

PUBLIC DISCLOSURE

MAY 26, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

SHARON CREDIT UNION

CERT # 67836

**42 POND STREET
SHARON, MA 02067**

**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 Sharon 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 of at least \$277 million as of December 31 or both of the prior two calendar years, and less than \$1.109 billion as of December 31 of either of the prior two calendar years. Sharon Credit Union's overall CRA performance is considered Satisfactory. The rating of this institution is firmly established upon a review of the Lending Test and the Community Development Test, as shown below in the public evaluation. The Credit Union achieved Satisfactory performance under each of these tests. A summary of the Credit Union's performance is provided below.

Lending Test

The Credit Union's net loan-to-share ratio for the previous eight quarters was 79.9 percent; this ratio is reasonable, given the Credit Union's size, financial condition, and the credit needs of its assessment area.

Lending activity within the Credit Union's assessment area is reasonable as 78.2 percent of its originations reportable under the Home Mortgage Disclosure Act (“HMDA”) were within its assessment area.

The Credit Union demonstrates a good level of lending to members of different income levels.

The geographic distribution of the Credit Union's HMDA reportable loans reflects an adequate dispersion throughout the assessment area.

Fair lending policies and practices are considered reasonable. No weight was given to complaints, as none have been received by the Credit Union since the prior examination.

Community Development Test

The Credit Union's community development performance demonstrates an adequate responsiveness to the community development needs of its assessment area through its qualified donations and community development services.

PERFORMANCE CONTEXT

Description of Institution

Incorporated on April 26, 1956, Sharon Credit Union is a state-chartered financial institution. The object of the Credit Union is wholly co-operative, being organized solely for the promotion of thrift among its members by the accumulation of their savings in small amounts and the loaning of such accumulations to its members for provident purposes. According to the Credit Union's bylaws: "Membership in the Sharon Credit Union shall be limited to persons living or employed in Norfolk, Suffolk, Middlesex, Plymouth, Barnstable and Bristol Counties, and the payroll deduction plan currently offered by the Credit Union or a payroll deduction plan within a 30 mile radius of the main office of the Credit Union." As of January 22, 2009 the Credit Union had 32,886 members.

The Credit Union's corporate office is located at 30 Pond Street, Sharon, Massachusetts. The Credit Union also operates five full service branches located in Foxboro, Mansfield, North Attleboro, Sharon and Walpole. All branch locations have drive-up window service and Automated Teller Machines (ATMs). Business hours are readily accessible to all members. Sharon Credit Union is a member of the SUM and FastBank surcharge free ATM networks.

On August 1, 2008 a branch was opened at 31 North Washington Street, North Attleboro, as a result of a merge between Sharon Credit Union and North Attleboro Federal Credit Union. On December 1, 2008 the Credit Union opened a branch at 121 Main Street, Foxboro, in the Shoppes at Chestnut Green. There have been no branch closings since the last examination.

The Credit Union was last examined for compliance with the CRA on July 10, 2006. The examination resulted in a CRA rating of Satisfactory. The Credit Union's assets have increased from \$271 million to \$336 million since the previous examination.

As of December 31, 2008, the Credit Union's asset size was \$336,215,150 with total loans of \$217,889,334 or 64.8 percent of total assets. The Credit Union's net loan to share ratio, as of the same date, was 76.0 percent. First Mortgage real estate loans and lines of credit represent the largest portion of loans with 54.4 percent followed by other real estate loans with 25.7 percent, new vehicle loans with 10.0 percent and used vehicle loans with 7.8 percent.

The following table provides additional details regarding the Credit Union's loan portfolio:

Sharon Credit Union Loan Portfolio Distribution		
Loan Type	Dollar Volume (000)	Percentage of Total Loans
All Other Unsecured Loans/Lines of Credit	\$3,260,728	1.5
New Vehicle Loans	\$21,683,111	10.0
Used Vehicle Loans	\$17,077,710	7.8
Total 1 st Mortgage Real Estate Loans/Line of Credit	\$118,515,291	54.4
Total Other Real Estate Loans/Lines of Credit	\$56,065,122	25.7
Total All Other Loans/Lines of Credit	\$1,287,372	0.6
Total	\$217,889,334	100.0
<i>Source: 5300 Report, Statement of Financial Condition as of December 31, 2008</i>		

The Credit Union is a participant in the Mortgage Partnership Finance (MFP) Program with the Federal Home Loan Bank of Boston. This program helps families, many in the low- and moderate-income areas, to buy homes or lower the cost of their existing homes. During the examination period, the Credit Union sold 42 loans totaling \$11,650,889.

Sharon Credit Union is a full-service financial institution that offers a wide variety of products and services. Savings and checking accounts offered by the Credit Union include share accounts, direct savings account, certificates of deposit, IRA certificates, IRA share accounts, smart saver kids club account, teens next generation program, free checking, interest checking, and electronic checking. Home financing programs include adjustable and fixed-rate options for the purchase, refinance, or home improvement loans, home equity loans and home equity lines of credit. The Credit Union offers a first time homebuyers program and a smart start mortgage program. Consumer loans include: new and used automobile loans, vacation loans, recreational vehicle loans, personal loans and share-secured loans. Other services offered by the Credit Union include virtual item processing (VIP) deposit, free online teller and on-line bill payer with bill presentment, eStatements, direct deposit, and easy on-line applications and forms.

The Credit Union offers a variety of business banking services such as: interest free business checking, commercial auto loans, commercial real estate-secured mortgages, real estate secured lines of credit, debt business card, business money market accounts and certificates of deposit, access to on-line teller and on-line bill-payer services and electronic federal tax payment system-(EFTPS) direct (ACH debit).

The Credit Union maintains a website at www.sharoncu.com. The website provides information about branch locations and hours, products and services, on line services, and other financial services available to customers.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Office of Management and Budget establishes Metropolitan Statistical Areas (MSAs) for statistical reporting purposes by federal agencies. The Credit Union's assessment area contains 17 cities and towns

located in Bristol and Norfolk Counties. These include the cities and towns of; Attleboro, Canton, Dover, Easton, Foxboro, Mansfield, Medfield, North Attleboro, Norfolk, Norton, Norwood, Plainville, Sharon, Stoughton, Walpole, Westwood and Wrentham.

The assessment area contains 55 census tracts. Of those tracts, 17 or 30.9 percent are middle-income and 38 or 69.1 percent are upper-income. The assessment area contains no low or moderate-income census tracts.

The following data provides demographic information pertaining to the Credit Union's assessment area. Housing information obtained from CRA WIZ, based on 2000 census data for the assessment area, indicated that there are 120,713 housing units, of which 73.1 percent are owner-occupied. The median home value in the Credit Union's assessment area is \$231,412. Refer to the following table for more information.

Selected Housing Statistics by Income Category of the Geography*						
Census Tract	Total Housing Units	Total Households	Rental Units %	Owner Occupied %	Vacant Units %	Median Housing Value
Middle	37,069	36,008	25.1	30.7	37.8	178,959
Upper	83,644	81,969	74.9	69.3	62.2	247,200
Total	120,713	117,977	100.0	100.0	100.0	231,412

**Source: PCI Corporation, CRA Wiz, 2000 US Census*

Community Contacts

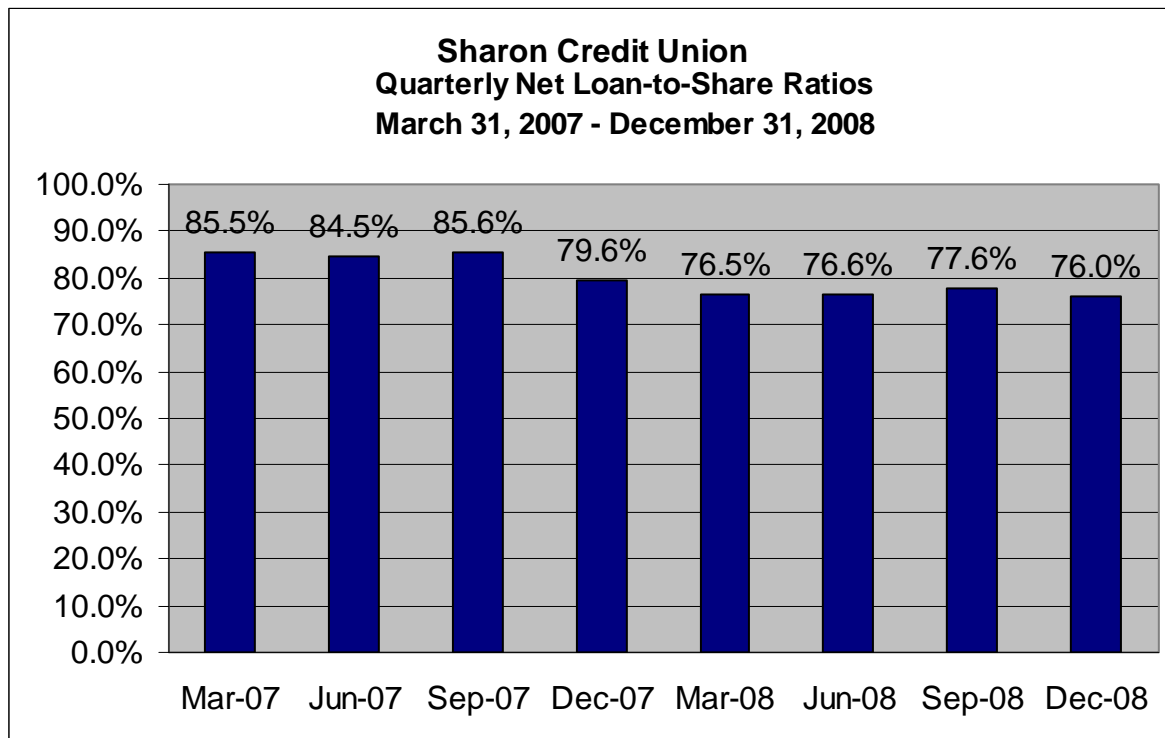
A community contact was conducted with a local housing organization that provides affordable housing to low-income individuals and families, including elderly and handicapped residents. The contact mentioned their biggest obstacle was the lack of land that was available for sale and the land was too expensive for the organization to purchase. The contact also mentioned they would like to see more funding available for affordable housing, as well as the availability of more first-time home buyer programs.

PERFORMANCE CRITERIA

LENDING TEST

1. LOAN TO SHARE ANALYSIS

A comparative analysis of Sharon Credit Union's quarterly net loan-to-share ratios for the period of March 31, 2007 through December 31, 2008, was conducted during this examination. Using the Credit Union's quarterly Call Reports, the average net loan-to-share ratio for this period was 79.9 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 is provided for further analysis.



As shown in the graph above, the Credit Union's net loan-to-share ratio has fluctuated from a high of 85.6 percent in September 2007 to a low of 76.0 percent in December 2008. Net loans have increased 13.9 percent and shares have increased 28.0 percent during this time period.

The following table illustrates the loan-to-share ratios of financial institutions within the assessment area as of December 31, 2008 in comparison to the Credit Union.

Loans-to-Shares Ratios as of December 31, 2008			
Credit Unions	Net Loans	Shares	% LTS
Quincy Credit Union	195,110,051	252,949,163	77.1
Sharon Credit Union	216,938,800	285,289,469	76.0
Bridgewater Credit Union	232,063,598	207,033,838	112.1
Liberty Bay Credit Union	278,188,448	473,668,494	58.7
Crescent Credit Union	291,103,765	269,271,665	108.1

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 is considered reasonable.

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

Sharon Credit Union's 2007 and 2008 Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the Credit Union's assessment area. During this period, the Credit Union originated 673 HMDA reportable loans totaling approximately \$82,643,000. Of these loans, 526 or 78.2 percent were originated inside the Credit Union's assessment area totaling \$63,007,000 or 76.2 percent.

Refer to the following table for additional information regarding the Credit Union's HMDA reportable lending, by both number and dollar volume.

<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	262	75.9	83	24.1	345	24,629	75.8	7,880	24.2	32,509
2008	264	80.5	64	19.5	328	38,378	76.6	11,756	23.4	50,134
Total	526	78.2	147	21.8	673	63,007	76.2	19,636	23.8	82,643

Source: PCI Corporation CRA Wiz, Data Source 2000 U.S. Census

As indicated in the table above, a majority of the Credit Union's loans originated during the examination period were inside the Credit Union's assessment area. Based on the above information, the Credit Union's lending inside its assessment area is considered reasonable.

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF 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 2007 and 2008 were compared to the median family incomes for the Boston/Quincy MSA and the Providence/New Bedford MSA. The income figures are based on median family income derived from data collected during the census for the respective MSA. The income figures are adjusted annually by the Department of Housing and Urban

Development to allow for factors such as inflation. The median family incomes for the Boston/Quincy MSA for 2007 and 2008 were \$76,900 and \$79,500, respectively. The median family incomes for the Providence/New Bedford MSA for 2007 and 2008 were \$64,000 and \$68,300, respectively.

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 loans originated categorized by the applicants' reported income in relation to the median family income for the MSA in which the property is located. The following table also presents the Credit Union's HMDA reportable lending performance as well as the 2007 aggregate data (exclusive of Sharon Credit Union). The table also reflects the percentages of family households in each of the borrower income categories.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Families	Aggregate Lending Data (% of #)	Credit Union 2007		Credit Union 2008		Credit Union Total	
			2007	#	%	#	%	#
Low	10.5	2.4	14	5.4	6	2.3	20	3.8
Moderate	12.9	10.8	38	14.5	34	12.9	72	13.7
Middle	20.5	22.3	74	28.2	68	25.8	142	27.0
Upper	56.1	50.1	136	51.9	154	58.3	290	55.1
N/A	0.0	14.4	0	0.0	2	0.7	2	0.4
Total	100.0	100.0	262	100.0	264	100.0	526	100.0

Source: CRA Wiz, Data Source 2000 U.S. Census

During the period reviewed, Sharon Credit Union extended 20 HMDA reportable loans in the assessment area to low-income borrowers representing 3.8 percent of total originations and 72 loans to moderate-income borrowers representing 13.7 percent. The Credit Union's percentage of lending to low-income borrowers exceeded the aggregate's lending in 2007. The Credit Union originated 5.4 percent of its loans to low-income borrowers while the aggregate originated 2.4 percent. The Credit Union also originated a higher percentage of loans to moderate-income borrowers in 2007 than the aggregate. The Credit Union originated 14.5 percent of its loans to moderate-income borrowers while the aggregate originated 10.8 percent. The Credit Union's lending to low-income borrowers was lower than the percentage of low-income families; lending to moderate-income families exceeded the percentage of these families that reside in the assessment area. The Credit Union's performance in lending to borrowers of different incomes, especially to those of low and moderate-income reflects a good performance.

4. GEOGRAPHIC DISTRIBUTION

The Credit Union's lending activity within its assessment area was reviewed in order to determine the distribution of lending among the various census tracts. As mentioned previously, the Credit Union's assessment area contains 55 census tracts of which there are no low-or moderate-income, 17 are middle-income, and 38 are upper-income.

The following table presents the Credit Union's HMDA reportable lending performance as well as the 2007 aggregate data (exclusive of Sharon Credit Union). In addition, the table also reflects the percentage of owner-occupied housing units in each of the census tract income categories. Due to the lack of low- and moderate-income census tracts within the assessment area, the Credit Union's performance pursuant to this criterion was considered to weigh little in the overall rating of this examination.

<i>Distribution of HMDA Loans by Income Category of the Census Tract</i>								
<i>Census Tract Income Level</i>	<i>% Total Owner-Occupied Housing Units</i>	<i>Aggregate Lending Data (% of #)</i>	<i>Credit Union 2007</i>		<i>Credit Union 2008</i>		<i>Credit Union Total</i>	
			<i>2007</i>	<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>	<i>#</i>
<i>Middle</i>	25.1	26.4	51	19.5	36	13.6	87	16.5
<i>Upper</i>	74.9	73.6	211	80.5	228	86.4	439	83.5
<i>Total</i>	100.0	100.0	262	100.0	264	100.0	526	100.0

Source: PCI Corporation CRA Wiz, 2000 U.S. Census

An analysis of the Credit Union's residential mortgage originations indicates that 87 loans or 16.5 percent were originated in middle-income census tracts and 439 loans or 83.5 percent were originated in upper-income census tracts.

Based on the above information, the Credit Union's distribution of HMDA reportable loans by census tract income level reflects an adequate dispersion of loans throughout the assessment area.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICES AND PRACTICES

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

The Credit Union's Fair Lending Policy 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. A review of the Credit Union's public comment file indicated that the Credit Union received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance the with Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

Sharon Credit Union has a written Fair Lending Policy. Included in this policy are the Credit Union's efforts to eliminate discrimination in all aspects of lending. The Credit Union provides fair lending training to all employees at least annually along with other applicable compliance training.

The Credit Union has five employees who are bilingual to help non-English speaking customers of the Credit Union. Second languages include Chinese, Taiwanese, Greek, German, French, Lithuanian and Portuguese.

The Credit Union has a second review program for all denied loan applications. The members of this review committee include the President and the Credit Committee. The Credit Committee consists of members of the Board of Directors.

MINORITY APPLICATION FLOW

The Credit Union's Loan Application Registers for 2007 and 2008 were reviewed to determine if the application flow from the different racial groups within the Credit Union's assessment area was reflective of the area's demographics. The Credit Union's assessment area contains 325,594 individuals, 26,055 or 8.0 percent whom are minorities. The assessment area's minority and ethnic population is 0.1 percent Native American, 2.4 percent Asian, 2.0 percent African American, 1.9 percent Hispanic or Latino, 0.0 percent Hawaiian/Pacific Islander and 1.6 percent other.

The Credit Union's level of lending was compared with that of the 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 residential loan applicants. The Credit Union's performance was lower than the 2007 aggregate's performance level for both minority and ethnicity. The Credit Union received 4.7 percent of its applications from minorities while the aggregate received 6.9 percent. The Credit Union received 1.0 percent of its applications from Hispanic applicants while the aggregate received 1.9 percent.

Sharon Credit Union received 646 HMDA reportable loan applications from within its assessment area in 2007 and 2008. Of these applications, 32 or 5.0 percent were received from minority applicants, of which 25 or 78.1 percent resulted in originations. The Credit Union also received 13 HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area, of which 8 or 61.5 percent resulted in originations. Refer to the following table for information on the Credit Union's minority application flow as well as a comparison of the aggregate lenders throughout the Credit Union's assessment area. 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	2007 Aggregate Data		Credit Union 2007		Credit Union 2008		Total Credit Union	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	36	0.1	1	0.3	1	0.3	2	0.3
<i>Asian</i>	651	2.6	8	2.7	8	2.3	16	2.5
<i>Black/ African American</i>	787	3.1	2	0.7	6	1.7	8	1.2
<i>Hawaiian/Pac Isl.</i>	47	0.2	0	0.0	1	0.3	1	0.1
<i>2 or more Minority</i>	26	0.1	0	0.0	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	210	0.8	3	1.0	2	0.6	5	0.8
Total Minority	1,757	6.9	14	4.7	18	5.2	32	4.9
<i>White</i>	17,350	67.9	255	84.7	301	87.3	556	86.1
<i>Race Not Available</i>	6,440	25.2	32	10.6	26	7.5	58	9.0
Total	25,547	100.0	301	100.0	345	100.0	646	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	496	1.9	3	1.0	0	0.0	3	0.5
<i>Not Hispanic or Latino</i>	18,360	71.9	258	85.7	314	91.0	572	88.6
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	171	0.7	6	2.0	4	1.2	10	1.5
<i>Ethnicity Not Available</i>	6,520	25.5	34	11.3	27	7.8	61	9.4
Total	25,547	100.0	301	100.0	345	100.0	646	100.0

Source: PCI Corporation CRA Wiz, Data Source: 2000 U.S. Census Data

The Credit Union's minority application flow is deemed reasonable due to the demographic composition of the assessment area and the relative performance of the aggregate.

COMMUNITY DEVELOPMENT TEST

Sharon 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 through the provision of qualified donations and community development services. For purposes of this examination, the period used for the Community Development Test was January 1, 2007 through May 26, 2009.

Qualified Investments

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

During the examination period, Sharon Credit Union made a total of \$48,266 in charitable donations, of which \$11,050 or 22.9 percent went to originations that promote education, youth programs and health and human services for individuals in need. The following are examples of organizations that have received benefit from the Credit Union's efforts.

Children's Advocacy Center - The mission of this organization is to provide services to children and families who have experienced physical, sexual, and domestic abuse. The Center develops resources and coordinates direct care to these children and families through a multi-disciplinary approach. The Center also responds to the needs of the community by facilitating education, training, outreach, networking and advocacy programs.

Our Daily Bread - This organization's mission is to serve people of Mansfield who need food. They are a clearinghouse for organized community giving in support of food relief and serve as the community vehicle for that food relief.

Citizens Scholarship Foundation - The Citizens Scholarship Foundation of Mansfield has been providing financial assistance to Mansfield students since 1961. Selection of recipients is based primarily on financial need.

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.

The Credit Union's staff has demonstrated its commitment to the assessment area by volunteering their time and financial expertise to numerous community-oriented organizations and programs that provide community based services. The following are a few examples of the Credit Union's participation with various organizations which have benefited the community.

Children's Advocacy Center - The Credit Union's President serves as the Treasurer. The mission of this organization is to provide services to children and families who have experienced physical, sexual, and domestic abuse.

Southeastern Regional High School - A Credit Union's E-Sales and Services Representative is a member of the advisory committee. The representative is active in DECA and HiFi financial educational programs at Southeastern Regional High School. DECA's objective is to support the development of marketing and management skills in career areas such as finance, sales and services, business administration and entrepreneurship. The HiFi program trains teachers, financial professionals and representatives of community-based organizations to offer financial literacy classes to teens.

South Eastern Economic Development (SEED) - The Credit Union's Senior Lending Officer and a Branch Manager provide training for the South Eastern Economic Development (SEED) Corporation. SEED is a non-profit, SBA certified corporation set up in 1982 to improve the economy of the region by assisting small businesses to start up, expand and create new jobs.

Financial, Law Enforcement and Government (FLAG) – The Chief Operating Officer is a Committee Member. The Credit Union participates in this program which focuses on exploitation of the elderly.

Educational Seminars and Services

During the examination period, the Credit Union sponsored several free homebuyer seminars. Attendees heard from a panel of experts including an attorney, a home inspector appraiser, a credit bureau representative, a realtor, and a Credit Union representative. A coupon for \$500 off closing costs for future mortgage loans was given to each guest household.

The Credit Union created the \$mart \$tart Financial Education Program and will send an instructor at no cost to schools and organizations to implement a financial program that is structured and customized to meet their needs. The Program is a customized set of essential personal finance courses consisting of several basic financial topics, which include: savings and checking, budgeting, credit cards 101, credit reports, and basic lending.

In 2007 the Credit Union participated in “Senior Week at Sharon High School”. Organized by the Sharon High School guidance department and presented by the Credit Union, this financial education program was offered to graduating seniors. The interactive presentation conveyed the importance of managing money wisely.

The Credit Union offers the “Saving Makes Cents” program which is available for kids up to the age of 12. This program introduces the concept of money management and stresses the importance of developing early savings habits. The Credit Union visits elementary schools once a month for a banking day to encourage saving habits and to answer all questions regarding the basics of banking.

Another program the Credit Union offers is the “Teen’s Next Generation Program” tailored to ages 13 to 18. This consists of several age appropriate products and a financial educational program that teaches the basic life skills of money management and personal finances. Topics include: budgeting, credit cards, basic lending, learn about debt and with proper management students will make better financial choices. All Sharon Credit Union teenagers receive a quarterly newsletter.

IOLTA Accounts

Sharon Credit Union participates in the Interest on Lawyers’ Trust Accounts (IOLTA). Interest earned on the account is utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients. The Credit Union contributed \$22,473.68 in interest for the period of January 1, 2007 to May 26, 2009.

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, 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 30 Pond Street, Sharon, MA 02067"

- 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.

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.