

PUBLIC DISCLOSURE

DECEMBER 29, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BOSTON FIREFIGHTERS CREDIT UNION

67837

60 HALLET STREET
DORCHESTER, MA 02124

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

I.	General Information	
II.	Institution Rating	
a.	Overall Rating	1
b.	Description of Institution.....	3
c.	Description of the Assessment Area (Membership)	4
d.	Conclusions with Respect to Performance Criteria.....	5

GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (or the “Division”) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income individuals, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the Community Reinvestment Act performance of **BOSTON FIREFIGHTERS CREDIT UNION** (or the “Credit Union”) prepared by the Division, the institution's supervisory agency, as of **December 29, 2008**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

The assessment of Boston Firefighters Credit Union's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates.

This performance evaluation assesses Boston Firefighters Credit Union's performance under the Small Institution CRA evaluation procedures which includes an analysis of the distribution of home mortgages.

Data reviewed to form conclusions about the Credit Union's lending performance includes originated home mortgage loans reported on the Credit Union's Home Mortgage Disclosure Act (“HMDA”) Loan Application Registrars (“LARs”) for full years 2007 and 2008.

According to CRA regulations, an institution shall delineate one or more assessment areas by which the institution will serve to meet the credit needs and by which the Division will evaluate the institution's CRA performance. Credit unions whose membership by-laws provisions are not based upon residence are permitted to designate its membership as its assessment area. Therefore, since the Credit Union has defined its membership as its assessment area, as opposed to a geographic area, an evaluation of credit extended within defined geographic areas was not conducted; as such an analysis would not be meaningful. Therefore, this evaluation was based upon an analysis of the Credit Union's performance in providing loans to its membership through a review of its Loan to Share (“LTS”), a review of the loans to the Credit Union's membership including low to moderate-income members; and the Credit Union's fair lending performance.

Shares from the membership are returned to members in the form of home mortgage and consumer loans. Loan-to-share ratios are at a reasonable level for an institution of its size and capacity. The distribution of loans to borrowers of different income levels is considered reasonable and is representative of the membership.

The Review of Complaints and Fair Lending section indicates that the Credit Union has made reasonable efforts in attracting all applicants within its membership.

PERFORMANCE CONTEXT

Description of Institution

Boston Firefighters Credit Union is an industrial credit union chartered by the Commonwealth of Massachusetts in 1931 for the purpose of promoting thrift among its members and the loaning of such savings to its members. As an industrial credit union, Boston Firefighters Credit Union is member orientated and is committed to ascertain and meet the credit needs of its membership.

The Credit Union's office is located at 60 Hallet Street, Dorchester. The Credit Union additionally operates a full service ATM located at 115 South Hampton Street, Boston. Operating hours are Monday, Tuesday, Wednesday and Friday, 8:30 am to 3:30 pm, Thursday 8:30 am to 7:00 pm, Saturday 8:30 am to 12:30 pm.

The Credit Union offers its membership a variety of deposit and loan products including: share savings accounts, checking accounts, money market savings accounts, individual retirement accounts, additionally the Credit union originates home mortgage loans, new and used automobile loans and secured and unsecured personal loans. The Credit Union's rates, and terms and conditions are competitive with other credit unions of similar size and type.

As of September 31, 2008, the Credit Union's assets totaled \$138.3 million. The Credit Union's loan portfolio, as of this date, totaled \$108.4 million or 78.4% of the Credit Union's total assets. The largest portion of the loan portfolio is comprised of first mortgage loans which represent 63.1%, followed by Real Estate Loans and Lines of Credit, totaling 12.4% of the Credit Union's loan portfolio. Please refer to the following table for further information regarding the breakout of the Credit Union's loan portfolio.

Loan Portfolio Distribution as of September 30, 2008		
Loan Type	Dollar Volume	Percentage of Total Loans
First Mortgage Loans	68,638,960	63.1
Other Real Estate Loans / Lines of Credit	13,450,874	12.4
Other Unsecured Loans / Lines of Credit	13,086,849	12.0
Used Vehicle Loans	5,887,502	5.4
New Vehicle Loans	3,686,879	3.4
Unsecured Credit Card Loans	3,437,732	3.2
Other Loans/ Lines of Credit	523,733	0.5
Leases Receivable	0	--
Total	108,712,529	100.0

Source: 9/30/08 Consolidated Report of Condition

The Division last examined the Credit Union for compliance with the Community Reinvestment Act on April 27, 2004. That examination resulted in a CRA rating of "Satisfactory". There are no apparent financial or legal impediments that would limit the Credit Union's ability to help meet the credit needs of its members.

Description of Assessment Area (Membership)

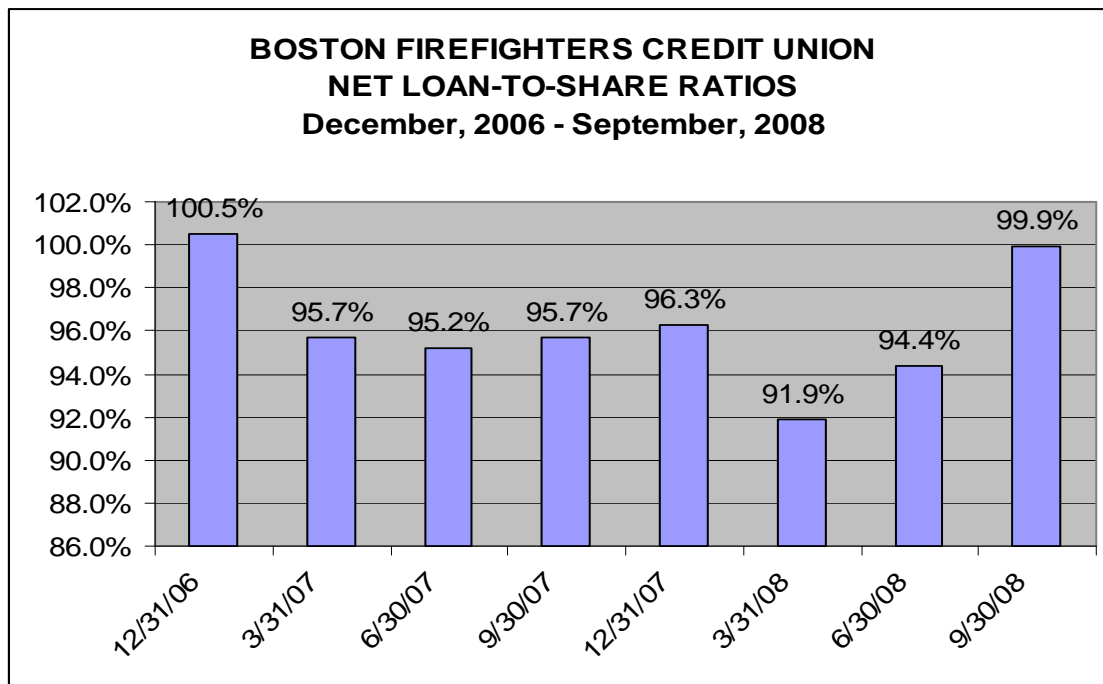
In accordance with the requirements of 209 CMR 46.41, the Credit Union defines its membership as its assessment area. According to the Credit Union's by-laws membership in the Credit Union is limited to Boston firefighters, active or retired; employees of the Credit Union; employees of the Local 718; employees of the Florian Associates; and the family members of all those listed above. The Credit Union currently has 4,894 members.

PERFORMANCE CRITERIA

LOAN TO SHARE ANALYSIS

Based upon the Credit Union's asset size, its capacity to lend, and the credit needs of the membership, the Credit Union's net loan-to-share ratio exceeds the standards for satisfactory performance.

This performance criterion determines what percentage of Credit Union's deposit (share) base is reinvested in the form of loans. The appropriateness of the Credit Union's loan-to-share ratio ("LTS") was evaluated. The analysis was performed using the National Credit Union Administration ("NCUA") quarterly call report data for the period ending December 31, 2006 through September 30, 2008. The analysis was conducted to determine the extent of the Credit Union's lending compared to shares received from its membership. The average net LTS for the period reviewed was 96.2%.



Source: Call Report Data

As displayed in the table above the Credit Union's has maintained a consistently high net loan-to-share ratio, which remained relatively stable during the period, despite selling loans on the secondary market.

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The following analysis of borrower income distribution demonstrates that the Credit Union's lending meets the standards for satisfactory performance.

An analysis of residential loans extended within the Credit Union's membership was conducted to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes, as estimated by the Department of Housing and Urban Development (HUD), for the Metropolitan Statistical Area ("MSA") in which the member resides.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

Residential Lending

The following table breaks out the HMDA reportable loans the Credit Union granted to its membership in 2007 and 2008 categorized by the applicants' reported income in relation to the HUD-adjusted median family income for the respective year and MSA.

Distribution of HMDA Loans by Borrower Income						
Median Family Income Level	2007		2008		Total	
	#	%	#	%	#	%
Low	3	3.4	0	0.0	3	1.8
Moderate	6	6.8	6	7.9	12	7.3
Middle	29	33.0	21	27.6	50	30.5
Upper	50	56.8	49	64.5	99	60.4
NA	0	0.0	0	0.0	0	0.0
Total	88	100.0	76	100.0	164	100.0

Source: HMDA LAR, 2007 and 2008

As displayed in the table above, the distribution of home mortgages to borrowers of varying income levels reflects a reasonable penetration among borrowers of different income levels. The Credit Union granted 3.4% of loans to low-income borrowers in 2007. However, in 2008 the Credit Union's number of loans granted to low-income members fell to zero. The number of moderate income loans remained constant at 6 per year in 2007 and 2008. The Credit Union granted 6.8% of loans to moderate-income members in 2007 and 7.9% in 2008. While the percentage of loans granted to low-to-moderate income applicants may appear low, the Credit Union's status as industrial limits access to individuals of varying income, helping to explain the potentially lower-than-normal application volume of low-to-moderate income borrowers. Traditionally, the field of membership's annual salaries is higher than median family incomes.

Consumer Lending

The analysis of the Credit Union's consumer loans extended to borrowers of different incomes reflects a reasonable penetration among individuals of different income levels, particularly low- and moderate-income.

REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

Based upon the review of the Credit Union's performance relative to fair lending policies and practices, the institution meets the standards for satisfactory performance.

Review of Complaints

There was no indication that the Credit Union received any complaints pertaining to its CRA performance since the previous examination. If such complaints or comments are received, however, management has procedures for handling such circumstances in place.

Fair Lending Policies and Practices

The Credit Union's fair lending policies and practices are considered satisfactory. No lending practices that would result in disparate treatment were noted.

The Credit Union maintains a Fair Lending Policy and provides staff with fair lending training. In addition, the Credit Union has a second review process whereby loans are reviewed by an additional loan officer before being denied. If the original decision to deny the loan is upheld, the loan is then sent to the Credit Union's internal audit department to ensure all lending policies and procedures are being followed.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 60 Hallet Street, Dorchester, MA., 02124."

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.