

PUBLIC DISCLOSURE

February 24, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Greenfield Savings Bank
Cert# 90206**

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Greenfield, Massachusetts 01301**

**Division of Banks
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**Federal Deposit Insurance Corporation
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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 Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) and the Federal Deposit Insurance Corporation (FDIC) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the credit needs of its community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

*This document is an evaluation of the CRA performance of **Greenfield Savings Bank (or the Bank), Greenfield, Massachusetts**, prepared by the Division and the FDIC, the institution's supervisory agencies, as of **February 24, 2015**. The agencies evaluate performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division and FDIC rate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING:

Division – Satisfactory

FDIC – Satisfactory

An institution in this group has a reasonable record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The following table indicates the performance level of Greenfield Savings Bank with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	Greenfield Savings Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Satisfactory**		X	
Needs to Improve			
Substantial Noncompliance			

*Note: The Lending Test is weighted more heavily than the Service and Investment Tests when arriving at an overall rating.

**Note: FDIC rules and regulations stipulate use of a “High Satisfactory” and “Low Satisfactory” rating for the three tests. For purposes of this jointly issued public evaluation, the term “Satisfactory” will be used in lieu of the “Low Satisfactory” rating for the Lending, Investment, and Service Test ratings, as the Division does not have a “Low Satisfactory” rating.

Lending Test

The Lending Test is rated “High Satisfactory” based on the following:

- Lending levels reflect an excellent responsiveness to assessment area credit needs.
- A substantial majority of home mortgages and small business loans were made within the assessment area.
- The geographic distribution of home mortgages and small business loans reflects good penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different size.
- The Bank originated an adequate level of community development loans.
- The Bank uses flexible lending practices in order to serve assessment area credit needs.

Investment Test

The Investment Test is rated “Satisfactory” based on the following:

- The Bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The Bank rarely uses innovative or complex qualified investments to support community development initiatives.
- The Bank exhibits adequate responsiveness to credit and community economic development needs.

Service Test

The Service Test is rated “High Satisfactory” based on the following:

- The Bank provides a relatively high level of community development services.
- The Bank’s delivery systems are readily accessible to all portions of the institution’s assessment area.
- To the extent changes have been made, the institution’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services, including business hours, do not vary in a way that would inconvenience the needs of the assessment area, particularly the low- and moderate-income geographies and individuals.

SCOPE OF EXAMINATION

While Greenfield Savings Bank met the definition of an intermediate small bank based on its asset size, the Bank opted to be evaluated as a Large Bank. (In order to be evaluated as a large bank, Greenfield Savings Bank was required to collect and report information regarding its small business lending.) The Large Bank examination procedures evaluate the Bank's CRA performance pursuant to three tests: Lending, Investment, and Services. The CRA evaluation considered activity from August 8, 2011, to February 24, 2015, the date of this evaluation.

The Bank's CRA rating is derived from its performance in its assessment area. For 2014, the Bank operates branches in Franklin County (a non-metropolitan area of Massachusetts) and Hampshire County (part of the Springfield, MA Metropolitan Statistical Area (MSA)), due to new MSA definitions released by the Office of Management and Budget (OMB) in February 2013, which became effective January 1, 2014. Prior to 2014, Franklin County was included in the Springfield, MA MSA, and data was analyzed as one area. For 2014, separate analyses for Franklin County and the Springfield MSA were performed; however, because Franklin County is part of the Greenfield Town Micropolitan Statistical Area (#24640), which is part of the larger Springfield-Greenfield Town Combined Statistical Area (CSA) (#521) for 2014, presenting the Bank's performance at the CSA level and as one assessment area is appropriate as no concerns were noted with the Bank's performance in the separate counties.

Greenfield Savings Bank's major product lines include home mortgage and small business loans, based on number and dollar volume of loans, and management's business strategy. Furthermore, home mortgage loans represent a larger portion of the loan portfolio and a more significant percentage of lending during the evaluation period. Accordingly, examiners placed more weight on the Bank's record of originating home mortgage loans than small business loans, when arriving at overall conclusions and the Lending Test rating. No other loan types, such as small farm loans or consumer loans, represent a major product line; therefore, they provide no material support for conclusions or ratings, and are not presented in this evaluation.

The Bank is subject to the data collection provision of the Home Mortgage Disclosure Act (HMDA), which requires banks meeting a certain asset size threshold to report specific information on home purchase, home refinance, and in some cases, home improvement loans to federal regulatory agencies. This evaluation considered all home mortgage loans reported on the Bank's HMDA Loan Application Registers (LARs) for 2013 and 2014. Greenfield Savings Bank reported 489 loans totaling \$87,636,000 in 2013, and 351 loans totaling \$76,673,000 in 2014.

Examiners also reviewed all small business loans reported on the Bank's CRA Loan Registers (LRs) for 2013 and 2014. Small business loans for purposes of this evaluation include commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. Greenfield Savings Bank reported 172 loans totaling \$24,398,000 in 2013, and 156 loans totaling \$19,970,000 in 2014.

With respect to the Lending Test, examiners reviewed the number and dollar volume of home mortgage and small business loans. While considered, the dollar volume of loans is not presented, other than in the Assessment Area Concentration table, as the number of loans is a better indication of the number of businesses and individuals served. The 2013 aggregate data for HMDA and CRA reporters is available and presented in this evaluation.

The Bank's 2014 performance was reviewed and is discussed throughout the performance evaluation; however the 2014 performance will carry less weight as the aggregate data is not yet available for appropriate comparison.

There were no lending products to review or consider for this CRA evaluation that were originated by Bank affiliates.

The 2010 U.S. Census was referenced and presented for data reviewed, as applicable, beginning in 2012. The 2000 U.S. Census was used for all data reviewed, as applicable, for information prior to and including 2011.

The review of the Bank's CRA performance included all relevant information provided by management pertaining to community development loans, innovative or flexible lending practices, qualified investments, retail banking services, and community development services from August 8, 2011, through February 24, 2015.

PERFORMANCE CONTEXT

Description of Institution

Greenfield Savings Bank was established as a Massachusetts chartered mutual savings bank in 1869. In 2005, a mutual holding company was formed named GSB, MHC. Concurrently, a Massachusetts chartered stock savings bank was established as a subsidiary of GSB, MHC. Greenfield Savings Bank was merged with the new stock bank, which assumed the Greenfield Savings Bank name. GSB, MHC currently owns 100 percent of the common stock of the Bank. Greenfield Savings Bank has two wholly-owned subsidiaries: GSB Securities Corporation and Shelburne Securities Corporation. These subsidiaries engage in no business activity other than the holding of investments for the benefit of Greenfield Savings Bank.

The Bank offers deposit, loan, and retail services through a network of branches and automatic teller machines (ATMs) primarily located in Franklin and Hampshire Counties. Greenfield Savings Bank's network includes six full-service branch offices located in Amherst, Conway, Northampton, Shelburne Falls, South Deerfield, and Turners Falls. The main office and four branches are located in Franklin County, and the Amherst and Northampton branches are located in Hampshire County. The Bank maintains 11 ATMs, of which 7 are remote deposit-taking ATMs. The Northampton branch is new since the last evaluation and opened for business on December 7, 2012. No other offices opened or closed since the last evaluation.

As of September 30, 2014, Greenfield Savings Bank's assets totaled \$685,985,000, of which \$518,122,000 (75.53 percent) is in loans. From September 30, 2011, to September 30, 2014, the Bank's assets increased by 9.23 percent, net loans increased by 23.57 percent, and total deposits increased by 15.19 percent. Refer to Table 1 on the following page for more details concerning the Bank's loan portfolio. Greenfield Savings Bank attributes the generalized growth to an expansion of commercial lending in Hampshire County.

Loan Type	Dollar Amount \$(‘000s)	Percent of Total Loans (%)
1-4 Family Residential Construction Loans	6,777	1.3
Other Construction Loans and All Land Development and Other Land Loans	6,364	1.2
Secured by Farmland (including Farm Residential and Other Improvements)	294	0.1
Revolving, Open-end Loans Secured by 1-4 Family Residential Properties and Extended Under Lines of Credit	29,221	5.6
Closed-end Loans Secured by 1-4 Family Residential Properties: Secured by 1st Liens	330,712	63.8
Closed-end Loans Secured by 1-4 Family Residential Properties: Secured by Jr Liens	5,432	1.1
Secured by Multifamily (5 or more) Residential Properties	31,177	6.0
Loans Secured by Owner-Occupied Nonfarm Nonresidential Properties	46,640	9.0
Loans Secured by Other Nonfarm Nonresidential Properties	35,264	6.8
Commercial and Industrial Loans	24,379	4.7
Consumer Loans	459	0.1
Other Loans	1,403	0.3
Total Loans	\$518,122	100.0

Source: Consolidated Reports of Condition and Income (Call Report) as of September 30, 2014

As reflected in Table 1, Greenfield Savings Bank is primarily a residential real estate lender, as 76.5 percent of loans are secured by 1-4 family residential properties (70.5 percent) and multifamily residential properties (6.0 percent) as of September 30, 2014. Commercial loans, at 20.5 percent, account for the next most significant portion of the loan portfolio. Finally, consumer and agricultural loans represent less than one percent of the outstanding loan portfolio.

Aside from statutory lending limits, Greenfield Savings Bank has no legal or financial impediments that would prevent it from meeting the credit needs of its assessment area. However, the Bank is operating in a competitive environment, with a wide array of products available from numerous competing institutions throughout the assessment area. The Bank received a CRA rating of “Satisfactory” at the previous evaluation dated August 8, 2011, conducted by the FDIC, which utilized Large Bank evaluation procedures.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which a bank is evaluated on its record of helping to meet the community credit needs, including those designated as low- and moderate income. Greenfield Savings Bank’s assessment area, as currently defined, meets the technical requirements of the CRA regulation since it: (1) consists of one or more political subdivisions; (2) includes the geographies where Greenfield Savings Bank has its main office, branches and deposit-taking ATMs, as well as the surrounding geographies where the bank originated a substantial portion of its loans; (3) consists of whole census tracts; (4) does not extend substantially beyond state boundaries (unless otherwise permitted by the regulation); (5) does not reflect illegal discrimination; and (6) does not arbitrarily exclude low- and moderate-income areas.

The Bank has defined its assessment area to include 16 census tracts in Franklin County, Massachusetts, which is 25 out of the 26 towns (the Town of Orange is excluded due to the distance from the nearest branch) and also includes 17 census tracts in Hampshire County, which are the Towns of Amherst, Hadley, Hatfield, and Northampton. The assessment area has changed since the previous CRA evaluation dated August 8, 2011, due to the opening of the Northampton branch, with the addition of the Towns of Hadley, Hatfield, and Northampton. Additionally, on January 1, 2014, the new MSA definitions released by the OMB in February 2013 became effective for HMDA and CRA data collected on and after this date. Prior to January 1, 2014, Franklin and Hampshire Counties were both included in the Springfield, MA MSA. On January 1, 2014, Franklin County was removed from the Springfield, MA MSA and became part of the non-metropolitan area of Massachusetts. However, Franklin and Hampshire Counties are contiguous and both included in the Springfield-Greenfield Town, MA Combined Statistical Area (CSA); therefore, examination personnel evaluated Greenfield Savings Bank’s CRA performance at the current evaluation as one assessment area.

As of 2014, the Bank’s assessment area consists of 33 census tracts, including 1 low-income, 4 moderate-income, 18 middle-income, 8 upper-income, and 2 census tracts with no reportable income level¹. Specifically, the assessment area includes census tracts 401, 402, 403, 404, 406, 407.01, 407.02, 408, 409, 410, 411, 412, 413, 414, 415.01, and 415.02 in Franklin County, and CTs 8203, 8204, 8205, 8206, 8207, 8208.01, 8208.02, 8214, 8215, 8216.01, 8216.02, 8217, 8219.01, 8219.03, 8219.04, 8220, and 8222 in Hampshire County. At the prior evaluation, the Bank’s assessment area consisted of 22 census tracts, including 4 moderate-income, 11 middle-income, 6 upper-income, and 1 census tract with no reportable income level. Furthermore, there are no distressed or underserved non-metropolitan middle income geographies located in the assessment area.²

To assess the Bank’s lending performance for this evaluation, consideration is given to demographic data in the assessment area. Refer to Table 2 for pertinent demographic information concerning Greenfield Savings Bank’s assessment area.

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	33	3.0	12.1	54.6	24.2	6.1
Population by Geography	138,430	8.7	10.9	49.1	29.2	2.1
Owner-Occupied Housing by Geography	32,709	<.1	7.6	59.9	32.5	0.0
Business by Geography	12,642	2.2	15.7	50.8	30.8	0.6
Family Distribution by Income Level	29,044	19.4	16.6	20.2	43.8	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	10,441	0.2	19.1	59.0	21.6	0.0
Median Family Income		65,841	Median Housing Value		261,989	
Adjusted Median Family Income for 2014		67,106	Unemployment Rate		4.25%	
Households Below Poverty Level		14%	(2010 US Census)			

Source: 2010 U.S. Census Data; 2014 D&B Data, 2014 FFIEC-Updated MFI

Demographic and Economic Data

¹ Census tracts are grouped into four income categories based on the median family income for the larger area where the geography is located. Geographies located within an MSA are categorized based on the 2010 MSA median family income, whereas geographies not located within an MSA are categorized based on the non-metropolitan area median family income for the entire state. Low-income geographies have an income of less than 50 percent of the area median family income. Moderate-income geographies have incomes of 50 to less than 80 percent of the area median family income. Middle-income geographies have incomes of 80 to less than 120 percent of the area median family income. Upper-income geographies have incomes of 120 percent or more of the area median family income.

² “Distressed non-metropolitan middle income geographies” and “underserved non-metropolitan middle income geographies” are designated as such by the federal bank and thrift regulatory agencies, to reflect local economic conditions. A particular geography could be designated as both distressed and underserved. A non-metropolitan middle income geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) An unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census. A non-metropolitan middle income geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the census tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

According to 2010 U.S. Census Data, Greenfield Savings Bank's assessment area contains 29,044 total families. The composition of families by income level is as follows: 19.4 percent are low-income, 16.6 percent are moderate-income, 20.2 percent are middle-income, and 43.8 percent are upper-income. Approximately 8.0 percent of families are below the poverty threshold.

Housing units within the assessment area totaled 55,584, of which 58.9 percent were owner-occupied, 33.8 percent were rentals, and 7.3 percent were vacant. As shown in the table above, less than one tenth of one percent of owner-occupied housing units are in the assessment area's low-income tract. The only low-income geography, census tract 8204 located in Amherst, consists primarily of the University of Massachusetts at Amherst campus. This tract contains only 10 owner-occupied housing units, significantly reducing a financial institution's ability to make residential loans within this tract.

According to Dun & Bradstreet (D&B) data, 70.6 percent of non-farm businesses in the assessment area in 2014 have gross annual revenues (GARs) of \$1 million or less and 4.5 percent have GARs of more than \$1 million. Approximately 24.9 percent of the businesses did not report income to D&B. The highest proportion of these business establishments are engaged in the services industry (48.8 percent). Businesses involved in retail trade (12.2 percent), construction (5.9 percent), and finance and insurance (5.9 percent) make up a significant share of the establishments. In terms of employees, approximately 64.4 percent of the area's businesses employ four or fewer people. Included among the largest employers in the assessment area are: C&S Wholesale Grocers, Inc., Cooley Dickinson Hospital, Smith College, Yankee Candle Company, Inc., and Amherst College.

According to the Bureau of Labor Statistics, the unemployment rate for Massachusetts was 5.2 percent and 6.0 percent for the Springfield-Greenfield Town, MA CSA as of November 2014. The unemployment rate for Franklin and Hampshire Counties were 4.8 percent and 4.5 percent, respectively, as of the same date.

Competition

Greenfield Savings Bank operates in a very competitive environment, with numerous banks and credit unions maintaining one or more branch offices in the assessment area. According to market share reports based on HMDA data, over 174 lenders originated or purchased residential mortgage loans in the Bank's assessment area in 2013, the latest year for which such market share data is available. According to the 2013 small business market share data, 46 lenders originated or purchased one or more small business loans in the Bank's assessment area.

According to the FDIC deposit market share report as of June 30, 2014, there were 16 institutions with one or more branches in Franklin and Hampshire Counties with a total of 77 offices serving the area. Greenfield Savings Bank ranks fourth with a 10.3 percent deposit market share. Though the Bank's assessment area only includes some census tracts in Franklin and Hampshire Counties, the deposit market share information is not available on the census tract level; therefore, this data includes the entireties of both counties.

Community Contact

As part of the evaluation process, third parties active in the assessment area are contacted to assist in assessing the credit and community development needs of the community. The information obtained helps to determine whether local financial institutions are responsive to the credit and community development needs of the communities, and what credit and community development opportunities, if any, are available.

Examiners reviewed a recently conducted community contact conducted with a non-profit organization whose mission is to provide affordable housing opportunities, education and support to enable urban development. The contact expressed concern about limited residential development, decreasing population, a widening income gap, and the middle-class moving out of the area. There is significant demand for rental housing with a limited supply of rental units. According to the contact, local community banks and national banks have provided financial literacy classes, homebuyer workshops, and donations. Overall, the contact was pleased with the responsiveness of local community banks to the area's credit needs.

Assessment Area Credit Needs

Based on information obtained from the community contact, as well as demographic and economic data, the credit and community development needs of the Bank's assessment area include continued support for affordable housing, particularly rental units. Individuals and businesses in the assessment area have several credit needs. These include retail loan products to meet personal needs and home financing programs for the purchase, construction, improvement, or refinance of residential real estate. The area's business base also requires numerous commercial credit options to meet a wide variety of financing purposes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test evaluates an institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: (1) the volume of lending activity; (2) the proportion of lending within the assessment area(s); (3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); (4) the distribution of loans among low-, moderate-, middle- and upper-income borrowers and businesses of different sizes; (5) the distribution of small business loans by loan amount at origination; (6) the volume of community development lending; and (7) the use of innovative or flexible lending practices.

Lending Activity

Greenfield Savings Bank reflects an excellent level of responsiveness to the assessment area's credit needs. The Bank originated home mortgage and small business loans in its assessment area throughout the evaluation period.

Home Mortgage Loans

In 2013, the Bank originated a total of 489 home mortgage loans, of which 426 were originated within the assessment area. This represents a 10.5 percent market share, which ranks second among the 174 financial institutions that originated at least one loan within the assessment area. This volume of lending is particularly impressive given the presence of strong competition from local institutions, major national banks, and mortgage companies. The Bank's volume of lending activity decreased significantly from 2013 to 2014, with 351 home mortgage loans originated in 2014, of which 317 were originated within the assessment area. This decrease is primarily due to the drop off in refinance activity. Refinance loans within the assessment area decreased from 181 loans in 2013 to 82 loans in 2014.

Small Business Loans

Greenfield Savings Bank's small business lending remained steady from 2013 to 2014 with 172 loans in 2013 (including 150 loans originated within the assessment area) and 156 loans in 2014 (including 138 loans originated within the assessment area). In 2013, the Bank was ranked seventh with a 5.0 percent market share in total small business lending within the Bank's assessment area. The other six institutions ahead of Greenfield Savings Bank were all large national banks.

Assessment Area Concentration

This performance criterion determines what percentage of the Bank's lending occurs within the assessment area. The Bank originated a substantial majority of its home mortgage and small business loans, by number and dollar, inside its assessment area in 2013 and 2014. Table 3 illustrates the percentage, by number and dollar volume, of home mortgage and small business loans originated inside and outside the assessment area which reflects excellent responsiveness to assessment area credit needs.

Table 3 Distribution of Loans Inside and Outside of Assessment Area										
Loan Category	Number Loans					Dollar Volume (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2013										
Home Purchase	175	83%	35	17%	210	\$36,930	86%	\$5,864	14%	\$42,794
Refinance	181	88%	24	12%	205	\$29,077	84%	\$5,607	16%	\$34,684
Home Improvement	70	95%	4	5%	74	\$9,012	89%	\$1,146	11%	\$10,158
Total	426	87%	63	13%	489	\$75,019	86%	\$12,617	14%	\$87,636
2014										
Home Purchase	181	86%	30	14%	211	\$38,180	86%	\$6,185	14%	\$44,365
Refinance	82	98%	2	2%	84	\$16,648	98%	\$300	2%	\$16,948
Home Improvement	54	96%	2	4%	56	\$15,200	99%	\$160	1%	\$15,360
Total	317	90%	34	10%	351	\$70,028	91%	\$6,645	9%	\$76,673
Total Home Loan	743	88%	97	12%	840	\$145,047	88%	\$19,262	12%	\$164,309
Small Business 2013	150	87%	22	13%	172	\$20,773	85%	\$3,625	15%	\$24,398
Small Business 2014	138	88%	18	12%	156	\$18,007	90%	\$1,963	10%	\$19,970
Total Small Business	288	88%	40	12%	328	\$38,780	87%	\$5,588	13%	\$44,368
Grand Total	1,031	88%	137	12%	1,168	\$183,827	88%	\$24,850	12%	\$208,677

Source: HMDA LARs and CRA Small Business Loan Registers for 2013 and 2014.

Geographic Distribution

Examiners reviewed the geographic distribution of loans to determine how well Greenfield Savings Bank has addressed the credit needs throughout the assessment area, particularly those of low- and moderate-income census tracts. Considering assessment area demographics, aggregate data, and performance context factors, the distribution of home mortgage and small business loans reflects good penetration in the low- and moderate-income geographies. As mentioned previously, the only low-income census tract in the assessment area, consists primarily of the University of Massachusetts at Amherst campus which has limited lending opportunities. The following sections discuss the Bank's performance under this criterion by loan type.

Home Mortgage Loans

Table 4 presents the geographic distribution of residential loans by tract income within the assessment area. The percentage of owner-occupied units by census tract income and aggregate lending is also presented for comparison purposes. Greenfield Savings Bank demonstrated good distribution of home mortgages throughout the assessment area, particularly in the low- and moderate-income areas when compared to area demographics and aggregate lending data for 2013. Despite a decrease in the total number of originations for 2014, the Bank's lending performance was similar to 2013 in the low-and moderate-income census tracts.

Table 4 Distribution of Home Mortgage Loans by Census Tract Income Level						
Census Tract Income Level	% of Total Owner-Occupied Housing Units	Aggregate Lending Data 2013	2013		2014	
			% of #	#	%	#
Low	<0.1	0	0	0	0	0
Moderate	7.6	7.4	42	9.9	31	9.8
Middle	59.9	55.9	285	66.9	213	67.2
Upper	32.5	36.7	99	23.2	73	23.0
Total	100.0	100.0	426	100.0	317	100.0

Source: 2013 and 2014 HMDA LARs, 2013 aggregate data, and 2010 U.S. Census Data.

As shown in Table 4, the Bank's performance in the moderate-income tracts at 9.9 percent of total home mortgage loans is higher than the percentage of owner-occupied units in those census tracts (7.6 percent). Furthermore, the performance in these moderate-income tracts is also higher than the performance of other lenders in those areas as reflected in the aggregate data (7.4 percent). Greenfield Savings Bank's performance for 2014 is similar. Such lending performance within the moderate-income areas during the evaluation period shows a sustained commitment to meeting the credit needs of these geographies.

Small Business Loans

Considering assessment area demographics and other performance context factors, the geographic distribution of small business loans, particularly in low- and moderate-income areas, reflects good penetration throughout the assessment area. Table 5 illustrates the distribution of small business loans compared to the distribution of businesses throughout the assessment area by census tract income level and aggregate lending data.

Table 5 Distribution of Small Business Loans by Census Tract Income Level						
Census Tract Income Level	2013 Aggregate Lending	2013 Bank Lending		% of Total Businesses 2013	2014 Bank Lending	
	%	#	%	%	#	%
Low	0.8	1	0.7	2.2	1	.7
Moderate	6.1	19	12.7	15.7	29	21.0
Middle	45.8	96	64.0	50.8	71	51.5
Upper	47.3	34	22.6	30.8	37	26.8
N/A	0.0	0	0.0	0.6	0	0.0
Total	100.0	150	100.0	100.0	138	100.0

Source: 2013 Aggregate Data, 2013 and 2014 CRA LARs, and 2013 D&B Data

As shown in Table 5, Greenfield Savings Bank originated less than 1 percent of its small business loans by number in the low-income census tract and 12.7 percent in the moderate-income census tracts in 2013. The Bank's performance in the low-income census tract compares

to aggregate lending data and the number of businesses located in this tract. Furthermore, lending performance in the moderate-income census tracts for 2013 exceeds aggregate lending data and is only slightly less than the number of businesses located in these tracts. Greenfield Savings Bank’s performance for 2014 is similar. Such lending performance within the low- and moderate-income areas during the evaluation period shows a sustained commitment to meeting the credit needs of these geographies.

Borrower Profile

Examiners reviewed the distribution of loans to determine the extent to which Greenfield Savings Bank has addressed the credit needs of low- and moderate-income borrowers and of small businesses. The distribution of loans reflects good penetration among residential mortgage borrowers of different income levels and among businesses of different sizes. The following sections discuss Greenfield Savings Bank’s performance under this criterion by loan type.

Home Mortgage Loans

Table 6 presents the distribution of the Bank’s home mortgage loans, 2013 aggregate data, and the percentage of total families throughout the assessment area by borrower income level. The Bank achieved a good penetration of home mortgage loans among borrowers of different incomes when compared to aggregate performance and assessment area demographics.

Table 6						
Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Total Families	Aggregate Lending Data 2013	2013		2014	
		% of #	#	%	#	%
Low	19.4	4.6	23	5.4	21	6.4
Moderate	16.6	15.6	64	15.0	58	17.7
Middle	20.2	24.0	111	26.1	79	24.2
Upper	43.8	47.2	213	50.0	148	45.3
NA Income	0	8.6	15	3.5	21	6.4
Total	100.0	100	426	100.0	327	100.0

Source: 2013 and 2014 HMDA LARs, 2013 aggregate data, and 2010 U.S. Census Data

In 2013, Greenfield Savings Bank’s lending to low-income borrowers matched aggregate data but was less than demographics. As previously mentioned, low-income families would likely have difficulty obtaining a home mortgage loan under conventional underwriting standards considering Median Family Income (MFI) and housing data throughout the assessment area. As shown, the percentage of loans to low-income borrowers slightly increased in 2014.

The Bank’s lending to moderate-income borrowers was slightly less than aggregate data and demographics in 2013. The percentage of lending to moderate-income borrowers shows a modest increase for 2014.

Small Business Loans

The distribution of small business loans based on the gross annual revenue of the businesses was reviewed to determine the extent to which the Bank is meeting the credit needs of the area’s

small businesses. Given the area’s demographics, the product lines offered, and the market performance, the Bank’s distribution of small business loans reflects an excellent penetration among businesses of different revenue sizes. Refer to Table 7 below for information regarding the distribution of the Bank’s small business loans by the gross annual revenue of the business.

Table 7						
Distribution of Small Business Loans by Gross Annual Revenues						
GARs \$(000s)	Aggregate Lending (2013)	2013 Bank Lending		% of Total Businesses (2013)	2014 Bank Lending	
	%	#	%	%	#	%
≤ \$1,000	46.6	117	78.0	70.6	101	73.2
> \$1,000	53.4	33	22.0	4.5	37	26.8
Not Reported		0	0	24.9	0	0
Total	100.0	150	100.0	100.0	138	100.0

Source: 2013 Aggregate Data, 2013 and 2014 CRA LARs, and 2013 Dun & Bradstreet Business Data

As shown in Table 7, the Bank originated 117 loans, or 78 percent, in 2013 to businesses with revenues of \$1 million or less. This performance significantly exceeds the aggregate lending data.

During 2014, the Bank originated 101 loans, or 73.2 percent of its small business loans, to businesses with gross annual revenues of \$1 million or less. Aggregate lending data for 2014 is unavailable for comparison. However, the Bank’s performance has remained consistent through the evaluation period.

Small business lending can also be analyzed using the size of the loan as an indicator for the size of the business. Small dollar loans are generally thought to primarily benefit very small businesses. Refer to Table 8 for information concerning the distribution of the Bank’s small business loans by loan size for 2013 and 2014.

Table 8							
Distribution of Small Business Loans by Loan Size							
Loan Type	Loan Size						Total #
	≤ \$100		>\$100 ≤ \$250		>\$250 ≤ \$1,000		
	#	%	#	%	#	%	
2013 Small Business Loans	93	62.0	32	21.3	25	16.7	150
2014 Small Business Loans	103	74.6	16	11.6	19	13.8	138

Source: 2013 and 2014 CRA LARs

As detailed in Table 8, approximately 62 percent of Greenfield Savings Bank’s small business loans in 2013 were in amounts less than or equal to \$100,000. An additional 21.3 percent were in amounts between \$100,000 and \$250,000. The higher percentages of smaller dollar loans indicate that Greenfield Savings Bank is meeting the credit needs of many small businesses.

In 2014, a higher percentage of the Bank’s small business loans were for amounts less than or equal to \$100,000 (74.6 percent), but a lower percentage were for amounts between \$100,000 and \$250,000 (11.6 percent). Overall, the distribution of Greenfield Savings Bank’s small business loans indicates a significant willingness and ability to serve the credit needs of the area’s smaller businesses.

Community Development Lending

The Bank's community development lending activities are evaluated pursuant to the following criteria: (1) the extent to which community development lending opportunities have been made available to the institution; (2) the responsiveness of the institution's community development lending; and (3) the extent of leadership the institution has demonstrated in community development lending.

A community development loan is a loan that: (1) has community development as its primary purpose, (2) has not already been reported by the bank for consideration under small business or home mortgage lending (unless it is a multi-family dwelling loan), and (3) benefits GSB's assessment area or a broader statewide or regional area that includes GSB's assessment area.

Greenfield Savings Bank made an adequate level of community development loans. During the evaluation period, the Bank originated or renewed thirteen community development loans totaling approximately \$9,462,000. The total dollar amount of community development loans originated during the evaluation period represents approximately 1.8 percent of Greenfield Savings Bank's total loans. Refer to Table 9 for a summary of the Bank's community development lending activities.

Table 9 Community Development Loans												
Activity Year	Qualifying Category										Totals	
	Affordable Housing		Community Services		Economic Development		Revitalization or Stabilization		Neighborhood Stabilization Projects			
	#	(000s)	#	(000s)	#	(000s)	#	(000s)	#	(000s)	#	(000s)
8/8/2011-12/31/2011	2	\$485	0	\$0	0	\$0	0	\$0	0	\$0	2	\$485
2012	1	\$425	0	\$0	1	\$1,439	0	\$0	0	\$0	2	\$1,864
2013	1	\$358	1	\$4,000	0	\$0	0	\$0	0	\$0	2	\$4,358
2014	3	\$1,100	2	\$100	1	\$30	1	\$1,525	0	\$0	7	\$2,755
1/1/2015 – 2/25/2015	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Total	7	\$2,368	3	\$4,100	2	\$1,469	1	\$1,525	0	\$0	13	\$9,462

Source: Bank Records

The following points illustrate a representative example of community development loans made during the evaluation period.

- The Bank originated a loan of \$350,000 to refinance a six unit multi-family apartment building in Northampton that is leased to an organization that provides affordable housing for homeless persons or people at risk of homelessness.
- Greenfield Savings Bank originated a \$425,000 loan to refinance a loan that originally helped fund the rehabilitation and historic restoration of a 55 unit apartment building in a moderate-income census tract in downtown Greenfield. Primary funding came from the Tax Credit Assistance Program.

- The Bank originated a \$60,000 loan to a non-profit organization that's main objective is to break the cycles of poverty and violence through changing existing systems. The organization primarily works in conjunction with other non-profits or directly with municipalities.
- Greenfield Savings Bank renewed a \$1.5 million loan for renovation and restoration of mixed-use properties as part of the Massachusetts Housing Investment Corporation (MHIC) New Market Fund IV, LLC, which is organized to oversee the Greenfield Downtown Renovation program. Properties are located in downtown Greenfield which is in an Urban Renewal District.

Innovative or Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: (1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and (2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

Greenfield Savings Bank uses flexible lending practices in order to serve assessment area credit needs, offering a number of programs aimed at providing home loans, small business loans, and loans targeted to revitalize particular areas. While the number of originations in some programs is low, the fact that the bank has made these programs available is evidence of the Bank's commitment to its community and management's attempt to seek out programs that meet the credit needs of its assessment area.

Some of the programs offered by the Bank are discussed below:

Home Loans

- *Federal Home Loan Bank of Boston (FHLB) Community Development Advance (CDA) Program:* The CDA Program promotes affordable housing, economic development, and mixed-use initiatives. The CDA allows banks to borrow funds at a reduced rate if the funds will be used for a qualified initiative. During the evaluation period, Greenfield Savings Bank funded approximately \$32.4 million of loan originations through the program.
- *MassHousing Loan Program:* Greenfield Savings Bank is a MassHousing-approved lender. Loan programs through MassHousing include features such as low down payments, competitive interest rates, and discounted mortgage insurance. During the evaluation period, the Bank originated 14 loans totaling approximately \$2.3 million through the MassHousing mortgage program.
- *Massachusetts Housing Investment Corporation (MHIC):* Through the use of low-income housing tax credits, MHIC provide equity financing for affordable housing and community development projects. During the evaluation period, the Bank originated two loans totaling approximately \$3.3 million under this program.

- *Homeowner Options for Massachusetts Elders (H.O.M.E.) Reverse Mortgage Program:* This program offers reverse mortgages as an option for elderly individuals to remain in their homes by providing funds from accumulated equity. The program also provides financial counseling to elderly individuals as part of the evaluation process. Greenfield Savings Bank originated one reverse mortgage in the amount of \$56,000 during the review period.

Additionally, the Bank works with its residential mortgage borrowers to offer loan modifications. This program is aimed at creating affordable and sustainable loan payments to help customers avoid foreclosure and retain homeownership. In total, Greenfield Savings Bank made 43 modifications for 35 residential mortgage borrowers during the evaluation period.

Small Business Loans

- *Small Business Administration (SBA):* The Bank offers SBA loans through the 7A and 504 Guaranty Loan Program. The purpose of a SBA loan is to provide financing for small businesses that are unable to obtain conventional financing. The SBA is able to provide longer terms, which are often not available on a conventional loan. A borrower may need these terms in order to have sufficient cash flow to pay for the proposed loan payments. Additionally, a borrower may choose SBA financing to preserve working capital on the acquisition of real estate or equipment. Under SBA, the borrower can inject as little as 70 percent into the project costs. The loan amounts can be as high as \$2 million, with the government providing a 75 percent guaranty. Loans under \$150,000 carry an 85 percent guaranty. The terms of the loan vary with the purpose: working capital – up to 7 years; machinery, equipment, furniture, and fixtures – 5 to 10 years; and purchase or major renovation of real estate – up to 25 years. Greenfield Savings Bank is certified as an Express Lender and Preferred Lender by the SBA. These designations assist financial institutions in streamlining the procedures necessary to provide financial assistance to the small business community. During the evaluation period, the Bank originated 18 SBA loans totaling approximately \$2.1 million.
- *United States Department of Agriculture (USDA) Rural Development Business and Industry (B&I) Guaranteed Loans:* The purpose of the B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans that will provide lasting community benefits. It is not intended that the guarantee authority will be used for marginal or substandard loans or for relief of lenders having such loans. While no USDA originations were made, the fact that the bank has made these programs available is evidence of Greenfield Savings Bank's commitment to its community and management's attempt to seek out programs that meet the credit needs of its assessment area.
- *Capital Access Program (CAP):* This program is administered by the Massachusetts Business Development Corporation and is designed to help small businesses (with less than \$5 million in revenues) throughout Massachusetts obtain loans from participating banks. Using cash collateral guarantees from a loan loss reserve fund, this program enables banks to make loans they might otherwise be unable to grant. Loans guaranteed through this program may be used to start or expand businesses, or to provide permanent

working capital to ensure continued profitable operations. Typical uses are equipment purchases, start-up costs, and real estate acquisitions. The CAP program can also be used for working capital lines of credit. During this evaluation period, Greenfield Savings Bank originated 17 loans under the program totaling approximately \$1.2 million.

INVESTMENT TEST

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment areas or a broader statewide or regional area that includes the institution's assessment area. A qualified investment for the purpose of this CRA evaluation is a lawful investment, deposit, donation, or grant that has community development as its primary purpose. Community development purposes include those that either: 1) provide affordable housing for low- or moderate-income individuals or areas; 2) provide community services targeting low- or moderate-income individuals or areas; 3) promote economic development by financing small businesses; or 4) revitalize or stabilize low- or moderate-income geographies. Activities considered under the Lending Test or Service Test may not be considered under the Investment Test.

The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

Greenfield Savings Bank has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly in those investments that are not routinely provided by private investors. These investments and grants provided adequate responsiveness to community development needs, although the bank rarely uses of innovative or complex investments to support community development initiatives. The Bank's qualified investments benefited communities throughout the entire assessment area.

Equity Investments

As of February 24, 2015, the Bank's qualified investments total \$1,738,198; and included an investment in a Massachusetts Development Finance Agency Industrial Revenue Bond (IRB). The IRB was purchased during the evaluation period. While previous period investments that are still outstanding as of the date of the current evaluation are considered, the Bank had none. A description of the Bank's equity investment is provided below.

Massachusetts Development Finance Agency Industrial Revenue Bond (MDFAIRB)

In April of 2012 the Bank's wholly owned subsidiary Greenfield Savings Bank Securities Corporation purchased a \$1,438,653 Massachusetts Development Finance Agency Industrial Revenue Bond (CJBW Stamp LLC Project Series 2012).

This Bond is a Refunding Project which consists of the current refunding of the outstanding principal balance of \$1,040,000 Massachusetts Development Finance Agency Industrial Revenue Bond (Valley Steel Stamp, Inc. Project, Series 2008A), the proceeds of which were used for: acquisition by CJBW Stamp LLC (the "Borrower") of an approximately 22,000 square foot

manufacturing facility in Greenfield (the “Facility”), the renovation of the such Facility and the leasing of the facility by the Borrower to Valley Stamp Inc. (the “Corporation”) for use as a machining shop specializing in small run production.

The Town of Greenfield is designated an Economic Opportunity Target Area by the Commonwealth of Massachusetts. This site has received a TIF (Tax Incentive Financing) from the Town of Greenfield and the Commonwealth of Massachusetts.

During the evaluation period, GSB made qualified grants totaling \$299,545. In 2012, 2013 and 2014, the grants represented 2.6 percent, 2.5 percent, and 1.5 percent of pre-tax net operating income (NOI), respectively. The following table illustrates the distribution of grants and donations by the community development category of the organization receiving the funds.

Table 10 Community Development Donations						
Activity Year	Qualifying Category					Totals
	Affordable Housing	Community Services	Economic Development	Revitalization or Stabilization	Neighborhood Stabilization Projects	
8/8/2011 - 12/31/2011	\$1,500	\$21,870	\$0	\$0	\$0	\$23,370
2012	\$1,000	\$71,125	\$12,750	\$0	\$0	\$84,875
2013	\$2,500	\$75,750	\$16,700	\$0	\$0	\$94,950
2014	\$0	\$37,600	\$41,250	\$0	\$0	\$78,850
1/01/2015- 02/24/2015	\$0	\$17,500	\$0	\$0	\$0	\$17,500
Total	\$5,000	\$223,845	\$70,700	\$0	\$0	\$299,545

Source: Bank Records.

As indicated in Table 10, a substantial majority of donations during the evaluation period were targeted toward services for low- and moderate-income individuals and families. Greenfield Savings Bank made 72 qualified donations to 30 organizations during the evaluation period. The following points illustrate an example of organizations to which the bank made qualified donations during the evaluation period.

- *Valley CDC:* This organization seeks to empower low- and moderate-income individuals and minorities to control and improve the quality of their lives. They accomplish this through the development of affordable housing, providing economic opportunities and encouraging community leadership.
- *Community Legal Aid, Inc.:* This organization provides free civil legal services to low-income and elderly residents of central and western Massachusetts. Regardless of how much money the client has, they assure fairness for all in the justice system, protecting homes, livelihoods, health, and families.
- *Franklin County Community Development Corporation:* This organization plays a significant role in assisting local businesses in their start up activities, in providing a venture center that offers below market rent to start up organizations, in a food

processing center for retail business ventures, and in assisting in the overall economic development of the Franklin County region.

- *Amherst Survival Center*: Promotes the health and well-being of residents of Franklin and Hampshire Counties with a wide variety of programs designed to help people meet their basic needs. The center serves over 3,000 people each year with free services, including a food pantry, soup kitchen, drop-in health clinic, free store, and a variety of other supports. The center provides a welcoming community where families and individuals who are struggling to make ends meet can come for food, clothing, health care, and for companionship and relief from isolation.
- *The Massachusetts Small Business Development Center (MSBC)*: This organization provides free, confidential, one-to-one management advising, technical assistance and low-cost educational training programs to prospective and existing small businesses throughout the Commonwealth. The organization has an advisory or satellite office located within 30 minutes of any potential client in the state. The MSBDC provides specialized services in the areas of capital formation, minority business assistance, business and industry data; international trade and procurement technical assistance which further augment services.

Responsiveness to Credit and Community Development Needs

The Bank's qualified investments and grants exhibit adequate responsiveness to the area's credit and community development needs. The investment in the MDFAIRB has helped fund community development initiatives. In addition, the Bank's contributions to local charitable and social service organizations demonstrate a commitment to the local area's welfare.

Community Development Initiatives

The Bank rarely uses innovative and/or complex investments to support community development in its assessment area.

SERVICE TEST

The Service Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that serve low- or moderate-income individuals; 3) the availability and effectiveness of alternative systems for delivering retail banking services in low- and moderate-income areas and to low- and moderate-income individuals; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs in those geographies.

The institution's community development services are evaluated pursuant to the following criteria: 1) the extent to which the bank provides community development services; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and, 4) their responsiveness to available opportunities for community development services.

Greenfield Savings Bank provided a relatively high level of community development services during the evaluation period that are particularly responsive to assessment area needs and opportunities. In addition, the Bank's retail delivery services are readily accessible to all portions of the assessment area, and services do not vary in such a way that would inconvenience any portion of the assessment area. The following sections discuss the Bank's performance under each Service Test criterion.

Distribution of Branches

Greenfield Savings Bank's delivery systems are readily accessible to all portions of the assessment area. In addition to the main office in Greenfield, the Bank operates an additional six branches. All of the offices, with the exception of the newly opened branch in Northampton, have automated teller machines (ATM). Greenfield Savings Bank also has four free standing ATMs within its assessment area. Refer to Table 11 for the distribution of the Bank's branches and ATMs.

Census Tract Income Level	% of Tracts	% of Population	Full-Service Branches		ATMs	
			#	%	#	%
Low	3.0	8.7	1	14.3	1	9.1
Moderate	12.1	10.9	2	28.6	4	36.4
Middle	54.6	49.1	3	42.8	5	45.4
Upper	24.2	29.2	1	14.3	1	9.1
NA	6.1	2.1	0	0.0	0	0
Total	100.0	100.0	7	100.0	11	100.0

Source: Bank Records and 2010 U.S. Census Data

In the Bank's only low-income census tract, the percentage of branches exceeds the percentage of tracts and population at this income level. The percentage of branches located in moderate-income tracts is significantly higher than the percentage of the moderate-income population and the percentage of moderate-income tracts. The percentage of ATMs located in moderate-income tracts is also significantly higher than both the percentage of tracts and populations in the same income level.

Record of Opening and Closing Branches

To the extent changes have been made, the institution's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.

During the evaluation period, Greenfield Savings Bank did not close any branches and opened one-full service branch in Northampton. The Northampton branch is located in a middle-income census tract.

Retail Banking Services

Services, including business hours, do not vary in a way that would inconvenience the needs of the assessment area, particularly low- and moderate-income geographies and individuals. Branch hours are convenient and comparable to other institutions and the Bank's services are sufficient to meet the needs of the assessment area. All of the Bank's branches offer extended hours on Thursday and/or Friday, and are open on Saturday.

Deposit and loan services do not vary between branches. The Bank offers a variety of checking, savings, and time deposit accounts. Credit products are available throughout the Bank's assessment area and include a full range of consumer, residential, and commercial loans.

Alternative Delivery Systems

Online banking services are accessible at www.greenfieldsavings.com and include consumer and mortgage loan applications, consumer deposit account opening, 24-7 online banking support, transaction and balance viewing, funds transfers, and bill payment. Banking services are also offered via mobile phone, which allows access to account balances, check deposit, transfers, and a listing of branches and ATMs. Business can be conducted through the Bank's 24-hour telephone banking system. Bank-by-mail is also offered.

Greenfield Savings Bank is a member of the SUM ATM networks, which offer surcharge-free ATM transactions at participating member ATM locations.

Community Development Services

Greenfield Savings Bank provides a relatively high level of community development services. The Bank offers financial services and technical expertise to numerous community development organizations throughout the assessment area. In addition, personnel provide financial education through a variety of seminars and events. During the evaluation period, Bank employees provided various financial expertise or technical assistance to 12 different community development-related organizations. The following table illustrates the Bank's community development services by year and purpose.

Table 12 – Community Development Services By Year						
Year	Total	Affordable Housing	Community Services	Economic Development	Revitalization or Stabilization	Neighborhood Stabilization
	#	#	#	#	#	#
8/8/2011 - 12/31/2011	31	3	17	8	3	0
2012	35	7	17	8	3	0
2013	38	7	20	8	3	0
2014	36	6	19	8	3	0
Totals	140	23	73	32	12	0

Source: Bank records

The following examples describe the Bank's notable community development services:

Franklin Community Action Corporation (FCAC): One of Greenfield Savings Bank's assistant treasurers and branch managers is on the Board of Directors of the FCAC. The FCAC engages solely in the provision of assistance to low-income people.

Franklin County Community Development Corporation: This local CDC plays a significant role in assisting local businesses in their start up activities; in providing a venture center which offers below market rent to start up organizations; in a food processing center for retail business ventures; and in assisting in the overall economic development of the Franklin County region. The executive vice president of Greenfield Savings Bank has been a long time board member and served as chairman of the CDC's Board of Directors and Treasurer. The officer is currently serving as an advisory board member. Greenfield Savings Bank's vice president of commercial lending continues to sit on the CDC's loan committee and has for many years. Another commercial lender serves on the Board of Directors and sits on the finance and loan committee.

Franklin County Regional Housing & Redevelopment Authority: This organization develops, owns and rents housing to low- and moderate-income families. An assistant vice president and residential lender from the Bank has served on the Authority's Board of Directors since 2009.

Greenfield Area Development Corporation (GADC): This private nonprofit development corporation was founded in June 1955 by a group of prominent local citizens. Its mission as reflected in its Articles of Organization is to: "promote, stimulate, develop and advance the business and industrial property and the economic welfare of the citizens in the area...to add to the growth of said area by stimulating and increasing the opportunities for employment... to seek and obtain capital and operating monies for business and industry located in the area...to improve the living standard of the citizens...." GADC is tax exempt under the Internal Revenue Code with a 501(c)(6) designation. The Bank's senior vice president and general counsel is the president, treasurer and a director of this group. The Bank's president and CEO is a director.

Greenfield Girls Club: This organization serves children of the Franklin County area. A majority of the children are from low- and moderate-income families. A Greenfield Savings Bank vice president and regional manager has been a board member and a member of the Finance Committee since 2008. The officer is currently the board president and previously served as the treasurer.

Montague Business Association: Greenfield Savings Bank's assistant treasurer and Turners Falls branch manager actively serves on the Montague Business Association Board of Directors which promotes the retail businesses and economic development in the Town of Montague.

Montague Economic Development Corporation (MEDIC): The Bank's assistant treasurer and Turners Falls branch manager is serving on this municipal board devoted to the economic development of Montague (Turners Falls is a village in the town of Montague) and has been on this board for a number of years and is currently treasurer of this group. One of the activities of the MEDIC is the operation and promotion of the town's industrial park and the attraction of businesses to Turners Falls and Montague.

Pioneer Valley Habitat for Humanity: This local organization works with the national Habitat for Humanity and seeks to build low cost homes for low-income families. It has developed several such homes in the Franklin County area. Greenfield Savings Bank's vice president and head residential lender has been on the board of the Pioneer Valley Habitat for Humanity since 2009.

Shelburne Falls Business Association: Greenfield Savings Bank's assistant treasurer and Shelburne Falls branch manager is on the board of this group which promotes economic development in the Town of Shelburne.

Financial Services and Seminars

Bank officers and employees have participated in or sponsored seminars and other events during the evaluation period. Not only do these events provide financial education, they provide the bank with the opportunity to inform those in attendance about the bank's products and services and to obtain information about the assessment area's unmet credit needs. The following is a summary of the educational services and seminars provided during the evaluation.

- Greenfield Savings Bank presented seven financial literacy programs designed to educate the community about personal finance and credit. The Bank also presented eight affordable housing seminars during the period under review.
- The Bank participates in the Massachusetts Bar Foundation Interest on Lawyers Trust Accounts (IOLTA) program. The interest on funds deposited to these accounts is used to provide legal assistance to low-income individuals. The Bank currently holds 132 IOLTA accounts and paid \$978 in interest in 2011, \$1,317 in 2012, \$871 in 2013, and \$1,165 in 2014.

Other Services

The Bank has assisted several community based organizations by allowing the use of the Bank's meeting and board rooms for gatherings or presentations. The space is given free of charge to groups with a demonstrated need. Some of the community organizations that have held meetings at the Bank, either in the main office or at the Munson Street operations center, include: United Way Director's meetings; Franklin County Community Development executive committee and other meetings; Greenfield Area Development Corporation's Board of Directors meetings; Green River Cemetery's Trustees meetings; High Street Cemetery's Trustees meetings; and numerous meetings involving the Downtown Greenfield Revitalization Project.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A

SCOPE OF EXAMINATION:

Greenfield Savings Bank SCOPE OF EXAMINATION: Large Bank CRA Evaluation Procedures
TIME PERIOD REVIEWED: Home mortgage and small business loans were reviewed for 2013 and 2014. Community development loans originated subsequent to the previous evaluation conducted by the FDIC (August 8, 2011) in 2011, 2012, 2013, 2014, and through February 24, 2015, were included in the evaluation. Community development investments and services since the previous evaluation were also evaluated.
PRODUCTS REVIEWED: Home mortgage loans, small business loans, community development loans, and innovative and flexible lending products.

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
Springfield-Greenfield Town, MA CSA	Full-Scope	None	

APPENDIX B

MINORITY APPLICATION FLOW

According to the 2010 U.S. Census Data, Greenfield Savings Bank's assessment area contained a total population of 138,430 individuals of which 14.6 percent are minorities. The assessment area's minority and ethnic population is 2.4 percent Black/African American, 4.6 percent Asian/Pacific Islander, 0.2 percent American Indian, 5.0 percent Hispanic or Latino and 2.4 percent other.

For 2013 and 2014, the Bank received 993 HMDA reportable loan applications from within its assessment area. Of these applications, 38 or 3.8 percent were received from minority applicants. For the same time period, the Bank also received 29 applications or 2.9 percent from ethnic groups of Hispanic origin within its assessment area.

Greenfield Savings Bank's level of lending was compared with that of the aggregate's lending performance levels for 2013, the most recent year that data was available. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to the table below for information on the Bank's minority application flow as well as the aggregate lenders (excluding the bank) in the Bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	Bank 2013		2013 Aggregate Data	Bank 2014	
	#	%	%	#	%
American Indian/ Alaska Native	5	0.9	0.2	2	0.5
Asian	6	1.1	2.3	5	1.2
Black/ African American	3	0.5	0.7	1	0.2
Hawaiian/Pac Isl.	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	6	1.0	1.7	10	2.4
Total Minority	20	3.5	5.1	18	4.3
White	477	83.3	80.6	335	79.7
Race Not Available	76	13.2	14.3	67	16.0
Total	573	100.0	100.0	420	100.0
ETHNICITY					
Hispanic or Latino	2	0.4	1.1	6	1.4
Not Hispanic or Latino	481	83.9	81.8	340	81.0
Joint (Hisp/Lat /Not Hisp/Lat)	6	1.1	0.9	5	1.2
Ethnicity Not Available	84	14.6	16.2	69	16.4
Total	573	100.0	100.0	420	100.0

Source: 2013 and 2014 HMDA LAR, 2013 HMDA Aggregate Data, 2010 U.S. Census Data

Greenfield Savings Bank's performance was below the 2013 aggregate performance level for minority applicants. The Bank received 3.5 percent of its total applications from minorities which compared lower than aggregate data of 5.1 percent. The Bank's 2013 performance for ethnic minorities was 1.5 percent compared to the 2013 aggregate's performance of 2.0 percent.

For 2014, the Bank trended upward in its performance for minority applications and ethnic minority applications.

APPENDIX C - GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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, home equity 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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 (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated area: A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan 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) and the Thrift Financial Reporting (TFR) 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial 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.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

