

# **PUBLIC DISCLOSURE**

August 19, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Alpha Credit Union  
Certificate Number: 67872

One Deaconess Road  
Boston, MA 02215

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 Division of Banks concerning the safety and soundness of this financial institution.

## INSTITUTION RATING

This document is an evaluation of the CRA performance of Alpha Credit Union (credit union) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of August 19, 2024. 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, including low- and moderate-income borrowers, in a manner consistent with its resources and capabilities. Alpha Credit Union's performance under this test is summarized below:

- Alpha Credit Union's average net loan-to-share ratio is reasonable given the institution's size and financial condition, and the credit needs of its assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The credit union has not received any CRA-related complaints since the last CRA evaluation and its fair lending procedures are considered adequate.

## DESCRIPTION OF INSTITUTION

### **Background**

Alpha Credit Union is a state-chartered credit union that was established in 1942. The credit union's field of membership includes individuals that work or have worked at Beth Israel Deaconess Medical Center, Joslin Diabetes Center, Lahey Health, and Tufts Medical Center. The credit union has 3,987 members as of June 30, 2024.

Alpha Credit Union received a "Satisfactory" rating at its previous Division of Banks CRA Performance Evaluation dated June 29, 2020, based on the Interagency Small Institution CRA Examination Procedures and the Division's CRA Regulation 209 CMR 46.00.

### **Operations**

The credit union is headquartered at One Deaconess Road, inside of the Beth Israel Deaconess Medical Center in Boston, Massachusetts, within a low-income census tract. The credit union also maintains one additional location at 800 Washington Street, inside of Tufts Medical Center in Boston, Massachusetts. At both locations, the credit union's hours are Monday through Friday 7:00 A.M. to 3:30 P.M.

The credit union offers its members free checking accounts, savings accounts, club accounts, ATM/Debit cards, and online banking. Members can also apply for personal loans, credit consolidation loans, new and used auto loans, Mass Save heat loans, and home equity loans.

## Ability and Capacity

As of June 30, 2024, the credit union had total assets of approximately \$35.3 million, total shares and deposits of approximately \$29.7 million, and total loans of approximately \$18.3 million. Unsecured, secured, and vehicle loans account for 60.1 percent of the credit union’s total loans. Loans secured by residential properties account for 39.2 percent of total loans. Pursuant to 209 CMR 46.22(1)(a), because consumer lending constitutes a substantial majority of the credit union’s business, examiners sampled motor vehicle loans, secured, and unsecured consumer loans. The following table illustrates the distribution of the credit union’s loan portfolio.

<b>LOAN PORTFOLIO DISTRIBUTION AS OF 6/30/2024</b>		
<b>Loan Category</b>	<b>\$</b>	<b>%</b>
Unsecured Loans/Lines of Credit	2,268,078	12.4
New Vehicle Loans	2,253,701	12.3
Used Vehicle Loans	6,490,472	35.4
Secured Non-Real Estate Loans/Lines of Credit	136,391	0.7
Total Loans/Lines of Credit secured by First Lien on 1-4 Family Residential Properties	4,314,975	23.6
Total Loans/Lines of Credit secured by Junior Lien on 1-4 Family Residential Properties	2,849,263	15.6
Commercial Loans/Lines of Credit Real Estate Secured	0	0.0
Commercial Loans/Lines of Credit Not Real Estate Secured	0	0.0
<b>Total Loans</b>	<b>18,312,880</b>	<b>100.0</b>

*Source: Reports of Income and Condition dated 6/30/2024*

## **DESCRIPTION OF ASSESSMENT AREA**

Pursuant to 209 CMR 46.41(8), Alpha Credit Union delineates its membership as its assessment area. According to CRA regulations, an institution shall delineate one or more assessment areas where the institution will meet credit needs and by which the Division will evaluate the institution’s CRA performance. Credit unions whose membership by-law provisions are not based upon geography are permitted to designate its membership as its assessment area.

The Federal Financial Institutions Examination Council (FFIEC) updated median family income level is used to analyze consumer 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>Boston, MA Median Family Income (14454)</b>				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
<b>Cambridge-Newton-Framingham, MA Median Family Income (15764)</b>				
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440

*Source: FFIEC*

## SCOPE OF EVALUATION

### **General Information**

The Community Reinvestment Act (CRA) requires the Division to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, consistent with the 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 evaluation covers the period from June 29, 2020, to the current evaluation dated August 19, 2024. Small Institution CRA procedures were used for the evaluation. The evaluation references demographic and economic information from the 2020 U.S. Census. Credit Union financial data reflects the June 30, 2024 NCUA 5300 Quarterly Call Report.

Since the credit union has defined its membership as its assessment area as opposed to a geographic area, an evaluation of credit extended within a defined geographic area was not conducted. This evaluation was based on an analysis of the credit union's loan-to-share ratio, its performance in providing loans to individuals of various incomes, its response to CRA-related complaints, and fair lending performance.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### **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 and evaluates its appropriateness. The average net loan-to-share (LTS) ratio for the last eight quarters is reasonable given the institution's size, financial condition, and membership needs.

The credit union's net loan-to-share ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 57.4 percent over the past eight calendar quarters, from September 30, 2022 to June 30, 2024. Alpha Credit Union's loan-to-share ratio ranged from a low of 54.5 percent as of June 30, 2022, to a high of 61.7 percent as of June 30, 2024.

#### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, primarily in lending to low- and moderate-income borrowers. Examiners reviewed a random sample of consumer loans originated in 2022 and 2023, including new and used auto loans, personal loans, and unsecured loans. A majority of the credit union's sampled loans were for low- and moderate-income borrowers.

In 2022, the credit union originated three, or 30.0 percent, of loans to low-income borrowers and two, or 20.0 percent, to moderate-income borrowers. In 2023, the credit union originated four, or 40.0 percent of the sample, to low-income borrowers and one, or 10.0 percent, to moderate-income borrowers.

The following table demonstrates the distribution of consumer loans by borrower income.

<b>Distribution of Consumer Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>		<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Low</b>					
	2022	3	30.0	26,000.00	15.6
	2023	4	40.0	13,500.00	8.6
<b>Moderate</b>					
	2022	2	20.0	40,100.80	24.0
	2023	1	10.0	19,500.00	12.4
<b>Middle</b>					
	2022	3	30.0	70,597.80	42.2
	2023	1	10.0	25,000.00	15.9
<b>Upper</b>					
	2022	2	20.0	30,435.99	18.2
	2023	4	40.0	98,789.56	63.0
<b>Not Available</b>					
	2022	0	0.0	0	0.0
	2023	0	0.0	0	0.0
<b>Total</b>					
	<b>2022</b>	<b>10</b>	<b>100.0</b>	<b>167,134.59</b>	<b>100.0</b>
	<b>2023</b>	<b>10</b>	<b>100.0</b>	<b>156,789.56</b>	<b>100.0</b>
<i>Source: 1/1/2022 - 12/31/2023 Credit Union Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

### **Response to Complaints**

The credit union has not received any CRA-related complaints since the last CRA evaluation; therefore, this criterion did not affect the CRA rating.

### **Fair Lending Policies and Procedures**

The Division provides comments regarding the institution's fair lending policies and practices pursuant to Regulatory Bulletin 1.3-106. The credit union's record relative to fair lending policies and practices is deemed adequate.

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, requires 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 One Deaconess Road, Boston, Massachusetts 02215."

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

- 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.

## 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/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**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 credit union 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).

**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 assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**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 assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., 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/assessment area.

**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.

**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 (also known as non-MSA):** 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.

**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.