

PUBLIC DISCLOSURE

October 16, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

POLISH NATIONAL CREDIT UNION

46 MAIN STREET
CHICOPEE, MA 01021

66597

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.

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 **Polish National Credit Union (or the “Credit Union”)** prepared by the Division, the institution's supervisory agency.

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

Polish National 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. A summary of the Credit Union's performance is provided below. 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. Polish National Credit Union received a rating of “Satisfactory” under the Lending Test and “Satisfactory” under the Community Development Test.

Lending Test

The analysis includes residential mortgage data as reported by the Credit Union pursuant to the Home Mortgage Disclosure Act (“HMDA”) for 2006 and 2007.

The Credit Union's responsiveness to community credit needs is considered reasonable given the institution's size and assessment area credit needs. The majority of the Credit Union's residential loans were originated inside the assessment area. The distribution of loans among borrowers of different income reflects a reasonable penetration. The Credit Union's record of helping to serve the credit needs of low- and moderate-income geographies is considered adequate. The Credit Union has received no CRA related complaints.

Community Development Test

Community Development services were reviewed for the time period from January 9, 2003 through October 16, 2008.

Polish National Credit Union provides an adequate level of community development services to organizations within its assessment area. No community development loans were granted during the period and it is recognized that Polish National Credit Union's ability to be involved in community development lending is limited by restrictions imposed by Massachusetts General Laws. As such, no rating was assigned to the Credit Union's community development lending. Although exempted from being rated separately under 209 CMR 46.61, Polish National Credit Union's, charitable contributions were reviewed. Based on the above information, the Credit Union's Community Development Test was found to be Satisfactory.

PERFORMANCE CONTEXT

Description of Institution

Polish National Credit Union is a community-based Credit Union incorporated in 1921. Polish National Credit Union's membership is limited to individuals who live, work, or attend school in Hampden, Hampshire, Berkshire, and Franklin counties of Western Massachusetts. The Credit Union's main office is located at 46 Main Street, in Chicopee. In addition to its main office, Polish National Credit Union operates three full-service branch offices. These offices are located in the towns of Chicopee, Granby, and Westfield. All offices offer drive-up facilities with extended hours and 24-hour ATM service with network access. December 28, 2005, Polish Credit Union and Westfield River Federal Credit Union merged under the charter, by laws and name of Polish National Credit Union.

The Credit Union offers 24-hour online services, which allows members to check balances, review account history, make bill payments, and transfer funds between accounts. Along with the Credit Union's online services, it offers a bill paying service. In addition, the Credit Union's homepage, www.pncu.com, allows members to apply for consumer loans. The Credit Union also offers 24-hour telephone banking through its 24 Hour Account Manager. This service provides account access 24 hours per day, 7 days a week and allows members to obtain balance information, execute transfers between accounts, make loan payments or calculate what a loan payment might be.

As of June 30, 2008 the Credit Union's assets totaled \$378,893,110. Total loans, as of this date were \$170,945,250 or 45.1 percent of total assets. The Credit Union has experienced an asset growth of approximately 24.0 percent since September 30, 2002, when assets totaled \$305,625,000. The Credit Union's loan portfolio has grown approximately 48.6 percent since the previous examination when total loans represented \$115,079,000 million.

The significant growth in the Credit Union's loan portfolio is primarily a result of the growth in the Credit Union's second mortgage portfolio. As of June 30, 2008, residential real estate loans represented the majority (94.9 percent) of the Credit Union's loan portfolio. The next largest segments of the Credit Union's loan portfolio were new and used vehicle loans representing 2.6 percent and 1.7 percent, respectively. See table following for details.

Loan Distribution as of June 30, 2008		
Loan Type	Dollar Amount \$(000)	Percent (%)
Secured by:		
Unsecured Loans/Lines of Credit	\$ 603,886	0.4
All Other Unsecured Loans/Lines of Credit	\$ 279,718	0.2
New Vehicle Loans	\$ 4,508,926	2.6
Used Vehicle Loans	\$ 2,921,840	1.7
1 st Mortgage Real Estate Loan/Lines of Credit	\$ 132,388,296	77.4
Other Real Estate Loans/Lines of Credit	\$ 29,883,629	17.5
All other Loans/Lines of Credit	\$ 358,955	0.2
Total	\$ 170,945,250	100.0

Source: NCUA Call Report

Polish National Credit Union's net loan-to-asset ratio as of June 30, 2008 is shown below and compared to four other similarly situated institutions. As indicated below Polish National Credit Union's net loan-to-asset ratio is slightly lower compared to the other area institution's ratios.

Net Loan to Asset Ratio ("NLTAR")			
Credit Union	Net Loans	Assets	NLTAR
Webster First Credit Union	320,106,437	436,919,656	73.3%
Central One Credit Union	194,601,182	286,096,867	68.0%
Freedom Credit Union	213,986,116	355,350,908	60.2%
GFA Credit Union	114,558,903	249,897,674	45.8%
Polish National Credit Union	170,763,648	378,893,110	45.1%

Source: Call Report Data as of June 30, 2008

The Division last examined the Credit Union for CRA on January 8, 2003. That examination resulted in an overall rating of "Satisfactory".

Polish National Credit Union faces competition from large banks, nationwide mortgage companies, and credit unions that operate within the assessment area. In 2007 there were 205 HMDA reporting lenders who originated loans in the Credit Union's assessment area. In 2006 Polish National Credit Union was ranked 25th out of the 397 total lenders according to market share reports.

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. Based upon Polish National Credit Union's financial condition, size, product offerings, and branch network, the Credit Union's ability to meet members' credit needs remains strong.

Parity Powers

Credit Union received approval from the Division to engage in certain activities pursuant to Massachusetts General Laws Chapter 171, Section 6A and authorized under the "Parity with Federal Credit Union Regulations" 209 CMR 50.00. These additional powers include:

- In May of 2005, the Division granted the Credit Unions the authority to increase its maximum first lien residential mortgage loans from \$375,000 to \$550,000 and to increase the real estate borrowing limitation per member from \$425,000 to \$650,000 pursuant to Massachusetts General Laws chapter 171, section 6A and 209 CMR 50.06(3)(j)1.
- In July of 2006, the Division granted the Credit Unions the authority to offer Guaranteed Auto Protection (GAP) to provide debt cancellation on automobile loans made through the Credit Union to its members. The GAP product will cover the difference between the loan payoff and the member's primary insurance company settlement. In addition, a "GAP Plus" product providing \$1,000.00 toward the purchase of a new vehicle for members who refinance their next vehicle with the Credit Union would also be offered.

- In June of 2007, the Division granted the Credit Unions authority to offer its members a debt cancellation product (the "Product") to provide debt cancellation for home equity loans made by the Credit Union members. The Product will cover the loan payment obligation during various specified periods of the loan term for Accidental Death and Dismemberment, Life and Disability. The duration of the cancellation period varies according to the different circumstances set forth in the Product description. The Credit Union will receive a fee for each Product sold, and does not intend to offer staff incentives for the sale of the Product.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Division evaluates the institution's CRA Performance based upon the defined assessment area. The Office of Management and Budget establishes Metropolitan Statistical Areas ("MSA") for statistical reporting purposes by federal agencies. The Credit Union's assessment area contains 14 cities and towns located in Hampden and Hampshire Counties in the Springfield MSA.

The assessment area is comprised of 97 census tracts, of which 17 or 17.5 percent are designated as low-income; 19 or 19.6 percent, as moderate-income; 42, or 43.3 percent as middle-income; 18 or 18.6 percent, as upper-income and 1 or 1.0 percent has no income designation.

Based on 2000 U.S. Census data, the total population of the assessment area is 472,032 individuals. Of the total population within the assessment area, 12.2 percent reside in low-income tracts; 22.3 percent of the population resides in moderate-income tracts; 46.1 percent reside in middle-income census tracts; 19.4 percent reside in upper-income tracts; and 0.0 percent is in the N/A designation tracts.

There are 114,944 family households within the Credit Union's assessment area. The HUD adjusted Median Family Income ("MFI") for the assessment area for 2007 was \$61,800. Using data collected during the 2000 Census, the breakout of families by income level is as follows: 24.5 percent are low-income; 17.9 percent are moderate-income; 21.6 percent are middle-income; and 36.0 percent are upper-income. Approximately, 11.8 percent of families are below the poverty level.

Housing units within the assessment area total 187,375 of which 105,642 or 56.4 percent are owner-occupied, 72,133 or 38.5 percent are rental units, and 9,600 or 5.1 percent are vacant. Of the owner-occupied units within the assessment area, 3.6 percent is located in low-income census tracts, 14.7 percent are in moderate-income census tracts, 57.2 percent are in middle-income tracts, and 24.5 are in upper-income tracts. Approximately, 78.3 percent of the total housing units are 1-4 family dwellings, while 20.1 percent are multi-family structures, and 1.6 percent are mobile homes.

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

Selected Housing Characteristics by Income Category of the Geography							
Geographic Income Category	Percentage						Median Home Value
	Census Tracts	House- holds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	
Low	17.5	11.9	12.6	3.6	24.2	25.0	76,310
Moderate	19.6	21.0	21.4	14.7	30.0	29.7	90,344
Middle	43.3	49.0	48.2	57.2	36.9	34.8	110,978
Upper	18.6	18.1	17.8	24.5	8.9	10.5	161,840
NA	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	121,264

Source: 2000 U.S. Census

According to the 2000 Census, the median housing value in the assessment area is \$121,264. More recent data obtained from The Warren Group, indicates that the 2007 median housing values in the assessment area ranged from a low of \$154,500 in Springfield to a high of \$329,000 in Longmeadow.

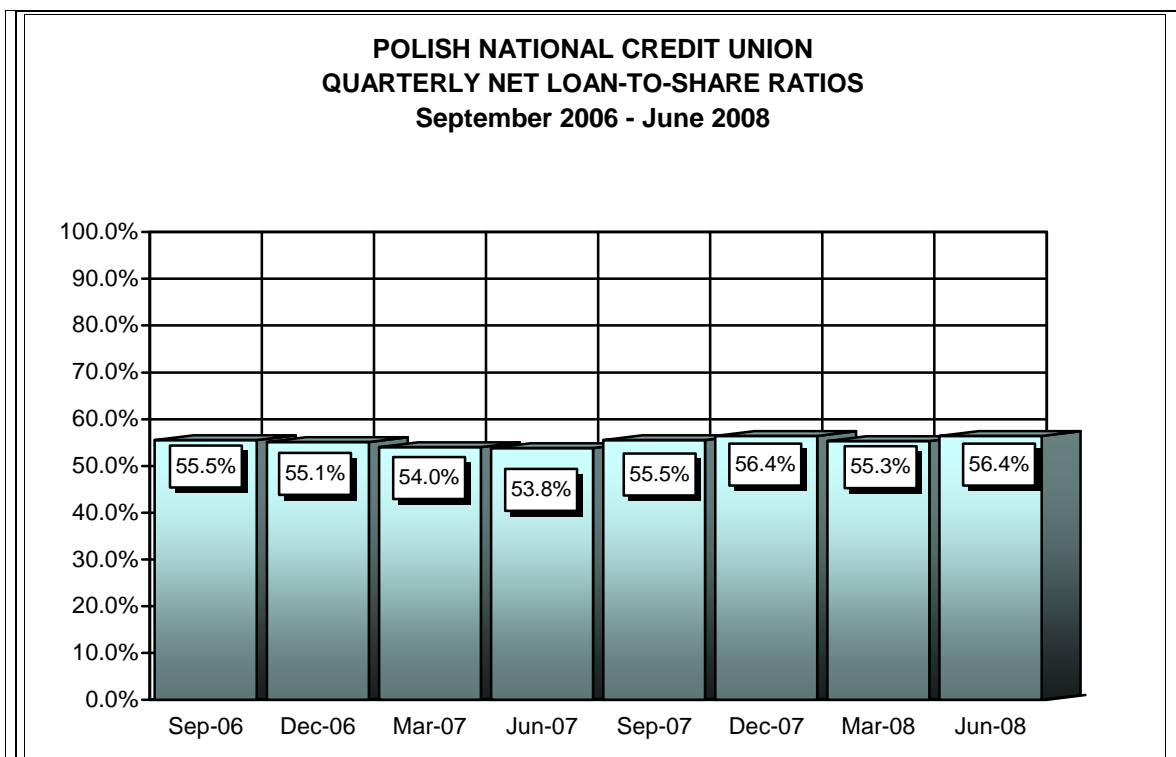
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

LENDING TEST

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 Polish National Credit Union's quarterly net LTS 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 56.4 percent. The lowest LTS ratio for this period was 53.8 percent (June 2007) and the highest LTS ratio for this period was 56.4 percent (December 2007 and June 2008). The ratios over the time period reflect an increase in net loans from approximately \$160 million to \$171 million or 7.0% growth, while total shares increased from \$288 million to \$303 million or 5.2% growth. The following graph depicts the net loan-to-share ratios for each quarter under review.



Source: NCUA Call Report Data

Polish National Credit Union's net LTS ratio was compared to other area institutions. The ratios were as of June 30, 2008. The ratios ranged from a low of 56.4 percent to a high of 93.4 percent. Refer to the following table for details.

Net Loans-to-Share Ratios			
Credit Unions	Net Loans	Shares	Net Loans To Share Ratio
Webster First Credit Union	\$320,106,437	\$342,913,872	93.4 %
Freedom Credit Union	\$213,986,116	\$275,552,571	77.7 %
Central One Credit Union	\$194,601,182	\$261,542,644	74.4 %
GFA Credit Union	\$114,558,903	\$200,887,038	57.0 %
Polish National Credit Union	\$170,763,648	\$302,716,708	56.4 %

Source: NCUA Call Report Data as of June 30, 2008

Based on the foregoing information, the Credit Union's asset size and resources, and the credit needs of its members, the Credit Union's net loan to share ratio was adequate.

2. Lending in the Assessment Area

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 618 HMDA reportable loans during this period totaling \$63,580,000. Of this number, 500 loans or 80.9 percent were originated within the Credit Union's assessment area. Of the total dollar volume, \$48,702,000 or 76.6 percent was originated within the Credit Union's assessment area. The following table illustrates 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	256	81.3	59	18.7	315	25,128	77.7	7,209	22.3	32,337
2007	244	80.5	59	19.5	303	23,574	75.5	7,669	24.5	31,243
Total	500	80.9	118	19.1	618	48,702	76.6	14,878	23.4	63,580

Source: HMDA LAR

As indicated in the table above the Credit Union has demonstrated a reasonable penetration of HMDA reportable loans, which were originated within the assessment area.

3. Distribution of Credit Among Borrowers of Different Income Levels

The distribution of loans by borrower income was reviewed to determine the extent to which the Credit Union is addressing the credit needs of the area's residents. Based on the review of the HMDA Loan Application Register ("LAR") the Credit Union has achieved a reasonable penetration among individuals of different income levels, including low- and moderate-income individuals.

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.

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 in each respective income group.

Distribution of HMDA Loans by Borrower Income											
Median Family Income Level	% Total Families	Aggregate 2006		Credit Union 2006		Aggregate 2007		Credit Union 2007		Total	
		#	%	#	%	#	%	#	%	#	%
Low	24.5	1,514	5.9	8	3.1	1,027	5.5	9	3.7	17	3.4
Moderate	17.9	5,958	23.4	47	18.4	4,213	22.7	46	18.8	93	18.6
Middle	21.6	7,090	27.8	81	31.6	5,542	29.9	67	27.5	148	29.6
Upper	36.0	6,669	26.1	120	46.9	5,686	30.6	122	50.0	242	48.4
NA	0.0	4,286	16.8	0	0.0	2,091	11.3	0	0.0	0	0.0
Total	100.0	25,517	100.0	256	100.0	18,559	100.0	244	100.0	500	100.0

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

The Credit Union's HMDA lending to low-income borrowers is reasonable given the demographics of the assessment area. As displayed in the table above, the Credit Union extended 8 loans in 2006 and an additional 9 loans in 2007 to low-income borrowers. These numbers represent 3.1 percent and 3.7 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 is below the percentage of low-income families. Additionally, the Credit Union's performance in extending credit to low-income borrowers in 2006 is below the 2006 peer aggregate data (5.9 percent). Also, the Credit Union's performance in extending credit to low-income borrowers in 2007 is below the 2007 aggregate data (5.5 percent). Aggregate data and market share reports for 2007 indicate that the Credit Union ranked 31st out of 138 HMDA reporters in lending to low-income borrowers.

The Credit Union's HMDA lending to moderate-income borrowers is also considered reasonable. In 2006 the Credit Union extended 47 loans, (18.4 percent), to moderate-income borrowers, which is slightly higher than the percentage of moderate-income families in the assessment area (17.9 percent). Additionally, the Credit Union's performance in 2006 was less than the percentage achieved by the aggregate (23.4 percent). In 2007 the Credit Union extended 46 loans representing 18.8 percent of its HMDA reportable originations inside the assessment area. In 2007 the Credit Union's performance was less than the aggregate at 22.7 percent. The Credit Union achieved a slightly higher percentage than moderate-income families (17.9 percent). Aggregate data and market share data for 2007 indicate that the Credit Union ranked 22nd out of 225 HMDA reporters in lending to moderate- income borrowers.

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 a reasonable penetration among borrowers of different income levels.

4. Geographic Distribution

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 17 low-income census tracts, 19 moderate-income census tracts, 42 middle-income census tracts, 18 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 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 and 2007. Refer to the following table.

Distribution of HMDA Loans by Income Category of the Census Tract											
Median Family Income Level	% Total Owner-Occupied Housing Units	Aggregate 2006		Credit Union 2006		Aggregate 2007		Credit Union 2007		Total	
		#	%	#	%	#	%	#	%	#	%
Low	3.6	1,850	7.3	2	0.8	1,097	5.9	3	1.2	5	1.0
Moderate	14.7	5,300	20.8	28	10.9	3,487	18.8	36	14.8	64	12.8
Middle	57.2	13,964	54.7	162	63.3	10,290	55.4	135	55.3	297	59.4
Upper	24.5	4,401	17.2	64	25.0	3,685	19.9	70	28.7	134	26.8
NA	0.0	2	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	100.0	25,517	100.0	256	100.0	18,559	100.0	244	100.0	500	100.0

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

As indicated in the table above, in 2006 and 2007 the Credit Union originated 0.8 percent and 1.2 percent by number respectively, of its HMDA-reportable loans within low-income census tracts, which is in line with the percentage of owner occupied housing units (3.6 percent) in low-income tracts. As displayed above, the Credit Union's level of lending in 2006 and 2007 were below the aggregate.

The Credit Union's performance in lending to moderate-income census tracts consisted of 10.9 percent of loans in 2006 and 14.8 percent of loans in 2007. In 2006 the Credit Union's percentage of lending in moderate-income tracts was below the 2006 aggregate data (20.8 percent). In 2007 the Credit Union's percentage of lending to moderate-income tracts was also below the 2007 aggregate data (18.8 percent).

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

5. Review of Complaints and Fair Lending Policies and Practices

The Credit Union's fair lending data was reviewed to determine how this information relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy.

The Credit Union's Fair Lending Policy is incorporated within the Loan Policy and prohibits discrimination against all prohibited classes as defined under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA). The Loan Policy is reviewed annually.

The Credit Union advertises in the local newspapers and radio advertisements, lobby signs and on the Credit Union's web site that reaches all segments of the Credit Union's assessment area.

Currently, the Credit Union has 58 full-time and 6 part-time employees. Among the institution's staff are individuals who are bilingual in Spanish, French and Polish. Employee Fair Lending training is coordinated through the main office and training efforts are reviewed on an annual basis.

Based upon the review of the Credit Union's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified.

The Credit Union received no complaints pertaining to the institution's CRA performance since the previous examination.

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 minority applicants. In 2006 and 2007, the Credit Union received 657 residential loan applications from within its assessment area. During this period, 13 applications or 2.0 percent were received from minorities and 6 were approved. Twenty-one applications or 3.1 percent were received from individuals of Hispanic or Latino ethnic backgrounds and 14 applications were approved.

Refer to the table below for information on the Credit Union's minority application flow as well as the aggregate lenders (excluding the Credit Union) in the Credit Union's assessment area.

RACE	Polish National 2006		AGGREGATE DATA 2006		Polish National 2007		AGGREGATE DATA 2007	
	#	%	#	%	#	%	#	%
<i>Native American</i>	1	0.3	174	0.4	0	0.0	121	2.9
<i>Asian</i>	1	0.3	534	1.1	3	0.9	455	17.7
<i>Black</i>	5	1.5	3,783	8.0	2	0.6	2,797	0.0
<i>Hawaiian/Pacific Islander</i>	0	0.0	200	0.5	0	0.0	142	0.0
<i>2 or More Minority Races</i>	0	0.0	18	0.0	0	0.0	22	0.0
<i>Joint Race (White/Minority)</i>	1	0.3	332	0.7	0	0.0	281	0.0
Total Minority	8	2.4	5,041	10.7	5	1.5	3,818	20.6
<i>White</i>	323	95.0	29,152	61.6	309	97.5	22,933	79.4
<i>Race Not Available</i>	9	2.6	13,074	27.7	3	1.0	8,105	0.0
Total	340	100.0	47,267	100.0	317	100.0	34,856	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	6	1.8	5,582	11.8	9	2.8	4,072	11.7
<i>Not Hispanic or Latino</i>	322	94.7	29,258	61.9	303	95.6	22,697	65.1
<i>Joint Hispanic/Not Hispanic</i>	4	1.2	450	1.0	2	0.6	417	1.2
<i>Ethnicity Not Available</i>	8	2.3	11,977	25.3	3	1.0	7,670	22.0
Total	340	100.0	47,267	100.0	317	100.0	34,856	100.0

The Credit Union's minority application flow for this period was compared with the racial and ethnic composition of the assessment area and the 2006 and 2007 aggregate data for all other HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants.

According to the 2000 Census Data, the Credit Union's assessment area contained a total population of 472,032 individuals, 26.5 percent of which is representative of various racial and ethnic minorities. The comparison between the 2006 and 2007 aggregate data, the composition of the population of the assessment area and the Credit Union's application flow shows that the Credit Union's performance is not comparable.

COMMUNITY DEVELOPMENT TEST

Polish National Credit Union's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area.

Community Development Services

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. Polish National Credit Union demonstrates an adequate level of community development services with many of the Credit Union's officers providing expertise to area organizations. Some of the organizations include, but are not limited to, the following:

Chicopee Boys and Girls Club— The mission of this organization is committed to the physical, educational, emotional, social, recreational and vocational development of youth, with special interest for the disadvantaged, without discrimination. An employee of the Credit Union serves as a Director of this organization and the President served as a past director and contributed his financial expertise.

Making the Right Money Moves- This financial literacy program is designed to help high school students develop basic finance concepts and skills. The Credit Union's Vice President facilitated this program as Program Administrator in the school systems of in Chicopee, Granby, and Westfield. Students learn to prepare a budget, manage a checking account, and use electronic funds. They explore savings account choices and strategies, compound interest, credit costs, and credit rating. Three role-play simulations, sample forms, exercises, and tests are included, plus a supplemental video and CD.

Massachusetts Coalition for the Homeless- The mission of the Massachusetts Coalition for the Homeless (MCH) is to end homelessness. Polish National Credit Union's Vice President instituted the MA Coalition for the Homeless Book Drive.

Qualified Investments

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

During the evaluation period, the total donations were \$152,228 of which \$51,813 or 34.0 were qualified under the definition of qualified investments. These contributions were granted to several charitable organizations that qualify as community development which were not limited to the following: Chicopee Counseling for the Aging, Consumer Credit Counseling of Massachusetts, Massachusetts Coalition for the Homeless, Pioneer Valley-United Way, and Abilities Unlimited.

Homebuyer Seminars/ Financial Literacy Programs

Polish National Credit Union hosted two seminars in partnership with the Housing Partnership Network (HAP Inc.) during the time period examined; both workshops were held at the Credit Union's main office in Chicopee. The first time homebuyer's seminars offered credit and budgeting information, lending terminology, information on how to qualify for different products, and down payment or closing cost assistance.

In May 2007, Polish National Credit Union participated in a First Time Homebuyer's Fair. The fair was held in collaboration with HAP Inc. The fair helped individuals learn about affordable housing opportunities: such as down-payment assistance, soft second loans, lotteries, ready-to-buy lists, and how to budget and maintain good credit.

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 46 Main Street, Chicopee Massachusetts.
- 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.