

# **PUBLIC DISCLOSURE**

August 10, 2020

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

AllCom Credit Union  
Certificate Number: 67599  
36 Park Avenue  
Worcester, Massachusetts 01609

Division of Banks  
1000 Washington Street, 10<sup>th</sup> Floor  
Boston, Massachusetts 02118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. 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 federal financial supervisory agency concerning the safety and soundness of this financial institution.

## TABLE OF CONTENTS

INSTITUTION RATING .....	3
DESCRIPTION OF INSTITUTION .....	4
DESCRIPTION OF ASSESSMENT AREAS.....	5
SCOPE OF EVALUATION.....	3
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	<b>Error!</b>
<b>Bookmark not defined.</b>	
GLOSSARY .....	<b>Error! Bookmark not defined.</b>

## INSTITUTION RATING

This document is an evaluation of the CRA performance of **AllCom Credit Union (credit union)** prepared by the Division, the institution's supervisory agency as of **August 10, 2020**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

**INSTITUTION'S CRA RATING:** This institution is rated "**Satisfactory.**" An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. AllCom Credit Union's performance under this test is summarized below:

- AllCom Credit Union's average net loan-to-share ratio is reasonable given the institution's size, financial condition, and credit needs of its AA.
- A majority of the credit union's residential loans are inside the AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating. Fair lending policies and procedures are considered adequate.

## SCOPE OF EVALUATION

### **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 AA, 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.

Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share ratio, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Distribution of Borrowers, and Response to CRA Complaints.

The evaluation references demographic and economic information from the 2010 United States (U.S.) Census, and the 2015 American Community Survey (ACS). Credit union financial data reflects the December 31, 2019 Call Report.

## **Loan Products Reviewed**

Examiners determined that the credit union's major product line is home mortgage loans. This conclusion considered the credit union's business strategy and the number and dollar volume of loans originated during the evaluation period.

Home mortgage lending data analyzed included full-year data from January 1, 2018 through December 31, 2019. Information related to home mortgage lending was derived from the Loan Application Registers (LARs) maintained by the credit union, pursuant to HMDA. For 2018, the credit union reported 16 originations totaling \$2.5 million within the AA. For 2019, the credit union reported 26 originations totaling \$4.0 million within the AA.

Examiners reviewed the number and dollar volume of home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals served.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Chartered by the Commonwealth of Massachusetts in 1922, AllCom Credit Union's chartering name was the Central Massachusetts Telephone Workers Credit Union. The institution changed its name to AllCom Credit Union in 2001. In January 2002, the Credit Union merged with Commonwealth Gas Employees Credit Union. In March 2013, the Credit Union merged with Worcester Postal Credit Union. AllCom Credit Union primarily serves Worcester County employees and retirees of American Telephone & Telegraph (AT&T) and its divested companies, the divested Bell Companies, Verizon Communications, and NSTAR. The credit union's field of membership is extended to individuals who live, work, or attend school in Worcester County and twenty-two cities and towns located in Middlesex County. The credit union has 4,412 members.

### **Operations**

The credit union's main office is located at 36 Park Avenue, Worcester, Massachusetts, within a middle-income census tract. The main office includes a drive-up facility and drive-up ATM. The Credit Union operates one branch located at 4 East Central Street Worcester, Massachusetts, accessible only to US Postal Employees, as it is located inside the main postal facility. Since the previous evaluation, the credit union has not opened or closed any branches.

Members can open checking accounts, savings accounts, money market accounts, certificates of deposits, and retirement accounts. Services offered include debit cards, online banking, mobile banking, and bill pay. In addition to deposit accounts, credit union members can apply for mortgage loans, home equity loans and lines of credit, consumer loans, new and used auto loans, personal lines of credit, and credit cards. Members can use the credit union's website to apply for home mortgage, home equity loans, personal, and auto loans.

The credit union is part of the CO-OP Shared Branching Network, which allows members to perform limited transactions through a network of participating credit unions nationwide. The credit union is also part of SUM and CO-OP ATM networks which allows members to perform ATM transactions, surcharge-free, at several thousand participating 24-hour ATMs

### **Ability and Capacity**

As of December 31, 2019, the credit union had total assets of approximately \$67.0 million, total shares and deposits of approximately \$55.2 million, and total loans of approximately \$89.1 million. The credit union is primarily a residential mortgage lender by dollar volume. Loans secured by first liens and junior liens on 1-4 family residential properties account for 78.4 percent of total loans.

The following table illustrates the distribution of the credit union's loan portfolio.

<b>Loan Portfolio Distribution as of 12/31/2019</b>		
<b>Loan Type</b>	<b>Dollar Amount (\$)</b>	<b>Percent of Total Loans</b>
Unsecured Credit Card Loans	1,143,377	2.9
Non-Federally Guaranteed Student Loans	0	0.0
All Other Unsecured Loans/LOCs	935,305	2.4
New Vehicle Loans	1,167,224	2.9
Used Vehicle Loans	5,073,894	12.8
All Other Secured Non-Real Estate Loans/LOCs	217,266	0.6
Total Loans/LOCs Secured by 1 <sup>st</sup> Lien 1-4 Family Residential	27,816,020	70.4
Total Loans/LOCs Secured by Junior Lien 1-4 Family Residential	3,140,180	8.0
Commercial Loans/Lines of Credit Real Estate Secured	0	0.0
Commercial Loans/Lines of Credit Non-Real Estate Secured	0	0.0
<b>Total Loans</b>	<b>39,492,266</b>	<b>100.00%</b>
<i>Source: Reports of Condition and Income</i>		

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. AllCom Credit union has designated its AA to include the following cities and towns located in the Worcester MA-CT MSA: Worcester, Auburn, Boylston, Grafton, Holden, Leicester, Millbury, Paxton, Shrewsbury and West Boylston. Due to the closing of the Southborough branch. The Credit Union's assessment area has not changed since the previous CRA examination. The following sections discuss demographic and economic information for the AA.

## **Economic and Demographic Data**

The AA includes 70 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 13 low-income tracts,
- 13 moderate-income tracts,
- 23 middle-income tracts,
- 18 upper income tracts, and
- 3 tract without an income designation.

The following table illustrates select demographic characteristics of the AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	70	18.6	18.6	32.9	25.7	4.3
Population by Geography	309,251	17.9	16.6	35.0	29.0	1.5
Housing Units by Geography	124,332	19.0	17.6	35.1	27.1	1.2
Owner-Occupied Units by Geography	64,968	6.3	11.0	43.5	39.0	0.2
Occupied Rental Units by Geography	49,189	34.8	24.4	25.4	12.9	2.4
Vacant Units by Geography	10,175	23.2	26.4	28.7	19.3	2.4
Businesses by Geography	18,492	13.6	16.7	33.6	28.7	7.4
Farms by Geography	358	7.3	9.5	39.9	42.5	0.8
Family Distribution by Income Level	71,999	25.5	17.4	19.1	38.0	0.0
Household Distribution by Income Level	114,157	29.8	15.0	16.9	38.3	0.0
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$81,137	Median Housing Value			\$237,935
			Median Gross Rent			\$954
			Families Below Poverty Level			10.9%
<i>Source: 2015 ACS Census and 2018 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion.

The low-, moderate-, middle-, and upper-income categories are presented in the following table.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Worcester, MA-CT MSA Median Family Income (49340)</b>				
2018 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
2019 (\$95,300)	<\$47,650	\$47,650 to <\$76,240	\$76,240 to <\$114,360	≥\$114,360
<i>Source FFIEC</i>				

### **Competition**

The AA is located in a highly competitive market for home mortgage loans. There is a high level of competition for home mortgage loans among credit unions, banks, and non-depository lenders. Large national banks, non-depository lenders and several state-chartered community banks and credit unions ranked above AllCom Credit Union.

### **Community Contact**

Examiners contacted a representative of a community development corporation serving Worcester. The contact noted high end apartments being constructed in sections of Worcester making certain areas highly desirable which has resulted in gentrification issues particularly impacting the low and moderate-income population. The contact noted financial institutions are generally supportive of affordable housing and suggested a housing strategy or committee be formed to address the rental housing needs for low and moderate individuals.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

AllCom Credit Union exhibited reasonable performance under the Lending Test.

### **Loan-to-Share Ratio**

This performance criterion determines what percentage of the credit union's share base is reinvested in the form of loans. The average net loan-to-share ratio for the last eight quarters is reasonable given the institution's size, financial condition, and AA credit needs.

The credit union's net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 65.9 percent over the past eight calendar quarters from September 30, 2018 through June 30, 2020. The ratio ranged from a low of 63.2 percent as of March 31, 2019, to a high of 70.8 percent as of December 31, 2019, showing an increasing trend during the evaluation period. The credit union's average LTS ratio over the previous eight quarters was compared to that of two similarly

situated institutions. The institution selection is based on geographic location and lending focus. AllCom Credit Union’s average LTS ratio is below those of the two institutions.

<b>Loan-to-Share Ratio Comparison</b>		
Institution	Total Shares	Average LTS Ratio (%)
AllCom Credit Union	60,273,271	65.9
Worcester Credit Union	88,752,526	76.2
Alden Credit Union	171,681,853	73.1
<i>Source: Reports of Income and Condition 9/30/2018 through 6/30/2020</i>		

### **Assessment Area Concentration**

The credit union made a majority of home mortgage loans by number and dollar volume within its AA. Please refer to the following table.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2018	16	66.7	8	33.3	24	2,542	59.2	1,751	40.8	4,293
2019	26	54.2	22	45.8	48	4,012	54.0	3,415	46.0	7,427
<b>Total</b>	<b>42</b>	<b>58.3</b>	<b>30</b>	<b>41.7</b>	<b>72</b>	<b>6,554</b>	<b>55.9</b>	<b>5,165</b>	<b>44.1</b>	<b>11,719</b>
<i>Source: Evaluation Period: 1/1/2018 - 12/31/2019 Credit Union Data</i>										

### **Geographic Distribution**

Considering the credit union’s AA demographics, aggregate data, and performance context factors, the distribution of home mortgage loans reflects reasonable penetration in low- and moderate-income geographies.

In 2018, the credit union originated 6.3 percent of home mortgage loans within low-income census tracts, below the aggregate of 9.0 percent. In 2019, the credit union decreased the percentage of loans in low-income census tracts to 3.8 percent.

The credit union originated 6.3 percent of its HMDA reportable loans within moderate-income census tracts in 2018. This number is below aggregate performance of 12.3 percent and below the owner-occupied housing percentage of 11.0 percent within the AA. In 2019, the credit union’s number of HMDA reportable loans increased to 19.2 percent in moderate-income census tracts.



Please refer to the table below for more information.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	6.3	9.0	1	6.3	82	3.2
2019	6.3	--	1	3.8	50	1.2
<b>Moderate</b>						
2018	11.0	12.3	1	6.3	307	12.1
2019	11.0	--	5	19.2	910	22.7
<b>Middle</b>						
2018	43.5	41.6	9	56.3	1,462	57.5
2019	43.5	--	15	57.7	2,107	52.5
<b>Upper</b>						
2018	39.0	36.9	5	31.3	691	27.2
2019	39.0	--	5	19.2	945	23.6
<b>Not Available</b>						
2018	0.2	0.3	0	0.0	0	0.0
2019	0.2	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>2,542</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>--</b>	<b>26</b>	<b>100.0</b>	<b>4,012</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2018 - 12/31/2019 Credit Union Data, 2018 HMDA Aggregate Data, "--" data not available*

### **Borrower Profile**

The distribution of home mortgage loans reflects reasonable penetration to individuals of different income levels.

In 2018, the credit union originated no loans to low-income borrowers. For the same year, the credit union originated 12.5 percent of loans to moderate-income borrowers, which was below the aggregate at 21.8 percent. In 2019, the credit union made 3.8 percent of loans to low-income borrowers and 19.2 percent to moderate-income borrowers. Please refer to the table below for more information.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	25.5	5.8	0	0.0	0	0.0
2019	25.5	--	1	3.8	50	1.2
<b>Moderate</b>						
2018	17.4	21.8	2	12.5	102	4.0
2019	17.4	--	5	19.2	550	13.7
<b>Middle</b>						
2018	19.1	24.8	4	25.0	695	27.3
2019	19.1	--	12	46.2	1,916	47.8
<b>Upper</b>						
2018	38.0	33.8	10	62.5	1,745	68.6
2019	38.0	--	8	30.8	1,496	37.3
<b>Not Available</b>						
2018	0.0	13.8	0	0.0	0	0.0
2019	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>2,542</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>--</b>	<b>26</b>	<b>100.0</b>	<b>4,012</b>	<b>100.0</b>

*Source: 2015 ACS Census ; 1/1/2018 - 12/31/2019 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.*

### **Response to CRA Complaints and Fair Lending Policies and Procedures**

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the credit union's public comment file indicated 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 with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

### **Minority Application Flow**

The credit union's HMDA LARs for 2018 and 2019 were reviewed to determine if the application flow from the different racial and ethnic groups within the credit union's AA was reflective of the AA's demographics. Considering the demographic composition of the AA and comparisons to aggregate data in 2018, the credit union's minority application flow is reasonable.

The credit union's AA contained a total population of 309,251 individuals of which 31.0 percent are minorities. The AA's minority and ethnic population is 13.7 percent Hispanic or Latino, 7.7 percent Black/African American, 7.0 percent Asian, 0.2 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, and 2.3 percent Other race.

The credit union's level of lending was compared with that of the aggregate's lending performance level for 2018. The comparison of this data assists in deriving reasonable expectations for the rate of applications the credit union received from minority residential loan applicants. Refer to the table below for information on the credit union's minority application flow as well as the aggregate lenders in the credit union's AA.

MINORITY APPLICATION FLOW					
RACE	2018		2018 Aggregate Data	2019	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.5	0	0.0
Asian	0	0.0	5.0	0	0.0
Black/ African American	1	4.6	6.6	0	0.0
Hawaiian/Pacific Islander	0	0.0	0.3	0	0.0
2 or more Minority	0	0.0	0.2	0	0.0
Joint Race (White/Minority)	0	0.0	1.5	1	2.7
<b>Total Racial Minority</b>	<b>1</b>	<b>4.6</b>	<b>14.2</b>	<b>1</b>	<b>2.7</b>
White	20	90.9	64.3	36	97.3
Race Not Available	1	4.6	21.5	0	0.0
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	<b>1</b>	4.6	<b>9.1</b>	<b>0</b>	<b>0.0</b>
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.7	1	2.7
<b>Total Ethnic Minority</b>	<b>1</b>	<b>4.6</b>	<b>10.8</b>	<b>1</b>	<b>2.7</b>
Not Hispanic or Latino	20	90.9	68.2	0	0.0
Ethnicity Not Available	1	4.6	21.0	0	0.0
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>

In 2018, the credit union received 22 HMDA-reportable loan applications from within its assessment area. Of these applications, 1 or 4.6 percent were received from racial minority applicants. For the same time period, the credit union received 1 application or 4.6 percent from ethnic groups of Hispanic origin within its assessment area.

In 2019, the credit union received 37 HMDA-reportable loan applications from within its assessment area. Of these applications, 1 or 2.7 percent were received from racial minority applicants, of which 1 or 100.0 percent were originated. For the same time period, the credit union received 1 application or 2.7 percent from ethnic groups of Hispanic origin within its assessment area, of which 1 or 100.0 percent were originated.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the institution under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**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. Other family 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).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and

nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an AA. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**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.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancing of home improvement and home purchase loans.

**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.

**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 are only one person, median household income is usually less than median family income.

**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.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an AA. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**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.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

**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.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**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.

**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.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area:** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**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.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**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).

“Urban” excludes 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.

## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

Massachusetts General Laws Chapter 167, Section 14, as amended, require all financial institution 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 AA;
- 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 36 Park Avenue Worcester, MA 01609."

[Please Note: If the institution has more than one AA, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that AA.]

- 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.