

PUBLIC DISCLOSURE

SEPTEMBER 28, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CRESCENT CREDIT UNION

68048

**115 COMMERCIAL STREET
BROCKTON, MA 02302**

**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 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 **CRESCENT CREDIT UNION** (or the "Credit Union") prepared by the Division, the institution's supervisory agency, as of **September 28, 2009**. 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 "High Satisfactory"

The Credit Union was evaluated on its performance under the CRA under the Intermediate Small Institution CRA Evaluation Procedures specified for institutions with assets under \$1 billion but over \$250 million, adjusted annually. The rating of this institution is based upon the results of a review under the Lending and the Community Development Tests, as shown in the public evaluation. The Credit Union received a rating of "High Satisfactory" under the Lending Test and "Satisfactory" under the Community Development Test.

SCOPE OF THE EVALUATION

Data reviewed to form conclusions about the Credit Union's lending performance includes originated home mortgage loans reported on the Loan Application Registers (LARs) maintained pursuant to the Home Mortgage Disclosure Act ("HMDA") for full years 2007 and 2008. The LARs contain data about home purchase and home improvement loans, including refinancing, on one-to-four family and multifamily (five or more units) properties. For 2007, the Credit Union's data is shown in conjunction with aggregate data, as this is the most recent year made available. Consumer loans were also reviewed during the evaluation utilizing sampling procedures for the years of 2007 and 2008.

For purposes of this evaluation, the period used within the community development test covers the time period from the previous evaluation dated September 11, 2006 to the current examination. A summary of the Credit Union's performance is provided below.

Lending Test

- The average loan-to-share ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of the Credit Union's lending activity occurs within the assessment area.

- The distribution of loans reflects an excellent penetration of lending to borrowers of different income levels.
- The Credit Union's geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- The Credit Union received no complaints pertaining to its CRA performance and the fair lending examination revealed no evidence of discriminatory or illegal credit practices. Fair lending policies and practices are considered satisfactory.

Community Development Test

Crescent Credit Union's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area. The Credit Union has met these community development needs primarily through the provision of community development services.

PERFORMANCE CONTEXT

Description of Institution

Crescent Credit Union is a state-chartered credit union headquartered in Brockton. According to the Credit Union's by-laws, membership is limited to "those who are residents, living, or working, or having a place of business in the following counties: Barnstable, Bristol, Norfolk and Plymouth, or within thirty (30) miles of the main office of the corporation for the purpose of payroll deduction, or those persons who are employees of Youville Hospital." The Credit Union currently has 44,000 members.

Since the previous examination, conducted on September 11, 2006, Crescent Credit Union and Uniti Credit Union, both of Brockton, merged under the charter, by-laws and name of Crescent Credit Union. The merger occurred September 28, 2007. As a result, the Credit Union amended its by-laws to change membership eligibility. In addition, the Credit Union retained the two banking offices of Uniti as branch offices of Crescent Credit Union. Subsequently, on March 31, 2008, Crescent Credit Union closed its main office located at 60 Crescent Street, Brockton; and designated the former Uniti branch office located at 115 Commercial Street, Brockton, as its main office.

The Credit Union has nine branches located throughout the assessment area in Brockton (5), Taunton (2), Norwell, and Cambridge. The Brockton branches are distributed by census tract income designation as follows: one low-income census tract; three moderate income census tracts; and one middle income census tract. The two Taunton branches and the Cambridge branch are located in middle-income census tracts; the Norwell branch is located in an upper-income census tract.

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 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

The Credit Union's branch hours are considered reasonable and convenient to its membership. Normal banking hours are Monday through Friday 9:00am to 5:00pm with additional limited hours available on Saturdays and extended hours on Thursday and Friday evenings. The Credit Union has one branch located in a Shaw's Supermarket which offers extended evening hours until 8:00pm and Sunday hours from 10:00am to 3:00pm. The Credit Union's Cambridge branch is located in Youville Hospital and is only open Tuesdays and Thursdays 10:30am to 3:30pm. All full service branches offer drive-up teller service and automated teller machines (ATMs).

The Credit Union maintains a website at www.crescentcredit.org. The website provides information about branch locations and hours, products and services, and various product rates. Members of the Credit Union can apply online for residential real estate loans, consumer loans and visa check cards.

The Credit Union offers an array of checking and savings products to its members these include: free checking, no or low minimum checking, NOW accounts, premier checking, and business and free business checking, passbook savings, regular statement savings, club accounts and money market accounts. In addition, the Credit Union has a "Bank at Work Program" which is a special checking program with loan discounts and free services that is available to employees of designated companies that offer payroll direct deposit into the Credit Union.

As of June 30, 2009, the Credit Union's assets totaled \$365,474,027. Net loans as of this date stood at \$299,621,835 or 82.0 percent of total assets. Since the prior examination, the Credit Union's asset size increased 22.2 percent while total loans increased a comparable 20.5 percent. Currently, first mortgage real estate loans and lines of credit represent the largest portion of the Credit Union's loan portfolio, 72.7 percent, a slight increase since the prior examination when first mortgage real estate loans and lines of credit represented 67.5 percent of the loan portfolio. New and used vehicle loans represent 26.1 percent of the Credit Union's portfolio, a decrease since the prior examination figure of 31.1. The following table shows the Credit Union's loan portfolio as of June 30, 2009.

Table 1		
Loan Distribution as of June 30, 2009		
Loan Type	Dollar Amount	Percent of
	('000)	Total Loans
Loans Secured by Real Estate		
Total 1st Mortgage Real Estate Loans/Lines of Credit	164,280	54.3
Total Other Real Estate Loans/Lines of Credit	55,691	18.4
Total Real Estate Loans	219,971	72.7
Used Vehicle Loans	56,910	18.8
New Vehicle Loans	21,953	7.3
All Other Unsecured Loans/Lines of Credit	1,759	0.6
Total All Other Loans/Lines of Credit	1,892	0.6
Unsecured Credit Card Loans	9	0.0
(Less: Allowance for Loan & Lease Losses)	(2,802)	
Total Loans	299,692	100.0

Source: NCUA Call Report

There are no significant financial or legal impediments that limit the Credit Union's ability to help meet the credit needs of its assessment area. The Credit Union operates in a competitive environment. This competition consists of several local institutions as well as a number of bank and non-bank entities such as large national banking companies, credit unions, and mortgage companies. The Credit Union's main competitors are HarborOne Credit Union, Rockland Trust, Bridgewater Credit Union, and Rockland Federal Credit Union. In 2007, 476 lenders originated home mortgage loans in the Credit Union's assessment area.

The Credit Union was last examined for compliance for the CRA by the Division on September 11, 2006, that examination assigned an overall CRA rating of "Satisfactory".

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its lending efforts are focused. The Division evaluates the institution's CRA performance based upon the defined assessment area.

The Credit Union has defined the assessment area to include 33 cities and towns located in the Bristol, Norfolk, and Plymouth Counties. The majority of the assessment area municipalities are located within the Boston-Quincy, MA Metropolitan District with the exception of 5 towns located in the Providence-New Bedford-Fall River, RI-MA Metropolitan District. Listed below are the communities that comprise assessment area, grouped by the county in which they are located in:

- *Bristol County:* Easton, Mansfield, Norton, Raynham, and Taunton
- *Norfolk County:* Avon, Canton, Cohasset, Holbrook, Stoughton, Weymouth
- *Plymouth County:* Abington, Brockton, Bridgewater, Carver, Duxbury, East Bridgewater, Halifax, Hanover, Hanson, Hingham, Kingston, Lakeville, Marshfield, Middleborough, Norwell, Pembroke, Plymouth, Plympton, Rockland, Scituate, West Bridgewater, and Whitman.

Refer to the following tables for pertinent demographic information concerning assessment area:

Table 2						
Assessment Area (AA)						
Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA
Geographies (Census Tracts)	126	1.6	11.9	54.0	31.7	0.8
Population by Geography	680,330	0.8	10.4	53.5	35.0	0.3
Owner-Occupied Housing by Geography	257,003	0.3	6.0	55.4	38.3	0.0
Family Distribution by Income Level	177,241	16.0	16.7	23.7	43.6	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	57,921	1.5	17.3	58.5	22.7	0.0
Median Family Income		\$68,355	Median Housing Value			\$187,363
HUD Adjusted Median Family Income (2008)		\$77,722	Unemployment Rate (2000 Census)			2.2%
Households Below Poverty Level		7.0%				

Source: 2000 US Census, 2008 HUD adjusted Median Family Income

The assessment area is comprised of 126 census tracts of the following income levels: 2 low-income, 15 moderate-income, 68 middle-income, and 40 upper income. There is 1 census tract designated as NA which is located in the town of Bridgewater and is comprised primarily of a state correctional facility.

The 2007 and 2008 median family incomes for the Boston-Quincy, MA Metropolitan District, as adjusted by the Department of Housing and Urban Development, ("HUD"), are \$76,900 and \$79,500, respectively. The 2007 and 2008 median HUD-adjusted family incomes for the Providence-New Bedford-Fall River, RI-MA Metropolitan District was estimated to be \$68,300 in both years under review.

As a result of the merger with Uniti Credit Union, Crescent Credit Union acquired a limited service branch in Cambridge. According to the regulation, the Commissioner reviews the delineation for compliance with the requirements of 209 CMR 46.41. The assessment area must include the geographies in which the institution has its main office, its branches, and its deposit-taking ATMs. One branch, located at Youville Hospital, has limited services and hours, primarily serving as a deposit center for the hospital employees who can deposit or cash payroll checks. As such, the review included the Credit Union's lending activity in Cambridge.

PERFORMANCE CRITERIA

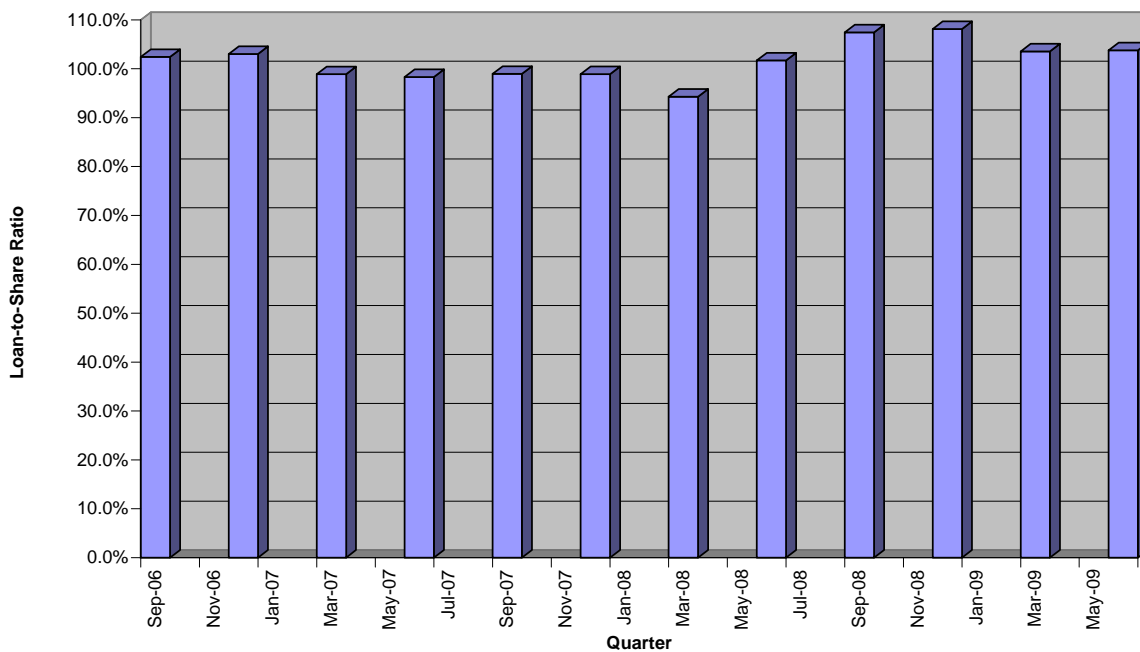
LENDING TEST

1. LOAN-TO-SHARE ANALYSIS

This performance criterion determines the percentage of the Credit Union's deposit (share) base reinvested in the form of loans and evaluates its appropriateness. Based on the Credit Union's asset size and resources, and the credit needs of its members; the loan-to-share ratio is more than reasonable.

A comparative analysis of the Credit Union's quarterly net loan-to-share ratios for the time period from the previous evaluation to the current evaluation, covering September 30, 2006 through June 30, 2009, was conducted during this examination. Using the Credit Union's quarterly Call Reports, the average net loan-to-share ratio for this period was calculated at 101.6 percent. This ratio is based on loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total shares. The following graph reflects the quarterly net loan-to-share ratios during the period reviewed:

Crescent Credit Union
Quarterly Net Loan-to-Share Ratios
September 2006 - May 2009

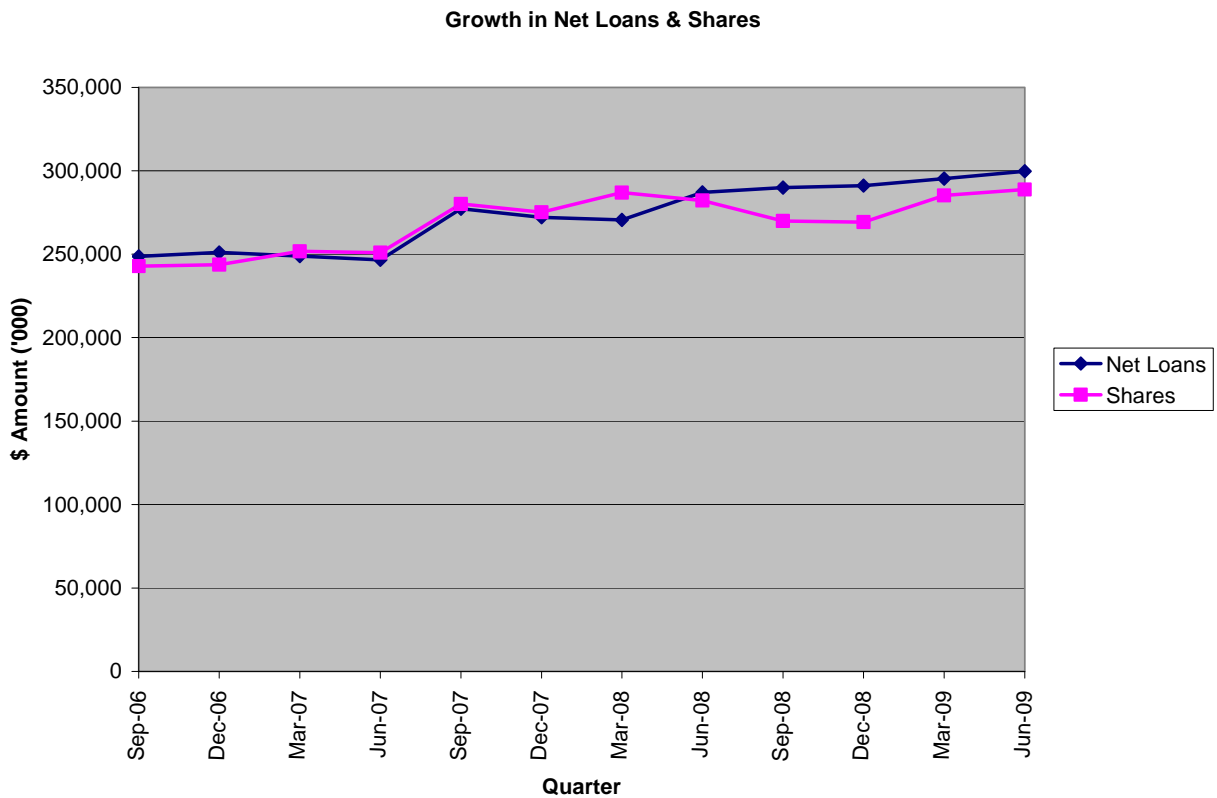


Source: NCUA Call Reports

As shown in the graph above, the Credit Union's net loan-to-share ratio fluctuated slightly over the past 12 quarters, with a high of 108.1 percent in December of 2008 and a low of 94.3 percent in March of 2008. The high ratios during the time period reflect an increase in net loans of 20.5 percent which slightly outpaced the share growth of 18.9 percent.

The Credit Union borrows funds through the Federal Home Loan Bank to meet loan demand as needed. The Credit Union also sells loans, which may cause fluctuations in the ratios. In September of 2008, the Credit Union sold 15 Fannie Mae loans, totaling \$3.1 million.

The following graph illustrates the growth in net loans and shares from September 2006 through May 2009.



The following table illustrates the loan-to-share ratios of financial institutions within or in close proximity to the assessment area as of June 30, 2009 in comparison to the Credit Union's loan-to-share ratio.

Table 3		
Average Net Loan-to-Share Comparison as of 6/30/09		
Bank	Net Loans to Shares	Total Assets ('000)
<i>Crescent Credit Union</i>	103.8%	365,474,027
Bridgewater Credit Union	102.1%	285,290,968
Quincy Credit Union	77.0%	332,547,861
Fall River Municipal Employee Credit Union	72.9%	229,709,455

Source: 5300 Report, Statement of Financial Condition as of June 30, 2009

As shown in the above table, Crescent Credit Union's net loan-to-share ratio was higher than the similarly situated institutions.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA

This performance criterion determines the percentage of the Credit Union's lending occurring within the defined assessment area and evaluates its appropriateness. A substantial majority of the Credit Union's lending occurred within the assessment area.

Residential Lending

Data regarding the Credit Union's HMDA lending activity for 2007 and 2008 was reviewed to determine the proportion of loans extended within the assessment area by number of originations and dollar amount. For the period reviewed, the Credit Union originated 483 HMDA-reportable loans totaling approximately \$60,320,000. Of these, 398 or 82.4 percent, by number, were originated inside the assessment area. Refer to the following table for the distribution of the Credit Union's HMDA reportable loans inside and outside the assessment area.

Table 4										
<i>Distribution of HMDA Loans Inside and Outside of the Assessment Area</i>										
Year	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2007										
Home Purchase	20	74.1	7	25.9	27	4,558	76.5	1,399	23.5	5,957
Refinance	115	87.1	17	12.9	132	12,395	86.1	1,997	13.9	14,392
Home Improvement	93	86.1	15	13.9	108	5,831	85.3	1,008	14.7	6,839
2007 Total	228	85.4	39	14.6	267	22,784	83.8	4,404	16.2	27,188
2008										
Home Purchase	42	72.4	16	27.6	58	8,266	64.6	4,534	35.4	12,800
Refinance	75	82.4	16	17.6	91	11,799	80.8	2,811	19.2	14,610
Home Improvement	53	79.1	14	20.9	67	4,700	82.1	1,022	17.9	5,722
2008 Total	170	78.7	46	21.3	216	24,765	74.7	8,367	25.3	33,132
Total	398	82.4	85	17.6	483	47,549	78.8	12,771	21.2	60,320

Source: 2007 & 2008 HMDA Data

As displayed in the table above, the percentage of HMDA loans inside the assessment area decreased from 85.4 percent, by number, in 2007 to 78.7 percent in 2008. However, the dollar amount increased from 2007 to 2008, \$22.8 million to \$24.8 million.

The level of the HMDA lending decreased slightly overall between 2007 and 2008, from 267 HMDA-reportable originations to 216 loans, respectively. However, home purchase loans inside the assessment area more than doubled from 20 loans in 2007 to 42 loans 2008. The significant volume of home purchase loans may have resulted from the changing marketplace and declining competition from non-bank mortgage brokers, combined with the Credit Union's hiring of a multi-lingual originator to service Brockton and the surrounding areas.

Consumer Loans

An additional analysis of consumer lending was conducted by reviewing the Credit Union's consumer loans. The types of consumer loans sampled consisted of new and used automobile loans, and unsecured personal loans. This review consisted of a sample of 50 consumer loan originations for 2007 and 2008, 25 loans from each year. In total during the time frame, the Credit Union originated 4,353 consumer loans totaling \$50,032,434. The following table illustrates a sample of the Credit Union's consumer lending inside and outside of the assessment area:

Table 5										
<i>Distribution of Consumer Loans Inside and Outside of the Assessment Area</i>										
Year	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2007										
Consumer Loans	14	56.0%	11	44.0	25	241	38.6	383	61.4	624
2008										
Consumer Loans	12	48.0	13	52.0	25	225	51.5	212	48.5	437
TOTAL	26	52.0	24	48.0	50	466	43.9	595	56.1	1,061

Source: Crescent Credit Union Consumer Loan Sample

The Credit Union is involved in indirect automobile lending, this aspect of the institution's lending activity is not based upon direct contact with borrowers and is, therefore, not as reflective of the Credit Union's outreach efforts in its assessment area. Through its indirect auto lending program the Credit Union has an established relationship with automobile dealers, many of which have a broader geographic focus than the Credit Union's assessment area. As the overall majority of consumer loans sampled were originated within the assessment area, the Credit Union's performance is considered reasonable.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The distribution of loans by borrower income levels was reviewed to determine the extent to which the Credit Union is addressing the credit needs of the area's residents. Overall, the Credit Union's lending to borrowers of different incomes represents an excellent penetration throughout the assessment area.

Residential Lending

The Credit Union's HMDA reportable loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes for the assessment area. The income figures are based on 2000 U.S. Census data information. The following table shows, by number, HMDA reportable loans to low, moderate, middle and upper-income borrowers in comparison to the aggregate and the percentage of total families within the assessment area in each respective income group.

Table 6								
Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Families	Aggregate Lending Data (% of #)	2007		2008		Total	
			2007	#	%	#	%	#
Low	16.0	4.0	23	10.1	14	8.2	37	9.3
Moderate	16.7	16.9	55	24.1	52	30.6	107	26.9
Middle	23.7	29.5	63	27.6	41	24.1	104	26.1
Upper	43.6	45.2	84	36.8	62	36.5	146	36.7
Income NA	----	4.3	3	1.3	1	0.6	4	1.0
Total	100.0	100.0	228	100.0	170	100.0	398	100.0

Source: 2007 & 2008 HMDA Data & 2000 US Census

During the evaluation period the Credit Union originated 37 HMDA reportable loans in the assessment area to low-income borrowers representing 9.3 percent of total originations. The Credit Union originated 23 loans or 10.1 percent of loans to low-income borrowers in 2007, which is well above the aggregate's percentage (4.0 percent). The Credit Union's performance remained strong in 2008, as 8.2 percent of loans were made to low-income borrowers. Based on the above, the Credit Union's performance displays a strong commitment in meeting the credit needs of low-income borrowers. Further, according to market share reports for 2007, of the 476 HMDA reporters in the assessment area, the Credit Union was ranked 10th in lending to low-income borrowers.

The Credit Union's level of lending to moderate-income borrowers, 55 loans or 27.6 percent in 2007, is also well above the 2007 aggregate's percentage of 16.9 percent. The Credit Union's percentage of lending to moderate-income borrowers increased in 2008 whereby 30.6 percent of loans originated were made to moderate-income borrowers. According to 2007 market share reports, the Credit Union was ranked 22nd in lending to moderate-income borrowers within the assessment area.

Consumer Loans

A sample of the Credit Union's consumer loan data for 2007 and 2008 was analyzed in order to determine the distribution of credit based upon the income level of the borrowers. The following table shows the Credit Union's performance in lending to borrowers of different income levels from the sample reviewed.

Table 7						
<i>Distribution of Consumer Loans by Borrower Income</i>						
<i>Median Family Income Level</i>	<i>2007</i>		<i>2008</i>		<i>Total</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
<i>Low</i>	4	26.6	1	8.3	5	19.2
<i>Moderate</i>	3	21.4	2	16.7	5	19.2
<i>Middle</i>	3	21.4	6	50.0	9	34.6
<i>Upper</i>	4	28.6	3	25.0	7	26.9
<i>Total</i>	<i>14</i>	<i>100.0</i>	<i>12</i>	<i>100.0</i>	<i>26</i>	<i>100.0</i>

Source: Crescent Credit Union Consumer Loan Sample

As displayed in the table above, 19.2 percent of consumers loans sampled were made to low-income borrowers and 19.2 percent were made to moderate-income borrowers. It should be noted that the analysis of consumer loans to low- and moderate-income borrowers may be somewhat skewed. The comparison of consumer loans to low- and moderate-income borrowers to the percentage of low- and moderate-income families may result in higher performance levels due to the fact that in most cases only one income is used to make a credit decision.

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 2007 and 2008 HMDA/LARs and consumer loans sampled, the geographic distribution of loans reflects an adequate dispersion throughout the assessment area. The Credit Union's assessment area contains 2 low-income census tracts, 15 moderate-income census tracts, 68 middle-income census tracts, 40 upper-income census tracts and 1 census tract with no income designation.

Residential Lending

The following table provides a breakdown by number of the Credit Union's HMDA 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 2007. Refer to the following table.

Table 8								
<i>Distribution of HMDA Loans by Income Category of the Census Tract</i>								
Census Tract Income Level	% Total Owner-Occupied Housing Units	Aggregate Lending Data (% of #)	2007		2008		Total	
			2007	#	%	#	%	#
Low	0.3	0.7	2	0.9	2	1.2	4	1.0
Moderate	6.0	6.7	20	8.8	19	11.2	39	9.8
Middle	55.4	56.6	140	61.4	96	56.5	236	59.3
Upper	38.3	36.0	66	28.9	53	31.1	119	29.9
Total	100.0	100.0	228	100.0	170	100.0	398	100.0

Source: 2007 & 2008 HMDA Data & 2000 Census

As shown in the table above, the Credit Union originated a total of 1.0 percent of HMDA reportable loans in low-income census tracts and 9.8 percent in moderate-income census tracts. In 2007, the Credit Union originated 2 or 0.9 percent of HMDA-reportable loans in low-income census tracts exceeding the percentage of owner-occupied units in those tracts (0.3 percent) and the aggregate's percentage (0.7 percent). In 2008, the Credit Union originated an additional 2 loans (1.2 percent) in low-income census tracts. Considering the limited opportunity to lend in those tracts, the Credit Union's performance is good. Of additional note is the Credit Union's market rank, of the 476 lenders in the assessment area the Credit Union ranked 11th in lending in low-income census tracts.

In 2007, the Credit Union originated 20 or 8.8 percent of HMDA-reportable in moderate-income census tracts which is in line with the aggregate's percentage of 6.7 percent. Market share reports for 2007 indicate the Credit Union was ranked 24th in lending in moderate-income tracts. The Credit Union's level of lending in 2008 was comparable to its 2007 performance whereby 19 loans or 11.2 percent of loans were originated in moderate-income census tracts.

Consumer Loans

An analysis of the consumer loans sampled originated within the assessment area was also conducted to determine the borrower's location by census tract income level. Refer to the following table for the Credit Union's distribution of consumer loans by income category of the census tract.

Table 9						
<i>Distribution of Consumer Loans by Income Category of the Census Tract</i>						
<i>Census Tract Income Level</i>	<i>2007</i>		<i>2008</i>		<i>Total</i>	
	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
<i>Low</i>	1	6.7	0	0.0	1	3.7
<i>Moderate</i>	2	13.3	4	33.3	6	22.2
<i>Middle</i>	11	73.3	7	58.3	18	66.7
<i>Upper</i>	1	6.7	1	8.3	2	7.4
<i>Total</i>	15	100.0	12	100.0	27	100.0

Source: Crescent Credit Union Consumer Loan Sample & 2000 US Census

In 2007, the Credit Union originated one loan in the sample in a low-income census tract, accounting for 6.7 percent of the total sample. In 2008, the Credit Union originated no loans from the consumer loan sample in low-income census tracts. In moderate income census tracts, the Credit Union originated 2 or 13.3 percent of the consumer loans sampled in 2007. In 2008, the level of lending in moderate-income census tracts increased with 4 loans, accounting for 33.0 percent, made in moderate-income census tracts.

5. FAIR LENDING POLICIES AND PROCEDURES

The Credit Union's fair lending performance was reviewed to determine how it relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. A review of the public comment file indicated that the Credit Union received no complaints pertaining to the institution's CRA performance since the previous examination. In addition, a review of the Credit Union's residential loan application files was conducted to evaluate fair lending policies and procedures. A review was conducted for compliance with fair lending regulations and no evidence of discrimination was detected.

The Credit Union's Loan Policy and Fair Lending Policy address the Equal Credit Opportunity Act, the Fair Housing Act, and the Home Mortgage Disclosure Act.

Among the Credit Union employees are individuals of Black or African American, Hispanic or Latino, and Asian decent. The Credit Union has 23 bilingual employees to help non-English speaking customers of the Credit Union. Second languages include Cape Verdean Creole, French, German, Greek, Haitian Creole – French, Lithuanian, Portuguese, and Spanish.

The Credit Union's staff is routinely provided fair lending training commensurate to their job descriptions.

MINORITY APPLICATION FLOW

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the Credit Union received from the different racial and ethnic groups within the assessment area.

The assessment area has a population of 680,330 persons. The total minority population is 11.2 percent with the largest minority groups being Black at 3.8 percent and Asian or Pacific Islander at 1.2 percent. The Hispanic population accounts for 2.4 percent of the total population within the assessment area.

The Credit Union received a total of 572 HMDA reportable loan applications from within the assessment area during the time period under review. Refer to the following table for information on the Credit Union's minority application flow as well as a comparison aggregate's lending performance levels for the most recent year that data was available, the year 2007. The comparison of this data assists in deriving reasonable expectations, for the rate of applications the Credit Union received from minority applicants.

MINORITY APPLICATION FLOW								
RACE	Aggregate Data ('07)		CU ('07)		CU ('08)		Total CU	
	#	%	#	%	#	%	#	%
American Indian/ Alaska Native	120	0.2%	1	0.3%	2	0.8%	3	0.5%
Asian	616	1.0%	1	0.3%	4	1.5%	5	0.9%
Black/ African American	3,896	6.2%	24	7.7%	39	14.9%	63	11.0%
Hawaiian/Pac Isl.	144	0.2%	0	0.0%	0	0.0%	0	0.0%
2 or more Minority	59	0.1%	0	0.0%	0	0.0%	0	0.0%
Joint Race (White/Minority)	444	0.7%	5	1.6%	1	0.4%	6	1.0%
Total Minority	5,279	8.4%	31	10.0%	46	17.6%	77	13.5%
White	41,782	66.5%	245	79.0%	190	72.5%	435	76.0%
Race Not Available	15,750	25.1%	34	11.0%	26	9.9%	60	10.5%
Total	62,811	100.0%	310	100.0%	262	100.0%	572	100.0%
ETHNICITY							0	
Hispanic or Latino	1,492	2.4%	3	1.0%	7	2.7%	10	1.7%
Not Hispanic or Latino	45,002	71.6%	263	84.8%	219	83.6%	482	84.3%
Joint (Hisp/Lat/Not Hisp/Lat)	367	0.6%	2	0.6%	2	0.8%	4	0.7%
Ethnicity Not Available	15,950	25.4%	42	13.5%	34	13.0%	76	13.3%
Total	62,811	100.0%	310	100.0%	262	100.0%	572	100.0%

In 2007, the Credit Union received 10.0 percent of applications from racial minorities within the assessment area, exceeding the 2007 aggregate's percentage of 8.4 percent. The Credit Union received 17.6 percent of applications from racial minority applicants in 2008. Of the minority applications received by the Credit Union, a total of 51 percent resulted in originations, which is significantly higher than the aggregate minority originations, 34.6 percent.

The Credit Union received a slightly lower level of applications from Hispanic or Latino applicants than the 2007 aggregate, 1.0 percent compared to 2.4 percent. The Credit Union received a total of 7 applications or 2.7 percent of applications from Hispanic or Latino applicants in 2008. Of the Hispanic or Latino applications received by the Credit Union, a total of 57.1 percent resulted in originations, which is significantly higher than percentage originated by the aggregate, 37.3 percent.

COMMUNITY DEVELOPMENT TEST

Crescent Credit Union's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area. The Credit Union has met these community development needs primarily through the provision of community development services. Although exempted from being rated separately under the Division's regulation 209 CMR 46.61, the Credit Union's charitable contributions were reviewed and served to augment the Credit Union's performance. According to the regulation: "In assessing whether a credit union's performance is 'High Satisfactory' or 'Outstanding,' the Commissioner will also consider the credit union's performance in making qualified investments and community development loans to the extent authorized under law."

No community development loans were granted during the period reviewed. It is recognized that the Credit Union's ability to be involved in community development lending is limited by restrictions imposed by Massachusetts General Laws, the National Credit Union Administration, and its by-laws. As such, no rating was ascribed to the Credit Union's community development lending.

A Community Development Service has community development as its primary purpose and is generally related to the provision of financial services or technical services or assistance. During the evaluation period, officers and employees of the Credit Union were involved in a number of organizations providing financial expertise serving in various capacities. Refer to the following for further details regarding the Credit Union's Community Development Service activities:

Employee Services

Boys and Girls Club of Brockton

The Boys & Girls Club of Brockton is a youth development organization dedicated to serving Brockton area youth. The Club's goal is to be the premier provider of youth services in Brockton by providing programs and activities that inspire and enable youth ages 6-19 to reach their full potential as responsible, caring and productive citizens. The Club's nationally recognized programs help kids succeed in schools, stay healthy, and participate in arts and sports, community service, and technology. A member of the Credit Union's Board of Directors also serves as a member of the Board of Directors of the Club.

Brockton Housing Partnership

The Brockton Housing Partnership is a consortium of twenty-two entities consisting of local financial institutions and organization (non-profit as well as state and local government) charged with the following goals: (1) develop and fund affordable and market rate housing, (2) Assist in the restoration or rehabilitation of housing, and (3) educate consumer on financial literacy. A Credit Union Vice President serves as Chairperson of the Partnership.

Through this service, the Credit Union assisted in providing one-on-one counseling with homeowners and creating a below market rate loan program, Buy Brockton, providing 100 percent financing for borrowers purchasing homes in foreclosure or being sold as short sales in Brockton.

Caritas Good Samaritan Medical Center of Brockton

Caritas Christi Health Care, is committed to serving the physical and spiritual needs of their community by delivering the highest quality care with compassion and respect. The Credit Union's President serves as the Vice Chairman of the Board of Governors and is also the Chairman of the Finance Committee.

Massasoit Community College

Massasoit Community College is a comprehensive institution offering a full range of degree programs, transfer and support services-including an extensive Academic Resource Center, and credentialed certificates in a wide array of fields. With a Massasoit education one can be ready for immediate employment in the workforce or transfer to a four-year college. Massasoit has two campus locations in Brockton and Canton. The Credit Union's President is a Foundation Board Member at Massasoit.

MY TURN Incorporated

MY TURN is a dropout prevention and intervention solution. MY TURN delivers education and training services to youth as they make Gateway Choices—critical moments when a life choice cannot be easily unmade, when success or failure is equally possible. MY TURN assists youths identify and develop their skills, goals, and self-confidence through career exploration and planning for employment, training, and college. MY TURN works with public schools in a growing number of New England communities to build the support mechanisms that will ensure a better tomorrow for the youth. A Senior Vice President of the Credit Union's serves as a Director of MY TURN.

Educational Seminars and Services

Credit for Life Participation

In 2007, 2008, and 2009, the Credit Union participated in the Credit for Life Fair located at Brockton High School. Sponsored by the Brockton Housing Partnership, the Fair promotes financial literacy to local high school students. Each year approximately 250 Brockton High School and YouthBuild students attend this nationally award winning event.

First Time Homebuyer Workshops

Since 2007, each year the Credit Union hosts First Time Homebuyer Workshops in Brockton. The Workshops are organized by the Neighborhood Housing Services of the South Shore with sponsorship from the Brockton Housing Partnership. At the Workshops, the Credit Union educates potential first time homebuyers on the mortgage process including the terminology used in the home buying process, determining how much of a home you can afford, submitting a mortgage application, and the required down payment.

In 2007, 123 individuals attended the workshops resulting in 43 home purchases in Brockton. Of the attendees, eleven homebuyers were assisted by receipt of down payment/closing cost assistance. One of the workshops was held in Portuguese. In 2008, 98 individuals attended the workshops resulting in 4 documented homebuyers in Brockton. In 2009, the Credit Union hosted the workshops at its' Mortgage and Loan Center office.

MassHousing Lender Training

In February of 2008, the Credit Union hosted a MassHousing Lender Training at its Loan Center in Brockton. The primary focus of the session was to provide mortgage origination, processing, and underwriting staff of the Brockton Housing Partnership lenders with information about the tools available through MassHousing to help homebuyers and homeowners. In addition, a review was completed of a step-by-step process to early intervention and foreclosure prevention using products available through MassHousing. There were 15 attendees at the training.

Opportunity Knocks

In March of 2009, the Credit Union contributed to the "Opportunity Knocks" homebuyer fairs held in Brockton and Taunton. The free homebuyer fairs promote affordable homeownership opportunities in Massachusetts.

Savings Makes "Cents"

The Credit Union's Savings Makes "Cents" account is an interest bearing passbook savings account designed especially for students in grades 3-6 who are participating the State Treasurer's Office program at designated schools. There is no minimum balances and no monthly service charge. The account teaches children the value of saving money.

Crescent Credit Union Opportunity Center

The Credit Union is currently in the process of establishing the Crescent Credit Union Opportunity Center. The center was scheduled to open in September of 2009; however, the opening has been delayed due to staffing issues. The multicultural outreach center will be open three nights a week from 6:00pm – 8:00 pm and will operate through four major components, English as a Second Language (ESOL), Financial Literacy, Basic Computer Skills and courses focusing on Preparation for Citizenship. Recognizing the need for immigrants to speak English proficiently, the Credit Union will provide an accredited ESOL instructor to teach courses two nights a week. The Credit Union also developed "The Commonwealth Plan", which has two major components with one being financial education and literacy. Courses offered include basic money management: budgeting, saving and managing credit. The second component is credit counseling. The center will be located on the second floor of the institution's main office in Brockton.

Other Community Development Related Activities

The Credit Union originates a number of loans under specified programs targeted towards first time homebuyers of modest means, and although the following loan originations are included in the analysis of HMDA reportable loans and received credit under the lending portion of this evaluation, the originations are noteworthy. The following details some of the innovative and flexible loan products the Credit Union has offered which are geared towards first time homebuyers and low- and moderate-income members.

Buy Brockton Mortgage Program

The Credit Union participates in the Buy Brockton mortgage program, a loan program offered by the Brockton area community banks and credit unions. The program, created by Brockton Housing Partnership, was designed to alleviate some of the negative impact from the foreclosure crisis by offering qualified buyers financing to purchase a home currently owned by a bank, in foreclosure, or one that will be sold in a short sale. The loan program, offered only for owner-occupied properties, is a 30-year fixed rate loan with a maximum loan-to-value of 100 percent. The program offers discounted interest rates, closing costs, and unemployment benefits via MI Plus Mortgage Insurance from MassHousing. The Credit Union received Board approval for a \$5 million commitment to the program. As of September 2009, the Credit Union received 15 applications totaling \$2,288,798. Of these applications, the Credit Union approved 12 for a total amount of \$1,837,893.

First Time Homebuyers Mortgage

The Credit Union's First Time Home Buyer Program is designed to make the first home financing experience easy and affordable. The program features both fixed and adjustable rate mortgage options, offers attractive rates and a no-points option. Conforming loan amounts range from \$10,000 to \$417,000 for a single-family home. Conforming loan amounts are higher for 2-4 family dwellings. There is no minimum down payment. Since 2007, the Credit Union originated 69 first time homebuyer mortgages, totaling \$13.5 million.

MassHousing Mortgages

MassHousing is the state's affordable housing bank. MassHousing lends money at rates below the conventional market to support affordable rental and home ownership opportunities for low- and moderate-income residents of Massachusetts. MassHousing partners with an extensive network of approved lenders to deliver home mortgage programs to first-time buyers. Since 2007, the Credit Union accepted 12 applications for MassHousing mortgages, totaling \$2.6 million. Of the applications received, the Credit Union closed 5 mortgages, totaling \$1.3 million, and 2 mortgages are pending, totaling \$289,800.

Small Business Administration

The Credit Union offers Small Business Administration (SBA) loans, guaranteed by the U.S. Small Business Administration, to help qualified small businesses obtain financing when they might not be eligible for business loans through normal lending channels. The SBA branches out to increase business participation by women and minorities along new avenues, such as the minority small business program, microloans and the publication of Spanish-language informational materials.

The SBA also has programs which relax the credit and collateral requirements for applicants living below the poverty level which encourage new businesses that had been unable to attract financial backing, but are nevertheless sound commercial initiatives. Since 2008, the Credit Union originated three SBA loans, totaling \$285,000. In 2008, the Credit Union originated an SBA loan for a coffee shop in Brockton and another for a restaurant in Norwell. In 2009, the Credit Union originated an SBA loan for a towing company in Brockton.

Community Development Investments

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low- and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low- and moderate-income geographies.

The Credit Union's community development related investments activity consists solely of charitable contributions. In 2007, the Credit Union granted \$51,892 in charitable contributions, of which \$19,830 or 38.2 percent is considered CRA qualified. In 2008, the Credit Union extended \$43,837 in charitable contributions of which \$22,116 or 50.5 percent was considered CRA qualified. Through September of 2009, the Credit Union granted \$34,421 of which \$14,625 or 42.5 percent is considered CRA qualified. Organizations which benefited from the Credit Union's contributions include: The Housing Assistance Program (HAP), Feed the Hungry, The Charity Guild, The Cape-Verdean Association of Brockton, Inc, Self Sufficiency, Heart of Taunton, Downtown Brockton/ Main Street, Boys and Girls Club of Brockton and the Brockton and South Shore Housing Partnerships.

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 115 Commercial Street, Brockton, MA 02302.

- 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.