

PUBLIC DISCLOSURE

MAY 5, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

REVERE FIREFIGHTERS CREDIT UNION

4 FREEMAN STREET
REVERE, MA 02151

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 Division of Banks (or the "Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income 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 **Revere Firefighters Credit Union (or the "Credit Union")** prepared by the Division, the institution's supervisory agency, as of **May 5, 2008**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

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

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

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

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

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

PERFORMANCE CONTEXT

Description of Institution

Revere Firefighters Credit Union is a state chartered financial institution chartered by the Commonwealth of Massachusetts in 1957. Membership in the Credit Union is limited to employees of the Revere Fire Department and retired employees. The Credit Union currently has 188 members. The Credit Union's sole office is located at 4 Freeman Street, Revere, MA. The Credit Union has one part time staff member and office hours are from 9 AM to 2 PM, Monday, Wednesday and Friday.

According to the Credit Union's December 31, 2007 National Credit Union Administration ("NCUA") Call Report of Condition, the Credit Union's Assets total \$4,730,743. The Credit Union's loan portfolio as of this date totaled \$950,447, or 20.1% of total assets. The Credit Union offers unsecured consumer loans, new and used vehicle loans, and home improvement loans. The following table details the Credit Union's loan portfolio.

Loan Portfolio Distribution as of December 31, 2007		
Loan Type	Dollar Amount (\$)	Percentage of Total Loans (% of \$)
Unsecured Loans/Lines of Credit	504,135	53.0
Used Vehicle Loans	213,418	22.5
New Vehicle Loans	176,762	18.6
Home Improvement Loans	56,132	5.9
Less: Allowance for Loan and Lease Losses	(14,903)	---
Total:	950,447	100.0

Source: NCUA CALL Report of Condition

As displayed above, the largest portion of the Credit Union's loan portfolio is comprised of unsecured consumer loans, representing 53.0%, followed by new and used vehicle loans, which represent 41.1%, and home improvement loans, which represent 5.9%.

Other than its small asset size and limited resources, there appear to be no significant financial or legal impediments which would limit the Credit Union's ability to help meet the credit needs of its membership.

The Division last examined the Credit Union for compliance with the CRA on April 7, 2003. That examination resulted in a CRA rating of "Satisfactory."

Description of Assessment Area

In accordance with the CRA regulation 209 CMR 46.00, for the purpose of this evaluation, Revere Firefighters Credit Union's membership delineates the institution's assessment area(s).

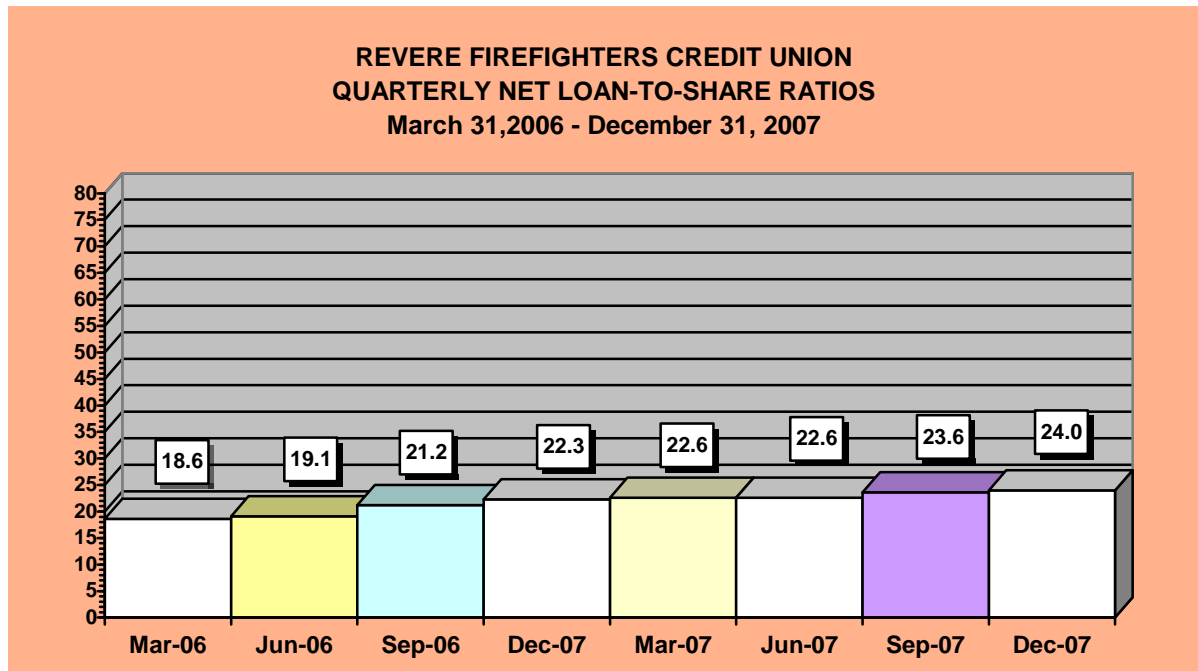
According to the Credit Union's bylaws membership is limited to those who are permanent and retired members of the Fire Department of the City of Revere, except that persons not so eligible to membership may have joint accounts with members of the Credit Union for the purpose of deposit and withdrawal only.

PERFORMANCE CRITERIA

LOAN TO SHARE ANALYSIS

This performance criterion determines what percentage of the Credit Union's deposit (share) base is reinvested in the form of loans and evaluates its appropriateness. An analysis of the Credit Union's net loan-to-share ("LTS") ratio was performed using NCUA quarterly call report data for the period ending March 31, 2006 through December 31, 2007. The average net LTS for the period reviewed was 21.7%.

The following graph illustrates the loan-to-share trends.



While the Credit Union's loan-to-share ratios are quite low, the table indicates that the net loan-to-share ratio has increased each quarter, with the exception of the second quarter of 2007, when the LTS ratio remained stable. The ratios reflect the Credit Union's net loans increasing from \$757,002, as March 31, 2006 to \$935,544, as of December 31, 2007. While shares decreased from \$4,076,607 to \$3,898,166, as of these dates.

The Credit Union's net loan-to-share ratio as of December 31, 2007, was compared to four comparable industrial credit unions of similar asset size; the institutions were evaluated in forming conclusions about the appropriateness of the Revere Firefighters Credit Union's LTS. According to NCUA Call report figures as of December 31, 2007, the four other credit union's ratios were calculated at 58.2%, 54.2%, 48.2% and 47.8%, all higher than the Credit Union's LTS ratio of 24.0%. Although lower than other similarly situated institutions, given the increasing trend in lending, and based on the Credit Union's capacity to lend, its asset size, its limited resources and lending strategy, Revere Firefighters Credit Union's net loan-to-share ratio is considered reasonable and meets the standards for satisfactory performance.

DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

A sample of the Credit Union's consumer loan data for calendar years 2006 and 2007 was analyzed in order to determine the distribution of credit based upon the income level of borrowers. The loan sample consisted of unsecured consumer loans, new and used vehicle loans and home improvement loans. The borrower income analysis was based on the median family incomes for the Boston-Quincy, MA ("MD"), which was estimated to be \$77,700 in 2006 and \$76,900 in 2007.

The four income categories that define the income level of borrowers include low, moderate, middle and upper-income. The analysis of borrower income level was identified as the ratio of borrower income to the Median Family Income for the Metropolitan Statistical Area ("MSA") or MD.

As defined by the U.S. Department of Housing and Urban Development ("HUD") Low-income is defined as income level or area that earns less than 50 percent of the MSA's median family income. Moderate-income is defined as income level or area that earns 50 percent to less than 80 percent of the MSA's median family income. Middle-income is defined as income level or area that earns 80 percent to less than 120 percent of the MSA's median family income, while Upper-income is defined as income level that is equal to or greater than 120 percent of the MSA's median family income.

A review of thirty loan files from 2006 and 2007 was conducted to determine the borrower's income level. The sample included 15 loan originations from 2006 and an additional 15 from 2007. Of the 15 loans sampled in 2006, the Credit Union extended 1 loan (6.7%) to a low-income member, and 7 loans, 46.6%, to moderate-income members. In 2007, the Credit Union extended 5 loans, representing 33.3% of the 15 loans sampled, to low-income members and 3 loans, representing 20.0%, to moderate-income members. Overall, of the thirty files reviewed, 6 or 20.0% were granted to low-income members, 10 or 33.3% were granted to moderate-income members, 13 or 43.4% were granted to middle-income members, and 1 loan or 3.3%, was granted to an upper-income member. It should be noted, comparing the Credit Union's borrower income level to the median family income potentially inflates the levels of lending to low- and moderate-income borrowers; the median family income typically includes the income of two individuals. As the Credit Union's membership is exclusive to employees of the Revere Fire Department and retired employees, all loans reviewed were individual applications, therefore, reporting one income.

Based upon the analysis of borrower income, the Credit Union demonstrates a satisfactory level of performance in providing loans to borrowers of different incomes.

REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

A review of the Credit Union's public comment file indicated that the Credit Union received no complaints pertaining to its CRA performance since the previous examination, no violations of the anti-discrimination laws and regulations were identified.

The Credit Union's Loan Policy and CRA Policy address the Credit Union's efforts to eliminate discrimination in all aspects of lending. In addition, denied applications require Credit Committee approval, the Credit Union also has a second review process by which all denied applications are reviewed by the Board to ensure all lending policies and procedures are being adhered to.

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

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 4 Freeman Street, Revere, MA 02151."

- 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.