PUBLIC DISCLOSURE

September 8, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Torrington Savings Bank
Certificate Number: 16636

129 Main Street
Torrington, Connecticut 06790

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.

TABLE OF CONTENTS

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 Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

- A majority of loans and other lending-related activities are in the institution's assessment area.

- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.

- The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

- The bank did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The bank's community development performance demonstrates adequate responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

DESCRIPTION OF INSTITUTION

Background

The Torrington Savings Bank (TSB) is a mutual savings bank headquartered in Torrington, Connecticut (CT). The Federal Deposit Insurance Corporation (FDIC) previously evaluated the bank's CRA performance on February 22, 2022, using the Federal Financial Institutions Examination Council (FFIEC) Interagency Intermediate Small Institution (ISI) Examination Procedures. The bank received an overall rating of Satisfactory, with ratings of Outstanding for the Lending Test and Satisfactory for the Community Development Test. The bank wholly owns Torrington Savings Mortgage Servicing Company, a passive investment company, and Torrington Savings Foundation, which is dedicated to revitalizing the communities it serves and improving the quality of life for low- and moderate-income individuals and families.

Operations

Including its main office at 129 Main Street in Torrington, the bank operates eight full-service branches throughout the Naugatuck Valley and Northwest Hills Planning Regions (PR), in the following towns: Bristol (1) in the Naugatuck Valley PR; and Burlington (1), Canaan (1), Goshen (1), New Hartford (1), and Torrington (3) in the Northwest Hills PR. All eight branches offer 24-hour deposit-taking automated teller machines (ATMs), six of which offer drive-up services. The bank also operates a remote, non-deposit-taking ATM in Torrington. In addition to the full-service branches, the bank operates a loan office and a trust office in Torrington. The bank did not open or close any branches or ATMs, or engage in any merger or acquisition activity, since the prior evaluation.

TSB offers traditional residential, consumer, and commercial loan products, with a continued primary focus on residential lending. Residential lending products include home mortgage loans, construction loans, and home equity lines of credit. Consumer lending products include secured and unsecured personal loans, home equity loans, and overdraft lines of credit. Commercial lending products include term loans, lines of credit, construction loans, commercial real estate loans, letters of credit, and Small Business Administration (SBA) loans. The bank offers standard personal and commercial deposit products, including interest-bearing and non-interest-bearing checking accounts, savings accounts, and certificates of deposit. The bank also provides advisory and trust services. Alternative banking services include online, mobile, and 24-hour telephone banking, digital wallet, electronic bill pay, and ATMs.

Ability and Capacity

As of June 30, 2025, the bank reported total assets of $1.0 billion and total deposits of $806.0 million. Loans totaled $796.6 million, representing 79.7 percent of total assets. Since the prior evaluation, total assets increased by $26.6 million (2.7 percent) and total loans increased by $265.0 million (39.9 percent). The bank is primarily a residential lender, with loans secured by one-to-four family and multifamily properties representing the largest portion of the portfolio at 69.1 percent. Commercial lending, which includes commercial and industrial loans and loans secured by nonfarm nonresidential properties, represents the second largest portion of the portfolio at 26.6 percent. The following table illustrates the loan portfolio distribution.

Loan Portfolio Distribution as of 06/30/2025		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	33,035	4.1
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	503,690	63.2
Secured by Multifamily (5 or more) Residential Properties	47,147	5.9
Secured by Nonfarm Nonresidential Properties	204,471	25.7
Total Real Estate Loans	**788,343**	**99.0**
Commercial and Industrial Loans	7,447	0.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	771	0.1
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	20	0.0
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	**796,581**	**100.0**
Source: Reports of Condition and Income		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to designate one or more assessment areas within which examiners will evaluate its CRA performance. On July 21, 2023, the Office of Management and Budget (OMB) established revised delineations of the nation's Metropolitan Statistical Areas (MSA), Micropolitan Statistical Areas, and Combined Statistical Areas (CSA) through OMB Bulletin 23-01. The revised delineations reflect the State of Connecticut's change from using counties as the geographic components of MSAs to using PRs (county equivalents) as the geographic components of MSAs. Examiners used these revised delineations for this evaluation.

TSB's designated assessment area primarily encompasses the Torrington Micropolitan Statistical Area (CT Non-Metro) and the Waterbury-Shelton, CT MSA. Additionally, the assessment area includes certain communities from the Hartford-West Hartford-East Hartford, CT MSA. Although the bank does not have any branches within the Hartford-West Hartford-East Hartford, CT MSA, the Connecticut Non-Metro, Waterbury-Shelton, CT MSA, and Hartford-West Hartford-East Hartford, CT MSA are all located within the New Haven-Hartford-Waterbury, CT CSA. Finally, the assessment area includes two municipalities in the Bridgeport-Stamford-Danbury, CT MSA, neither of which contain a TSB branch. Because these two towns border the New Haven-Hartford-Waterbury, CT CSA, examiners also included them within the assessment area. The bank has not changed its assessment area delineations since the prior evaluation; the only changes are due to the OMB Bulletin 23-01. The bank's assessment area includes the following cities and towns:

- **CT Non-Metro** – Barkhamsted, Burlington, Canaan, Colebrook, Cornwall, Goshen, Hartland, Harwinton, Kent, Litchfield, Morris, New Hartford, Norfolk, Noth Canaan, Roxbury, Salisbury, Sharon, Torrington, Warren, Washington, and Winchester in the Northwest Hills PR (entire PR).

- **Waterbury-Shelton, CT MSA** – Bethlehem, Bristol, Plymouth, Thomaston, Watertown, and Woodbury in the Naugatuck Valley PR.

- **Hartford-West Hartford-East Hartford, CT MSA** – Avon, Canton, East Granby, Farmington, Granby, and Simsbury in the Capitol PR.

- **Bridgeport-Stamford-Danbury, CT MSA** – Bridgewater and New Milford in the Western CT PR.

Economic and Demographic Data

According to 2020 United States (U.S.) Census data, the assessment area consists of 91 census tracts with the following income designations:

- 0 low-income tracts,
- 10 moderate-income tracts,
- 47 middle-income tracts,
- 33 upper-income tracts, and
- 1 tract with no income designation.

The moderate-income tracts are in the following towns: New Milford (2); Bristol (2), Torrington (5), and Winchester (1). There are no low-income tracts or underserved or distressed nonmetropolitan middle-income census tracts within 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 #**	**N/A* % of #**
Geographies (Census Tracts)	91	0.0	11.0	51.7	36.3	1.1
Population by Geography	353,841	0.0	9.7	51.7	38.7	0.0
Housing Units by Geography	158,611	0.0	10.2	52.6	37.2	0.0
Owner-Occupied Units by Geography	106,271	0.0	6.4	51.8	41.8	0.0
Occupied Rental Units by Geography	34,903	0.0	21.2	55.2	23.7	0.0
Vacant Units by Geography	17,437	0.0	11.3	52.5	36.2	0.0
Businesses by Geography	43,730	0.0	9.6	47.1	43.3	0.1
Farms by Geography	881	0.0	2.4	41.4	56.2	0.0
Family Distribution by Income Level	93,449	16.8	16.9	20.8	45.6	0.0
Household Distribution by Income Level	141,174	21.1	15.1	16.9	46.9	0.0
Median Family Income MSA – 14860 Bridgeport-Stamford-Danbury, CT MSA		$119,192	Median Housing Value			$ 280,448
Median Family Income MSA – 25540 Hartford-West Hartford-East Hartford, CT MSA		$102,081				
Median Family Income MSA – 47930 Waterbury-Shelton, CT MSA		$93,107	Median Gross Rent			$1,151
Median Family Income Connecticut Non-MSA		$94,529	Families Below Poverty Level			4.2%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The Geographic Distribution criterion compares the bank's home mortgage loans to the distribution of owner-occupied housing units. Owner-occupied housing units indicate opportunities that may exist for institutions to originate owner-occupied home mortgage loans. There are 158,611 housing units in the assessment area. Of these, 67.0 percent are owner-occupied, 22.0 percent are occupied rental units, and 11.0 percent are vacant. As previously mentioned, there are no low-income census tracts in the area. Further, only 6.4 percent of the owner-occupied housing units are in moderate-income tracts. This data suggests that there are limited opportunities for lenders to originate owner-occupied home mortgage loans in such geographies.

Examiners use the FFIEC-updated median family income (MFI) levels to analyze home mortgage loans under the Borrower Profile criterion. The following table reflects the MFI ranges for the low-, moderate-, middle- and upper-income categories in the assessment area for 2024.

MFI Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥ 120%**
Bridgeport-Stamford-Danbury, CT MSA (14860)				
2024 ($146,500)	<$73,250	$73,250 To <$117,200	$117,200 To <$175,800	>=$175,800
Connecticut Non-MSA				
2024 ($105,400)	<$52,700	$52,700 To <$84,320	$84,320 To <$126,480	>=$126,480
Hartford-West Hartford-East Hartford, CT MSA (25540)				
2024 ($123,800)	<$61,900	$61,900 To <$99,040	$99,040 To <$148,560	>=$148,560
Waterbury-Shelton, CT MSA (47930)				
2024 ($107,000)	<$53,500	$53,500 To <$85,600	$85,600 To <$128,400	>=$128,400
Source: FFIEC				

The Borrower Profile criterion compares the bank's distribution of home mortgage loans to the percentage of low- and moderate-income families. Given the median housing value of $280,448 in the assessment area, low- and moderate-income families may face challenges qualifying for home mortgage loans through conventional underwriting standards. Specifically, the median housing value is more than four times the MFI of low-income families in the Connecticut Non-Metro, Hartford-West Hartford-East Hartford, CT MSA, and Waterbury-Shelton, CT MSA, and more than triple that of the Bridgeport-Stamford-Danbury, CT MSA.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of loans to businesses by gross annual revenue (GAR) to D&B data. According to 2024 D&B data, 43,730 non-farm businesses operate in the assessment area. Non-classifiable Businesses represent the largest portion of businesses at 20.4 percent, followed by Professional, Scientific, and Technical Services at 11.2 percent, Construction at 10.1 percent, and the Services Industry at 8.2 percent. Most businesses in the assessment area are small, with 93.4 percent operating from a single location and 70.5 percent employing four or fewer employees. The following reflects the breakdown of businesses by GAR category.

- 89.9 percent have GARs of $1.0 million or less,
- 2.8 percent have GARs greater than $1.0 million, and
- 7.3 percent have unknown revenues.

According to the U.S. Bureau of Labor Statistics (BLS), unemployment rates have steadily declined in recent years. In Connecticut, rates have dropped in recent years, reflecting continued economic recovery from the COVID-19 pandemic. In 2024, the Northwest Hills and Western CT PRs reported lower unemployment rates than the state level, whereas the Capitol and Naugatuck Valley PRs reported equal to or above the state level. All unemployment rates within the bank's assessment area were below the national average. The following table reflects unemployment rates by PR compared to the state and national average unemployment rates in 2024.

Unemployment Rates	
Area	**2024**
	%
Capitol PR	3.2
Naugatuck Valley PR	3.6
Northwest Hills PR	2.8
Western CT PR	2.8
Connecticut	3.2
National Average	4.0
Source: U.S. BLS	

Competition

The bank operates in a moderately competitive market for financial services. According to June 30, 2025 FDIC Deposit Market Share data, 23 financial institutions operated 92 offices in the assessment area. TSB ranked 5th with a 7.4 percent deposit market share. Webster Bank, N.A., ranked 1st with 18.7 percent deposit market share.

The bank faces a high level of competition for home mortgage loans among community banks, large national banks, and non-depository mortgage lenders in the assessment area. In 2024, aggregate home mortgage lending data showed 341 lenders originated or purchased 8,543 home mortgage loans in the assessment area. TSB ranked 13th with a 2.1 percent market share. Among community banks, TSB ranked 3rd, only outperformed by Thomaston Savings Bank (4.9 percent market share) and Liberty Bank (3.3 percent market share). TSB outperformed other similarly situated institutions such as Northwest Community Bank, which ranked 16th with a 1.6 percent market share.

TSB is not required to report small business lending data. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. Although aggregate data would reflect the competition level for small business loans, aggregate small business lending data for 2024 was not yet available for examiners to review as of the evaluation date; therefore, they could not include this information for performance context purposes.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to understand the area's credit and community development needs. This information helps to determine whether local financial institutions respond to those needs. The information also shows what credit and community development opportunities are available.

Examiners reviewed a contact from 2022 with a local community development organization that promotes affordable housing and community services for low- and moderate-income individuals in the assessment area. Specifically, the organization focuses on developing affordable housing, supporting the homeless population and those struggling with substance abuse, supporting early childhood development programs for low-income children, and feeding the food insecure. The contact identified affordable housing as a critical need in the area, noting a shortage of available units and aging housing stock in need of rehabilitation. The contact also mentioned that there is a large number of second home buyers in the area, which inflates home prices, and there are limited multi-family and rental housing options available. In addition, the contact noted that there are opportunities for financial institutions to offer affordable credit, such as by providing downpayment assistance options for borrowers. There is also the opportunity for financial institutions to offer long-term financial literacy programs for children, helping them build strong money management habits from a young age. The contact acknowledged that local financial institutions are active in the community, specifically naming TSB.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact, information from the bank, and demographic and economic data to determine the assessment area's primary credit and community development needs. Examiners determined that affordable housing, community services for low- and moderate-income individuals, and economic development for small businesses are the primary community development needs. Examiners determined that loans to develop affordable housing projects and flexible loans to support small businesses represent the primary credit needs. In addition, opportunities exist for financial institutions to offer flexible and creative financing for affordable housing projects, and to provide downpayment assistance options and financial literacy programs for low- and moderate-income individuals. Opportunities also exist to offer flexible small business loans and make investments to meet the needs of such businesses.

SCOPE OF EVALUATION

General Information

This performance evaluation covers the period from the prior evaluation dated February 22, 2022, to the current evaluation dated September 8, 2025. Examiners used FFIEC ISI Examination Procedures to evaluate the bank's performance. The procedures include the Lending Test and Community Development Test (please see the Appendices for a complete description). Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. Examiners used full-scope procedures to evaluate the bank's CRA performance in the assessment area.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The bank did not originate any small farm loans during the evaluation period and consumer loans represent a nominal portion of the loan portfolio; therefore, they provide no material support for conclusions or ratings and are not included in this analysis.

Examiners analyzed all home mortgage loans reported on the bank's 2022, 2023, and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The bank reported 355 home mortgage loans totaling loans totaling $90.9 million in 2022, 342 loans totaling $73.1 million in 2023, and 244 loans totaling $52.3 million in 2024. Examiners presented all three years of home mortgage lending data in the Assessment Area Concentration table. For the Geographic Distribution and Borrower Profile criteria, examiners only presented 2024 home mortgage lending data, as there were no significant performance concerns or anomalies between the three years of data, and 2024 is the most recent year for which aggregate data is available. Examiners compared the bank's 2024 home mortgage lending performance to aggregate data and 2020 U.S. Census data.

As an ISI, TSB is not required to collect or report small business data; however, the bank voluntarily collected relevant CRA data, which allowed examiners to analyze the bank's full universe of small business loans for 2022, 2023, and 2024. The bank originated 29 small business loans totaling $8.3 million in 2022, 23 loans totaling $8.5 million in 2023, and 13 loans totaling $4.2 million in 2024. Examiners presented all three years of small business lending data in the Assessment Area Concentration table. For the Geographic Distribution and Borrower Profile criteria, examiners only presented 2024 small business lending data, as 2024 is the most recent full calendar year. Examiners compared the bank's small business lending performance to D&B business demographic data.

For the Lending Test, examiners analyzed the number and dollar volume of home mortgage and small business loans. Although examiners presented the number and dollar volume of loans, they emphasized performance by number of loans, as it is a better indicator of the number of individuals and businesses served. When arriving at overall conclusions and ratings, examiners placed greater weight on the bank's home mortgage lending performance due to the bank's business strategy and origination activity during the evaluation period.

For the Community Development Test, examiners considered the bank's community development loans, qualified investments, and community development services since the prior CRA evaluation dated February 22, 2022, to the current evaluation date of September 8, 2025.

Examiners obtained demographic and economic information referenced in this evaluation from the 2020 U.S. Census data, D&B, and the U.S. BLS. Financial data is based on the June 30, 2025 Report of Income and Condition (Call Report).

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank demonstrated Satisfactory performance under the Lending Test. The bank's performance under each Lending Test criteria support this conclusion. The following sections summarize the bank's performance under each criterion.

Loan-to-Deposit (LTD) Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area. The bank's net LTD ratio, calculated from the Call Report data, averaged 86.4 percent over the past 14 calendar quarters from March 31, 2022, through June 30, 2025. The bank's net LTD ratio has steadily increased since March 31, 2022, experiencing only one minor decrease as of March 31, 2025. As illustrated by the following table, the bank's LTD ratio is comparable to similarly situated institutions. Examiners selected similarly situated institutions based on asset size, geographic location, and loan composition.

LTD Ratio Comparison		
Bank	**Total Assets as of 06/30/2025 ($000s)**	**Average Net LTD Ratio (%)**
The Torrington Savings Bank	**1,023,142**	**86.4**
Ascend Bank	1,183,190	82.4
Dime Bank	1,184,796	81.8
Northwest Community Bank	1,163,333	86.3
Source: Reports of Condition and Income 03/31/2022 - 06/30/2025		

Assessment Area Concentration

The bank made a majority of its loans within the assessment area. While the bank made a majority of home mortgage loans, by number and dollar amount, and a majority of small business loans by number in its assessment area, it originated a slight majority of small business loans by dollar amount outside the assessment area. The following table illustrates the bank's performance by loan category and year.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total #**	**Dollars Amount of Loans**				**Total $(000s)**
	Inside		**Outside**			**Inside $(000s)**		**Outside $(000s)**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Home Mortgage										
2022	290	82.0	65	18.0	355	52,700	58.0	38,224	42.0	90,924
2023	250	73.0	92	27.0	342	48,154	65.9	24,896	34.1	73,050
2024	180	74.0	64	26.0	244	31,922	61.0	20,384	39.0	52,306
Subtotal	**720**	**76.5**	**221**	**23.5**	**941**	132,776	**61.4**	83,504	**38.6**	216,280
Small Business										
2022	12	41.0	17	59.0	29	2,582	31.0	5,760	69.0	8,342
2023	16	70.0	7	30.0	23	5,235	61.9	3,217	38.1	8,452
2024	7	54.0	6	46.0	13	1,511	35.6	2,730	64.4	4,241
Subtotal	**35**	**53.8**	**30**	**46.2**	**65**	**9,328**	**44.3**	**11,707**	**55.7**	**21,035**
Total	**755**	**75.0**	**251**	**25.0**	**1,006**	**142,104**	**59.9**	**95,211**	**40.1**	**237,315**
Source: Bank Data										

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. The bank's excellent performance in both home mortgage and small business lending supports this conclusion. Since the assessment area does not contain any low-income census tracts, examiners focused on the percentage, by number, of home mortgage and small business loans in moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's lending in moderate-income census tracts exceeded aggregate performance and demographic data in 2024. In addition, 2024 market share data supports the bank's excellent performance in moderate-income tracts. Specifically, TSB ranked 9th out of 143 lenders that originated or purchased home mortgage loans in moderate-income census tracts within the assessment area, achieving a 2.2 percent market share. TSB was the second-ranked community bank, only outperformed by Union Savings Bank (ranked 7th with a 2.4 percent market share).

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner Occupied Housing Units**	**HMDA Aggregate % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2024	0.0	--	0	0.0	0	0.0
Moderate						
2024	6.4	8.4	16	8.9	1,518	4.8
Middle						
2024	51.8	52.5	92	51.1	15,795	49.5
Upper						
2024	41.8	39.1	72	40.0	14,609	45.8
NA						
2024	0.0	--	0	0.0	0	0.0
Total						
2024	**100.0**	**100.0**	**180**	**100.0**	**31,922**	**100.0**
Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data						

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's performance in moderate-income census tracts significantly exceeded demographic data in 2024. Specifically, the bank originated more than half of its small business loans within moderate-income census tracts.

Geographic Distribution of Small Business Loans					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Low					
2024	0.0	0	0.0	0	0.0
Moderate					
2024	9.6	4	57.1	946	62.6
Middle					
2024	47.1	2	28.6	265	17.5
Upper					
2024	43.3	1	14.3	300	19.9
NA					
2024	0.1	0	0.0	0	0.0
Total					
2024	**100.0**	**7**	**100.0**	**1,511**	**100.0**
Source: 2024 D&B Data; Bank Data					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's reasonable performance in both home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. As shown in the following table, the bank's lending to low-income borrowers was similar to aggregate performance in 2024. Although TSB and aggregate performance both trailed demographic data, examiners considered the maximum incomes of low-income families, the percentage of families below the poverty level, and the median home price of $280,448, and determined that these factors help explain the gap between the percentage of low-income families and bank and aggregate performance. Lastly, the bank's lending to moderate-income borrowers was similar to aggregate performance and exceeded demographic data in 2024, further supporting the bank's reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**HMDA Aggregate % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2024	16.8	7.2	12	6.7	810	2.5
Moderate						
2024	16.9	21.7	37	20.6	3,796	11.9
Middle						
2024	20.8	24.5	47	26.1	6,953	21.8
Upper						
2024	45.6	34.4	83	46.1	19,830	62.1
NA						
2024	0.0	12.2	1	0.6	533	1.7
Total						
2024	**100.0**	**100.0**	**180**	**100.0**	**31,922**	**100.0**
Source: 2020 Census; Imported Bank Data; 2024 HMDA Aggregate Data						

Small Business

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. As shown in the following table, the bank's lending to businesses with GARs of $1.0 million or less fell below demographic data in 2024. However, the bank originated more than half of its small business loans to businesses with GARs of $1.0 million or less, demonstrating its commitment to lending to these businesses. In addition, the bank originated a low volume of small business loans within the assessment area in 2024, which resulted in a higher per loan percentage that could impact performance in either direction with just a single loan difference.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<= $1,000,000					
2024	89.9	4	57.1	511	33.8
> $1,000,000					
2024	2.8	3	42.9	1,000	66.2
Revenue Not Available					
2024	7.3	0	0.0	0	0.0
Total					
2024	**100.0**	**7**	**100.0**	**1,511**	**100.0**
Source: 2024 D&B Data; Bank Data					

Response to Complaints

The bank has not received any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

TSB demonstrated adequate responsiveness to the assessment area's community development needs through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need for and availability of community development opportunities in the assessment area.

Community Development Loans

During the evaluation period, TSB originated 13 community development loans totaling $12.6 million. This level of activity represents 1.3 percent of average total assets and 1.9 percent of average total loans. The bank's community development lending activity decreased by number and increased by dollar amount since the prior evaluation, during which time the bank originated 77 community development loans totaling $10.7 million. However, nearly all community development loans (97.4 percent) at the prior evaluation were SBA Paycheck Protection Program (PPP) loans. The SBA PPP expired in May 2021; therefore, the bank did not have the opportunity to originate any PPP loans during the current evaluation period.

The bank's community development loans, by number and dollar volume, primarily supported affordable housing initiatives, demonstrating its responsiveness to the assessment area's community development needs and opportunities. Since the bank was responsive to the community development credit needs of the assessment area, examiners also considered community development loans made outside of the assessment area, but within the broader statewide area. Of the 13 community development loans, 7 loans totaling approximately $5.2 million directly benefited the assessment area, and 6 loans totaling approximately $7.5 million benefited the broader statewide area. The following tables illustrate the bank's community development lending activity by year, purpose, and area.

Community Development Lending

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)	#	$(000s)
2022 (Partial)	4	6,655	-	-	-	-	-	-	**4**	6,655
2023	2	2,100	-	-	-	-	-	-	**2**	2,100
2024	3	2,786	1	125	-	-	-	-	**4**	2,911
2025 (YTD)	1	517	1	210	-	-	1	250	**3**	977
Total	**10**	**12,058**	**2**	**335**	**-**	**-**	**1**	**250**	**13**	**12,643**

Source: Bank Data

Community Development Lending by Area										
Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Assessment Area	4	4,587	2	335	-	-	1	250	**7**	**5,172**
Broader Statewide	6	7,471	-	-	-	-	-	-	**6**	**7,471**
Total	**10**	**12,058**	**2**	**335**	**-**	**-**	**1**	**250**	**13**	**12,643**
Source: Bank Data										

The following are notable examples of the bank's community development loans.

- In 2022 and 2023, the bank originated two loans totaling $2.1 million to support an affordable housing project in Torrington. The project included developing 60 residential apartment units, of which 45 units (or 75.0 percent) are reserved for low- and moderate-income individuals, with rents below the U.S. Department of Housing and Urban Development (HUD) Fair Market Rents. These loans qualify for community development by supporting affordable housing within the assessment area.

- In 2025, the bank originated a $250,000 loan to support the operations of the Warner Theatre, which is in a moderate-income census tract in downtown Torrington. The funds were used to meet the working capital needs of the theater, which employs area residents in the box office, administrative offices, facilities department, and artistic/education department. The theatre's operation helps retain local businesses by attracting patrons to downtown Torrington throughout the year, which benefits surrounding bars, cafes, restaurants, and shops. This loan qualifies for community development by supporting the rehabilitation and stabilization of a moderate-income census tract in the assessment area.

<u>Qualified Investments</u>

During the evaluation period, TSB made 312 qualified investments to 46 organizations totaling $1.5 million. This activity comprises two prior period investments with a combined book value of $548,000 and 310 donations totaling $984,000. The total dollar amount of qualified investments represents 0.2 percent of average total assets and 1.0 percent of average total securities since the prior evaluation. The total volume of qualified investments increased since the prior evaluation period, during which the bank made 106 qualified investments totaling $1.0 million. Specifically, qualified investments nearly tripled by number and increased 50.0 percent by dollar amount since the prior evaluation. Further, TSB's qualified investment activity exceeded those of two similarly situated institutions at the current evaluation.

Qualified investments mainly supported community services for low- and moderate-income individuals and affordable housing initiatives, demonstrating responsiveness to the assessment area's needs and opportunities. As the bank was responsive to the community development needs of the assessment area, examiners also considered qualified investments made outside of the assessment area, but within the broader statewide area. Of the 312 qualified investments, 2 prior period investments and 9 donations, totaling $636,897, benefited the broader statewide area. The following tables illustrate the qualified investments by year, purpose, and area.

Community Development Qualified Investments										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	1	448	-	-	1	100	-	-	**2**	**548**
2022 (Partial)	-	-	-	-	-	-	-	-	**-**	-
2023	-	-	-	-	-	-	-	-	**-**	-
2024	-	-	-	-	-	-	-	-	**-**	-
2025 (YTD)	-	-	-	-	-	-	-	-	**-**	-
Subtotal	1	448	-	-	1	100	-	-	**2**	**548**
Qualified Grants & Donations	3	10	246	758	4	55	57	161	**310**	**984**
Total	**4**	**458**	**246**	**758**	**5**	**155**	**57**	**161**	**312**	**1,532**
Source: Bank Data										

Community Development Qualified Investments by Area										
Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Assessment Area	3	10	241	725	-	-	57	161	**301**	**896**
Broader Statewide	1	448	5	33	5	155	-	-	**11**	**636**
Total	**4**	**458**	**246**	**758**	**5**	**155**	**57**	**161**	**312**	**1,532**
Source: Bank Data										

Prior Period Investments

The bank maintained two prior period investments with a combined current book value of $548,000. The following points detail these investments.

- In 2016, the bank invested in a community economic development fund that provides financing to low- and moderate-income small business owners in Connecticut, who are otherwise unable to obtain traditional financing. The funds are used to launch new or sustain and grow existing small businesses. The current book value of the investment is approximately $100,000. This investment qualifies for community development by supporting economic development through financing small businesses in the broader statewide area.

- In 2017, the bank invested in a bond fund that supports affordable housing projects. The bank's investments were earmarked to benefit the (historical) Hartford County, CT. For example, a portion of the bank's investment was earmarked to provide funding to the SANA Apartments, an affordable housing community for low-income families and seniors in Hartford, CT. The current book value of the investment is approximately $448,000. This investment qualifies for community development by supporting affordable housing in the broader statewide area.

Donations

The following are notable examples of the bank's qualified donations.

- **Friendly Hands Food Bank, Inc. (FHFB)** – Throughout the evaluation period, the bank made several donations to the FHFB, totaling $23,000. The organization's mission is to alleviate hunger, prevent food waste, and nourish local communities. This organization primarily serves low- and moderate-income individuals in Torrington. This donation qualifies for community development by supporting community services for low- and moderate-income individuals in the assessment area.

- **Women's Business Development Council, Inc. (WBDC)** – In 2024 and 2025, the bank made four donations totaling $55,000 to the WBDC. The organization provides assistance to low- and moderate-income female clients who own businesses in Connecticut. These donations qualify for community development by promoting economic development through supporting low- and moderate-income small business owners in the broader statewide area.

Community Development Services

During the evaluation period, bank employees provided 139 instances of financial expertise or technical assistance to 47 different community development-related organizations. TSB's community development services increased since the prior evaluation, during which the bank provided 115 instances of financial expertise or technical assistance to 27 community development-related organizations. The number of services provided during the evaluation period exceeds two similarly situated institutions.

The bank's community development services primarily supported organizations that provide community services for low- and moderate-income individuals, which was an identified community development need. Since the bank was responsive to the community development needs of the assessment area, examiners also considered community development services made in the broader statewide area. Of the 139 services, 11 benefited the broader statewide area. The following tables illustrate the bank's community development services by year, purpose, and area.

Community Development Services					
Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Total**
	#	**#**	**#**	**#**	**#**
2022 (Partial)	1	29	-	3	**33**
2023	2	48	-	1	**51**
2024	-	31	-	1	**32**
2025 (YTD)	1	22	-	-	**23**
Totals	**4**	**130**	**-**	**5**	**139**
Source: Bank Data					

Community Development Services by Area					
Area	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	#	**#**	**#**	**#**	**#**
Assessment Area	4	119	-	5	**128**
Broader Statewide	-	11	-	-	**11**
Total	**4**	**130**	**-**	**5**	**139**
Source: Bank Data					

The following are notable examples of the bank's community development services.

- **Warner Theatre** – An executive manager served on the organization's Board of Directors throughout the evaluation period. This service qualifies for community development by supporting the rehabilitation and stabilization of a moderate-income census tract in the assessment area.

- **Friends in Service to Humanity (FISH) of Northwestern CT** – The mission of FISH is to meet the most basic human needs, such as food and shelter, of low-income individuals and families in northwestern CT. The organization operates an emergency homeless shelter and food pantry. In 2023 and 2024, an assistant vice president served on the Board of Directors and as a Treasurer on the Finance Committee. This service qualifies for community development by supporting community services for low-income individuals in the assessment area.

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

INTERMEDIATE 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).

Community Development Test

The Community Development Test considers the following criteria:

1) The number and amount of community development loans;
2) The number and amount of qualified investments;
3) The extent to which the bank provides community development services; and
4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

1. Support affordable housing for low- and moderate-income individuals;
2. Target community services toward low- and moderate-income individuals;
3. Promote economic development by financing small businesses or farms; or
4. Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

(1) Has as its primary purpose community development; and

(2) Except in the case of a wholesale or limited purpose institution:

(i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and

(ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

(1) Has as its primary purpose community development;

(2) Is related to the provision of financial services; and

(3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan 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.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Qualified Investment: A 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.

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

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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.