

Appendix A

Proposed Amendments to 209 CMR 50.00 *et seq.*, *Parity with Federal Credit Unions*

209 CMR 50.04 is further amended by adding at the end thereof the following:

Strong or Satisfactory Management. A credit union shall be deemed to have strong or satisfactory management if the credit union's management rating meets the definitions set forth in Division of Banks Regulatory Bulletin 1.1-101, Appendix A; NCUA Letter to Credit Unions No. 161; and NCUA Letter to Credit Unions No. 167.

Trustee or Custodial Services. Trustee or custodial services are services as defined at 12 CFR §721.3(l).

209 CMR 50.00 *et seq.* is further amended in 209 CMR 50.06(3)(c) by striking 209 CMR 50.06(3)(c)1.c. and replacing it with the following:

c. Investment Limitations. The investment authorized by 209 CMR 50.06(3)(c)a. shall not include the power to acquire control, directly or indirectly, of another financial institution or to invest in shares, stocks of obligations of a trade association, liquidity facility or any similar organization, corporation or association, except as otherwise expressly authorized by 12 U.S.C. §1781 *et seq.* or M.G.L. c. 171.

209 CMR 50.00 *et seq.* is further amended in 209 CMR 50.06(3)(c)3. by striking 209 CMR 50.06(3)(c)3.b. through 209 CMR 50.06(3)(c)3.f. and replacing it with the following:

- b. "Securities brokerage services" under 12 CFR § 712.5(k), excluding third party arrangements with independent vendors;
- c. "Travel agency services" under 12 CFR § 712.5(n);
- d. "Real estate brokerage" under 12 CFR §712.5(p).

209 CMR 50.00 *et seq.* is further amended by adding after 209 CMR 50.06(3)(c)2.k. the following:

l. Trust and Trust-Related Services. Trust and trust-related services as set forth at 12 CFR 712.5(p): acting as administrator for prepaid legal service plans; acting as trustee, guardian, conservator, estate administrator, or in any other fiduciary capacity; and trust services.

209 CMR 50.00 *et seq.* is further amended in 209 CMR 50.06(3)(c)3. by striking 209 CMR 50.06(3)(c)3.e. through 209 CMR 50.06(3)(c)3.f. and replacing it with the following:

- e. "Real estate brokerage" under 12 CFR §712.5(p).

209 CMR 50.06(3)(j)2. is hereby amended by striking the first sentence and replacing it with the following:

2. Closed-end Home Equity Mortgages. Notwithstanding the requirements of M.G.L. c. 171, § 65, a credit union may make second lien or non-purchase money first lien closed-end home equity residential mortgage loans to members for a term of up to 20 years on any class or type of real estate loan authorized by M.G.L. c. 171, § 65 or 209 CMR 50.06(3)(k)1.

209 CMR 50.06(3)(j)3. is hereby amended by striking the first sentence and replacing it with the following:

3. Open-end Home Equity Mortgages. Notwithstanding the requirements of M.G.L. c. 171, § 65, a credit union may make second lien or non-purchase money first lien open-end home equity residential mortgage loans on any class or type of real estate loan authorized by M.G.L. c. 171, § 65 or 209 CMR 50.06(3)(k)1.

209 CMR 50.06(3)(k)2. is hereby amended by striking the text and replacing it with the following:

2. 97% Loan to Value Residential Mortgage Loans. A credit union may make first lien residential mortgage loans, not exceeding 97% of the value of the real estate, to members subject to the terms and limitations of M.G.L. c. 171, §65 paragraph 5 or pursuant to 209 CMR 50.06(3)(j)1. and 209 CMR 50.06(3)(j)4. to meet the distinct needs of low to moderate income members or as part of a first-time home buyer program. Any such residential mortgage loan which is not fully consistent with the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or other established secondary market participant shall be calculated against the 10% of total real estate loans aggregate limit set out in Regulatory Bulletin 4.2-103. The maximum loan amount per property and the total real estate borrowing limit per member shall be subject to approval by the Commissioner.

209 CMR 50.06(3)(k) is hereby amended by adding at the end the following new paragraph:

3. 100% Loan to Value Residential Mortgage Loans. A credit union may make first lien residential mortgage loans, not exceeding 100% of the value of the real estate, to members subject to the terms and limitations of M.G.L. c. 171, §65 paragraph 5 or pursuant to 209 CMR 50.06(3)(j)1. and 209 CMR 50.06(3)(j)4. and shall obtain appropriate credit enhancement in the form of mortgage insurance or readily marketable collateral, provided, however, that such loans made pursuant to 209 CMR 50.06(3)(k)3. for an amount less than \$35,000.00 shall not require such credit enhancement. Any such residential mortgage loan which is not fully consistent with the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or other established secondary market participant shall be calculated against the 10% of total real estate loans aggregate limit set out in Regulatory Bulletin 4.2-103. The maximum loan amount per property and the total real estate borrowing limit per member shall be subject to approval by the Commissioner.

209 CMR 50.00 *et seq.* is hereby amended by inserting after 209 CMR 50.06(3)(m) the following new paragraph:

(n) **Non-Residential Real Estate Loan Participations.** A credit union may, by written agreement, make or invest in non-residential real estate loan participations with other credit unions, federal credit unions or federally-insured banks having their main office in the Commonwealth, subject to the terms and conditions applicable to federal credit unions found in 12 CFR §701.22(b) through 12 CFR § 701.22(d), that would be used to provide or support one of the following activities: (1) equity or debt financing for small businesses; (2) area revitalization or stabilization or (3) other activities, services or facilities that primarily promote public welfare for the purpose of meeting its obligations under the Massachusetts Community Reinvestment Act, M.G.L. c. 167, §14. For the purposes of 209 CMR 50.06(3)(n), a non-residential real estate loan participation shall include any loan made under M.G.L. c. 171 §65 and 209 CMR 50.06(3)(j) and 209 CMR 50.06(3)(k). A credit union may invest in the aggregate up to 10% of its assets in non-residential real estate loan participation interests.

209 CMR 50.00 *et seq.* is further amended by striking 209 CMR 50.07(1) and replacing it with the following:

(1) **General.** The authorities provided in 209 CMR 50.07 are only for those activities listed. A credit union may engage in other activities if said activities are permitted and determined by the NCUA as incidental powers pursuant to 12 CFR §721 pursuant to regulations, guidelines of written opinions of the General Counsel of the NCUA only if the Commissioner affirmatively determines by regulation or in writing that the activity is reasonably related to an individual power set out in 209 CMR 50.07.

209 CMR 50.00 *et seq.* is further amended by striking 209 CMR 50.07(2)(b), and replacing it with the following:

(b) **General Provisions for Trustee or Custodial Services.** A credit union that is well capitalized and has not been notified that it is significantly undercapitalized or a credit union that is adequately capitalized and has not been notified that it is significantly undercapitalized may engage in the activity listed under 209 CMR 50.07(5)(k)2. and 209 CMR 50.07(5)(l)1. by submitting an application to, and receiving approval from the Commissioner before commencing the activity.

(c) **Application.** The application must include a complete description of the credit union's proposed activity, the credit union's investment in such activity, a detailed business plan containing financial projections and assumptions, the written policies required by 209 CMR 50.05(2), as well as a representation and undertaking that the activity will be conducted in accordance with Massachusetts and Federal law. The application must also provide any other information the Commissioner may require.

209 CMR 50.00 *et seq.* is further amended by striking 209 CMR 50.07(3)(b), and replacing it with the following:

(3) Notice Process to Conduct Certain Activities.

- (b) General Provisions for Trustee or Custodial Services through Outside Vendors. A credit union that is well capitalized and has not been notified that it is significantly undercapitalized may engage in the activity listed under 209 CMR 50.07(5)(k)1. by providing the Commissioner written notice within ten days after commencing the new activity.
- (c) Notice. The written notice must include a complete description of the activity conducted, the credit union's investment in such activity, and a representation and undertaking that the activity will be conducted in accordance with Massachusetts and Federal law. Any credit union filing notice pursuant to 209 CMR 50.07(3)(a) or 209 CMR 50.07(3)(b) is deemed to have agreed to conduct the activity in a manner consistent with applicable guidelines.

209 CMR 50.07(5) is further amended by adding at the end thereof the following two paragraphs:

(k) Trustee or Custodial Services through Outside Vendors.

1. Activities Requiring Notice. A well capitalized credit union, by providing notice pursuant to 209 CMR 50.07(3)(b), may offer trustee or custodial services as defined at 209 CMR 50.04 through outside vendors.
2. Activities Requiring Application. An adequately capitalized credit union, with approval from the Commissioner pursuant to 209 CMR 50.07(2)(b), may offer trustee or custodial services as defined at 209 CMR 50.04 through outside vendors.

(l) Trustee or Custodial Services.

1. Activities Requiring Application. A well capitalized credit union or an adequately capitalized credit union, with approval from the Commissioner pursuant to 209 CMR 50.07(2)(b), may offer trustee or custodial services as defined at 209 CMR 50.04.

209 CMR 50.00 *et seq.* is further amended by striking 209 CMR 50.13(1) through (3) in its entirety and replacing it with the following:

50.13: Regulatory Flexibility Program.

- (1) A credit union that is well capitalized and has not been notified that it is significantly undercapitalized and that has strong or satisfactory management as defined at 209 CMR 50.04 may engage in the activities listed in 209 CMR 50.13 without filing an application or providing notice to the Commissioner; provided the activities continue to be deemed legally permissible by the Commissioner, and the activities are conducted in accordance with applicable Massachusetts or Federal law.

- (2) A credit union may engage in the following activities pursuant to 209 CMR 50.13(1):
 - (a) Investments in Land, Building, Improvements, and Equipment. A credit union may invest up to \$300,000 in land, building, improvements and equipment not to exceed \$300,000 for one parcel of real estate or purchase of equipment per transaction.
 - (b) Purchase of Loan Portfolios. Notwithstanding the general provisions in M.G.L. c. 171, a credit union meeting the eligibility requirements set forth in 209 CMR 50.13(1) may purchase any auto loan, credit card loan, student loan or mortgage loan from any federally insured credit union as long as the loans are loans that the purchasing credit union is empowered to grant. The credit union is authorized to keep these loans in its portfolio. If a credit union is purchasing the eligible obligations of a liquidating credit union, the loans purchased cannot exceed 5% of the unimpaired capital and surplus of the purchasing credit union.

209 CMR 50.00 *et seq.* is further amended by adding at the end thereof the following:

50.14: Additional Notice Authorities For Credit Unions That Have Previously Received Approval Pursuant To 209 CMR 50.00 *et seq.*

- (1) General. A credit union that has previously received approval to engage in activities set forth in 209 CMR 50.06, 209 CMR 50.07, or 209 CMR 50.11 and that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized; that has strong or satisfactory management as defined at 209 CMR 50.04; and meets all requirements set forth in 209 CMR 50.05 may engage in any activity listed under 209 CMR 50.14(3) by providing the Commissioner written notice within ten days after commencing the new activity.
- (2) Notice. The written notice must include a complete description of the activity conducted, the credit union's investment in such activity, and a representation and undertaking that the activity will be conducted in accordance with Massachusetts and Federal law. Any credit union filing notice pursuant to 209 CMR 50.14(1) is deemed to have agreed to conduct the activity in a manner consistent with applicable guidelines.
- (3) Activities Subject to Notice. A credit union may engage in the following activities pursuant to 209 CMR 50.14(1):
 - (a) Consumer Loans. A credit union may make a personal loan not to exceed \$30,000 to a member for a term of up to 6 years for any personal loan authorized by M.G.L. c. 171, §59 or M.G.L. c. 171, §64. Any such personal loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(e), and shall be subject to all other conditions set forth in 209 CMR 50.06(3)(e).

- (b) Direct 100% Automobile Financing. A credit union may make a direct automobile loan to a member in an amount up to 100% of the value of the collateral not to exceed \$75,000 for a term not to exceed 6 years or the useful life of the automobile, whichever is less. Any such direct automobile loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(f), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(f).
- (c) Indirect 100% Automobile Financing. A credit union may make an indirect automobile loan to a member in an amount up to 100% of the value of the collateral not to exceed \$75,000 for a term not to exceed 6 years or the useful life of the automobile, whichever is less. Indirect lending for automobiles shall be deemed to be done in conjunction with the provisions of 209 CMR 50.06(3)(l). Any such indirect automobile loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(f), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(f).
- (d) Lines of Credit and Credit Cards. A credit union may grant an unsecured line of credit, including issuing a credit card, up to \$25,000. Any such unsecured line of credit and credit card shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(g), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(g).
- (e) Home Improvement Loans. A credit union may make a loan up to \$125,000 to finance the repair, alteration or improvement of improved real estate that is occupied by a member, for a term of up to 20 years. Any such home improvement loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)5., and shall subject be to all conditions set forth in 209 CMR 50.06(3)(i)1. and 209 CMR 50.06(3)(i)4..
- (f) Manufactured Home Loans. A credit union may make a loan up to \$125,000 for a manufactured home, as defined by M.G.L. c. 171, §61, for a term of up to 20 years or the useful life of the manufactured home, whichever is less. Any such manufactured home loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)5., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)2. and 209 CMR 50.06(3)(i)4..
- (g) Boat, Camper, and Trailer Loans. A credit union may make a loan to a member to finance a boat, camper or trailer not to exceed \$100,000 for a term up to 20 years. Any such boat, camper or trailer loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)5., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)3. and 209 CMR 50.06(3)(i)4..

- (h) First Lien Residential Mortgages. A credit union may make first lien residential mortgage loans to members not to exceed \$900,000 for a term up to 40 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)1. Any such first lien residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)1. and 209 CMR 50.06(3)(j)4.c.
- (i) Closed-end Home Equity Mortgages. A credit union may make second lien or non-purchase money first lien closed-end home equity residential mortgage loans to members up to \$250,000 for a term of up to 20 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)2. Any such second lien or non-purchase money first lien closed-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)2. and 209 CMR 50.06(3)(j)4.c.
- (j) Open-end Home Equity Mortgages. A credit union may make second lien or non-purchase money first lien open-end home equity residential mortgage loans up to \$250,000 on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)3. Any such second lien or non-purchase money first lien open-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)3. and 209 CMR 50.06(3)(j)4.c.
- (k) 95% Loan to Value Residential Mortgage Loans. A credit union may make first lien residential mortgage loans, not exceeding 95% of the real estate, to members subject to the terms and limitations of M.G.L. c. 171, §65 paragraph 5 or pursuant to 209 CMR 50.06(3)(k)1. The authority granted herein shall be subject to the conditions and limitations set forth in 209 CMR 50.14(3)(h), 209 CMR 50.14(3)(i), and 209 CMR 50.14(3)(j), and subject to the conditions and limitations set forth in 209 CMR 50.06(3)(k)1.

209 CMR 50.00 *et seq.* is further amended by adding at the end thereof the following:

50.15: Additional Notice Authorities For Credit Unions That Have Not Previously Received Approval Pursuant To 209 CMR 50.00 *et seq.*

- (1) General. A credit union that has not previously received approval to engage in activities set forth in 209 CMR 50.06, 209 CMR 50.07, or 209 CMR 50.11 and that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized; that has strong or satisfactory management as defined at 209 CMR 50.04; and meets all requirements set forth in 209 CMR 50.05 may engage in any activity listed under 209 CMR 50.15(3) by providing the Commissioner written notice within ten days after commencing the new activity.
- (2) Notice. The written notice must include a complete description of the activity conducted, the credit union's investment in such activity, and a representation and

undertaking that the activity will be conducted in accordance with Massachusetts and Federal law. Any credit union filing notice pursuant to 209 CMR 50.15(1) is deemed to have agreed to conduct the activity in a manner consistent with applicable guidelines.

- (3) Activities Subject to Notice. A credit union may engage in the following activities pursuant to 209 CMR 50.15(1):
- (a) Consumer Loans. A credit union may make a personal loan not to exceed \$20,000 to a member for a term of up to 6 years for any personal loan authorized by M.G.L. c. 171, §59 or M.G.L. c. 171, §64. Any such personal loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(e), and shall be subject to all other conditions set forth in 209 CMR 50.06(3)(e).
 - (b) Direct 100% Automobile Financing. A credit union may make a direct automobile loan to a member in an amount up to 100% of the value of the collateral not to exceed \$60,000 for a term not to exceed 6 years or the useful life of the automobile, whichever is less. Any such direct automobile loan shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(f), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(f).
 - (c) Lines of Credit and Credit Cards. A credit union may grant an unsecured line of credit, including issuing a credit card, up to \$20,000 to a member. Any such unsecured line of credit and credit card shall be included in the loan limitations per member and aggregate outstanding loan balance limitations set forth in 209 CMR 50.06(3)(g), and shall be subject to all conditions set forth in 209 CMR 50.06(3)(g).
 - (d) Home Improvement Loans. A credit union may make a loan up to \$75,000 to finance the repair, alteration or improvement of improved real estate that is occupied by a member, for a term of up to 20 years. Any such home improvement loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)5., and shall subject be to all conditions set forth in 209 CMR 50.06(3)(i)1. and 209 CMR 50.06(3)(i)4..
 - (e) Manufactured Home Loans. A credit union may make a loan up to \$75,000 for a manufactured home, as defined by M.G.L. c. 171, §61, for a term of up to 20 years or the useful life of the manufactured home, whichever is less. Any such manufactured home loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(i)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)5., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)2. and 209 CMR 50.06(3)(i)4..
 - (f) Boat, Camper, and Trailer Loans. A credit union may make a loan to a member to finance a boat, camper or trailer not to exceed \$75,000 for a term up to 20 years. Any such boat, camper or trailer loan shall be included in the loan

limitations per member set forth at 209 CMR 50.06(3)(i)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(i)5., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(i)3. and 209 CMR 50.06(3)(i)4..

- (g) First Lien Residential Mortgages. A credit union may make first lien residential mortgage loans to members not to exceed \$500,000 for a term up to 40 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)1. Any such first lien residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)1. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)1. and 209 CMR 50.06(3)(j)4.c.
- (h) Closed-end Home Equity Mortgages. A credit union may make second lien or non-purchase money first lien closed-end home equity residential mortgage loans to members up to \$125,000 for a term of up to 20 years on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)2. Any such second lien or non-purchase money first lien closed-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)2. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)2. and 209 CMR 50.06(3)(j)4.c.
- (i) Open-end Home Equity Mortgages. A credit union may make second lien or non-purchase money first lien open-end home equity residential mortgage loans up to \$125,000 on any class or type of real estate loan authorized by M.G.L. c. 171, §65 or 209 CMR 50.06(3)(j)3. Any such second lien or non-purchase money first lien open-end home equity residential mortgage loan shall be included in the loan limitations per member set forth at 209 CMR 50.06(3)(j)3. and the aggregate outstanding loan balance limitations set forth at 209 CMR 50.06(3)(j)4.c., and shall be subject to all conditions set forth in 209 CMR 50.06(3)(j)3. and 209 CMR 50.06(3)(j)4.c.
- (j) 95% Loan to Value Residential Mortgage Loans. A credit union may make first lien residential mortgage loans not exceeding 95% of the real estate, to members subject to the terms and limitations of M.G.L. c. 171, §65 paragraph 5 or pursuant to 209 CMR 50.06(3)(k)1. The authority granted herein is subject to the conditions and limitations set forth in 209 CMR 50.15(3)(g), 209 CMR 50.15(3)(h), and 209 CMR 50.15(3)(i), and subject to the conditions and limitations set forth in 209 CMR 50.06(3)(k)1.

209 CMR 50.00 *et seq.* is hereby amended by adding at the end thereof the following:

50.16 Notice Authority for Mortgage Loan Programs of Public Instrumentalities

- (1) General. A credit union that is adequately capitalized and has not been notified that it is significantly undercapitalized or a credit union that is well capitalized and has not been notified that it is significantly undercapitalized may engage in

any activity listed under 209 CMR 50.16(3) by providing the Commissioner written notice within ten days after commencing the new activity.

- (2) The written notice must include a complete description of the loan program, including maximum loan amount and term, and a representation and undertaking that the activity will be conducted in accordance with Massachusetts and Federal law. Any credit union filing notice pursuant to 209 CMR 50.16(1) is deemed to have agreed to conduct the activity in a manner consistent with applicable guidelines.
- (3) Activities Subject to Notice. A credit union may engage in the following activities pursuant to 209 CMR 50.16(1):
 - (a) Mortgage Loans Written in Accordance with Certain Mortgage Loan Programs of Public Instrumentalities. A credit union may make first and subsequent lien residential mortgage loans, other than reverse mortgage loans, to members if said loans are written in accordance with mortgage loan programs of public instrumentalities created by the commonwealth, its municipalities, or the federal government for the purpose of financing and expanding the supply of residential mortgages or affordable housing. Any such residential mortgage loan which is not fully consistent with the requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or other established secondary market participant shall be calculated against the 10% of total real estate loans aggregate limit set out in Regulatory Bulletin 4.2-103, unless such loan is immediately assigned to the public instrumentality or other entity as part of the program.