



Community Reinvestment Act (CRA) Public File

In accordance with 12 CFR 345.43(a), Wells River Savings Bank maintains, and upon request, makes available for public inspection, a copy of its Community Reinvestment Act (CRA) Public File, current as of April 1 of the current year.

Revised 3/19/2024
Effective 4/1/2024



PO Box 645 • Wells River, Vermont 05081-0645
802-757-2361
www.wellsriversavings.com

**COMMUNITY REINVESTMENT ACT
PUBLIC FILE
(Last Updated 3/19/2024)**

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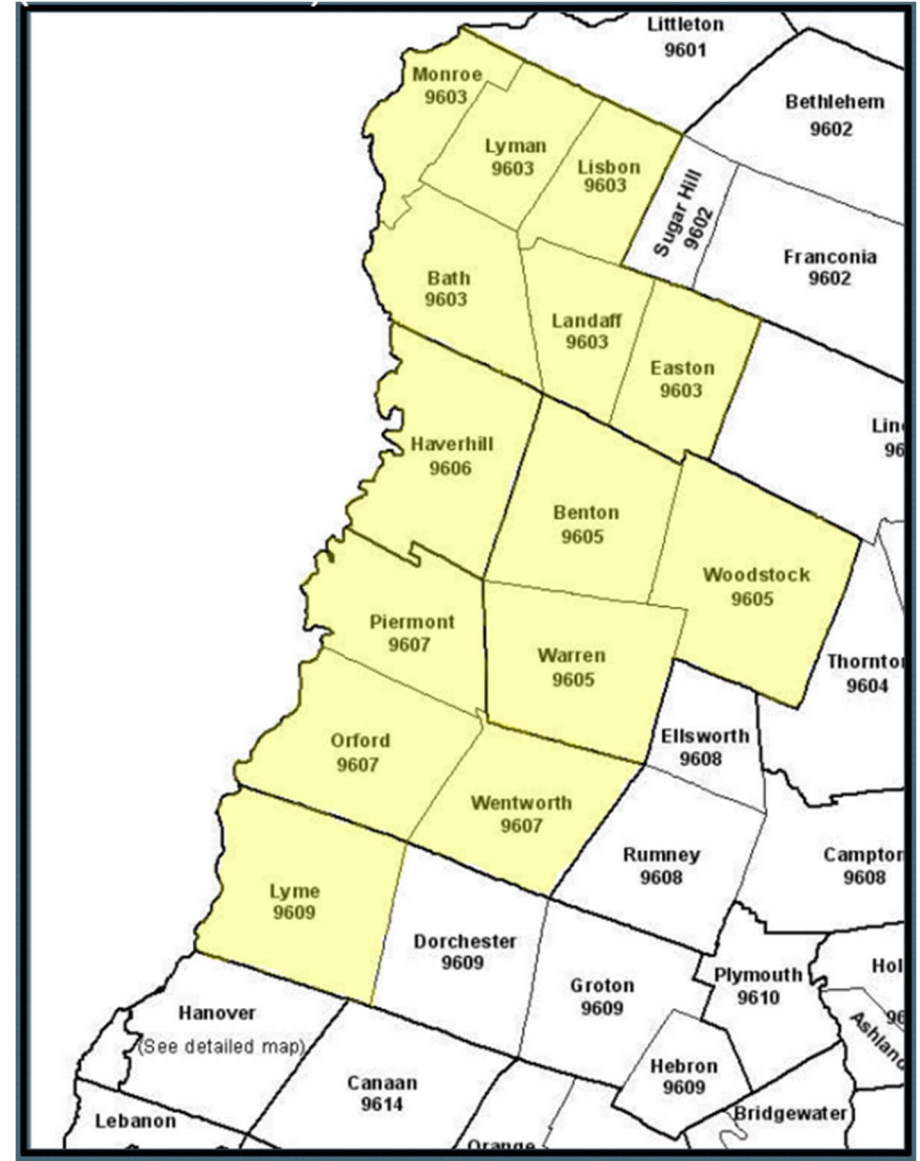
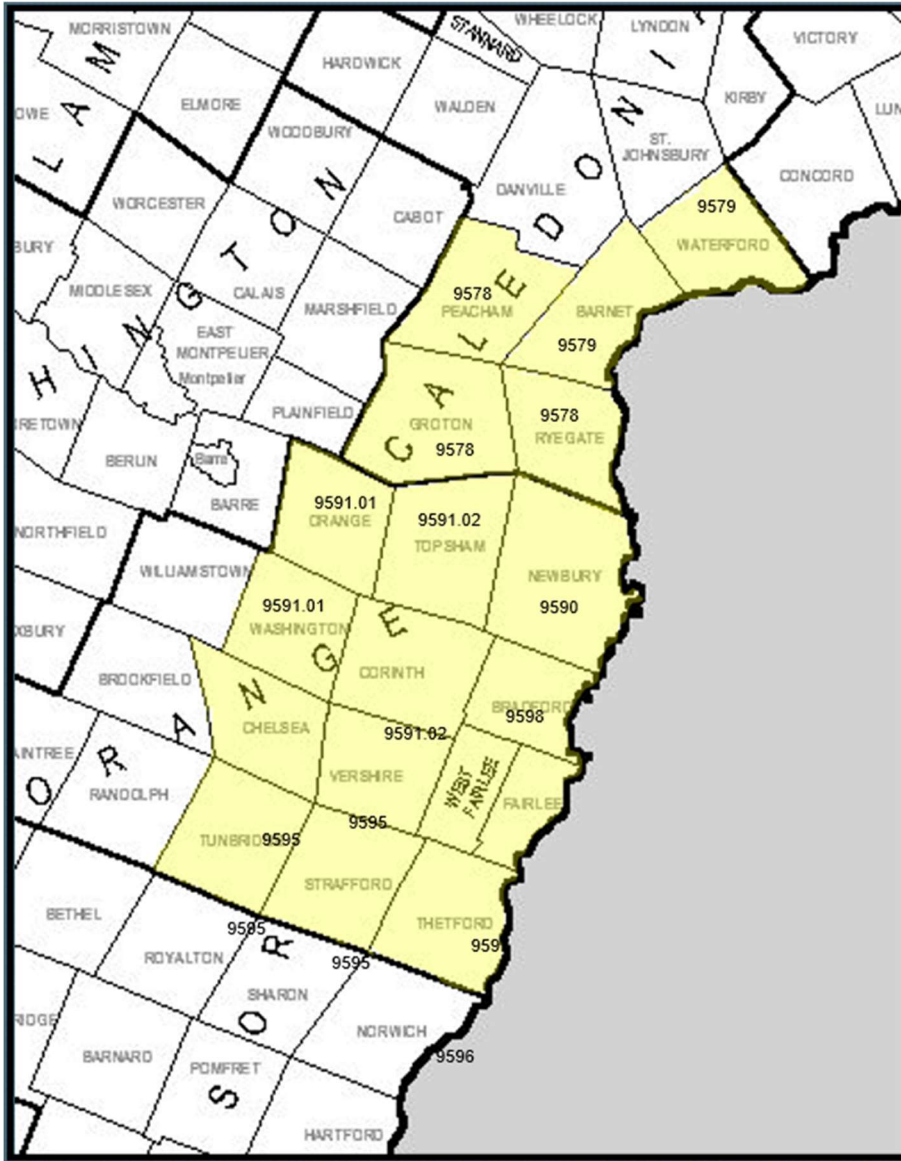
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Wells River Savings Bank Facility-Based Assessment Areas (Vermont & New Hampshire)

Reviewed: 3/19/2024



Areas shaded in yellow above are included in Wells River Savings Bank's designated Facility- Based Assessment Areas in Vermont (left) and New Hampshire (right). U.S. Census Bureau Census Tract Numbers are also shown on the maps above.

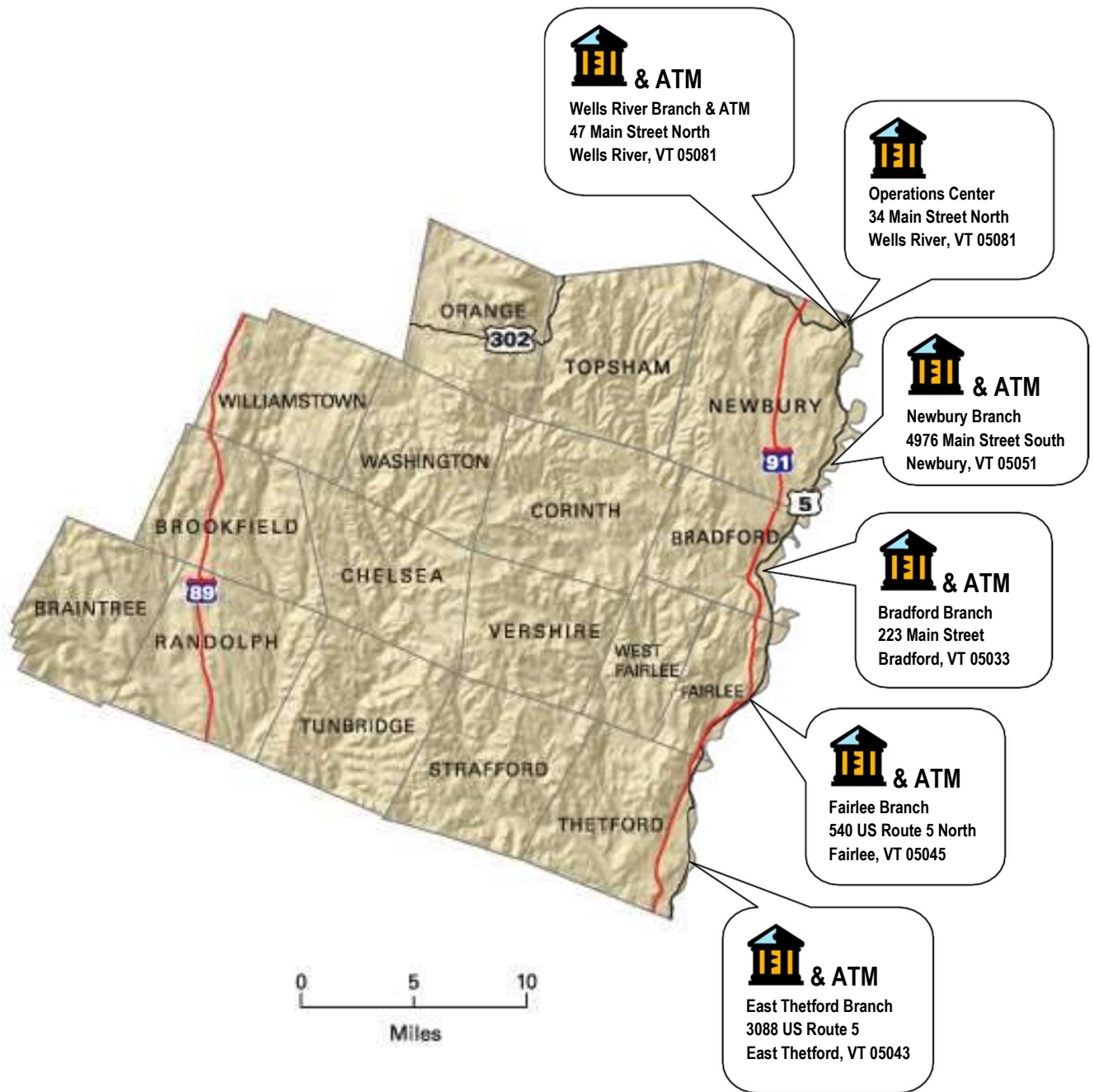
State Code	County Code	Tract Code	Towns Included in Tract	Tract Income Level	Distressed Or Underserv ed Tract?	Tract Median Family Income %	2023 FFIEC Estimated Non-MSA/MD Median Family	2023 Estimated Tract Median Family Income	2020 Tract Median Family Income
Vermont – Caledonia County:									
50	005	9578.00	Peacham, Groton, Ryegate	Middle	No	99.01	\$94,700	\$93,762	\$76,429
50	005	9579.00	Barnet, Waterford	Middle	No	98.16	\$94,700	\$92,958	\$75,769
Vermont – Orange County:									
50	017	9590.00	Newbury	Middle	No	98.10	\$94,700	\$92,901	\$75,729
50	017	9591.01	Orange, Washington	Moderate	No	79.92	\$94,700	\$75,684	\$61,693
50	017	9591.02	Topsham, Corinth	Moderate	No	79.63	\$94,700	\$75,410	\$61,471
50	017	9595.00	Chelsea, Vershire, Tunbridge, Strafford	Middle	No	107.71	\$94,700	\$102,001	\$83,145
50	017	9596.00	Thetford	Middle	No	108.49	\$94,700	\$102,740	\$83,750
50	017	9597.00	Fairlee	Middle	No	91.49	\$94,700	\$86,641	\$70,625
50	017	9598.00	Bradford	Middle	No	108.90	\$94,700	\$103,128	\$84,063
New Hampshire – Grafton County:									
33	009	9603.00	Monroe, Lyman, Lisbon, Bath, Landaff, Easton	Middle	No	83.89	\$106,500	\$89,343	\$71,707
33	009	9605.00	Benton, Warren, Woodstock	Moderate	No	76.94	\$106,500	\$81,941	\$65,769
33	009	9606.00	Haverhill	Middle	No	82.14	\$106,500	\$87,479	\$70,208
33	009	9607.00	Orford, Piermont, Wentworth	Middle	No	111.18	\$106,500	\$118,407	\$95,030
33	009	9609	Lyme	Middle	No	116.20	\$106,500	\$123,753	\$99,323

*Data obtained from the FFIEC Online Census Data System (<https://www.ffiec.gov/census/default.aspx>)

State Code	County Code	Tract Code	Towns Included in Tract	Tract Income Level	Distressed Or Underserv ed Tract?	Tract Median Family Income %	2022 FFIEC Estimated Non-MSA/MD Median Family	2022 Estimated Tract Median Family Income	2020 Tract Median Family Income
Vermont – Caledonia County:									
50	005	9578.00	Peacham, Groton, Ryegate	Middle	No	99.01	\$85,700	\$84,852	\$76,429
50	005	9579.00	Barnet, Waterford	Middle	No	98.16	\$85,700	\$84,123	\$75,769
Vermont – Orange County:									
50	017	9590.00	Newbury	Middle	No	98.10	\$85,700	\$84,072	\$75,729
50	017	9591.01	Orange, Washington	Moderate	No	79.92	\$85,700	\$68,491	\$61,693
50	017	9591.02	Topsham, Corinth	Moderate	No	79.63	\$85,700	\$68,243	\$61,471
50	017	9595.00	Chelsea, Vershire, Tunbridge, Strafford	Middle	No	107.71	\$85,700	\$92,307	\$83,145
50	017	9596.00	Thetford	Middle	No	108.49	\$85,700	\$92,976	\$83,750
50	017	9597.00	Fairlee	Middle	No	91.49	\$85,700	\$78,407	\$70,625
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33	009	9603.00	Monroe, Lyman, Lisbon, Bath, Landaff, Easton	Middle	No	83.89	\$94,500	\$79,276	\$71,707
33	009	9605.00	Benton, Warren, Woodstock	Moderate	No	76.94	\$94,500	\$72,708	\$65,769
33	009	9606.00	Haverhill	Middle	No	82.14	\$94,500	\$77,622	\$70,208
33	009	9607.00	Orford, Piermont, Wentworth	Middle	No	111.18	\$94,500	\$105,065	\$95,030
33	009	9609	Lyme	Middle	No	116.20	\$94,500	\$109,809	\$99,323

*Data obtained from the FFIEC Online Census Data System (<https://www.ffiec.gov/census/default.aspx>)

WRSB Office Locations
(Six Office Locations along US Route 5 in Orange County, Vermont)





PO Box 645 • Wells River, Vermont 05081-0645

802-757-2361

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Banking Office	Address & Telephone	Census Geography	Hours of Operation
<i>Main Office & Operations Center</i>	34 Main Street North Wells River, VT 05081 Ph (802) 757-2361 Fax (802) 757-2159	State Code: 50 County Code: 017 Census Tract 9590.00	Operations Center not open to the public
<i>Wells River Office Drive-Up Window Drive-Up ATM</i>	47 Main Street North Wells River, VT 05081 Ph (802) 757-2361 Fax (802) 757-3264	State Code: 50 County Code: 017 Census Tract 9590.00	<u>Lobby & Drive-Up</u> <i>Monday – Friday:</i> 8:00 AM – 5:00 PM <i>Saturday: (Drive-Up Only)</i> 9:00 AM – Noon
<i>Newbury Office Lobby ATM (No Drive-Up Window at this location)</i>	4976 Main Street South Newbury, VT 05051 Ph (802) 866-5617 Fax (802) 866-5619	State Code: 50 County Code: 017 Census Tract 9590.00	<u>Lobby</u> <i>Monday – Friday:</i> 8:30 AM – 12:30 PM and 1:30 PM – 5:00 PM (Closed 12:30 PM – 1:30 PM) <i>Saturday:</i> 9:00 AM - Noon
<i>Bradford Office Drive-Up Window Drive-Up ATM</i>	223 Main Street Bradford, VT 05033 Ph (802) 222-4210 Fax (802) 222-4219	State Code: 50 County Code: 017 Census Tract 9598.00	<u>Lobby & Drive-Up</u> <i>Monday – Friday:</i> 8:00 AM – 5:00 PM <i>Saturday: (Drive-Up Only)</i> 9:00 AM – Noon
<i>Fairlee Office Drive-Up Window Drive-Up ATM</i>	540 US Route 5 North Fairlee, VT 05045 Ph (802) 333-4515 Fax (802) 333-4536	State Code: 50 County Code: 017 Census Tract 9597.00	<u>Lobby & Drive-Up</u> <i>Monday – Friday:</i> 8:00 AM – 5:00 PM <i>Saturday: (Drive-Up Only)</i> 9:00 AM – Noon
<i>East Thetford Office Drive-Up Window Drive-Up ATM</i>	3088 US Route 5 East Thetford, VT 05043 Ph (802) 785-2980 Fax (802) 785-2985	State Code: 50 County Code: 017 Census Tract 9596.00	<u>Lobby & Drive-Up</u> <i>Monday – Friday:</i> 8:00 AM – 5:00 PM <i>Saturday: (Drive-Up Only)</i> 9:00 AM – Noon
Electronic Banking Access			
<i>Tellerphone (Telephone Banking System)</i> 888-ASK-WRSB (888-275-9772), 802-757-3252		<i>Available 24 hours a day, 7 days a week</i>	
<i>Internet Banking System</i> www.wellsriversavingsbank.com		<i>Available 24 hours a day, 7 days a week</i>	
<i>All 5 WRSB Automated Teller Machines (ATM)</i>		<i>Available 24 hours a day, 7 days a week</i>	

(Reviewed 3/19/2024)



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BRANCHES OPENED AND CLOSED

No branches opened or closed during the current year or the previous two calendar years.



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BANK SERVICES AVAILABLE

LOAN SERVICES

Consumer Loans

New Automobile
Used Automobile
Home Equity Lines of Credit
Home Equity Term Loans
Home Improvement
Unsecured/Secured Personal
Personal Lines of Credit
Overdraft Protection Lines of Credit
Time Loans

Residential Mortgage Loans

Primary Residence
Second Homes
Rental Properties
Unimproved Land
Mobile Homes on Real Estate
“My First Home” Mortgages
VA Mortgages
Construction Loan

Commercial Loans

Lines of Credit
Time Loans
Installment Loans
Commercial Mortgages

DEPOSIT SERVICES

Checking Accounts

Regular Checking
Negotiable Order of Withdrawal
(NOW) Account
Business Checking
IORTA/IOLTA
Health Savings Accounts
Kasasa Cash
Kasasa Cash Back
Cannabis Checking (Operating)
Cannabis Checking (Ancillary)

Savings Accounts

Statement Savings
Kasasa Saver
Youth/Student Savings
Savings Clubs
Money Market Accounts
Premium Money Market Accounts
Automatic Transfer Service Accts.
Cannabis Savings

Certificates of Deposit

3 Months
6 Months
12 Months
24 Months
36 Months
60 Months
Individual Retirement Accounts
(All CD terms available as IRA
investment vehicles)
Certificate of Deposit Registry
Service (CDARS) CDs
(All CD terms available for CDARS
CDs as well as 28-day term CD for
CDARS program only)

OTHER SERVICES

Electronic Banking

Debit cards / ATM cards
ACH Funds Transfers
Business Payroll ACH Originations
Business Remote Deposit Capture
Internet Banking
Mobile Banking
Mobile Deposit
Mobile Wallet
Online Account Opening
Internet Bill Payment
TellerPhone Telephone Banking
Wire Transfers
Direct Deposits/Debits
Electronic Federal Tax Payment System (EFTPS)
Real Time Payments (RTP) (Credit Receive Only)

Other Misc. Services

Bank-by-Mail
Money Orders
Treasurer's Checks
Safe Deposit Boxes+
Night Depository+
Preauthorized Transfers
Medallion Signature Guarantee+
+Not available at Newbury branch

Fee Schedule

Effective 04-01-2024

Charge Description	Fee
ATM Card Replacement	\$7.00 per request
ATM Transaction Fee (non-affiliate ATM)	\$1.00 per transaction
Check Cashing (non-customer)	3% of check amount
Check Printing Fees	Fees vary by style per request
Collection Items	\$15.00 per item
Collection – Canadian Items (USD equivalent ≤\$1,000.00)	\$10.00 per item
Collection – All Other Foreign Items	\$20.00 per item
Counter Checks	\$.25 each
Escheatment Fee	\$25.00 per account escheated
Fax Incoming	No charge (all pages)
Fax Outgoing	\$1.00 per page
Fee for Automatic Transfer (ATS Account)	\$5.00 per transfer
Foreign Currency Purchase/Exchange Fee	\$20.00 per transaction
Instant Issue Debit Card - Destruction Fee	\$7.00 per card
Online Banking/Mobile Banking and Bill Pay	No charge
Mobile Deposit	No charge
Pay A Person	\$1.00 per transaction
Money Orders Up to \$2,500.00 (1 free per day from savings account)	\$3.00 per check
Notary Fee (customer)	No charge
Notary Fee (Non-customer)	\$10.00 per transaction
Overdraft Item Fee (\$120.00 per day maximum charge)	\$30.00 per item (Applies to first presentment of item. Applies to overdrafts created by check, in-person withdrawals, and ACH debits.)
Returned Item Fee (\$120.00 per day maximum charge)	\$30.00 per item (Applies to first presentment of item. Applies to overdrafts created by check, in-person withdrawals, and ACH debits.)
Photocopies	\$.25 per page
Research	\$25.00 per hour
Safe Deposit Box Drilling	\$-350.00 per box
Signature Guarantee Fee (customers only)	\$10.00 per guarantee
Snapshot Statement	No charge
Special Handling Fee (levies/attachments)	\$25.00 per account
Special Statement	\$2.00 per item
Statement Fee Charge (Paper Statement)	\$1.50 per month, per account - if not combined
Statement Fee Charge (Paper Statement)	\$1.50 per month for combined statements
Stop Payment	\$30.00 per check
Teller Phone Banking	No charge
Treasurers Check	\$5.00 per check
Outgoing Wire- (Processed through an intermediary bank)	\$40.00 per transfer
Outgoing Wire- (Not processed through an intermediary bank)	\$25.00 per transfer



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QUARTERLY LOAN to DEPOSIT RATIOS

Calendar Year (2023)	
Quarterly	Loan to Deposit Ratio
12/31/2023	77.96%
9/30/2023	75.01%
6/30/2023	72.85%
3/31/2023	69.97%
Calendar Year (2022)	
Quarterly	Loan to Deposit Ratio
12/31/2022	66.20%
9/30/2022	63.19%
6/30/2022	63.09%
3/31/2022	60.12%

(Reviewed 3/19/2024)

PUBLIC DISCLOSURE

June 14, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Wells River Savings Bank
Certificate Number: 14136

34 Main Street
Wells River, Vermont 05081

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

An institution in this group has a satisfactory 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 loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small business and home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints.

DESCRIPTION OF INSTITUTION

Wells River Savings Bank (WRSB) is a mutually owned financial institution established in 1892, headquartered in the village of Wells River, Vermont (VT) that operates in Orange County, which is located in the eastern part of Vermont. WRSB does not have any lending affiliates and has not engaged in any merger or acquisition activity since the previous FDIC Performance Evaluation dated July 20, 2015. The institution received a Satisfactory rating at its previous Performance Evaluation based on Interagency Small Institution Examination Procedures.

WRSB operates six branches in the non-metropolitan portion of eastern VT. In addition to the main office in Wells River, which functions as an operations center closed to the public, full-service branches are located in Bradford, East Thetford, Fairlee, Newbury, and Wells River. Deposit-taking Automated Teller Machines (ATMs) are available at each of the five branch offices open to the public. No changes in branching or ATM locations occurred since the prior evaluation.

WRSB primarily focuses on offering credit and deposit products and services to local consumers and small businesses. Credit products include residential (which is the bank's primary lending focus); commercial mortgages and lines of credit; agricultural; and consumer loans. The bank provides a variety of deposit products including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include online and mobile banking, telephone banking, and the ATMs previously noted.

Assets totaled approximately \$211.4 million as of March 31, 2021, and included total loans of

\$123.9 million. Deposits totaled \$182.8 million.

The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 3/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	5,423	4.4
Secured by Farmland	400	0.3
Secured by 1-4 Family Residential Properties	86,188	69.5
Secured by Multifamily (5 or more) Residential Properties	863	0.7
Secured by Nonfarm Nonresidential Properties	7,146	5.8
Total Real Estate Loans	100,020	80.7
Commercial and Industrial Loans	12,658	10.2
Agricultural Production and Other Loans to Farmers	405	0.3
Consumer Loans	10,766	8.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	324	0.3
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	258	0.2
Total Loans	123,915	100.0
<i>Source Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment area(s) within which examiners will evaluate its CRA performance. WRSB designated a single assessment area that includes portions of non-metropolitan Vermont and a contiguous portion of non-metropolitan New Hampshire. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

WRSB's assessment area includes 14 census tracts in Caledonia (2) and Orange Counties (7) in Vermont, and in Grafton County (5) in New Hampshire. WRSB added one upper-income census tract in Grafton County since the previous evaluation. The 14 census tracts reflect the following income designations according to the 2015 American Community Survey (ACS) data.

- 2 moderate-income census tracts,
- 10 middle-income census tracts, and
- 2 upper-income census tracts.

The moderate-income census tracts include the New Hampshire towns of Benton, Haverhill, Warren, and Woodstock, New Hampshire. There are no underserved or distressed non-metropolitan middle-income geographies or designated disaster areas in the assessment area. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	14.3	71.4	14.3	0.0
Population by Geography	42,716	0.0	16.5	69.7	13.8	0.0
Housing Units by Geography	24,266	0.0	18.5	67.4	14.0	0.0
Owner-Occupied Units by Geography	14,150	0.0	14.1	70.8	15.1	0.0
Occupied Rental Units by Geography	3,211	0.0	22.2	67.6	10.2	0.0
Vacant Units by Geography	6,905	0.0	26.0	60.4	13.7	0.0
Businesses by Geography	3,524	0.0	17.4	66.5	16.1	0.0
Farms by Geography	340	0.0	11.5	76.2	12.4	0.0
Family Distribution by Income Level	11,624	19.0	19.6	22.2	39.1	0.0
Household Distribution by Income Level	17,361	21.1	16.8	19.3	42.8	0.0
Median Family Income Non-MSAs - NH		\$71,699	Median Housing Value			\$194,582
Median Family Income Non-MSAs - VT		\$64,849	Median Gross Rent			\$827
			Families Below Poverty Level			7.0%
Source 2015 ACS and 2020 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Housing costs increased about 1.0 percent since the prior evaluation but remain affordable compared to the Vermont statewide median housing value of \$224,854. Assessment area population is essentially unchanged since the prior evaluation increasing by approximately 0.4 percent. The number of families with incomes below the poverty level increased from 6.5 percent at the prior evaluation to 7.0 percent despite rising incomes. According to FFIEC data, median family incomes increased approximately 16.4 percent in the Vermont non-MSA and approximately 21.2 percent in the New Hampshire non-MSA. Area unemployment rates remained low throughout the evaluation period but for the period April through October 2020 when the rates spiked due to the COVID-19 pandemic. As of January 2021, the U.S. Bureau of Labor Statistics reports unemployment rates of 3.2 percent and 3.3 percent in Vermont and New Hampshire, respectively, slightly above pre-pandemic levels.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to 2020 D&B data, there were 3,524 non-farm businesses within the bank's assessment area. GARs for these businesses follow.

- 86.5 percent have \$1 million or less;
- 3.8 percent have more than \$1 million;
- 9.7 percent have unknown revenues.

Service companies represent the largest portion of businesses at 33.4 percent; followed by non-classifiable businesses at 17.7 percent; construction at 9.8 percent; agricultural, forestry and fishing at 8.8 percent; and retail trade at 8.6 percent. In addition, 92.1 percent of area businesses have nine or fewer employees and 91.2 percent operate from a single location. Major employers include the University of Vermont, the University of Vermont Medical Center, the State of Vermont, Dartmouth-Hitchcock Medical Center, Dartmouth College, and the State of New Hampshire.

Examiners used the 2020 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
NH NA Median Family Income (99999)				
2020 (\$85,300)	<\$42,650	\$42,650 to <\$68,240	\$68,240 to <\$102,360	≥\$102,360
VT NA Median Family Income (99999)				
2020 (\$74,600)	<\$37,300	\$37,300 to <\$59,680	\$59,680 to <\$89,520	≥\$89,520
<i>Source FFIEC</i>				

Competition

The bank operates in a competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 17 financial institutions operated 79 full-service offices in the bank's assessment area. Of these institutions, Wells River Savings Bank ranked 10th with a 3.7 percent deposit market share.

Although aggregate data does not serve as a direct point of comparison, examiners reviewed 2019 aggregate lending data, the most recent year of available data, to understand the competitive market for home mortgage and small business lending. The competition is unlikely to have changed dramatically between 2019 and 2020, the year of analysis.

Home mortgage market share data for 2019 shows 120 institutions reported 673 home mortgage loans originated or purchased in the assessment area, indicating a high level of competition for this product. Competitors include online lenders, credit unions, community banks, and national banks. Additionally, small business market share data for 2019 shows 73 institutions reported 3,740 small business loans originated or purchased in the counties within the bank's assessment area. Top-ranked lenders consisted of large national banks that primarily offer credit card loans. American

Express National Bank; Capital One, N.A.; Chase Bank USA, N.A.; and JP Morgan Chase Bank, N.A. hold 45.8 percent of the market share.

Community Contact(s)

As part of the evaluation process, examiners contact organizations active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to the community's particular needs. It also shows what credit opportunities are available in the assessment area.

Examiners contacted a non-profit organization in the assessment area that provides nutritional and financial support services to individuals and small businesses. The contact indicated that small business financing represents the community's primary credit need. Other needs include financial coaching for small business owners and individuals. The contact said that local financial institutions are actively involved in small business lending; however, many businesses are start-ups that do not qualify for credit under normal underwriting standards, so opportunities to lend are limited.

Credit Needs

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that small business lending and home mortgage lending are the primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the last evaluation dated July 20, 2015, to the current evaluation dated June 14, 2021. Examiners used the Interagency Small Bank Examination Procedures to evaluate the institution's performance. These procedures include one test, the CRA Small Bank Lending Test.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and commercial loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period.

Examiners considered the bank's record of originating small business and home mortgage loans during the most recent calendar year. No other loan types, such as consumer or small farm loans represent a major product line. Therefore, they are not presented in this evaluation, as they provide no material support for conclusions or ratings.

WRSB is not subject to the reporting requirements of the Home Mortgage Disclosure Act. In

addition, as a small institution, the bank is not required to collect and report small business loan data and did not do so during the evaluation period. Therefore, examiners based the analysis upon a random statistical sample of home mortgage and small business loans originated in 2020 using bank-supplied data.

In 2020, the bank originated 329 small business loans totaling \$13.9 million. This includes 173 Paycheck Protection Program (PPP) loans totaling \$7.4 million. Examiners sampled 58 small business loans totaling \$2.4 million. D&B data for 2020 provided a comparison standard for the sampled small business loans. Additionally in 2020, the bank originated 141 home mortgage loans totaling approximately \$17.4 million. Examiners sampled 47 home mortgage loans totaling \$6.2 million. Examiners gave equal weight to the bank's record of originating small business and home mortgage loans despite the larger number of small business loans originated. This is due to the temporary nature of the PPP and bank data showing home mortgage lending continues to be the primary business focus. Examiners compared the bank's performance to applicable area demographics based on 2015 ACS data. These samples represent the bank's performance during the evaluation period.

For the Lending Test, examiners reviewed the number and dollar volume of small business and home mortgage loans. Although this evaluation presents number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

WRSB demonstrated reasonable performance under the Lending Test. The LTD Ratio, Assessment Area Concentration, and Borrower Profile performances support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 71.2 percent over the past 22 calendar quarters from September 30, 2015 to March 31, 2021. The ratio ranged from a low of 59.3 percent as of September 30, 2015, to a high of 84.7 percent as of December 31, 2018. The ratio remained generally stable during the evaluation period. WRSB maintained an acceptable ratio when compared to the ratios of similar institutions, as shown in the following table. Examiners selected comparable institutions based on geographic location and lending focus.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 3/31/2021 (\$000s)	Average Net LTD Ratio (%)
Wells River Savings Bank	211,398	71.2
Claremont Savings Bank	494,003	97.6
Savings Bank of Walpole	597,131	74.0
<i>Source Reports of Condition and Income 9/30/2015 - 3/31/2021</i>		

Assessment Area Concentration

The bank originated a majority of home mortgage and small business loans, by number and dollar volume, in the assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	35	74.5	12	25.5	47	3,777	60.5	2,467	39.5	6,244
Subtotal	35	74.5	12	25.5	47	3,777	60.5	2,467	39.5	6,244
Small Business										
2020	46	79.3	12	20.7	58	1,875	76.5	575	23.5	2,449
Subtotal	46	79.3	12	20.7	58	1,875	76.6	575	23.5	2,449
Source Bank Data										
Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance of small business and home mortgage loans supports this conclusion. Examiners focused on the percentage of loans, by number, in moderate-income census tracts.

Small Business Loans

The geographic distribution of sampled small business loans reflects adequate dispersion throughout the assessment area. Although the bank originated only two loans in the two moderate-income New Hampshire census tracts despite over 600 businesses located there, both of the moderate-income census tracts are newly designated as moderate-income since the previous evaluation. Also, the bank does not operate a branch office in New Hampshire and there is a high level of competition throughout the assessment area. As a result, the bank's performance is adequate.

Geographic Distribution of Small Business Loans					
Assessment Area: Wells River Savings Bank					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2020	0.0	0	0.0	0	0.0
Moderate					
2020	17.4	2	4.3	84	4.5
Middle					
2020	66.5	41	89.1	1,739	92.7
Upper					
2020	16.1	3	6.5	52	2.8
Not Available					
2020	0.0	0	0.0	0	0.0
Totals					
2020	100.0	46	100.0	1,875	100.0
<i>Source 2020 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage Loans

The geographic distribution of sampled home mortgage loans reflects reasonable dispersion throughout the assessment area. Reasonable performance is supported by the bank's lending in the two moderate-income census tracts in New Hampshire, which exceeds the percent of owner-occupied housing units by both number and dollar amount.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Wells River Savings Bank					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2020	0.0	0	0.0	0	0.0
Moderate					
2020	14.1	6	17.1	632	16.7
Middle					
2020	70.8	26	74.3	2,741	72.6
Upper					
2020	15.1	3	8.6	404	10.7
Not Available					
2020	0.0	0	0.0	0	0.0
Totals					
2020	100.0	35	100.0	3,777	100.0
Source 2015 ACS; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's reasonable performance of small business and home mortgage lending supports this conclusion. Examiners focused on the percentage by number of small business loans to businesses with GARs of \$1.0 million or less and home mortgage loans to low- and moderate-income borrowers.

Small Business Loans

The distribution of sampled small business loans reflects reasonable penetration to businesses with GARs of \$1.0 million or less. To help businesses remain open and continue to employ workers during the COVID-19 pandemic, the bank originated PPP loans. Creditors originating PPP loans are not required to obtain the GARs of the businesses receiving the loans. Of the 46 small business loans originated within the bank's assessment area, 21 (45.7 percent) are PPP loans for which GAR information was not obtained. Excluding these 21 PPP loans from the borrower profile analysis, in 2020 WRSB originated 88 percent (22 of 25 loans) of small business loans to business with GARs of \$1.0 million or less, exceeding demographics.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Wells River Savings Bank					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	86.5	22	47.8	896	47.8
>1,000,000					
2020	3.8	3	6.5	350	18.7
Revenue Not Available					
2020	9.8	21	45.7	629	33.6
Totals					
2020	100.0	46	100.0	1,875	100.0
Source 2020 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Home Mortgage Loans

The distribution of sampled home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners focused on the comparison to demographic data, specifically, the percentage of low- or moderate-income families in the assessment area.

The bank's lending performance to low-income borrowers was below demographics. However, a low-income family in the assessment area, with an income of less than \$42,650, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$194,582. Therefore, the demand and opportunity for lending to low-income families is relatively limited. This helps explain the difference between bank performance of lending to low-income borrowers and the percentage of families at this income level. Home mortgage lending to moderate-income borrowers is reasonable, as the bank's performance exceeded demographics.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Wells River Savings Bank					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2020	19.0	3	8.6	214	5.7
Moderate					
2020	19.6	8	22.9	735	19.4
Middle					
2020	22.2	11	31.4	1,255	33.2
Upper					
2020	39.1	13	37.1	1,574	41.7
Not Available					
2020	0.0	0	0.0	0	0.0
Totals					
2020	100.0	35	100.0	3,777	100.0
Source 2015 ACS; Bank Data, "--" data not available. Due to rounding, totals may not equal 100.0%					

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



PO Box 645 • Wells River, Vermont 05081-0645
802-757-2361
www.wellsriversavings.com

CRA-Related Comments/Complaints Received from the Public
(During Current Calendar Year and Prior Two Calendar Years)

Wells River Savings Bank has not received any comments or complaints relating to its Community Reinvestment Act performance during the current calendar year or the prior two calendar years.

Reviewed 3/19/2024



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Procedures for Accepting and Responding to CRA Related Comments/Complaints
(Instructions for WRSB Employees)

If a comment or complaint relating to the Bank's performance in helping to meet the credit needs in its assessment areas is received, written or oral, the following steps are to be taken:

- The employee will forward the comment or complaint to Dylan Farr, Compliance/CRA Officer via a Complaint Resolution Form.
- The Compliance/CRA Officer will review and log the comment or complaint and determine the person(s) best appropriate to respond.
- Once the appropriate respondent is determined, the Compliance/CRA Officer will forward the comment to that individual for response.
- The Compliance/CRA Officer will monitor for timely and appropriate response to the comment or complaint.
- Once the comment has been responded to, the comment or complaint and the bank's response will be listed within the **CRA Related Comments/Complaints Received from the Public** section of the CRA Public File.