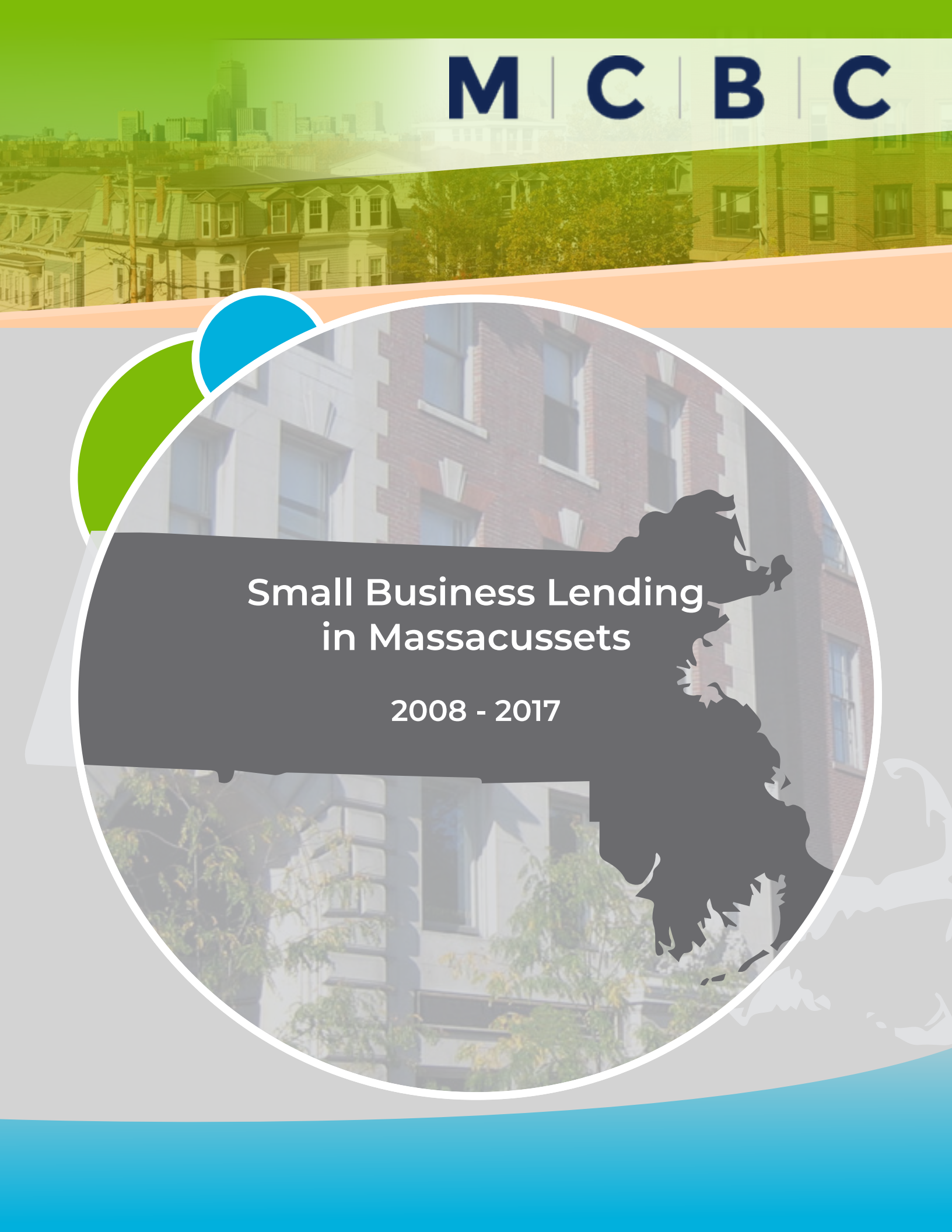


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Small Business Lending in Massachusetts

2008 - 2017

The preparation of this report was commissioned by the Massachusetts Community & Banking Council (MCBC). An advisory committee consisting of three members of MCBC's Small Business Committee – Franky Descoteaux of Community Teamwork Inc., Jose Luis Rojas of Boston Private Bank & Trust, and Charles Smith of Eastern Bank – plus MCBC Executive Director Regan St. Pierre, oversaw preparation of the report and reviewed the final draft. In spite of comments and suggestions received, the ideas and conclusions in this report are the responsibility of the author, and should not be attributed to members of the advisory committee or the MCBC.

Foreword

The Massachusetts Community & Banking Council (MCBC) is pleased to offer Small Business Lending Trends in Massachusetts 2008 to 2017, its 20th report on small business lending patterns. The report provides information regarding small business lending patterns in Massachusetts with an emphasis on the geographic distribution of loans in traditionally underserved areas. The primary goal of this report is to contribute to improved credit flows to small businesses across Massachusetts, particularly in lower income and minority neighborhoods, by presenting a careful description of small business lending trends.

The MCBC was established in 1990 to bring together community organizations and financial institutions to affect positive change in the availability of credit and financial services across Massachusetts. The MCBC works to encourage community investment in low and moderate-income and minority group neighborhoods and provides research, other information, assistance and direction in understanding and addressing the credit and financial needs of low and moderate-income individuals and neighborhoods.

MCBC's Small Business Committee, which includes representatives from city and state programs, regulatory agencies, community and non-profit organizations and financial institutions, oversees preparation of this report and works to identify other ways to leverage public and private resources to support small business development. The Committee regularly hosts speakers from a variety of city, state and community-based programs that assist small businesses and promote economic development in low- and moderate-income areas. Further information on MCBC's committees and programs, along with other MCBC reports, are also available on MCBC's website.

This report and its supplementary tables, as well as earlier reports, are available on MCBC's website at www.mcabc.info. Other MCBC reports are also available at this website, together with further information on MCBC's committees and programs.

MCBC depends on the financial support of its members to produce reports like this one. MCBC thanks the following financial institutions for their membership:

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Avon Co-operative Bank	East Cambridge Savings Bank	RTN Federal Credit Union
Bank of Canton	Eastern Bank	Santander
Boston Private Bank & Trust Company	Everett Co-operative Bank	StonehamBank
Bridgewater Savings Bank	Leader Bank, N.A.	TD Bank
Cambridge Savings Bank	Main Street Bank	The Savings Bank
Cape Cod Five Cents Savings	Mansfield Co-operative Bank	The Village Bank
Capital One	Metro Credit Union	Walpole Cooperative Bank
Citizens Bank	Needham Bank	Wellesley Bank
Colonial Federal Savings Bank	North Cambridge Co-op Bank	Winchester Co-operative Bank
Community Credit Union	Northern Bank & Trust Co.	
Dedham Institution for Savings	Patriot Community Bank	
	People's United Bank	

MCBC's Community Partners include Allston Brighton CDC, ACCION, Community Teamwork, Inc., Cooperative Fund of New England, IGA Group, ESAC, the Fair Housing Center of Greater Boston, Interise, the Massachusetts Affordable Housing Alliance, the Massachusetts Association of CDCs, the Massachusetts Housing Partnership, the Metropolitan Boston Housing Partnership, the Somerville Community Corporation, and South Eastern Economic Development (SEED) Corporation. Government Agency and Other Partners include City of Boston Department of Neighborhood Development, Consumer Credit Counseling Services, FDIC Money Smart Program, Federal Reserve Bank of Boston, Massachusetts Bankers Association, Massachusetts Credit Union League, Massachusetts Division of Banks, and Massachusetts Mortgage Bankers Association.

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Introduction

The Massachusetts Community & Banking Council (the MCBC) has sponsored an annual report on small business lending trends in Massachusetts since 1998. In 2019, as part of this report, the MCBC sponsored the development of an public online data service, the Massachusetts Small Business Loan Data Project, which provides readers with access to interactive maps and reports utilizing data from six national databases related to the subject of small business lending in Massachusetts including:

- **CRA Data** From the annual small business loan data submissions required of the largest banks across the country per the federal CRA law
- **SBA Data** From the national database providing data for all SBA approvals under the 504 and 7a loan programs
- **FDIC Call Report Data** From the FDIC quarterly Call Report required of all FDIC-insured banks
- **NCUA Call Report Data** From the NCUA quarterly Call Report required of all NCUA-insured credit unions
- **FFIEC Census Data** From the FFIEC annual census and demographic database providing income level classifications and demographic data
- **FDIC Branch & Deposit Data** Annual database providing branch and deposit data for all FDIC-insured banks, used in this report to identify CRA lenders with a branch presence in Massachusetts

The Massachusetts Small Business Loan Data Project is available at <http://mcbc.info/publications/cra-project/> for readers who wish to explore the topics covered in this report in greater detail.

The genesis of this report and the Massachusetts Small Business Loan Data Project was the MCBC's commitment to exploring the effect of the federal CRA law on lending patterns in traditionally underserved communities. The federal CRA regulation is a 1977 law that requires certain lenders to collect and publicly disclose information about small business loans with original amounts of \$1 million or less and small farm loans of \$500,000 or less. Because the CRA data includes information about the geographic location of the loan, the data is commonly used by bank examiners in conjunction with mortgage loan data during CRA examinations to evaluate a bank's record of helping to meet the credit needs of its community. CRA examiners places an emphasis on the geographic distribution of loans by income level, particularly involving traditionally underserved areas. Most importantly, a bank's CRA performance record is taken into account by regulators in considering applications regarding deposit facilities, mergers, and acquisitions.

The primary goal of this report and the Massachusetts Small Business Loan Data Project is to contribute to improved credit flows to small businesses across Massachusetts, particularly in traditionally underserved areas. It is beyond the scope of the Project to offer either an *explanation* of why the observed outcomes have occurred or an *evaluation* of how individual lenders have performed. Rather, this report and the Massachusetts Small Business Loan Data Project are intended to serve as an important input to the ongoing tasks of evaluation and explanation.

About MCBC

The MCBC was established in 1990 to bring together community organizations and financial institutions to affect positive change in the availability of credit and financial services across Massachusetts. The MCBC works to encourage community investment in low and moderate-income and minority group neighborhoods and provides research, other information, assistance and direction in understanding and addressing the credit and financial needs of low and moderate-income individuals and neighborhoods.

About the Report

The MCBC's annual report on small business lending in Massachusetts provides information regarding small business lending patterns in Massachusetts with an emphasis on the geographic distribution of loans among lower income areas and minority majority areas. For the purposes of this report, lower income areas are defined as census tracts classified as low or moderate-income by the FFIEC while minority majority areas are defined as census tracts where minorities account for more than 50% of the total population.

While the national public databases utilized in this report encompass the vast majority of small business lending activity in the state, it is worth noting that they do not capture the activity related to new online crowdfunding sources such as Kickstarter, GoFundMe, and other nontraditional lenders which are playing a growing role in a changing landscape, nor do they represent the lending activity related to commercial banking or venture capital funding. It is also important to note that the report's use of population distribution in comparisons to loan distribution is intended to provide the reader with demographic benchmarks for evaluating lending patterns and, for the purposes of this report, serves as a proxy for the distribution of business locations, which is not publicly available at the required level of detail.

The volume and distribution of small business loans is influenced by a number of additional factors beyond the scope of this report including:

- geographic distribution of business locations
- loan demand and interest rates
- the capacity and constraints of lenders
- the demographics of the market area
- proximity to branches and lending locations
- marketing efforts
- competitive market forces
- economic conditions and forecasts

The Massachusetts Small Business Loan Data Project is the online companion to this report and provides web-based access to a wide selection of interactive maps and reports, including the maps and charts contained in the report. The online service allows visitors to easily interact with the data by clicking or touching the onscreen options that allow the viewer to drill down to various levels of detail.

Visitors will find that the online selection of maps and reports is more extensive than the selection shown in this report and includes interactive maps with the ability to zoom and navigate across the state, as well as interactive lender reports, town and county reports, and state rankings. For readers who wish to explore the topics covered in this report in greater detail the service is available at <http://mcbc.info/publications/cra-project/>.

About the Author

BankMaps Online has been providing CRA and fair lending solutions to banks across the country since 1996. The company offers secure, cloud-based interactive mapping and self-review platforms designed to help bankers measure their CRA and fair lending performance, prepare for upcoming examinations, and manage compliance risk. The company's website is located at www.bankmapsonline.com.

Executive Summary

Among the key finding from this year's report are the following:

- The most recent demographic census data, which went into effect for lenders in 2017 for reporting purposes, shows that lower income and minority majority areas have continued a decades-long expansion across Massachusetts and the country as a whole. Based on the current data there are 489 lower income or minority majority census tracts in 78 towns across Massachusetts;
- Small business loan volume declined modestly in 2017 in Massachusetts in the CRA, SBA, and FDIC bank databases while increasing in the NCUA credit union database;
- The 2017 decline in Massachusetts reversed an upward trend in loan volume in the CRA, SBA, and FDIC databases over the past several years but was in line with the national results which showed similar percentage decreases;
- The number of lenders declined modestly in the SBA, FDIC, and NCUA databases in 2017 continuing recent trends, while the number of CRA reporters with lending activity in Massachusetts increased;
- The CRA data shows that the top four (4) counties with largest share of Loans by CRA Lenders in 2017 were Middlesex, Norfolk, Suffolk, and Essex – each receiving over \$500 million in CRA loan dollars;
- In terms of SBA loans, the data shows that the top four (4) counties with largest share of SBA loan dollars in 2017 were Middlesex, Norfolk, Worcester, and Essex – each receiving over \$50 million in SBA loan dollars;
- In 2017, Massachusetts ranked inside the top 20 in each of the four small business loan databases reviewed in terms of the overall dollar volume of loans, but ranked in the bottom quarter in terms of the one year change in loan dollars in the CRA, SBA, and FDIC databases (for perspective, the state ranks 14th across the country in terms of population);
- Local community banks and out-of-state banks that have a branch presence in Massachusetts accounted the most loan dollars by CRA lenders in lower income areas in Massachusetts in 2017 and have put the largest share of their overall loan dollars into lower income areas in recent years compared to lenders without a physical presence in the state;
- Businesses in lower income and minority majority areas received a total of 35,518 loans by CRA lenders for \$1.1 billion in 2017, which represented an 1.2% increase in loan dollars compared to the previous year. In contrast, higher income white areas received 116,931 loan for \$3.8 billion which represented a 10.1% decline in loan dollars compared to the previous year;
- Boston, with the largest population living in traditionally undercapitalized areas in the state, accounted for \$178.5 million in CRA small business loan dollars while Springfield accounted for \$72.4 million dollar in underserved areas (the remaining cities and towns across the state accounted for less than \$50 million);

Executive Summary (continued)

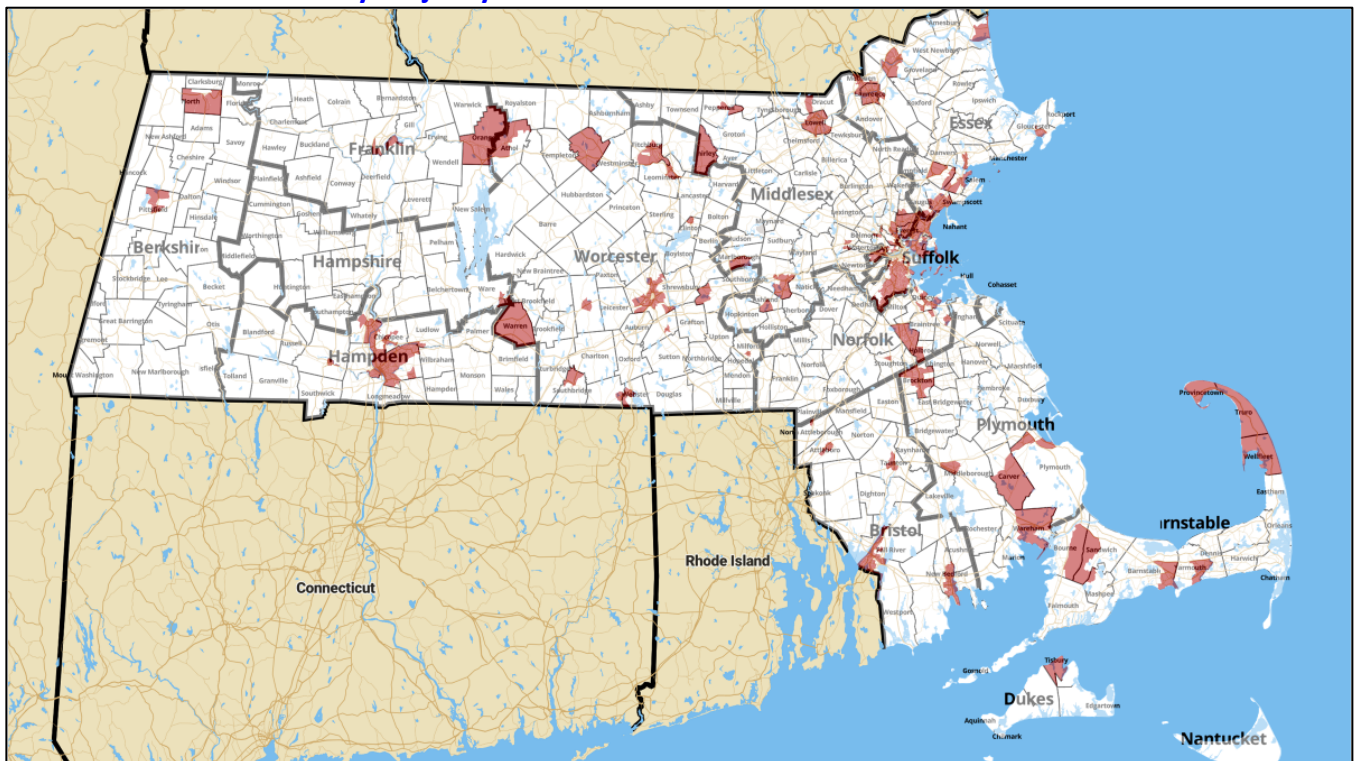
- Small business loans in lower income and minority majority areas accounted for 23% of all loan dollars in the state in 2017 compared to 21% in 2016 although it worth noting that the increase is comparable in scale to the percentage increase associated with FFIEC's most recent census reclassifications that went into effect in 2017 (readers should note that percentage also spiked in 2012 when the previous census reclassifications were issued);
- When compared to the percentage of the population, CRA lending rates in traditionally underserved areas in the state, as they have in past years, continued to lag the levels one might expect in 2017 based on the new population demographics;
- Minority majority areas also received a smaller share of CRA dollars in the in 2017 than one might expect based on the populations of those communities, while white majority areas received a larger share. Minority neighborhoods overall account for 15% of the state's population but received just 10% of small business loan dollars in 2017;
- Massachusetts ranked 22nd in the country in terms of CRA loan dollars in lower income and minority areas in 2017 and ranked 25th in terms of one year growth percentage in the number of loans;
- Businesses located in Middlesex and Suffolk Counties received the largest volume of loans by CRA lenders in 2017 each in excess of \$200 million followed by Essex and Hampden Counties with over \$100 million in small business loans;

Map of Lower Income & Minority Majority Areas in Massachusetts

Census tract income level classifications and minority majority designations are integral components of most analyses related to small business lending trends because these areas have traditionally experienced lower overall lending rates and higher denial rates. For the purposes of this report, lower income areas are defined as census tracts classified as low or moderate-income by the FFIEC while minority majority areas are defined as census tracts where minorities account for more than 50% of the total population. The income level and minority majority demographic components are updated every five years by the Census Bureau under its American Community Survey program (ACS). The most recent data, which went into effect in 2017 and which is displayed below, is based on the 2015 ACS Survey. The data shows that lower income and minority majority areas have continued a decades-long expansion across Massachusetts and the country as a whole. Based on the 2015 ACS data there are 489 lower income or minority majority census tracts in 78 towns across Massachusetts compared to 467 tracts in 70 towns based on the 2010 ACS data.

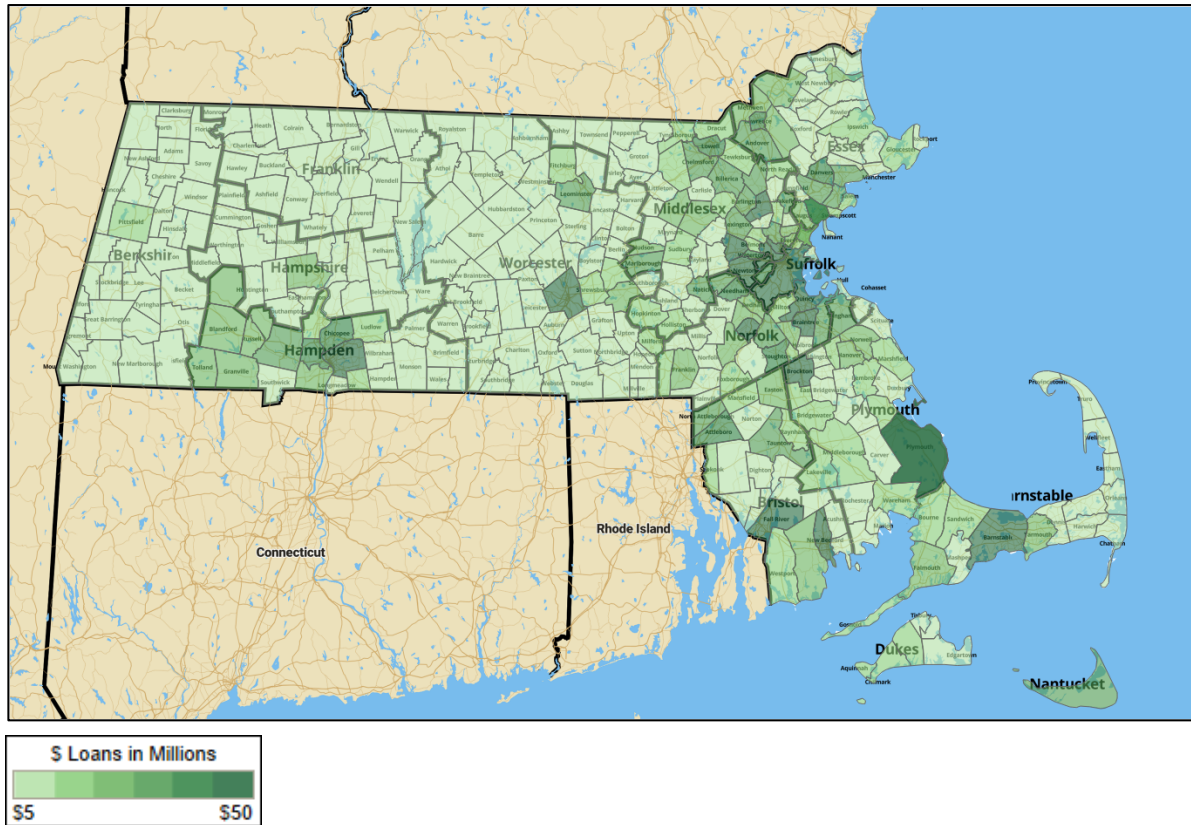
The small business lending patterns related to lower income and minority majority areas in Massachusetts are discussed in more detail in latter sections of this report.

Lower Income and Minority Majority Areas – 2017

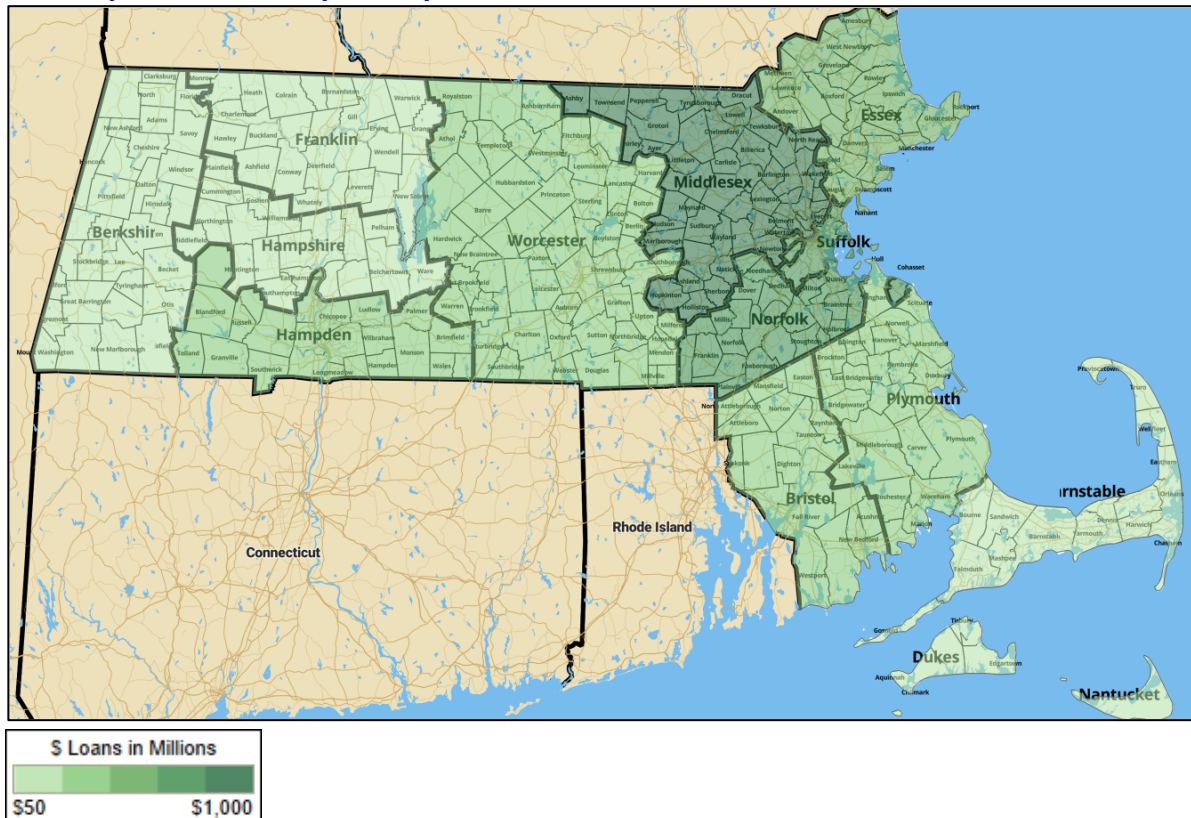


Additional interactive maps showing the distribution of small business loans by town and county as well as key census demographic data can be found at <http://mcbc.info/publications/cra-project/>.

Loans by CRA Lenders by Town – 2017

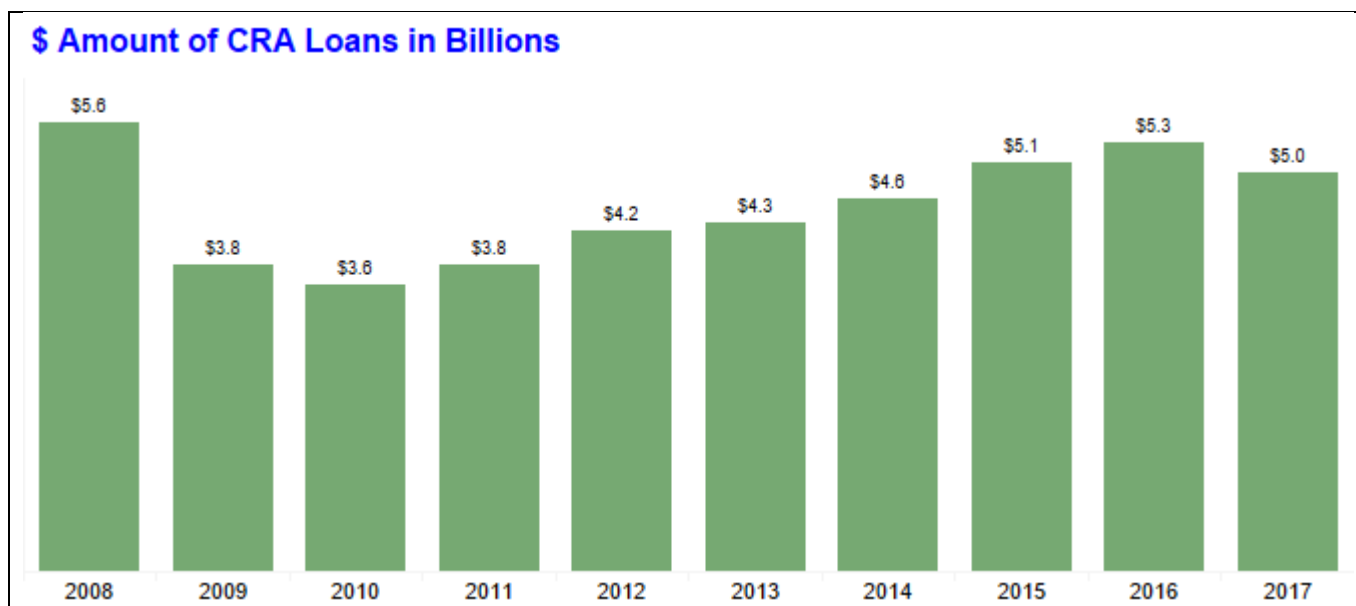
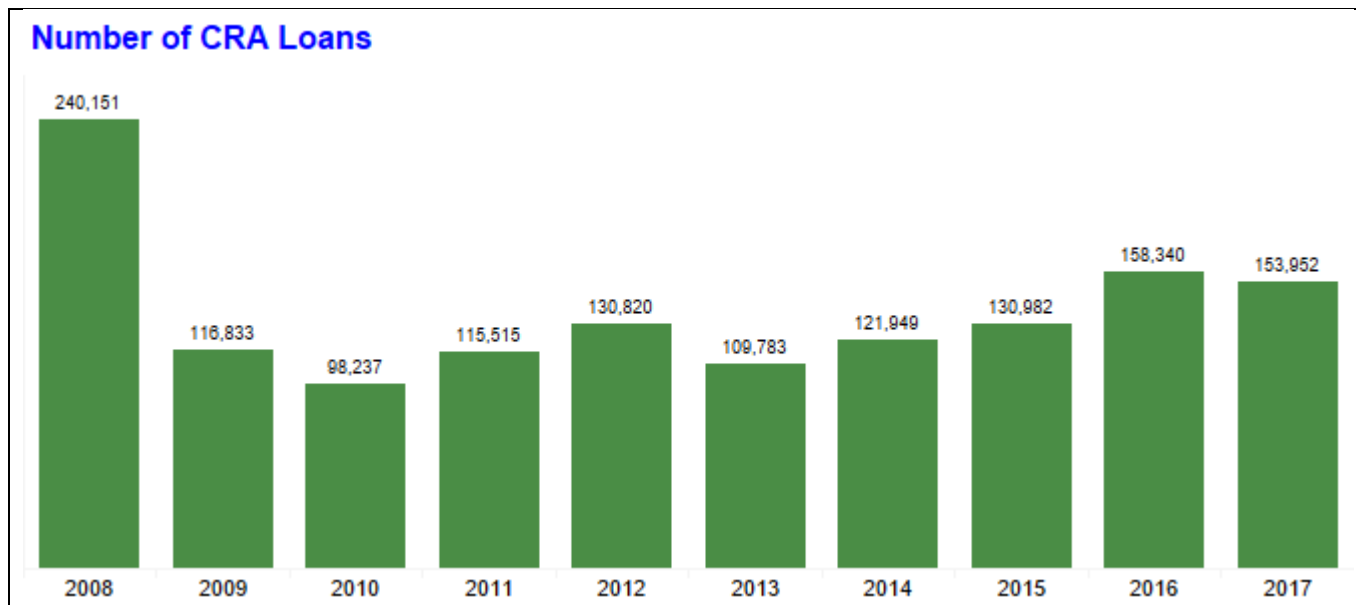


Loans by CRA Lenders by County – 2017



Loan Volume by CRA Lenders in Massachusetts

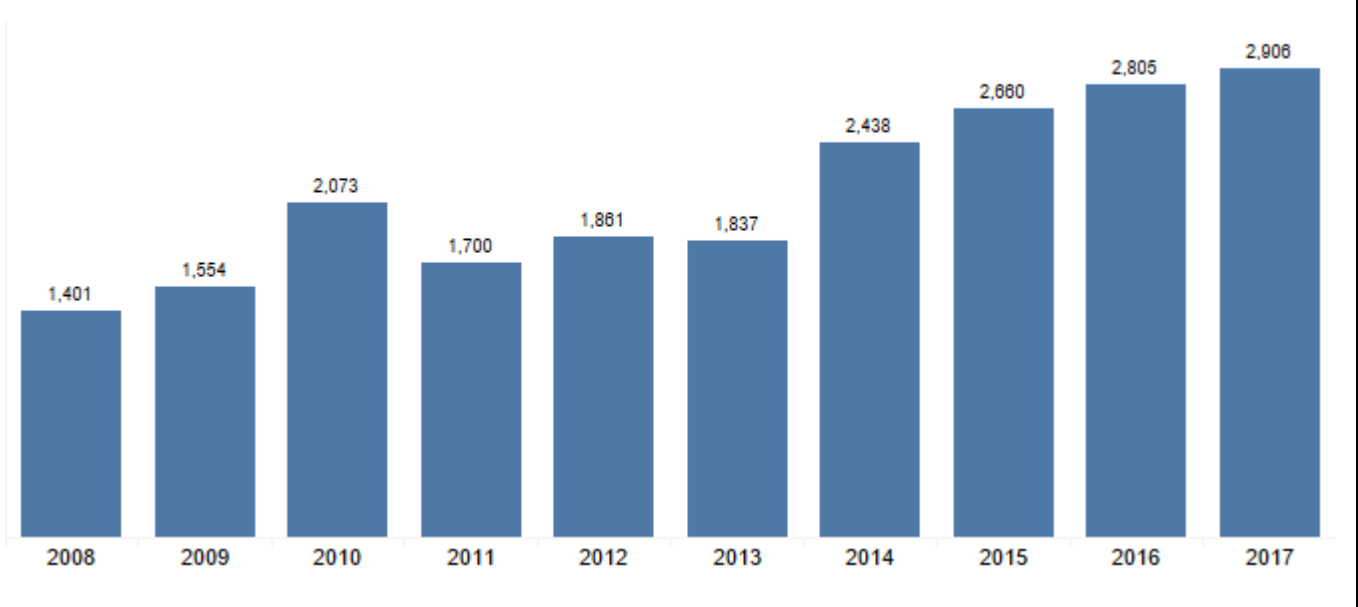
The national CRA database contains information about loans originated or purchased during a given annual period for the nation's largest lenders and for a small number of voluntary reporters. The data shows that loans by CRA lenders in Massachusetts declined slightly in 2017 in terms of both the overall number and dollar amount of loans following several years of modest growth. CRA-reporting institutions recorded an overall of 153,952 loans for \$5.0 billion in Massachusetts in 2017.



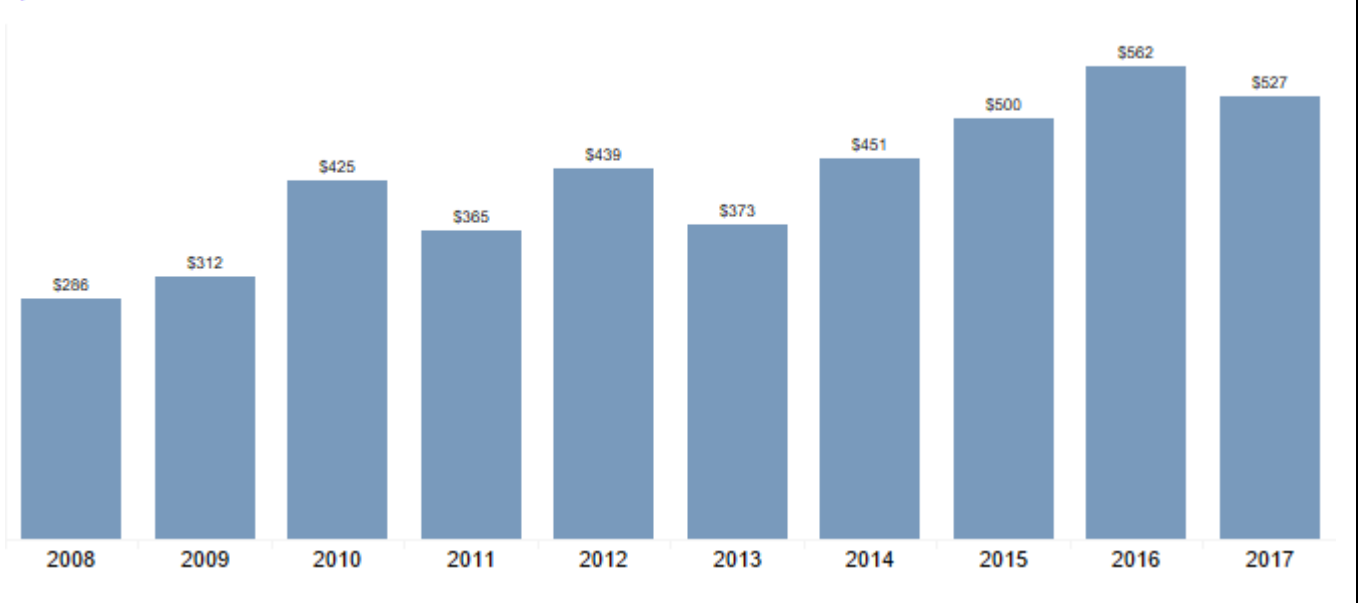
SBA Loan Volume in Massachusetts

The national SBA database contains information about all loans approved by the SBA during a given period. The data shows that SBA loans in Massachusetts increased slightly in 2017 in terms of the number of loans but declined in terms of loan dollars representing the first decline in five (5) years. SBA lenders in Massachusetts recorded 2,906 loan approvals for \$527 million in 2017.

Number of SBA Loans



\$ Amount of SBA Loans in Millions

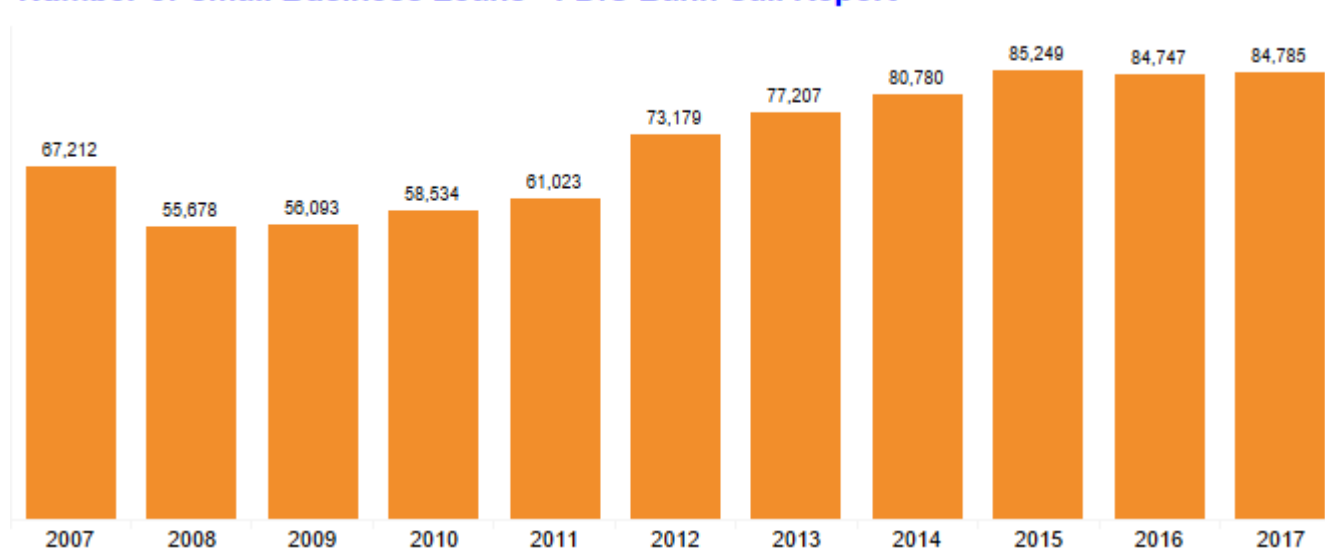


Loan Balances at Massachusetts Banks

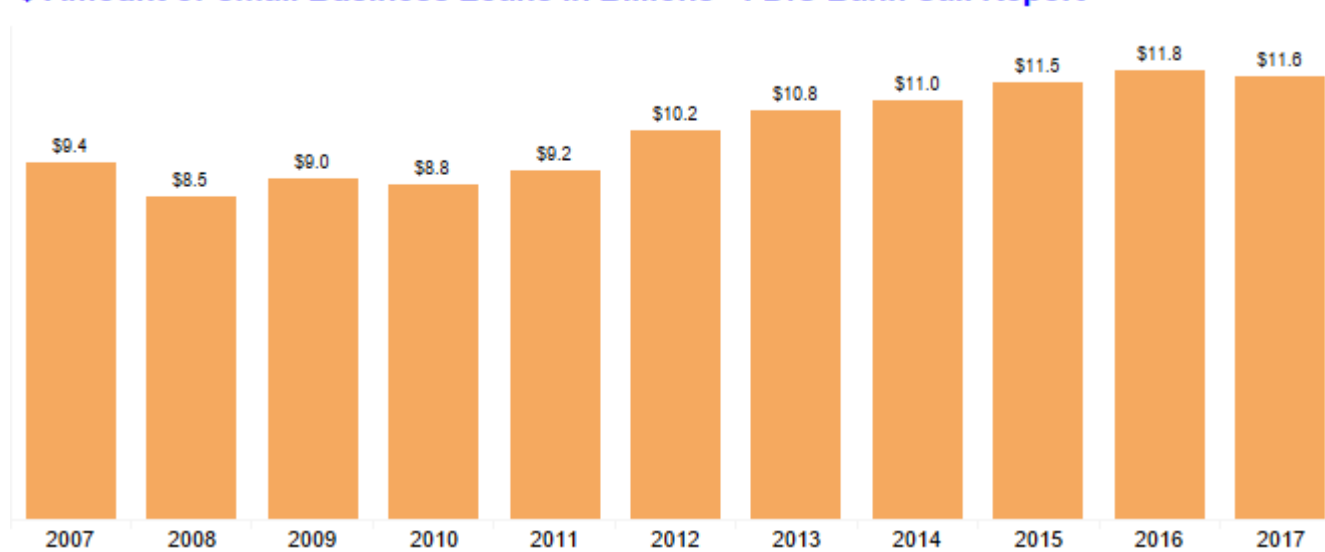
In contrast to the CRA and SBA data shown on the previous pages which provide annual origination volume, the FDIC and NCUA call report data provides information about the total number and amount of small business loans that are outstanding at the end of each period at FDIC-insured banks and NCUA-insured credit unions in Massachusetts.

The FDIC Bank Call Report data shows that small business loans were little changed in terms of the overall number of loans outstanding at the end of 2017 but were down slightly in terms of balances compared to the previous year. FDIC call report-filers in Massachusetts reported a total of 84,785 small business loans for \$11.6 billion on their books at the end of 2017.

Number of Small Business Loans - FDIC Bank Call Report



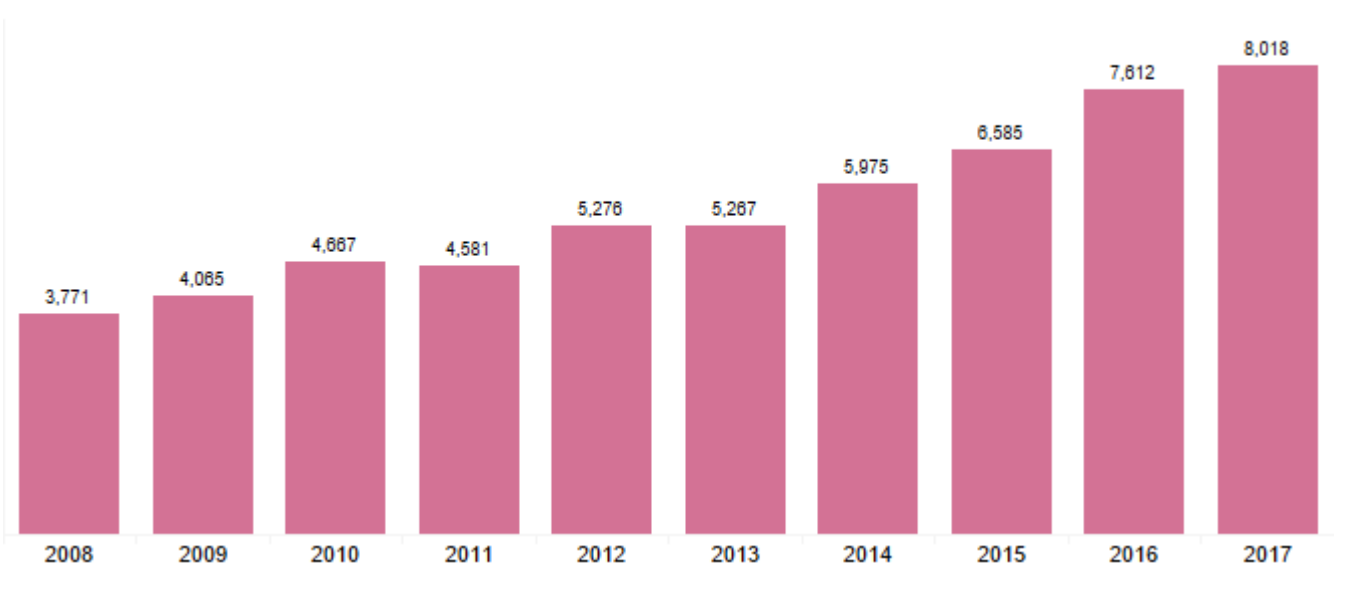
\$ Amount of Small Business Loans in Billions - FDIC Bank Call Report



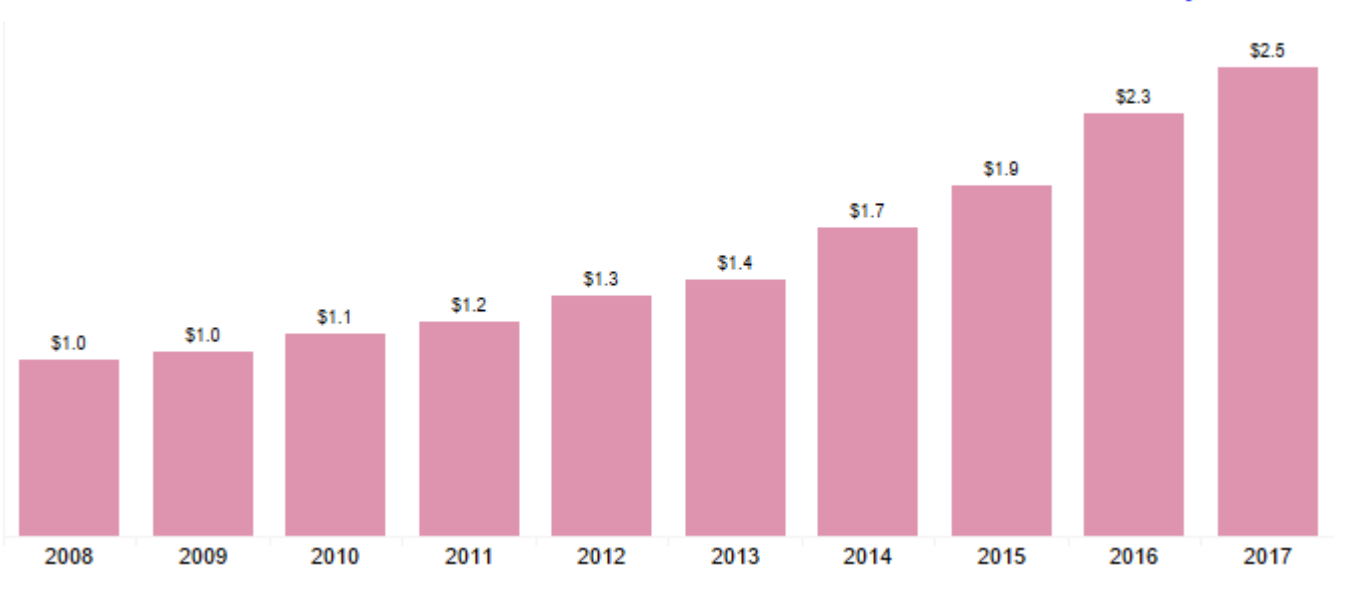
Loan Balances at Massachusetts Credit Unions

Until recently the NCUA required credit unions to report a relatively limited amount information about member business loans. Beginning in 2017, however, the credit union regulator substantially expanded the reporting requirements related to small business loans thereby bringing its reporting requirements more in line with the FDIC bank call report requirements. The NCUA Call Report data shows that member business loans at Massachusetts credit unions continued an upward trend in 2017 in terms of the number and dollar volume of loans. Credit unions in Massachusetts reported 8,018 member business loans for \$2.5 billion on their books at the end of 2017.

Number of Member Business Loans - NCUA Credit Union Call Report



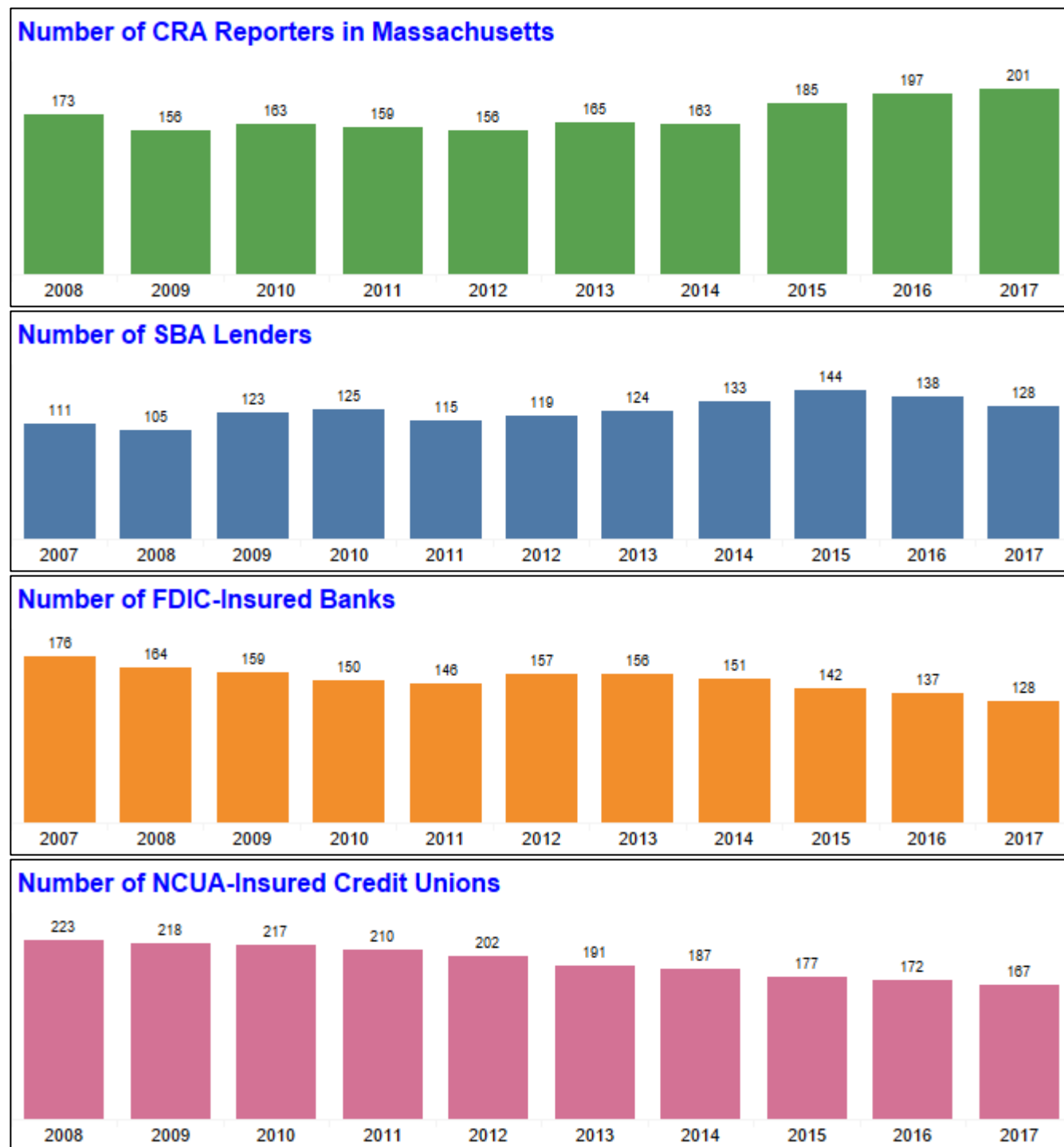
\$ Amount of Member Business Loans in Billions - NCUA Credit Union Call Report



Changes in Lenders

The number of lenders in each of the four (4) national databases reviewed here varies from year due to the effects of mergers, acquisitions, de novo startups, and failures. In the case of the CRA database, the number of reporting institutions is also influenced by the fact that the reporting requirement is tied to inflation adjusted asset size basis, currently at \$1.3 billion in assets. Institutions that do not meet the asset threshold are not required to file annual CRA data although a relatively some number of banks do voluntary report their CRA data.

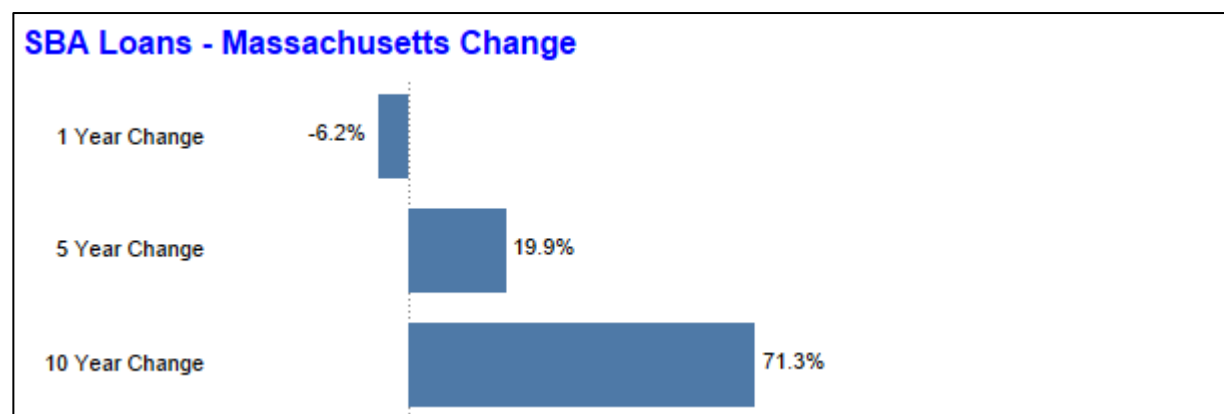
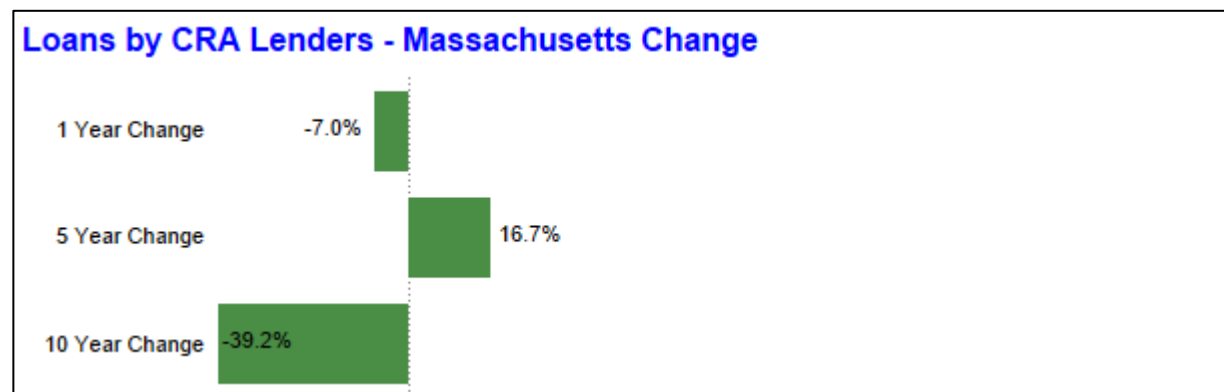
The number CRA reporters have increased over the past few years while the number Massachusetts banks and credit unions have declined steadily over the past decade. The number of SBA lenders has declined over the past three (3) years.



Changes in CRA & SBA Loan Volume

Like the distribution of loans, which is influenced by a number of factors including the demographic makeup of the market area, access to branch locations, and marketing efforts, changes in the volume of loans are most influenced by a lender's capacity and constraints, competitive market forces and current economic conditions.

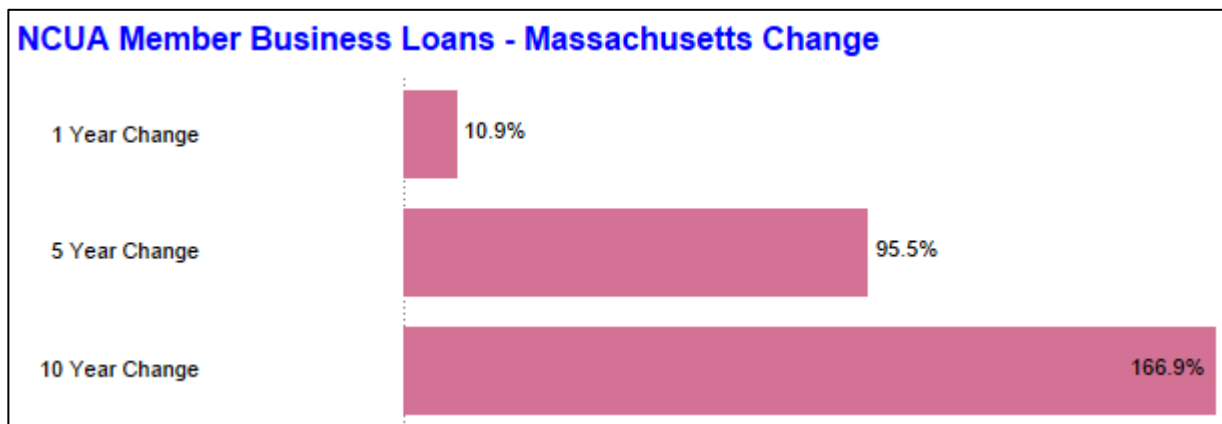
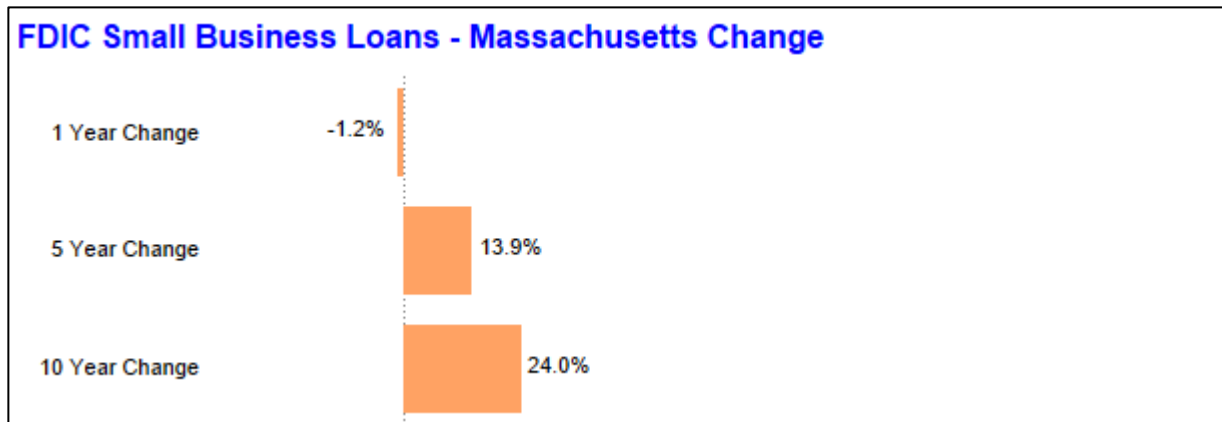
The most recent data shows similar declines in loan origination volume in both the CRA and SBA databases. Loan dollars by CRA Lenders in Massachusetts declined by 7.0% in 2017 while SBA loan dollars declined by 6.2%. The decline in loan dollars by CRA Lender in Massachusetts was comparable to the national decline of 5.0% while the decline state SBA loan dollars deviated from the average increase of 6.9% across the country.



Changes in FDIC & NCUA Loan Balances

Small business loan balances at Massachusetts bank declined by 1.2% by the end 2017 while member business loans at Massachusetts credit unions were up 10.9%.

The decline in FDIC loan balances in Massachusetts deviated from the national average increase of 2.2%, while the growth in credit union loans in the state exceeded the national average increase of 8.4%.

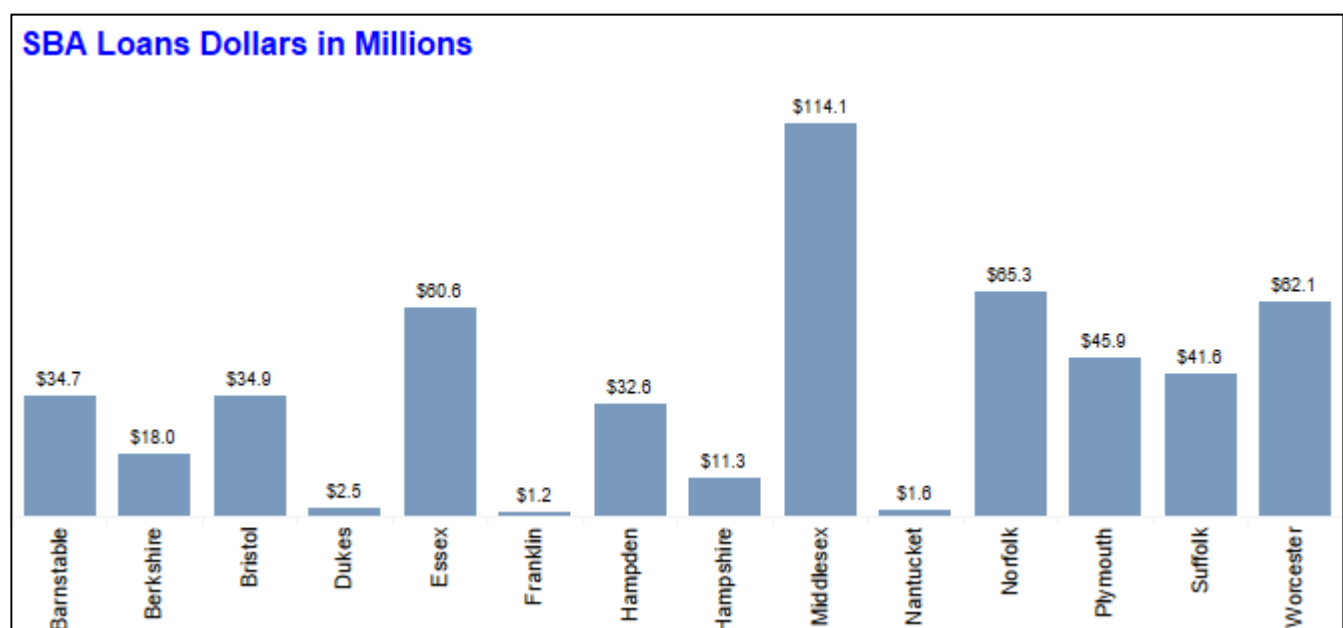
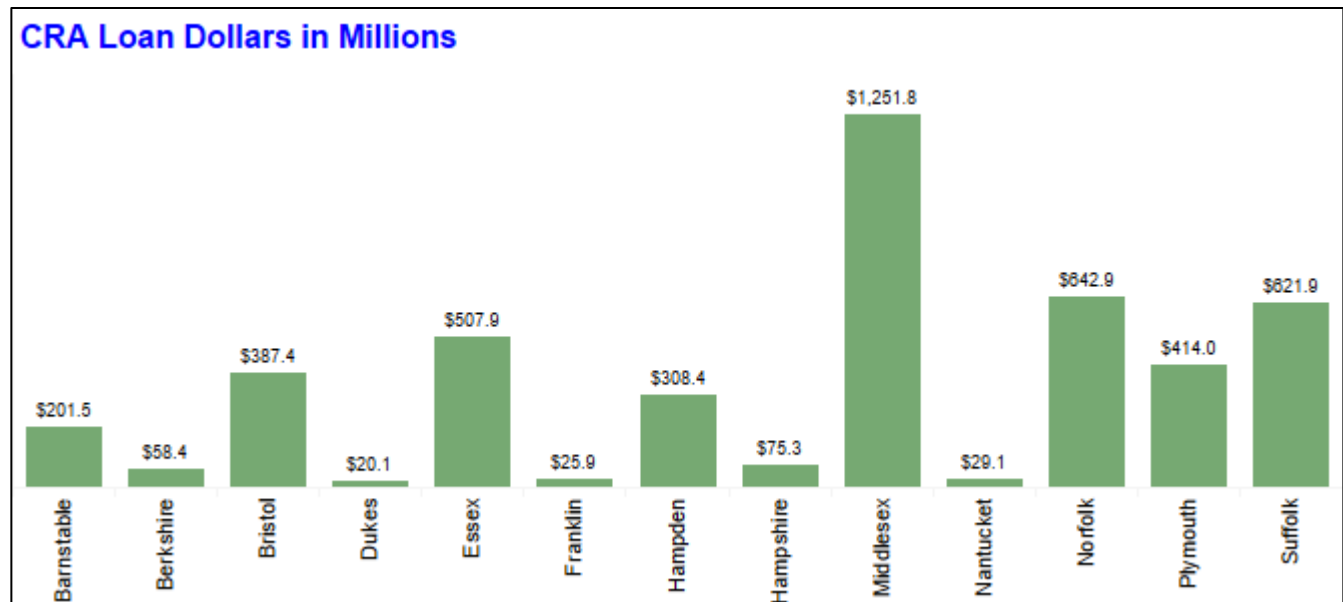


CRA & SBA Loan Volume by County

The national CRA and SBA databases allow an analysis of the distribution of loans at various geographic levels, including the county level shown here. The FDIC and NCUA databases do not allow a geographic analysis.

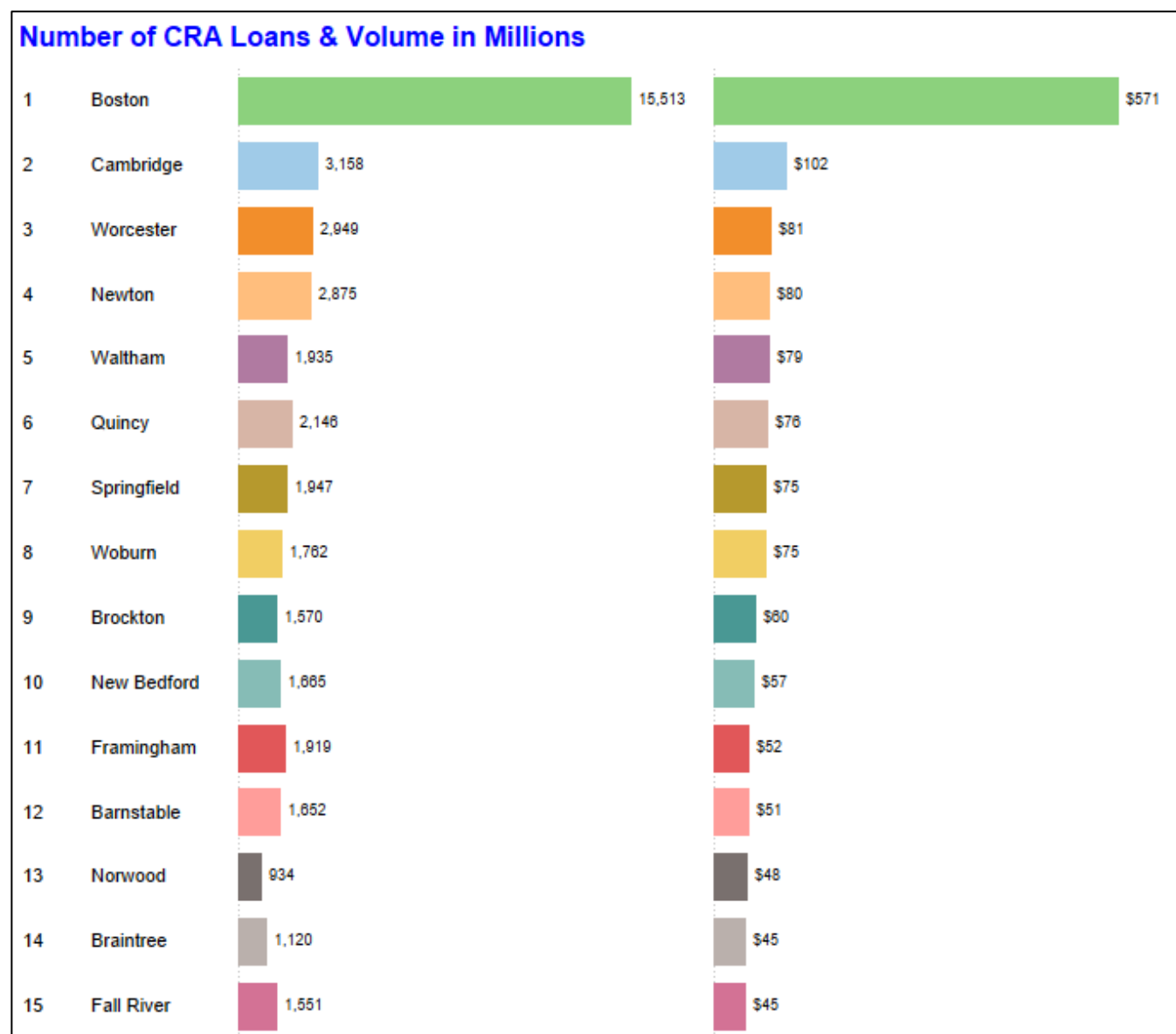
The CRA data shows that the top four (4) counties with largest share of Loans by CRA Lenders in 2017 were Middlesex, Norfolk, Suffolk, and Essex – each receiving more than \$500 million in CRA loan dollars.

The SBA data shows that the top four (4) counties with largest share of SBA loans in 2017 were Middlesex, Norfolk, Worcester, and Essex – each receiving more than \$50 million in SBA loan dollars.



CRA Lender Volume by Town

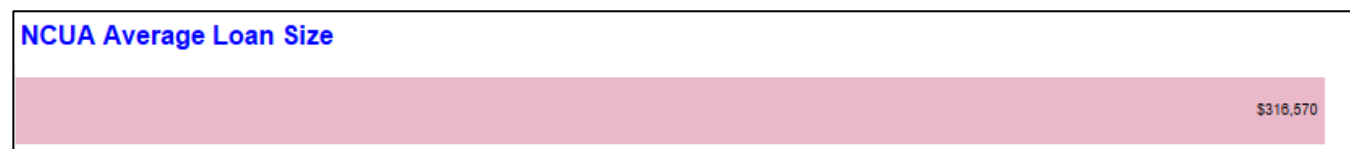
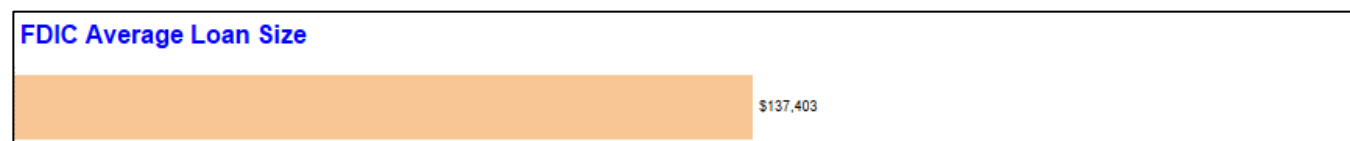
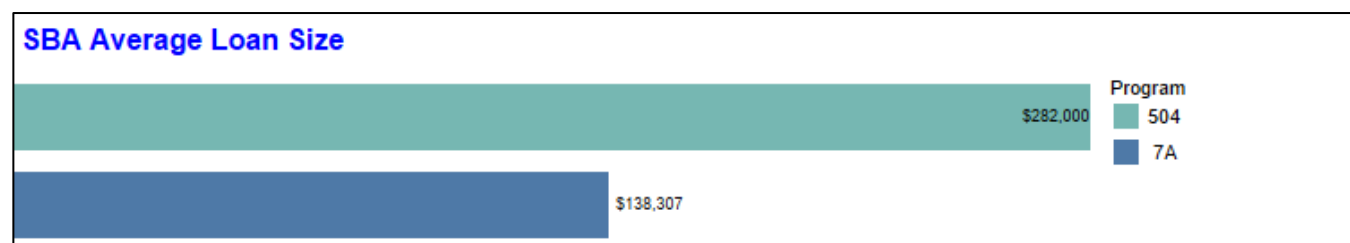
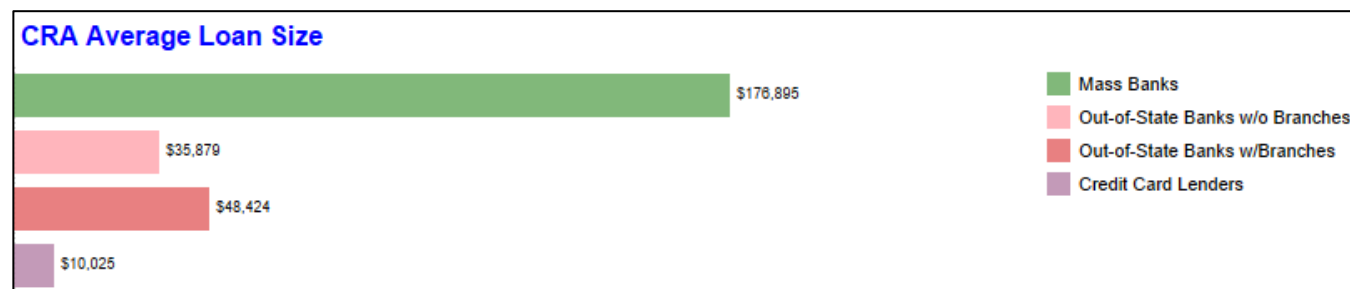
Compared to the distribution of loans by county, there is somewhat greater variability between the relative distribution of small business loans and total population at the city and town level. The state is made up of 351 cities and towns of which five have total populations over 100,000, 20 have populations between 50,000 and 100,000, and 326 have populations under 50,000. The chart below shows the cities and towns that received the largest volume of loans by CRA lenders in 2017. Readers can access information on all cities and towns across Massachusetts, including lending patterns in lower income areas and minority majority areas, using the Project's online data service at <http://mcbc.info/publications/cra-project/>.



Average Loan Size

The average size of a small business loan varies substantially between the major small business lending databases and between different types of lenders.

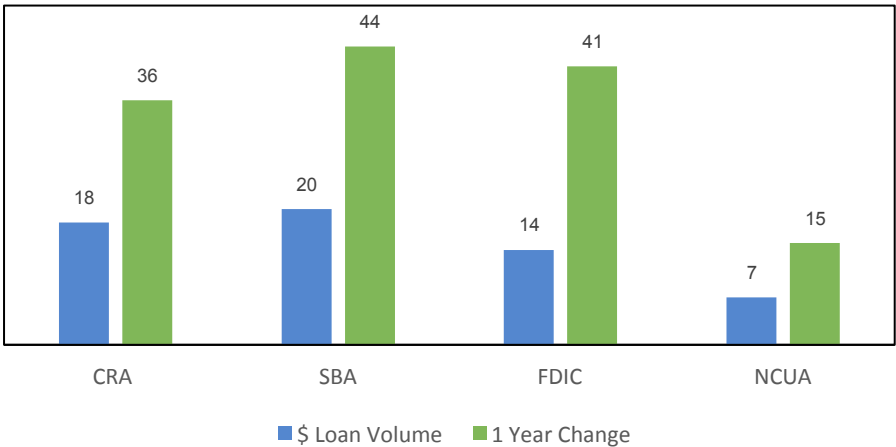
The CRA and SBA databases contain more information about the types of lenders than the FDIC and NCUA databases. The CRA database includes information from local community banks, out-of-state banks with local branches, nation-wide credit card lenders, and other out-of-state banks. The SBA database contains information regarding SBA 504 certified development corporations and SBA 7a lenders.



State Rankings by Overall Volume

Massachusetts ranked inside the top 20 in each of the four (4) small business loan databases in terms of the overall dollar volume of loans, but ranked in the bottom quarter in terms of the one-year change in loan dollars. Based on the latest census data, the state ranks 20th across the country in terms of state population.

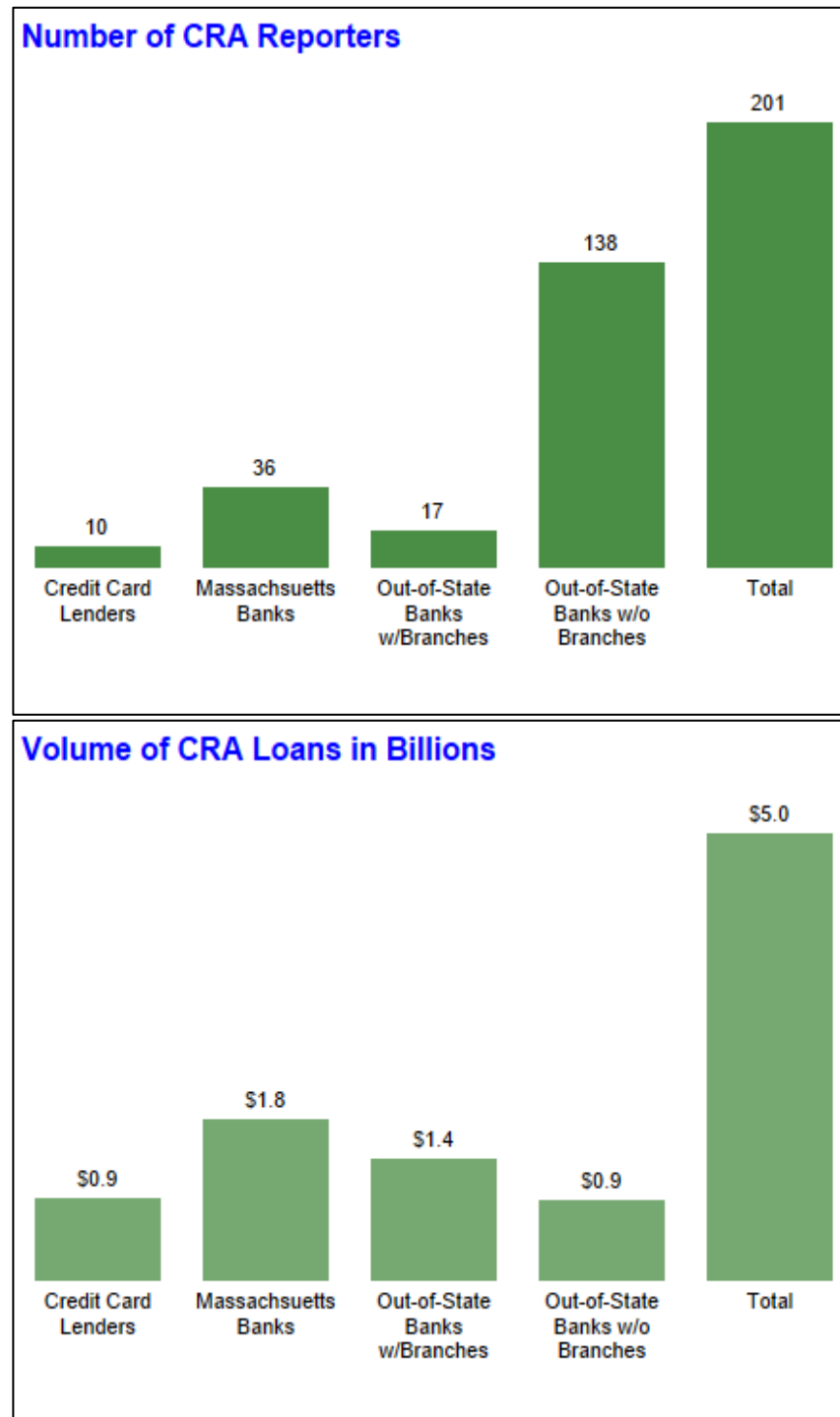
Massachusetts State Rankings



Types of CRA Lenders

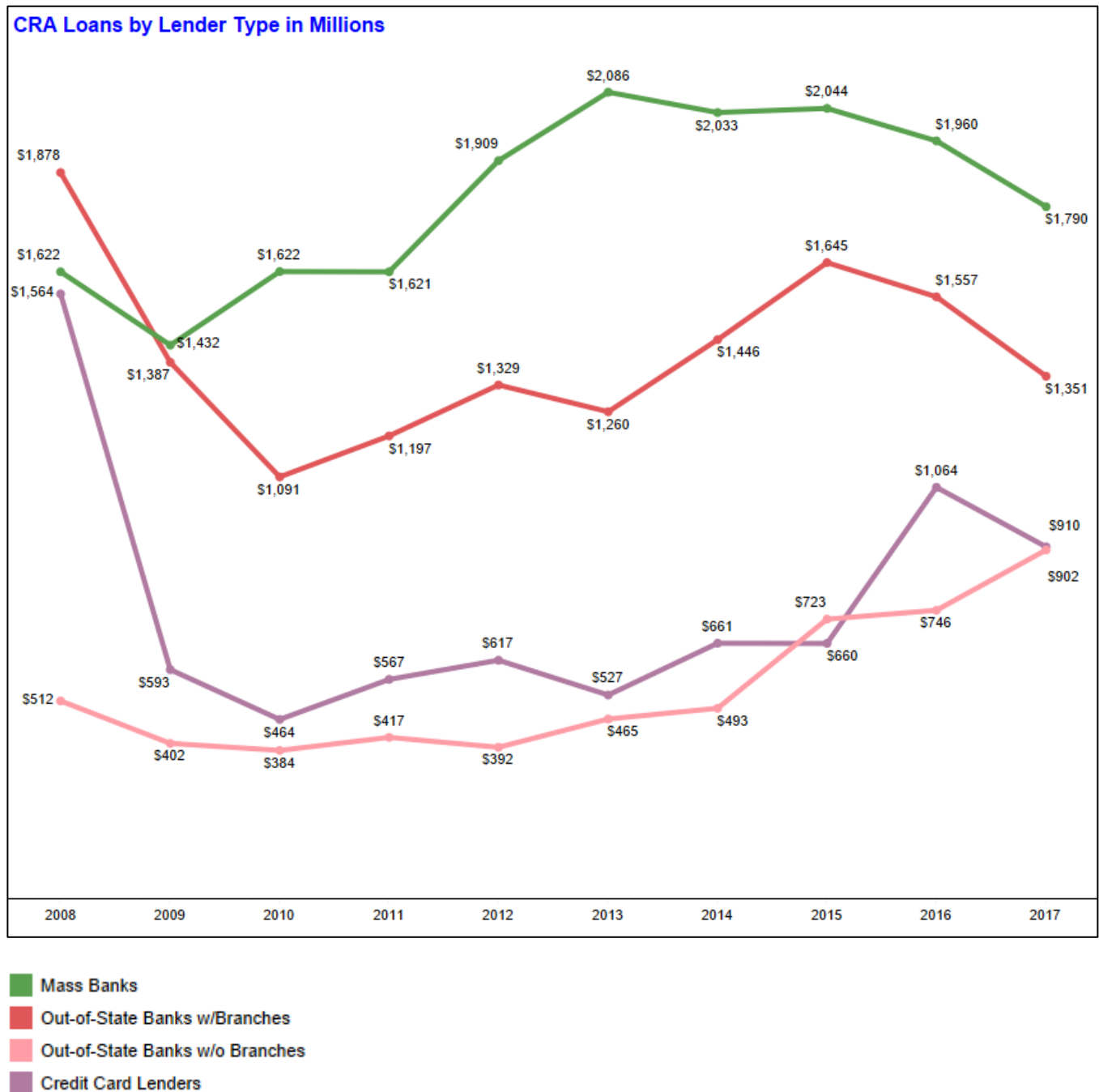
As noted, the CRA database contains information about the types of lenders – and whether lenders are locally based or headquartered out-of-state. For the purposes of this report, the author has included an additional category of “credit-card lender” for the analysis of the CRA data. The determination of “credit-card lender” status is based on the volume and number of loans and includes those lenders with high loan volume of loans with an average loan size of \$15,000 or less.

While out-of-state CRA reporters without local branches represent the large segment in terms of the number lenders operating in Massachusetts, local community bank and out-of-state banks that have a large branch presence in Massachusetts account for majority of the loan volume.



Local CRA Lenders

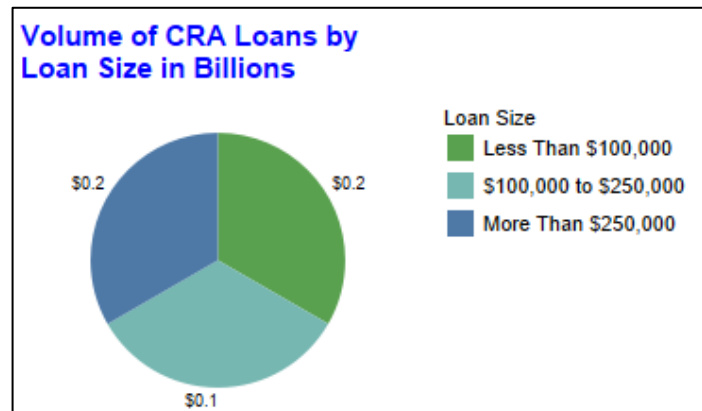
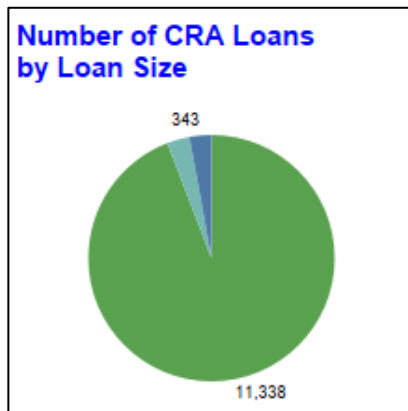
The CRA database shows that local community banks account for the largest share of loans by CRA lenders in Massachusetts. The data also show that both local banks and out-of-state banks with local branches accounted for a smaller share of loans in 2017 compared to previous years while out-of-state lenders with no physical presence in the state experienced modest increases in share.



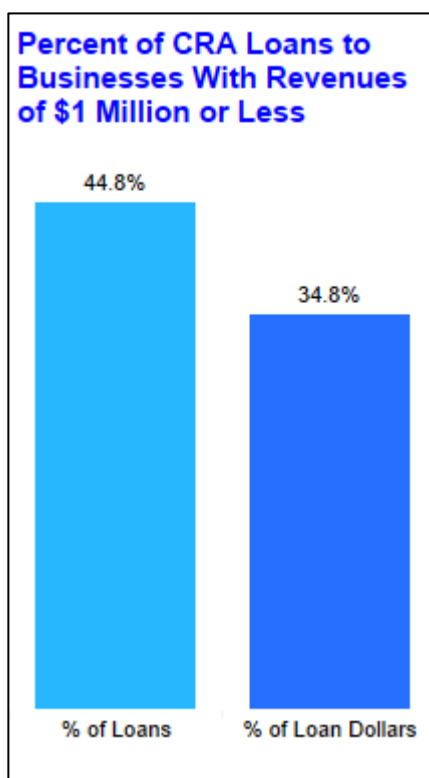
Loans by CRA Lenders by Original Amount & Borrower Revenue

The CRA database provides an aggregate breakdown of loan data by the original amount of the loans using the following three loan size increments: under \$100,000, from \$100,000 to \$250,000, and from \$250,000 to \$1 million.

CRA-reported small business loans with an original amount of \$100,000 or less accounted for the vast majority of the total number of loans in Massachusetts in 2017 and accounted for just over one-third of small business loan dollars. Loans with original amounts over \$250,000 represented less than 5% of total loans but one-third of loan dollars.



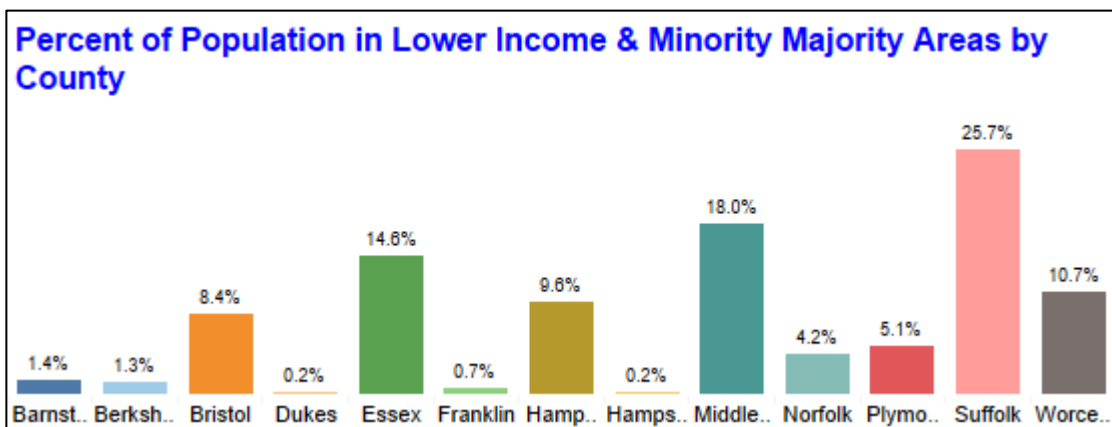
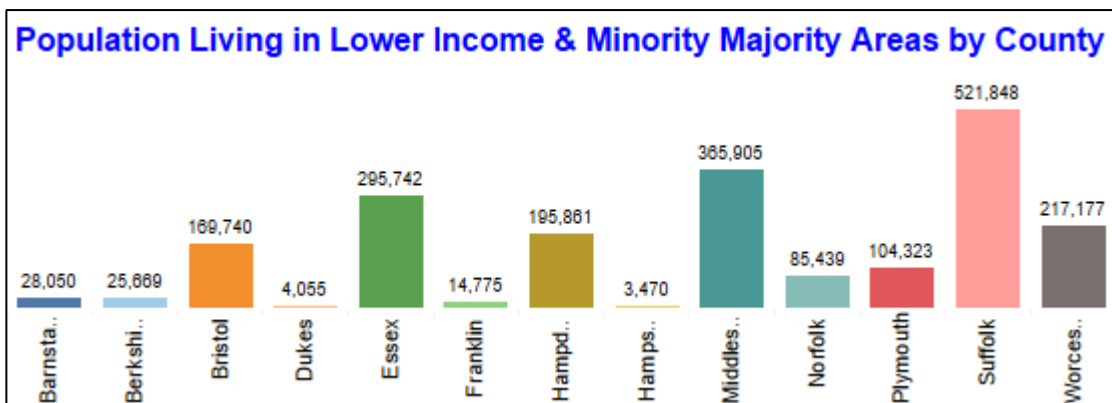
The annual CRA data also includes a category specifically for loans to businesses with annual revenues of \$1 million or less and bank regulators place an emphasis on the distribution of business loans under this measure during CRA performance examinations. Loans to businesses with annual revenues of \$1 million or less typically account for less than half of the number of loan and less than one-third of the loan dollars in Massachusetts which is in line with national results.



Demographics of Lower Income & Minority Majority Areas

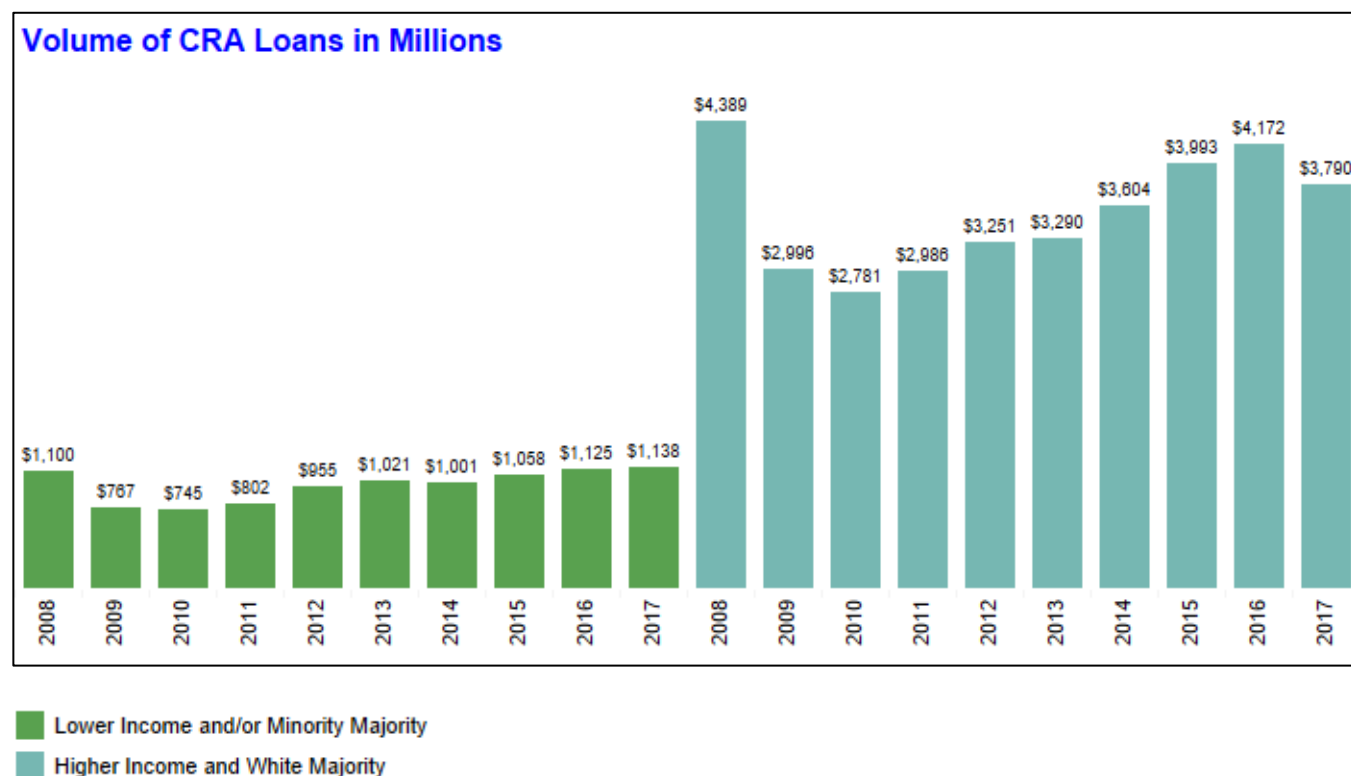
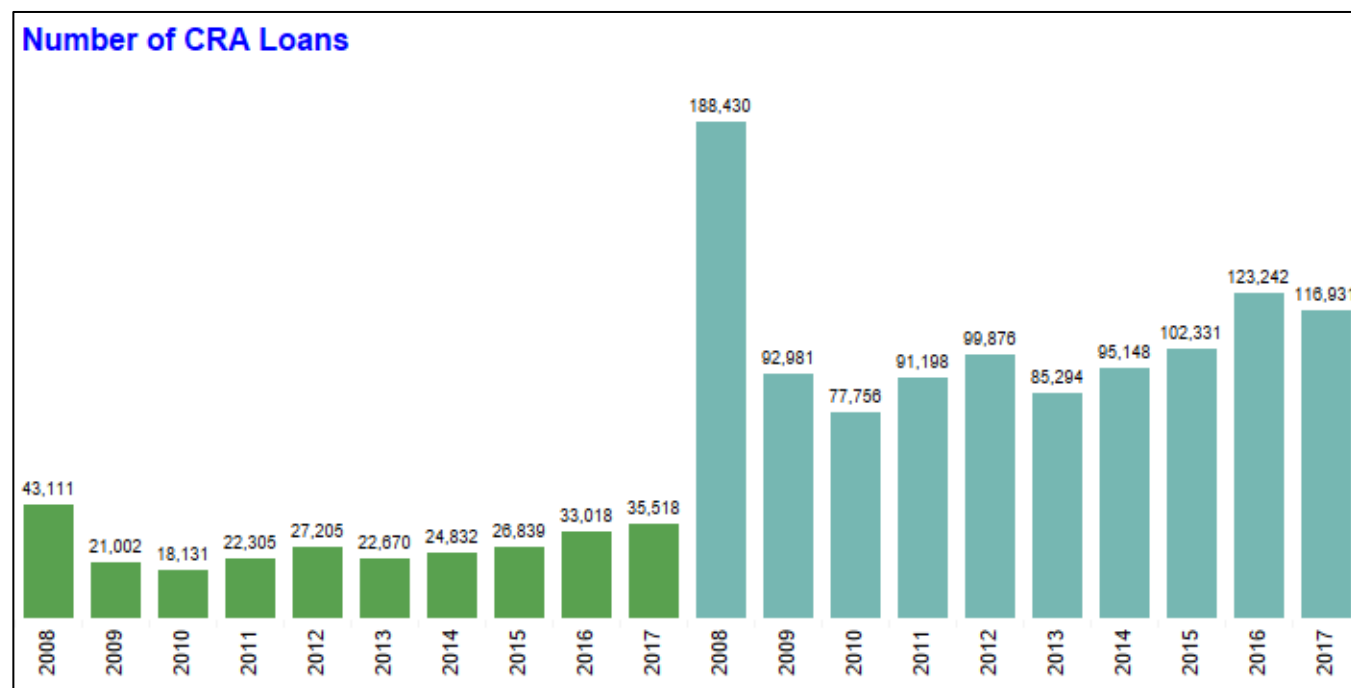
Lower income and minority majority areas in Massachusetts account for approximately 2.0 million residents or 28% of the state's total population. Most but not all of the lower income areas in Massachusetts are also minority majority areas neighborhoods which cover approximately 15% of the total population. Suffolk, Middlesex, and Essex Counties have the largest populations in lower income and minority majority areas in both real and relative terms.

Population by Neighborhood Composition			Population by Income Level		
Asian Majority	15,460	0.2%	Low Income	679,411	10.1%
Black Majority	173,358	2.6%	Moderate Income	1,243,784	18.5%
Hispanic Majority	224,992	3.4%	Middle Income	2,610,370	38.9%
Minority Majority	608,197	9.1%	Upper Income	2,136,177	31.9%
White Majority	5,683,579	84.8%	NA	35,844	0.5%
NA	0	0.0%	Grand Total	6,705,586	100.0%
Grand Total	6,705,586	100.0%			



Loans by CRA Lenders in Lower Income & Minority Majority Areas

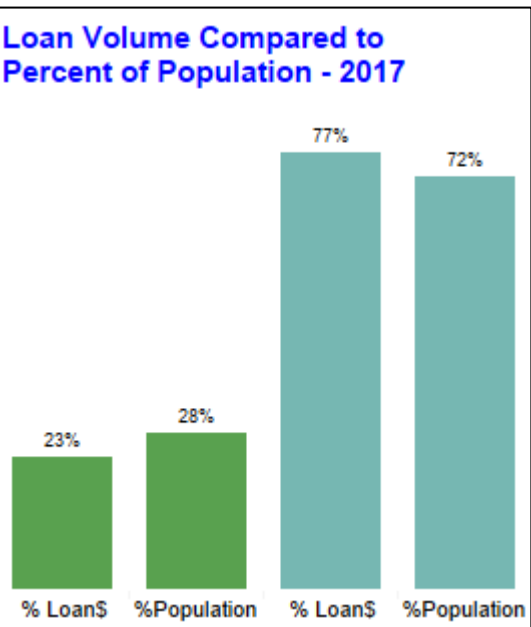
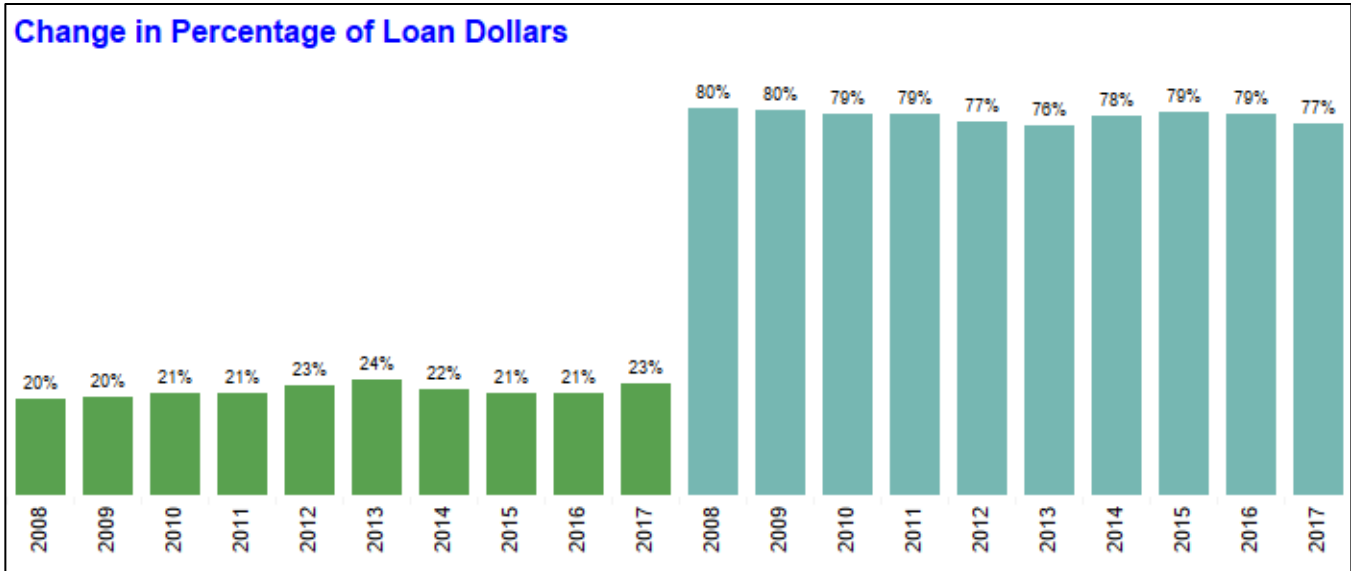
Businesses in lower income and minority majority areas in Massachusetts received a total of 35,518 loans by CRA lenders for \$1.1 billion in 2017, which represented a 1.2% increase in loan dollars compared to the previous year. In contrast, higher income white areas received 116,931 loans for \$3.8 billion, which represented a 10.1% decline in loan dollars.



Percent of Loans in Lower Income & Minority Majority Areas

Small business loans in lower income and minority majority areas in Massachusetts represented 23% of all loan dollars in the state. While this represents an increase compared to the previous year it is worth noting the size of the increase is comparable to the percentage increase associated with FFIEC’s most recent census reclassifications that went into effect in 2017. Further, a review of the data shows that percentage also spiked in 2012 when the previous census reclassifications were issued.

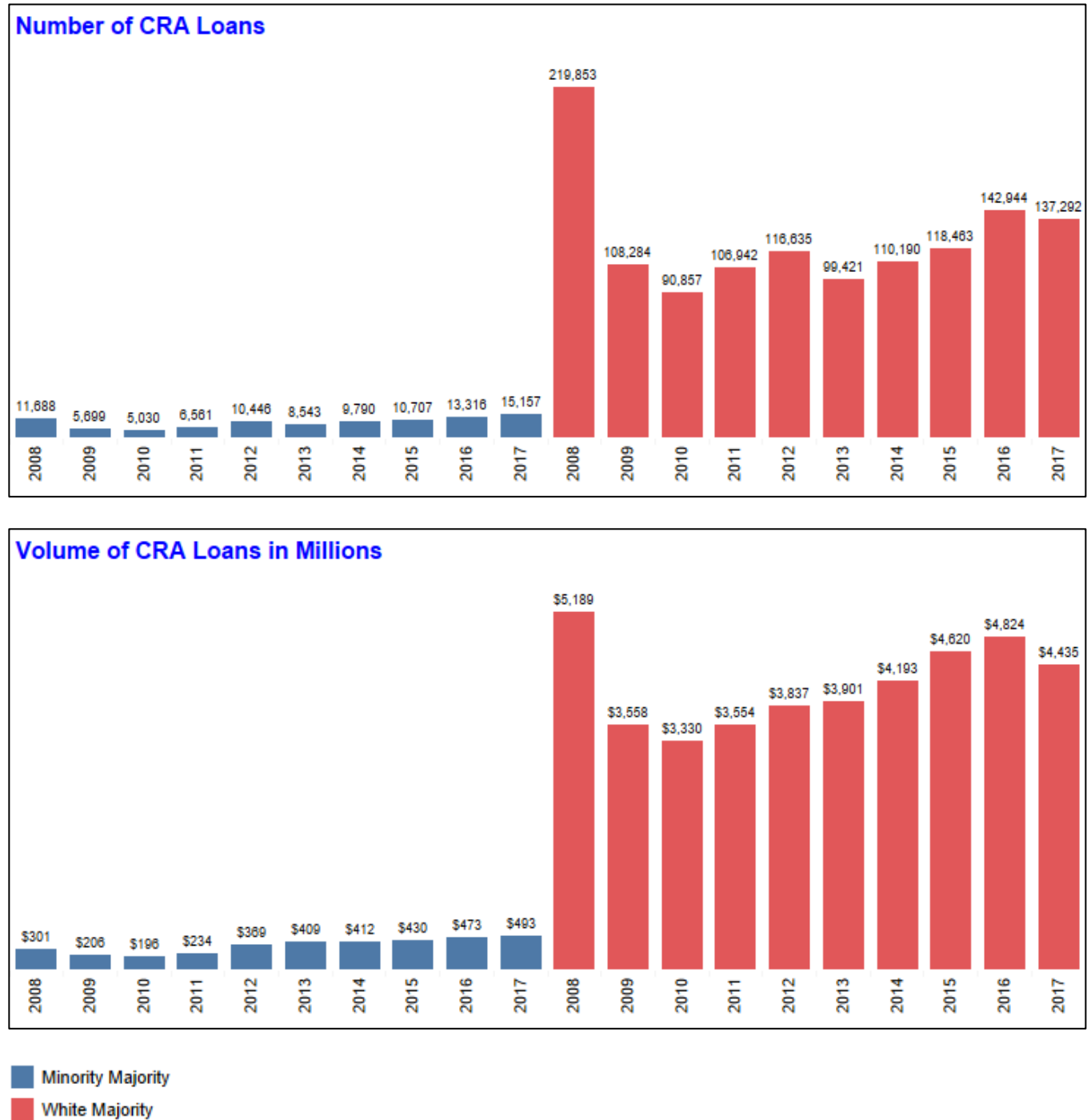
When compared to the percentage of the population, CRA lending rates in traditionally underserved areas in the state, as they have in past years, continued to lag the levels one might expect in 2017 based on the new population demographics.



- Lower Income and/or Minority Majority
- Higher Income and White Majority

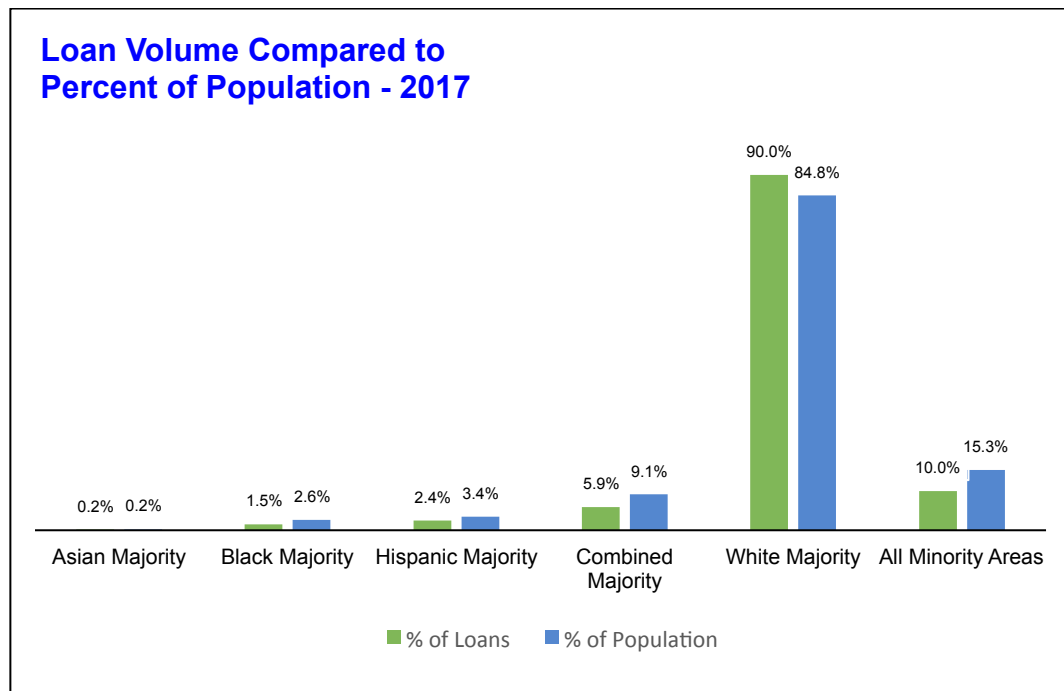
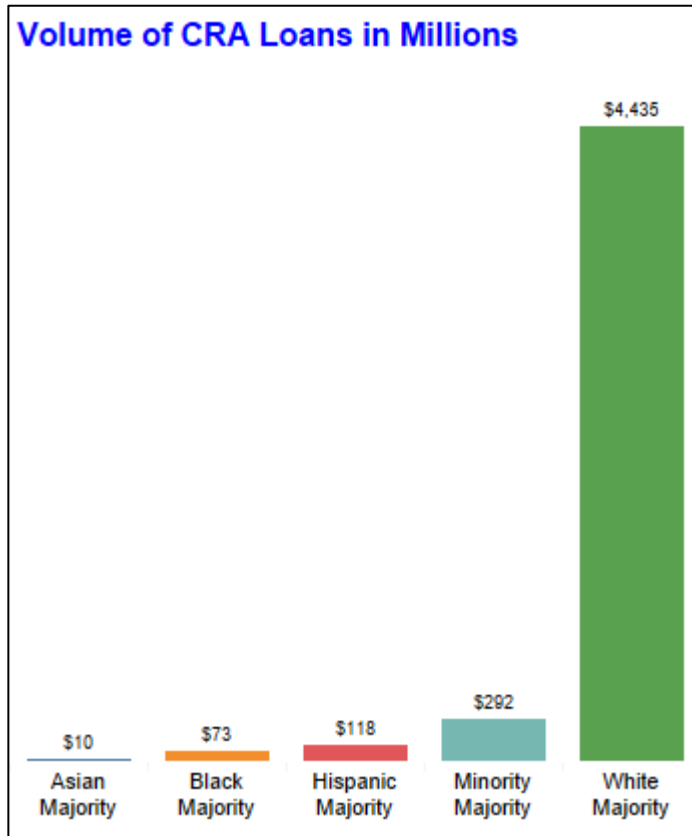
Loans by CRA Lenders in Minority Majority Areas

When just the neighborhood composition is taken in consideration, the data shows that businesses in minority majority areas in Massachusetts received a total of 15,157 loans by CRA lenders for \$493 million in 2017, which represented a modest increase compared to the previous year. In contrast, white majority areas received 137,292 loans for \$4.4 billion, which represented a decline.



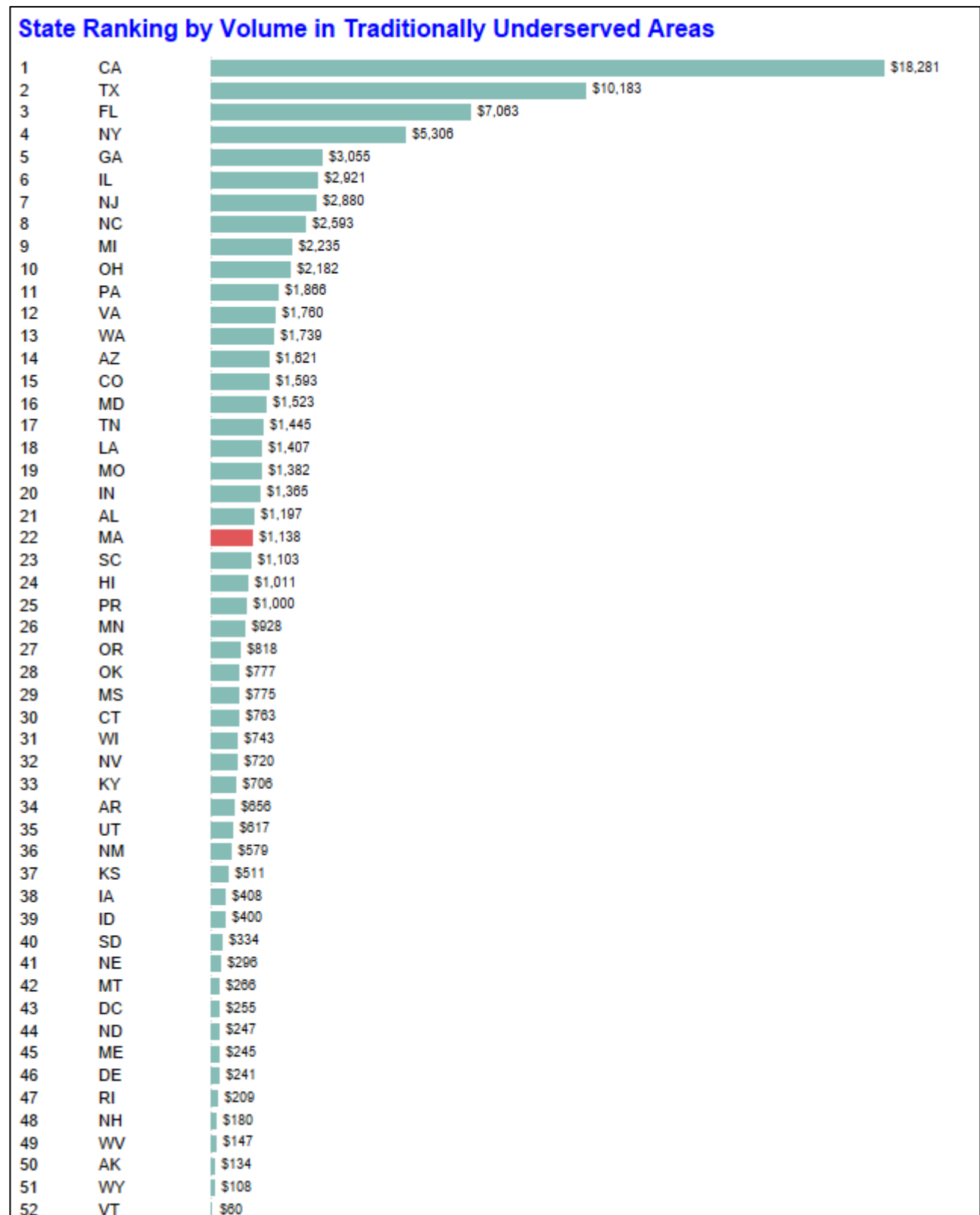
Loans by CRA Lenders in Minority Majority Areas (continued)

Each category of minority neighborhoods in Massachusetts reviewed in this report received a smaller share of CRA dollars in 2017 than one might expect based on the populations of those communities, while white majority areas received a larger share. Minority neighborhoods overall account for 15% of the state's population but received just 10% of small business loan dollars in 2017.



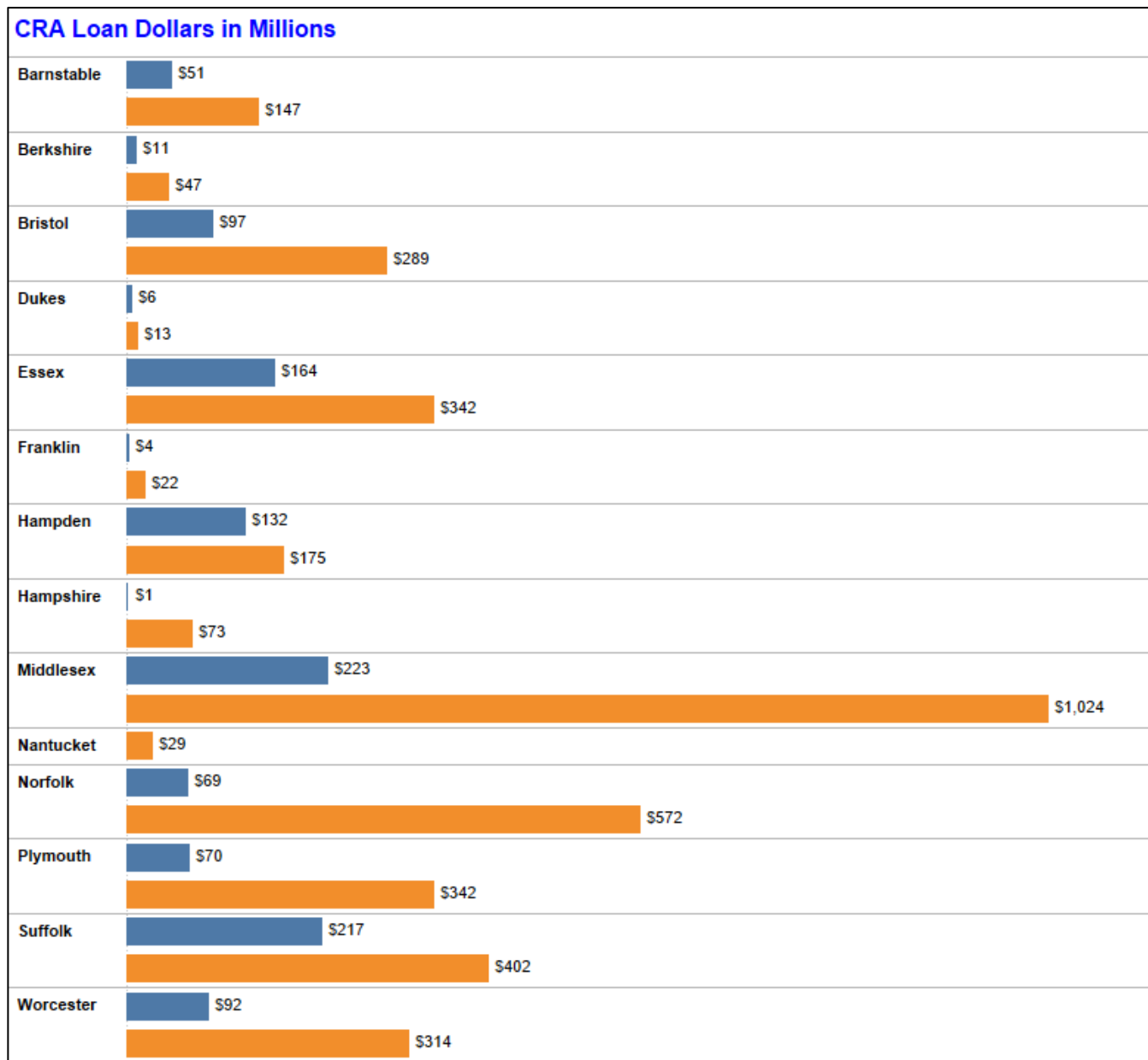
State Rankings in Lower Income & Minority Majority Areas

Massachusetts ranked 22nd in the country in terms of CRA loan dollars in lower income and minority areas and ranked 25th in terms of the one-year percentage change in volume. In comparison, the state ranks 18th in terms of the population living in lower income and minority areas.



Loans in Lower Income & Minority Majority Areas by County

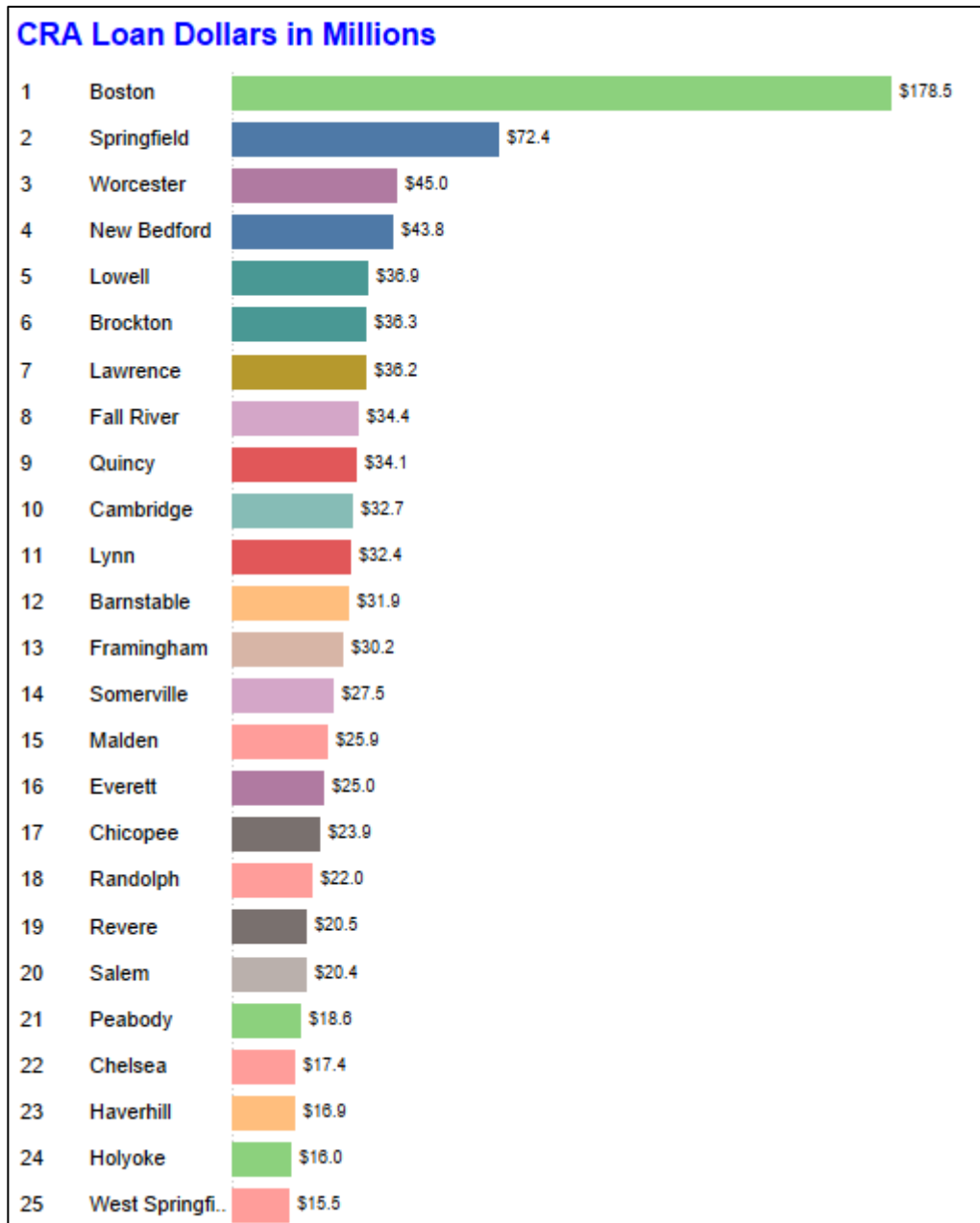
Businesses located in lower income and minority majority areas in Middlesex and Suffolk Counties received the largest volume of loans by CRA lenders in 2017 each in excess of \$200 million followed by Essex and Hampden Counties with over \$100 million in small business loans.



■ Lower Income and/or Minority Majority
■ Higher Income and White Majority

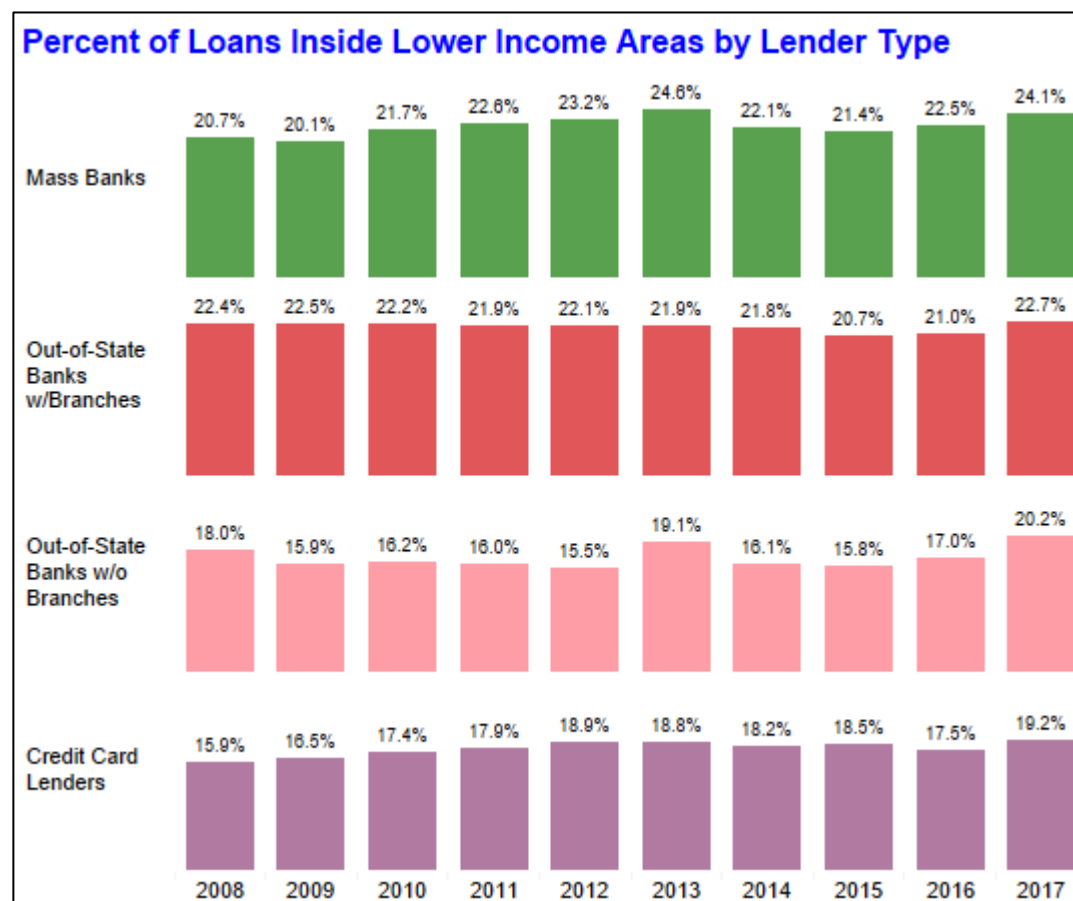
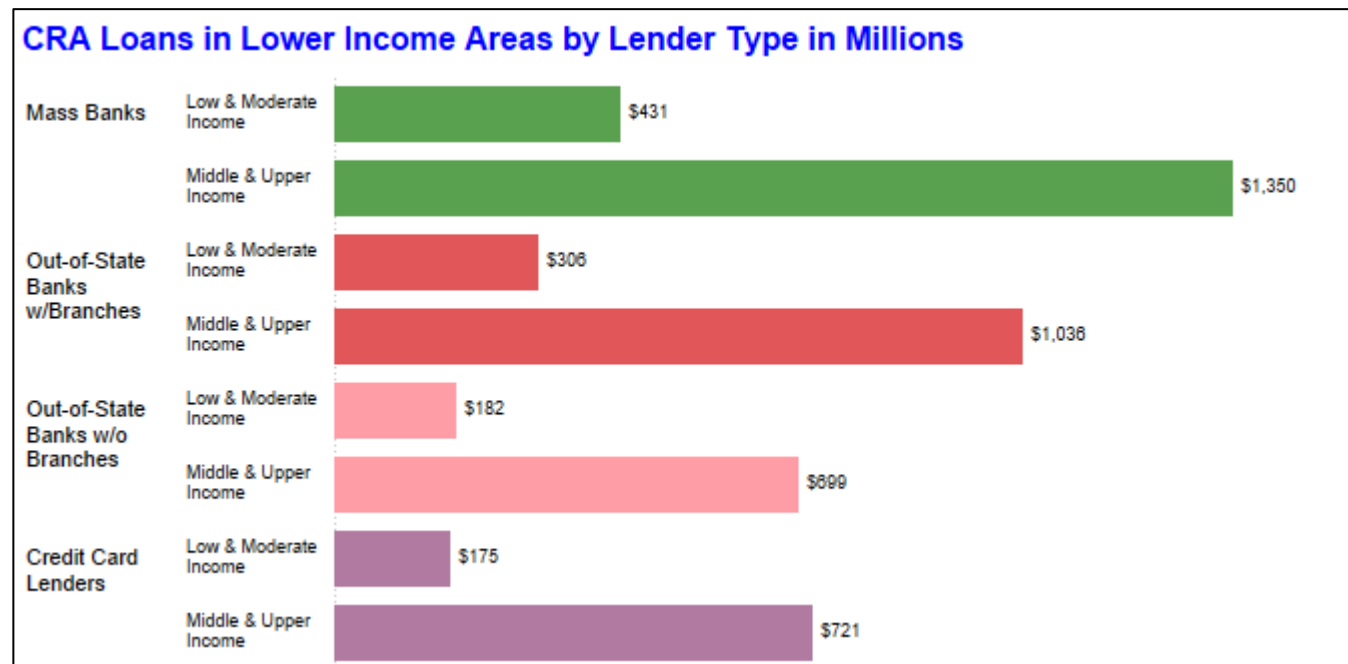
Loans in Lower Income & Minority Majority Areas by Town

Boston, with the largest lower income and minority population in the state, accounted for \$178.5 million in loan dollars in lower income and minority majority areas while Springfield accounted for \$72.4 million. The remaining cities and towns across the state accounted for less than \$50 million.



Loans in Lower Income Areas by Lender Type

Banks with local branches accounted the most loan dollars by CRA lenders in lower income areas in Massachusetts in 2017 and have put the largest share of their overall loan dollars into lower income areas in recent years compared to lenders without a physical presence in the state.



Notes & Links

[CRA](#) Community Re-Investment Act is a federal law designed to encourage depository institutions to help meet the credit needs of the communities in which they operate. The law also requires certain lenders to collect and publicly disclose information about their small business loans and small farm loans.

[FDIC](#) The Federal Deposit Insurance Corporation is the primary deposit-insurer for banks and also acts as the federal regulator for state-chartered banks.

[FFIEC](#) The Federal Financial Institutions Examination Council is an interagency organization that coordinates the implementation of the federal regulatory framework among the primary bank regulators.

[NCUA](#) The National Credit Union Association is the primary insurer and federal regulator for credit unions.

[SBA](#) Small Business Administration implements government lending programs in conjunction with financial institutions and community development corporations.

Lower Income Refers to low or moderate-income census tracts per the FFIEC income level classifications.

Minority Majority Refers to census tracts where the minority population is more than 50% of the total population.

Dates Most of the data used in the report is as of the period ended December 31 with the exception of branch data, which is as of June 30.