

PUBLIC DISCLOSURE

January 20, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

STCU CREDIT UNION

Cert # 61189

**145 INDUSTRY AVENUE
SPRINGFIELD, MASSACHUSETTS 01104**

**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 membership.

This document is an evaluation of the CRA performance of **STCU 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 Small Institution CRA evaluation procedures specified for institutions with assets under \$265 million, STCU Credit Union's overall CRA performance is considered Satisfactory. The rating of this institution is established upon a review of the Performance Criteria, as shown below in the public evaluation.

A summary of the Credit Union's performance is provided below.

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

A substantial majority of the Credit Union's lending activity was within the Credit Union's assessment area.

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

The geographic distribution of the Credit Union's loans reportable under the Home Mortgage Disclosure Act (“HMDA”) and consumer loans reflects a reasonable dispersion throughout the assessment area.

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

PERFORMANCE CONTEXT

Description of Institution

STCU Credit Union was incorporated in October 1929, as a Massachusetts chartered Credit Union. On May 19, 2005, the Credit Union changed its name from Springfield Teachers Credit Union to STCU Credit Union, allowing the Credit Union to market itself as a community Credit Union, instead of an industrial credit union. According to the Credit Union's bylaws, "membership in this corporation is limited to:

- Active and retired teachers, teacher aides, attendance officers, principals, and supervisors employed in the public schools in the City of Springfield.
- Faculty and administrative staff of American International College, Springfield Technical Community College, Massachusetts Career Development Institute, Minnechaug High School and the Hampden-Wilbraham Regional School District.
- Members of associations composed principally of said teachers.
- Family members of those listed above.
- Persons who live or work in Hampden, Hampshire and Franklin Counties in Massachusetts and immediate family members of such persons.

As of September 31, 2008, the Credit Union had 13,259 members.

The main office is located at 145 Industry Avenue in Springfield, located in a middle-income census tract. In 2006, the Credit Union opened a branch office, located in Westfield at 453 East Main Street. Business hours are from 9:00 a.m. to 5:00 p.m. with extended hours on Friday until 6 p.m. The Westfield branch offers Saturday hours from 9:00 a.m. to 1:00 p.m. The main office has drive-up services, and offers extended business hours from 7:30 a.m. to 5:00 p.m. The Credit union offers automated teller machines (ATM) and is a member of the SUM network.

Some of the services and products the Credit Union offers are: savings accounts, checking accounts, ATM/debit cards, money market accounts, certificates of deposit, IRA accounts, auto loans, personal loans, mortgages, online banking, home equity lines of credit, home equity loans, student loans and personal lines of credit.

The Credit Union participates and offers a variety of loan programs aimed at meeting the credit needs of low and moderate-income homebuyers.

The Credit Union was last examined for compliance with the Community Reinvestment Act on August 26, 2002. The examination resulted in a CRA rating of Satisfactory.

The Credit Union's asset size has increased from \$92.1 million to \$95.1 million since the previous examination. As of September 30, 2008, the Credit Union's asset size was \$95,107,006 with total gross loans of \$68,974,798 or 72.5 percent of total assets. The Credit Union's net loan-to-share ratio, as of the same date was 83.0 percent. First mortgage loans and lines of credit represent the largest portion of loans with 49.6 percent, followed by used vehicle loans with 23.3 percent, followed by all other real estate loans with 18.6 percent.

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

STCU Credit Union Loan Portfolio Distribution		
Loan Type	Dollar Volume \$(000)s	% of Total Loans
Total First Mortgage Real Estate Loans/Lines of Credit	34,209,194	49.6
Used Vehicle Loans	16,070,150	23.3
Total Other Real Estate/Lines of Credit	11,755,915	17.0
New Vehicle Loans	3,220,554	4.7
All Other Unsecured Loans/Lines of Credit	2,647,789	3.8
Total All Other Loans/Lines of Credit	1,071,196	1.6
Unsecured Credit Card Loans	\$0	0.0
Total	\$68,974,798	100.0
<i>Source: 5300 Report, Statement of Financial Condition as of September 30, 2008.</i>		

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 all the cities and towns located in Franklin, Hampden, and Hampshire Counties.

The assessment area contains 140 census tracts. Of those tracts, 17 or 12.2 percent are low-income; 23 or 16.4 percent are moderate-income; 64 or 45.7 percent are middle-income; 35 or 25.0 percent are upper-income; and 1 or 0.7 percent is N/A. The low and moderate-income census tracts are all located in the towns and cities of Amherst, Chicopee, Greenfield, Holyoke, Ludlow, Montague, Springfield, Ware, and West Springfield. The N/A census tract is the University of Massachusetts in Amherst.

The following data provides demographic information pertaining to the Credit Union's assessment area. According to 2000 US Census data, the assessment area contains 276,459 housing units, of which 164,620 or 59.5 percent are owner occupied and 96,125 or 34.8 percent are occupied- rental units and 15,714 or 5.7 percent are vacant units. Of the total housing units, 8.6 percent are located in low-income census tracts, 17.2 percent are located in moderate-income census tracts, 51.1 percent are located in middle-income census tracts, and 23.1 percent are located in upper-income census tracts.

Based on 2000 Census data, the assessment area has a total population of 680,014 individuals of which 260,922 are households. Of the total population, 8.5 percent reside in the assessment area's low-income census tracts, 17.8 percent in the moderate-income census tracts, 48.6 percent in the middle-income census tracts, and 25.1 percent in the upper-income census tracts. Of the total households, 168,966 are

families and of these families, 7.3 percent are low-income, 15.6 percent are moderate-income, 51.1 percent are middle-income and 26.0 percent are upper-income families.

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
Low	23,655	21,201	18.2	2.3	15.3	\$76,310
Moderate	47,683	44,386	27.1	11.1	21.5	\$90,972
Middle	141,344	133,545	42.1	56.4	50.6	\$115,557
Upper	63,777	61,790	12.6	30.2	12.6	\$160,839
Total	276,459	260,922	100.0	100.0	100.0	\$127,760

*Source: PCI Corporation Inc., CRA Wiz, Data Source: 2000 US Census

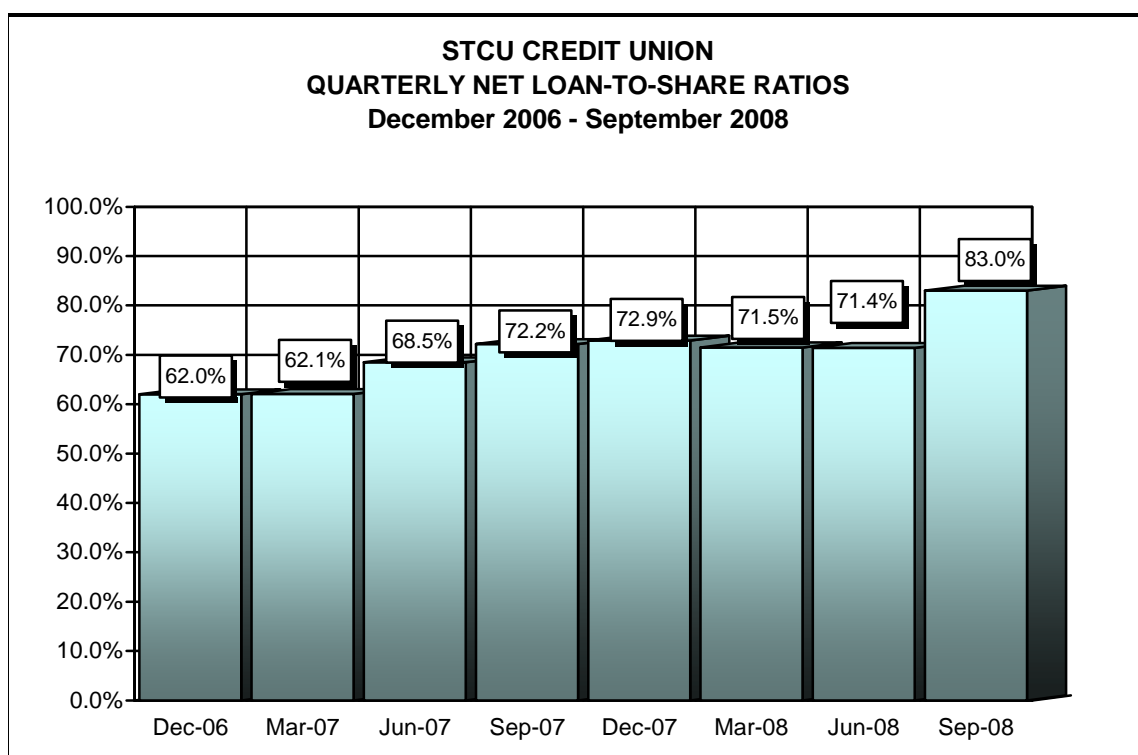
The median housing value in 2000 for the assessment area was \$127,760. Like much of New England, the area's housing prices until recently saw dramatic increases in value. In 2007 the median price ranged from a low of \$136,000 in Heath to a high of \$343,000 in Pelham and as of November 30, 2008 the median price ranged from a low of \$82,400 in Monroe to a high of \$355,000 in Amherst. The average median sales price for housing has dropped significantly over the past year. In 2007 the average median sales price was \$228,500 and as of November 30, 2008 the average median sales price for a home was \$204,750.

PERFORMANCE CRITERIA

1. LOAN-TO-SHARES ANALYSIS

A comparative analysis of STCU Credit Union's quarterly net loan-to-share (LTS) ratios for the period of December 31, 2006 through September 30, 2008, was conducted during this examination. Using the Credit Union's last eight quarterly National Credit Union Administration 5300 Call Reports, the average net loan-to-share ratio for this period was 70.6 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.

As shown in the graph below, the Credit Union's net LTS ratio has fluctuated from a low of 62.0 percent in December 2006 to a high of 83.0 percent in September 2008. Loans have increased 40.3 percent and shares have increased by 5.0 percent during this time period. The Credit Union has been increasing its net LTS ratio by offering more loan products and loan specials, and providing share products with competitive rates.



The following table illustrates the average net loan-to-share ratio that was compared against the net average loan-to-share ratio of three similarly situated institutions as of September 30, 2008.

Net Loans-to-Shares Ratios			
Credit Union	Net Loans (\$000)	Shares (\$000)	% LTS
Holyoke Credit Union	67,080,790	79,324,926	84.6
STCU Credit Union	68,713,439	82,742,607	83.0
Aldenville Credit Union	59,607,778	75,734,021	78.7
Greater Springfield Credit Union	59,520,121	93,674,481	63.5

*Source: NCUA 5300 Report, Statement of Financial Condition as of September 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 meets the standards for satisfactory performance.

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.

STCU Credit Union's 2006 and 2007 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 205 HMDA reportable loans totaling approximately \$20.0 million. Of these loans, 195 or 95.1 percent were originated inside the Credit Union's assessment area totaling \$18.5 million or 92.4 percent.

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

Distribution of HMDA Loans Inside and Outside of the Assessment Area										
Year	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2006	94	96.9	3	3.1	97	5,970	98.5	92	1.5	6,062
2007	101	93.5	7	6.5	108	12,496	88.7	1,433	10.3	13,929
Total	195	95.1	10	4.9	205	18,466	92.4	1,525	7.6	19,991

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

As indicated in the table above, a substantial majority of the Credit Union's loans originated during the examination period were inside the Credit Union's assessment area.

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 40 consumer loan originations for 2006 and 2007, 20 loans from each year.

As shown below, of the 40 loans reviewed, 37 or 92.5 percent were originated in the assessment area. The Credit Union's sample of originated loans totaled \$525,517 of which \$490,357 or 93.3 percent were in the Credit Union's assessment area.

Distribution of Consumer Loans Inside and Outside the Assessment Area										
Year	Number of Loans					Dollar Amount of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2006	19	95.0	1	5.0	20	\$238,641	95.9	\$10,300	4.1	\$248,941
2007	18	90.0	2	10.0	20	\$251,716	91.0	\$24,860	9.0	\$276,576
Total	37	92.5	3	7.5	40	\$490,357	93.3	\$35,160	6.7	\$525,517

Source: Credit Union internal files

Based on the above information, the Credit Union's lending inside its assessment area exceeds the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The Credit Union's HMDA reportable loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers reported incomes were compared to the median family incomes for the Franklin, Hampden, and Hampshire Counties. The income figures are based on 2000 U.S. Census data information. The median family income for the Springfield MSA in 2006 and 2007 were \$62,900 and \$61,800, 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, 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.

Distribution of HMDA Loans by Borrower Income								
Median Family Income Level	% Families	Credit Union 2006		Aggregate Lending Data (% of #) 2007	Credit Union 2007		Credit Union Total	
		#	%		#	%	#	%
Low	21.4	4	4.3	5.0	4	4.0	8	4.1
Moderate	17.3	18	19.1	21.0	19	18.8	37	19.0
Middle	22.2	36	38.3	29.3	33	32.7	69	35.4
Upper	39.1	36	38.3	34.0	45	44.5	81	41.5
N/A	0.0	0	0.0	10.7	0	0.0	0	0.0
Total	100.0	94	100.0	100.0	101	100.0	195	100.0

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

During the period reviewed, the Credit Union originated 8 HMDA reportable loans in the assessment area to low-income borrowers, representing 4.1 percent of total originations and 37 loans to moderate-income borrowers representing 19.0 percent. The Credit Union's percentage of lending to low-income borrowers was slightly below the

aggregate's lending in 2007. The Credit Union originated 4.0 percent of its loans to low-income borrowers while the aggregate originated 5.0 percent. The Credit Union's lending to moderate-income borrowers was below the aggregate data. The Credit Union originated 18.8 percent of its loans to moderate-income borrowers while the aggregate originated 21.0 percent.

Consumer Loans

A sample of the Credit Union's consumer loan data for 2006 and 2007 was analyzed in order to determine the distribution of credit based upon the income level of borrowers.

The following table indicates the Credit Union's performance in lending to borrowers of different income levels.

Distribution of Consumer Loans by Borrower Income						
Median Family Income Level	Credit Union 2006		Credit Union 2007		Credit Union Total	
	#	%	#	%	#	%
Low	7	36.8	5	27.8	12	32.4
Moderate	6	31.6	8	44.4	14	37.8
Middle	5	26.3	3	16.7	8	21.6
Upper	1	5.3	2	11.1	3	8.2
Total	19	100.0	18	100.0	37	100.0

Source: Credit Union's internal files

A review of 37 loan files from 2006 and 2007 which were originated within the Credit Union's Assessment Area was conducted to determine the borrower's income level. Of the 37 files reviewed, 12 or 32.4 percent were originated to low-income borrowers and 14 or 37.8 percent were originated to moderate-income borrowers.

Based upon the Credit Union's performance in lending to borrowers of different incomes, the Credit Union meets the standards for satisfactory performance.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

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 140 census tracts of which 17 are low-income, 23 are moderate-income, 64 are middle-income, 35 are upper-income and 1 is N/A.

The following table presents the Credit Union's HMDA reportable lending performance as well as the 2007 aggregate data (exclusive of STCU). In addition, the table also reflects the percentage of owner-occupied housing units in each of the census tract income categories.

Distribution of HMDA Loans by Income Category of the Census Tract								
Census Tract Income Level	% Total Owner-Occupied Housing Units	Credit Union 2006		Aggregate Lending Data (% of #)	Credit Union 2007		Credit Union Total	
		#	%	2007	#	%	#	%
Low	2.3	3	3.2	3.9	5	4.9	8	4.1
Moderate	11.1	7	7.4	14.2	13	12.9	20	10.3
Middle	56.4	53	56.4	56.0	53	52.5	106	54.3
Upper	30.2	31	33.0	25.9	30	29.7	61	31.3
Total	100.0	94	100.0	100.0	101	100.0	195	100.0

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

During the period reviewed, STCU Credit Union originated 8 HMDA reportable loans in the assessment area in low-income census tracts and 20 loans in moderate-income census tracts, respectively. As shown above, the percentage of the Credit Union lending activity in low-income census tracts is above the 2007 aggregate data. The Credit Union originated 4.9 percent of its loans in low-income census tracts while the aggregate originated 3.9 percent. The Credit Union originated 12.9 percent of its loans in moderate-income census tracts while the aggregate originated 14.2 percent.

Consumer Loans

An analysis of 37 consumer loans 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.

Distribution of Consumer Loans by Income Category of the Census Tract						
Median Family Income Level	2006		2007		Total	
	#	%	#	%	#	%
Low	1	5.3	2	11.1	3	8.1
Moderate	5	26.3	3	16.7	8	21.6
Middle	10	52.6	9	50.0	19	51.4
Upper	3	15.8	4	22.2	7	18.9
Total	19	100.0	18	100.0	37	100.0

Source: Credit Union internal files

During the period reviewed, the Credit Union originated 8.1 percent of consumer loans in low-income census tracts and 21.6 percent in moderate-income census tracts.

Based on the above information, the Credit Union's geographic distribution of loans by census tract income level meets the standards for satisfactory performance.

5. REVIEW OF COMPLAINTS/FAIR LENDING POLICIES AND PRACTICES

A review was conducted for compliance with fair lending regulations, and no evidence of disparate treatment or impact was revealed.

A review of the Division of Bank's records, as well as the Credit Union's Public CRA File did not reveal any complaints relating to the Credit Union's CRA performance since the prior evaluation.

The Credit Union has a second review process in place. All denied loan applications are reviewed by second underwriter or the senior loan officer.

Currently, there are six bilingual employees to assist the non-English speaking customers and potential customers at the Credit Union. Languages spoken are: Spanish and Russian. As a result, the Credit Union is able to provide better service to customers of different ethnic backgrounds.

MINORITY APPLICATION FLOW

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 higher than 2007 aggregate's performance level for minority applications but was slightly lower than the ethnic applications. The Credit Union received 13.8 percent of its applications from minorities while the aggregate was 8.4 percent. The Credit Union received 7.6 percent of its applications from Hispanic applicants while the aggregate received 9.5 percent.

According to the 2000 U.S. Census Data, the Credit Union's assessment area contained a total population of 680,014 individuals of which 20.1 percent are minorities. The assessment area's minority and ethnic population is 5.5 percent Black/African American, 1.7 percent Asian, 0.2 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 11.2 percent Hispanic or Latino and 1.5 percent other.

STCU Credit Union received 273 HMDA reportable loan applications from within its assessment area in 2006 and 2007. Of these applications, 33 or 12.1 percent were received from minority applicants, of which 20 or 60.6 percent resulted in originations. The Credit Union received 21 HMDA reportable applications from ethnic groups of Hispanic or joint applicants within its assessment area of which 11 or 52.4 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.

MINORITY APPLICATION FLOW								
RACE	Credit Union 2006		2007 Aggregate Data		Credit Union 2007		Total Credit Union	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	0	0.0	157	0.3	0	0.0	0	0.0
<i>Asian</i>	1	0.8	569	1.1	2	1.4	3	1.1
<i>Black/ African American</i>	12	9.4	2,889	5.8	16	11.0	28	10.3
<i>Hawaiian/Pac Isl.</i>	0	0.0	156	0.3	0	0.0	0	0.0
<i>2 or more Minority</i>	0	0.0	28	0.1	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	0	0.0	428	0.8	2	1.4	2	0.7
Total Minority	13	10.2	4,227	8.4	20	13.8	33	12.1
<i>White</i>	93	72.6	34,755	69.3	93	64.1	186	68.1
<i>Race Not Available</i>	22	17.2	11,178	22.3	32	22.1	54	19.8
Total	128	100.0	50,160	100.0	145	100.0	273	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	6	4.7	4,236	8.4	9	6.2	15	5.5
<i>Not Hispanic or Latino</i>	95	74.2	34,622	69.0	103	71.0	198	72.5
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	4	3.1	524	1.1	2	1.4	6	2.2
<i>Ethnicity Not Available</i>	23	18.0	10,778	21.5	31	21.4	54	19.8
Total	128	100.0	50,160	100.0	145	100.0	273	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.

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 145 Industry Avenue, Springfield, MA 01104."

- 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.