

**PUBLIC DISCLOSURE**

**AUGUST 19, 2008**

**COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**BRIDGEWATER CREDIT UNION**

**67984**

**75 MAIN STREET  
BRIDGEWATER, MA 02324**

**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.

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## GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (“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 neighborhoods, 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 CRA performance of **BRIDGEWATER CREDIT UNION (or the “Credit Union”)** prepared by the Division, the institution's supervisory agency.

### **INSTITUTION'S CRA RATING: This institution is rated “Satisfactory”**

Based on the Intermediate Small Institution CRA evaluation procedures specified for institutions with assets under \$1 billion but over \$262 million Bridgewater Credit Union's overall CRA performance is considered 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 individuals, in a manner consistent with its resources and capabilities.

**Lending Test Rating: “Satisfactory”**

**Community Development Test Rating: “Satisfactory”**

The Credit Union's average Loan-to-Share ratio is considered more than reasonable at 103.8 percent. The Credit Union was able to maintain or slightly increase its level of loans within its portfolio. A majority of the Credit Union's consumer and home mortgage loans were extended within its assessment area. The geographic distribution of the Credit Union's overall lending reflects adequate penetration throughout its assessment area. The dispersion of home mortgage loans among borrowers of different income levels was excellent.

The Credit Union has been involved in an adequate level of community development activities, particularly services. Qualified investments were low and augmented their other community development activities.

Please refer to the body of the CRA Public Disclosure for a detailed review of the institution's performance.

## **PERFORMANCE CONTEXT**

The Credit Union was evaluated under the Intermediate Small Institution procedures for CRA purposes. The loan data considered for this evaluation consisted of residential mortgages as reported under the Home Mortgage Disclosure Act ("HMDA") for 2006 and 2007. Aggregate loan data for 2006 was also included. Consumer loan data was reviewed for 2006 and 2007. The Credit Union's Community Development investments and services were evaluated for the time-period since the previous evaluation covering 2004, 2005, 2006, 2007 and YTD June 9, 2008.

## **DESCRIPTION OF INSTITUTION**

Bridgewater Credit Union is a financial institution chartered by the Commonwealth of Massachusetts in 1941. The Credit Union's by-laws state that membership is limited to "...those persons living, working or having business within Barnstable, Bristol, Norfolk or Plymouth Counties, or organizations within a fifty (50) mile radius of the offices, for purposes of payroll deduction."

Bridgewater Credit Union has a total of five operating offices and one call center. The main office is located in Bridgewater and the four offices are in Dover, Fairhaven, Plymouth, and Quincy. The call center is located inside the Bridgewater office. All offices offer extended hours on Thursday and Friday and are open on Saturday mornings. The call center is open two hours earlier and one hour later than the branch locations. Drive-up teller services are available at all offices except Dover and are open one hour earlier and one hour later than the offices on Mondays through Wednesdays. Office hours are convenient and appear to be accessible to all members.

Automated Teller Machines (ATMs) are located at each office and the Bridgewater office offers two ATMs. All the ATMs are connected to the CO-OP, NYCE, and Cirrus networks. The Credit Union is also a member of the SUM network. This means that all members can use any SUM Program ATM surcharge-free at participating ATMs around New England.

The Credit Union currently employs 84 employees. There are 78 full-time employees and 6 part-time employees. Out of the 84 employees, six are minorities. Second languages spoken include Portuguese.

The Credit Union offers a variety of consumer and residential types of credit. They include but are not limited to first mortgages on one to four family residences, home equity and improvement loans, secured and unsecured lines of credit and new or used automobile loans.

As of March 31, 2008, the Credit Union's assets totaled \$292,719,307. Total gross loans, as of this date were \$239,239,463 or 81.7 percent of total assets. The Credit Union has experienced an asset growth of approximately 25.2 percent since the previous exam, dated October 22, 2003 when assets totaled approximately \$234 million.

The Credit Union's loan portfolio has grown approximately 66.2 percent since the previous exam when total loans represented \$143.3 million. The significant growth in the Credit Union's loan portfolio is primarily a result of the growth in the Credit Union's residential real estate secured loans as well as a substantial increase in personal/unsecured loans. As of March 31, 2008, first mortgage loans and other Real Estate Secured Lines of Credit represented the majority (75.4 percent) of the Credit Union's loan portfolio. The second largest segments of the Credit Union's loan portfolio were new and used vehicle loans and personal/unsecured loans representing 14 percent and 9.1 percent respectively.

<b>Loan Portfolio as of March 31<sup>st</sup>, 2008</b>		
<b>Types of Loans</b>	<b>\$ (000)</b>	<b>%</b>
Residential Real Estate		
a. 1-4 Family Mortgages	152,149	63.6
b. Home Equity Lines/Loans	28,113	11.8
Consumer Loans		
a. Personal/Unsecured	21,932	9.1
b. New Auto Loans	14,153	6.0
c. Used Auto Loans	19,138	8.0
All Others Loans	3,754	1.5
<b>Total</b>	<b>239,239</b>	<b>100.0</b>

Source: National Credit Union Administration Quarterly 5300 Call Reports, March 31, 2008

The Division last conducted a CRA examination of Bridgewater Credit Union on October 22, 2003. The examination resulted in a Satisfactory rating. Additionally, the Credit Union applied for and received approval for parity powers pursuant to M.G.L. chapter 171, section 6A and 209 CMR 50.00 to increase various lending limits on residential mortgage loan products and specific consumer loan products offered as well increasing the Credit Union's real estate borrowing limitations.

## **DESCRIPTION OF ASSESSMENT AREA**

Bridgewater Credit Union's assessment area is comprised of 22 cities and towns located within the counties of Norfolk, Bristol, and Plymouth. Canton, Dover, Milton, Quincy, Westwood, and Weymouth are located in Norfolk County. Fairhaven, New Bedford, Raynham, and Taunton are in Bristol County. Abington, Bridgewater, Brockton, Carver, East Bridgewater, Halifax, Mattapoisett, Middleborough, Plymouth, Rochester, West Bridgewater and Whitman are within Plymouth County.

The 22 communities consist of 140 census tracts. Of the 140 tracts, 13 tracts are low-income, 31 are moderate-income, 78 are middle-income, 17 are upper-income and there is one that is non-applicable. Based on 2000 U.S. Census data, the total population within the assessment area consists of 654,905 individuals. This is further

broken down to 5.2 percent residing in low-income census tracts, 18.6 percent in moderate-income census tracts, 62.0 residing in middle-income census tracts, 13.9 residing in upper-income census tracts, and 0.4 residing in non-applicable census tracts.

There are 250,524 households in the Credit Union’s assessment area. The HUD adjusted Median Family Income (“MFI”) for the assessment area for 2007 was \$60,009. Using data from the 2000 Census, the breakdown of total households are as follows; 5.9 percent are low-income, 19.6 percent are moderate-income, 61.9 percent are middle income, and 12.6 are upper-income. Out of the total number of households, 24,924 or 10.0 percent are of households below the poverty level.

Total housing units within the assessment area is 263,170. Of the total units, 158,228 or 60.1 percent are units that are owner occupied, 92,080 or 35.0 percent are occupied rental units, and 12,862 or 4.9 percent are vacant units. Of the owner-occupied units within the assessment area, 2.0 percent is located in low-income census tracts, 12.8 percent in moderate-income tracts, 67.8 in middle-income tracts, and 17.4 percent in upper-income tracts. Approximately 79.6 percent of the total housing units consist of one to four single-family units, 18.7 percent are multi-family and 1.7 percent is mobile homes.

The following table provides demographic and economic information pertaining to the Credit Union’s assessment area.

<b><i>Selected Housing Characteristics by Income Category of the Geography</i></b>							
<b><i>Geographic Income Category</i></b>	<b><i>Percentage</i></b>						<b><i>Median Home Value</i></b>
	<b><i>Census Tracts</i></b>	<b><i>Households</i></b>	<b><i>Housing Units</i></b>	<b><i>Owner-Occupied</i></b>	<b><i>Rental Units</i></b>	<b><i>Vacant Units</i></b>	
<b>Low</b>	9.3	5.6	5.9	2.0	11.6	12.9	\$119,002
<b>Moderate</b>	22.1	19.5	19.6	12.8	31.0	21.7	\$125,717
<b>Middle</b>	55.7	62.1	62.0	67.8	52.2	59.0	\$162,205
<b>Upper</b>	12.1	12.8	12.5	17.4	5.2	6.4	\$284,662
<b>NA</b>	0.8	0.0	0.0	0.0	0.0	0.0	\$0
<b>Total of Median</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>\$201,832</b>

Source: 2000 U.S. Census

According to the 2000 Census, the median housing value in the assessment area is \$201,832. More recent data, obtained from The Warren Group, indicates that the 2007 median housing values in the assessment area ranged from a low of \$236,000 in New Bedford to a high of \$947,500 in Dover with a median value of \$591,750.

### **Community Contact Information**

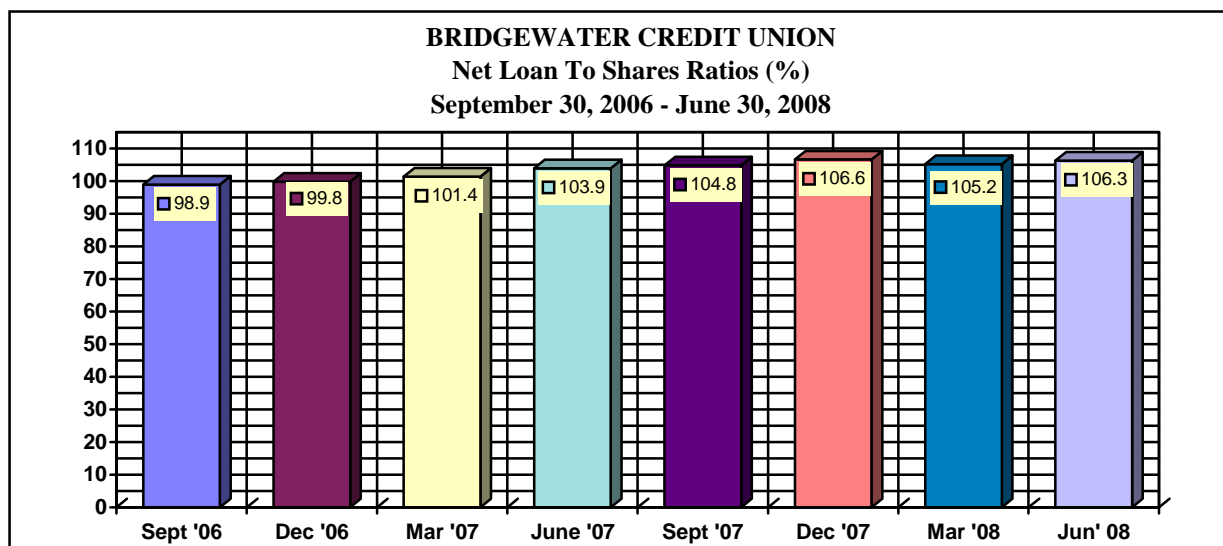
A community contact was made as part of this evaluation. The contact expressed a need for additional affordable housing particularly rental housing due to the current economic conditions.

## PERFORMANCE CRITERIA

### 1. LOAN-TO-SHARE ANALYSIS

This performance criterion determines what percentage of the Credit Union's deposit base is reinvested in the form of loans. The appropriateness of the Credit Union's loan to share ratio ("LTS") was evaluated. A comparative analysis of Bridgewater Credit Union's quarterly net loan-to-share ratios for the period of September 30, 2006 through June 30, 2008, was conducted during this examination. These ratios are based on total loans net of unearned income and net of the allowance for loan and lease losses (ALLL) as a percentage of total deposits.

The Credit Union's LTS ratio as of June 30, 2008 was calculated at 106.3 percent. The average LTS ratio for the eight quarters is 103.28 percent. The ratio ranges from a low of 98.89 percent in September 2006 to a high of 106.64 percent in December 2007. The following graph depicts the net loan-to-share ratios for each quarter under review.



Source: NCUA 5300 Call Reports

As indicated in the graph above, the LTS ratios for the eight quarters showed a steady increase through the first six quarters with slight fluctuations over the final two. Loan growth fluctuated throughout the time period with net loans reaching a high of \$241.3 million as of December 31, 2006 to the low of \$234 million as of the quarter ending June 30, 2007. Overall, loans increased by 0.85 percent or \$2 million over the eight quarters. Shares declined over the eight quarters by approximately \$15 million or 6.2 percent. The combination of slight loan growth and declining shares result in increased loan-to-share ratios.

The Credit Union does have the ability and capacity to borrow funds through the Federal Home Loan Bank and Eascorp to meet loan demand as needed.

Net loans to assets increased from 80.1 percent in September 2006 to 82.0 percent in June 2008. The net loans-to-assets average for the eight quarters is 82.0 percent. Total assets declined by approximately \$4.5 million, or 1.5 percent, declining from approximately \$298.5 million to the current level of \$294 million as of June 30, 2008.

The Credit Union's overall LTS ratios are considered more than reasonable based on the Credit Union's asset size, resources and the credit needs of its members. The Credit Union was able to maintain or slightly increase its level of loans within its portfolio.

## 2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

This performance criterion measures the percentage of the Credit Union's lending that benefits the assessment area's residents and evaluates the adequacy of such lending. Data regarding the Credit Union's HMDA mortgage lending activity for 2006 and 2007 was reviewed to determine the proportion of loans extended within the assessment area by number of originations and dollar amount.

The data revealed that the Credit Union originated 502 HMDA reportable loans during this period totaling \$65,368,000. Of this number, 377 loans or 75.1 percent were originated within the Credit Union's assessment area. Of the total dollar volume, \$45,264,000 or 69.2 percent was originated within the Credit Union's assessment area.

The following table shows the distribution of the Credit Union's lending inside and outside of its assessment area.

Distribution of HMDA Loans Inside and Outside the Assessment Area										
Year	Number of Loans					Dollars				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000's)	%	\$(000's)	%	
2006	228	79.2	60	20.1	288	25,631	75.1	8,499	24.9	34,130
2007	149	69.6	65	30.4	214	19,633	62.9	11,605	37.1	31,238
<b>Total</b>	<b>377</b>	<b>75.1</b>	<b>125</b>	<b>24.9</b>	<b>502</b>	<b>45,264</b>	<b>69.2</b>	<b>20,104</b>	<b>30.8</b>	<b>65,368</b>

Source: HMDA LAR

As indicated in the table above a majority of the Credit Union's HMDA reportable loans were originated within the assessment area.

## 3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The Credit Union's HMDA reportable loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes for 2006 and 2007 were compared to the median family incomes for the assessment area. The income figures are based on estimated HUD information.

The distribution of residential loans to borrowers of different income levels reflects excellent penetration among all income levels.

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.

The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the percentage of total families within the assessment area and the performance of the aggregate in each respective income group.

<b>Distribution of HMDA Loans by Borrower Income</b>									
<b>Median Family Income Level</b>	<b>% Total Families</b>	<b>Aggregate Lending Data 2006</b>		<b>2006</b>		<b>2007</b>		<b>Total</b>	
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	4.8	1,591	3.4	32	14.0	7	4.7	39	10.3
<b>Moderate</b>	17.9	7,265	15.5	58	25.4	40	26.8	98	26.0
<b>Middle</b>	62.7	12,948	27.5	80	35.1	57	38.3	137	36.3
<b>Upper</b>	14.6	16,101	34.2	58	25.5	45	30.2	103	27.4
<b>NA</b>	0.0	9,125	19.4	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>47,030</b>	<b>100.0</b>	<b>228</b>	<b>100.0</b>	<b>149</b>	<b>100.0</b>	<b>377</b>	<b>100.0</b>

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

The distribution of HMDA-reportable loans to low-income borrowers was excellent given the demographics of the assessment area. As displayed in the table above, the Credit Union extended 32 loans in 2006 and an additional 7 loans in 2007 to low-income borrowers. These numbers represent 14.0 percent and 4.7 percent of the Credit Union's total loans in each year, respectively. As indicated above, the Credit Union's percentage of lending to low-income borrowers in each year either exceeded or approached the percentage of low-income families. Additionally, the Credit Union's performance in extending credit to low-income borrowers in 2006 is well above the 2006 aggregate data (3.4 percent).

The Credit Union's lending among moderate-income borrowers was also excellent. In 2006, the Credit Union extended 58 loans, (25.4 percent), to moderate-income borrowers, which is well above the percentage of moderate-income families in the assessment area (17.9 percent). Additionally, the Credit Union's performance in 2006 exceeded the percentage achieved by the aggregate (15.5 percent). In 2007, the Credit Union extended 40 loans representing 26.8 percent of its HMDA reportable originations inside the assessment area, exceeding the percentage of moderate-income families (17.9 percent).

Based upon the analysis of borrower income and given the highly competitive environment in which the Credit Union operates, the overall distribution of residential loans indicates an excellent penetration among borrowers of different income levels.

#### 4. GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of loans was reviewed to assess how well the Credit Union is addressing the credit needs throughout the assessment area. Based on the review of the 2006 and 2007 HMDA LAR, the geographic distribution of loans reflects an adequate dispersion throughout the assessment area. As stated in the Performance Context, the Credit Union's assessment area contains 13 low-income census tracts, 31 moderate-income census tracts, 78 middle-income census tracts, 17 upper-income census tracts and 1 no income designation census tract.

The Credit Union's lending activity within the assessment area was reviewed in order to determine the distribution of lending among the various census tracts.

The following table provides a breakdown by number of the Credit Union's HMDA reportable loans within its assessment area according to the census tract income level. The table also shows the loans in comparison to the percentage of owner-occupied housing units in each of the census tract income categories as well as the aggregate lending for 2006. Refer to the following table.

<b>Distribution of HMDA Loans by Income Category of the Census Tract</b>									
<b>Median Family Income Level</b>	<b>% Total Owner-Occupied Housing Units</b>	<b>Aggregate Lending Data 2006</b>		<b>2006</b>		<b>2007</b>		<b>Total</b>	
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Low</b>	2.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Moderate</b>	12.8	30	10.4	19	8.3	9	6.0	28	7.4
<b>Middle</b>	67.8	224	77.8	193	84.7	120	80.5	313	83.0
<b>Upper</b>	17.3	34	11.8	16	7.0	20	13.5	36	9.6
<b>NA</b>	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>288</b>	<b>100.0</b>	<b>228</b>	<b>100.0</b>	<b>149</b>	<b>100.0</b>	<b>377</b>	<b>100.0</b>

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

As indicated in the table above, in 2006 and 2007 the Credit Union did not originate any HMDA-reportable loans within the low-income census tracts, which is reasonable based on the percentage (2.0%) of owner occupied housing units in those tracts. As displayed above, the Credit Union's level of lending in 2006 was equal to the level achieved by the aggregate.

An analysis of the Credit Union's residential mortgage loans indicates that The Credit Union originated 28 loans or 7.4 percent in moderate-income census tracts. This percentage is adequate given that only 12.8 percent of the total owner-occupied units in the assessment area are located within these tracts. In 2006, the Credit Union's percentage of lending in moderate-income tracts was below the 2006 aggregate percentage (10.4 percent).

Overall, the geographic distribution of residential loans reflects an adequate dispersion throughout the assessment area.

## **5. REVIEW OF COMPLAINTS/FAIR LENDING POLICIES AND PRACTICES**

Based upon the review of the Credit Union's public comment file and its performance relative to fair lending policies and practices, no evidence of disparate treatment was noted.

The Credit Union has adequate policies and systems in place to ensure appropriate action in addressing CRA related complaints. The Credit Union received no complaints pertaining to the institution's CRA performance since the previous examination.

Currently, the Credit union has 78 full-time and 6 part-time employees. Among the institution's staff are individuals of African American and Asian descent, and employees who are bilingual in Portuguese.

The Credit Union's Loan Policy includes a fair lending policy statement, which the Board of Directors reviews and approves annually. The loan policy prohibits discrimination against all the prohibited classes listed under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). Also included in the Credit Union's Loan Policy are procedures for the second review of denied loan applications. Denied mortgage and consumer loans are subject to review by the Senior Loan Officers.

Bridgewater Credit Union offers seminars to Credit Union officers and staff regarding compliance with the CRA, HMDA, ECOA and other fair lending regulations. Training is primarily offered through on-line resources and in-house training by senior staff that attend and bring back training materials from industry sponsored seminars.

### **MINORITY APPLICATION FLOW**

The Credit Union received 12 loan applications from minorities (2.3 percent) and 9 applications from Hispanics (1.7 percent) in 2006 and 2007. Of the 12 minority applications, seven were originated. Four of the Hispanic applications were originated. Demographic information of the assessment area indicates that its minority population represents 18.1 percent of the population and Hispanics represent 6.8 percent.

MINORITY APPLICATION FLOW						
RACE	BRIDGEWATER 2006		AGGREGATE DATA 2006		BRIDGEWATER 2007	
	#	%	#	%	#	%
<i>Native American</i>	0	0.0	178	0.2	0	0.0
<i>Asian</i>	1	0.4	1,571	1.9	0	0.0
<i>Black</i>	1	0.4	6,816	8.7	5	2.2
<i>Hawaiian/Pacific Islander</i>	0	0.0	241	0.3	0	0.0
<i>2 or More Minority Races</i>	0	0.0	52	0.1	0	0.0
<i>Joint Race (White/Minority)</i>	3	1.0	576	1.0	2	0.9
<b>Total Minority</b>	<b>5</b>	<b>1.8</b>	<b>9,434</b>	<b>12.2</b>	<b>7</b>	<b>3.0</b>
<i>White</i>	262	91.6	46,087	59.5	220	95.7
<i>Race Not Available</i>	19	6.6	21,891	28.3	3	1.3
<b>Total</b>	<b>286</b>	<b>100.0</b>	<b>77,412</b>	<b>100.0</b>	<b>230</b>	<b>100.0</b>
<b>ETHNICITY</b>						
<i>Hispanic or Latino</i>	3	1.1	2,692	3.5	6	2.6
<i>Not Hispanic or Latino</i>	250	87.4	52,877	68.3	216	94.0
<i>Joint Hispanic/Not Hispanic</i>	4	1.4	416	0.5	2	0.9
<i>Ethnicity Not Available</i>	29	10.1	21,427	27.7	6	2.5
<b>Total</b>	<b>286</b>	<b>100.0</b>	<b>77,412</b>	<b>100.0</b>	<b>230</b>	<b>100.0</b>

\*Source: PCI Services, Inc., CRA Wiz Software.

The Credit Union's performance in attracting minority and Hispanic applicants is compared to the demographic makeup of the assessment area as well as the 2006 aggregate data, which is the most recent data available. The Credit Union's 2006 HMDA data indicated that 1.5 percent of its loan applications were from minority applicants which is substantially below the aggregate's performance levels of 12.2 percent. Additionally, Hispanic applications represented 1.1 percent of the Credit Union's total applications while the aggregate's performance levels were 3.5 percent. The Credit Union's performance level in 2007 indicates an improving trend of attracting 3.0 percent and 2.6 percent of its applications from minorities and Hispanics, respectively. While the trend shows improvement, performance levels are well below the demographic makeup of the assessment area and the 2006 aggregate performance levels.

## **COMMUNITY DEVELOPMENT TEST**

The Community Development Test evaluates the Credit Union's community development loans, investments, and services. Unless otherwise noted, for purposes of this evaluation, the period used for the Community Development Test is October 22, 2003 through June 9, 2008.

Overall, Bridgewater Credit Union's community development performance demonstrates an adequate level of responsiveness to the community development needs in its assessment area. The Credit Union has met the community development needs primarily through an adequate level of community development services, which was augmented by a modest amount of qualified grants. The Credit Union did not originate any community development loans

### ***Community Development Services***

The CRA regulation defines a community development service as a service that is primarily for a community development purpose and is related to the provision of financial services.

Bridgewater Credit Union's officers and employees are primarily involved with community organizations that address the social service needs of its area. Through their involvement, the Credit Union's staff lends its technical expertise, experience, and judgment to these organizations. Based on the Credit Union's level of involvement in such activities, Bridgewater Credit Union's services demonstrate an adequate responsiveness to the community. The following section describes a sample of Credit Union activities that have benefited the community.

#### **Signature Healthcare Brockton Hospital**

The Vice President of Business Development serves a Vice Chairman of the Board of Directors of this regional healthcare facility. The hospital provides a variety of healthcare and social services to area residents, provides in excess of \$20 million of free healthcare annually for both uninsured, and underinsure people and families.

#### **William Henry Conant Health Center**

The Vice President of Business Development serves as Chairman of this municipally owned facility, which houses several healthcare, daycare and social and human service agencies serving the greater Bridgewater area.

#### **My Turn, Incorporated**

The Director of Member Services serves on the Regional Advisory Board of this community based non-profit youth development agency. This agency was founded in 1984 in Brockton, MA in an effort to address the needs of Brockton High School students who face significant barriers in attaining higher education and necessary work skills to enter the workforce should they decide not to further their education. The agency operates three programs – Connecting to College, School-to-Work, and Youth Workforce Development. The agency now operates at 21 sites in fourteen metropolitan areas and serves more than 2,000 youths annually.

### **Southern New England Credit Grantors**

The Consumer Loan Manager served as a Director of this economic development organization whose mission is to support and educate area businesses engaged in the extension of credit.

### ***Qualified Investments***

A qualified investment, for the purposes of CRA, is a lawful investment, deposit, membership share, or grant that has community development as its primary purpose.

Given the size and resources of the institution, Bridgewater Credit Union has made a marginally satisfactory level of qualified donations primarily to organizations that provide, affordable housing, programs that address homelessness and health and human services primarily to lower-income residents.

The Credit Union has no qualified investments in its portfolio or on its balance sheet. The Credit Union donated approximately \$7,000 in qualified charitable grants and contributions over the time period covered by this examination.

## ***Appendix - General Definitions***

### **GEOGRAPHY TERMS**

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

**Metropolitan Area (MA):** One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

**Metropolitan Statistical Area (MSA):** One or more metropolitan areas that have economic and social ties.

**Primary Metropolitan Statistical Area (PMSA):** A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

**Consolidated Metropolitan Statistical Area (CMSA):** The larger area of which PMSAs are component parts.

**Non-Metropolitan Area:** All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

**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) but excluding 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.

## **HOUSING TERMS**

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**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.

**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.

## **INCOME TERMS**

**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.

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

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

**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.

**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.

**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.

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

**HUD Adjusted Income Data:** The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

## **OTHER TERMS**

**Home Mortgage Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, 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 75 Main Street, Bridgewater, MA 02324."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 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 agencies, 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.