%	20%	22%	60%	38%	20%
Home Improvement	21%	33%	19%	17%	22%	0%	38%	50%
Home Refinance	21%	2%	19%	15%	22%	43%	38%	40%

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

There is a reasonable distribution of home loans to borrowers of different income levels for loans originated in 2012 and year-to-date 2013. The data used for the primary comparator, aggregate HMDA data, was not available; therefore, we used the percentage of families as the comparator. The percent of home purchase loans made to low-income borrowers exceeds the percent of low-income families in the AA. The percent of home purchase loans made to moderate-income borrowers exceeds the percent of moderate-income families in the AA. There were no home improvement loans made to low-income or moderate-income borrowers. The percent of home refinance loans made to low-income borrowers is significantly lower than the percent of low-income borrowers in the AA. The percent of home refinance loans made to moderate-income borrowers is lower than the percent of moderate-income families in the AA.

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.

Table 2B - Borrower Distribution of Home Loans in AA 1 (1/1/2012 to 6/30/2013)								
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	24%	25%	17%	25%	21%	25%	38%	25%
Home Improvement	24%	0%	17%	0%	21%	0%	38%	100%
Home Refinance	24%	9%	17%	9%	21%	38%	38%	44%

Source: HMDA reported data from 1/1/2012 to 6/30/2013; 2010 U.S. Census data

Conclusions for Full Scope AA 2 – Norfolk County

There is a reasonable distribution of home loans to borrowers of different income levels for loans originated in 2010 and 2011. There were no home purchase loans made to low-income borrowers. The percent of home purchase loans made to moderate-income borrowers exceeds the percent of aggregate lending data and the percent of moderate-income families in the AA. There were no home improvement loans made to low-income borrowers. The percent of home improvement loans made to moderate-income borrowers exceeds the percent of aggregate lending data and the percent of moderate-income families in the AA. The percent of home refinance loans made to low-income borrowers exceeds the percent of aggregate lending data, and is lower than the percent of low-income borrowers in the AA. The percent of home refinance loans made to moderate-income borrowers is lower than the percent of aggregate lending data and the percent of moderate-income families in the AA.

Housing costs are high relative to the HUD adjusted median family income. According to the U.S. Census data, the median housing price from 2007-2011 was \$398,100. For 2011, the HUD adjusted median family income was \$87,600, which means the maximum income for low-income families, is \$43,800, making it difficult to qualify for loans. Peer Mortgage 2011 Market Share Data indicates that a total of only 21 home purchase loans and five home improvement loans were made to low-income borrowers by all lenders in AA 2. The Bank's performance is considered satisfactory given high housing costs and strong 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.

Table 2C - Aggregate Lending Data for Borrower Distribution in AA 2 (2010 and 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	2%	0%	8%	100%	15%	0%	75%	0%
Home Improvement	2%	0%	8%	20%	17%	40%	73%	40%
Home Refinance	1%	3%	6%	3%	13%	8%	80%	86%

Table 2D - Borrower Distribution of Home Loans in AA 2 (2010 and 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	8%	0%	10%	100%	16%	0%	66%	0%
Home Improvement	8%	0%	10%	20%	16%	40%	66%	40%
Home Refinance	8%	3%	10%	3%	16%	8%	66%	86%

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

There is a reasonable distribution of home loans to borrowers of different income levels for loans originated in 2012 and year-to-date 2013. There were no home purchase loans made to low-income borrowers. The percent of home purchase loans made to moderate-income borrowers exceeds the percent of moderate-income families in the AA. There were no home improvement loans made to low- or moderate-income borrowers. The percent of home refinance loans made to low-income borrowers is lower than the percent of low-income borrowers in the AA. The percent of home refinance loans made to moderate-income borrowers is lower than the percent of moderate-income families in the AA.

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.

Table 2E - Borrower Distribution of Home Loans in AA 2 (1/1/2012 to 6/30/2013)								
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	10%	0%	9%	50%	15%	0%	66%	50%
Home Improvement	10%	0%	9%	0%	15%	0%	66%	100%
Home Refinance	10%	3%	9%	3%	15%	20%	66%	74%

Source: HMDA reported data from 1/1/2012 to 6/30/2013; 2010 U.S. Census data

Conclusions for Limited Scope AA 3 – Middlesex County

Based on a limited scope review, Family Federal's borrower distribution of home loans in AA 3 is not inconsistent with the Bank's overall performance in the full scope AAs.

Geographic Distribution of Loans

The geographic distribution of loans reflects excellent distribution in the low- and moderate-income tracts in AA 1. We found no conspicuous gaps or areas of low penetration in the Bank's lending patterns.

Conclusions for Full Scope AA 1 – Worcester County

The Bank's geographic distribution of home loans for 2010 and 2011 reflects excellent distribution in the moderate-income census tracts. The percent of lending for home purchase, home improvement, and refinance loans exceeds the percent of aggregate lending data, the primary comparator. The percent of lending for home purchase and home improvement loans exceeds the percent of owner-occupied housing located in the moderate-income geographies. The percent of lending for refinance loans is lower than the percent of owner-occupied housing located in the moderate-income geographies. Family Federal's performance is notable given the significant market competition.

The Bank made no loans in the low-income geographies; however, demographics show limited lending opportunities. Aggregate lending data is very low, in the 1 to 2 percent range; and the percent of owner-occupied housing is very low, at 2 percent.

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.

Table 3A – Aggregate Lending Data for Geographic Distribution in AA 1 (2010 and 2011)								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of Aggregate Lending Data	% of Number of Loans	% of Aggregate Lending Data	% of Number of Loans	% of Aggregate Lending Data	% of Number of Loans	% of Aggregate Lending Data	% of Number of Loans
Home Purchase	2%	0%	13%	17%	68%	83%	17%	0%
Home Improvement	1%	0%	11%	33%	70%	67%	18%	0%
Home Refinance	1%	0%	6%	9%	65%	85%	28%	6%

Table 3B – Geographic Distribution of Home Loans in AA 1 (2010 and 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%	17%	70%	83%	14%	0%
Home Improvement	2%	0%	14%	33%	70%	67%	14%	0%
Home Refinance	2%	0%	14%	9%	70%	85%	14%	6%

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

The Bank's geographic distribution of home loans for 2012 and year-to date 2013 reflects excellent distribution within the low- and moderate-income census tracts.

The data used for the primary comparator, aggregate HMDA data, was not available; therefore, we used the percentage of owner-occupied housing as the comparator. The percent of lending for home refinance loans in the low-income tracts exceeds the percent of owner-occupied housing. The Bank made no home purchase or home improvement loans in the low-income geographies; however, lending opportunities are limited with the percent of owner-occupied housing low, at 4 percent.

The percent of lending for home purchase exceeds the percent of owner-occupied housing located in the moderate-income geographies. The Bank made no home improvement loans in the moderate-income geographies. The percent of lending for home refinance loans is lower than the percent of owner-occupied housing located in moderate-income geographies.

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

Table 3C – Geographic Distribution of Home Loans in AA 1 (1/1/2012 to 6/30/2013)								
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%	0%	20%	50%	52%	50%	24%	0%
Home Improvement	4%	0%	20%	0%	52%	100%	24%	0%
Home Refinance	4%	5%	20%	14%	52%	63%	24%	18%

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

Conclusions for Full Scope AA 2 – Norfolk County

An analysis of the distribution of loans by income level of geography is not meaningful, as AA 2 contains no low- or moderate-income geographies.

Conclusions for Limited Scope AA 3 – Middlesex County

Based on a limited scope review, Family Federal's geographic distribution of home loans in AA 3 is not inconsistent with the Bank's overall performance in AA 1.

Responses to Complaints

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

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.