

PUBLIC DISCLOSURE

April 22, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Arrha Credit Union
Certificate Number: 61189

145 Industry Avenue
Springfield, Massachusetts 01104

Division of Banks
One Federal Street, Suite 710
Boston, Massachusetts 02110

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.

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INSTITUTION RATING

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Arrha Credit Union (credit union)** prepared by the Massachusetts Division of Banks (“Division”), the institution’s supervisory agency as of April 22, 2025. 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 need of its assessment area, including low- and moderate-income borrowers, in a manner consistent with its resources and capabilities. Arrha Credit Union’s performance under this test is summarized below:

- Arrha 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 credit union made a majority of its home mortgage loans inside its assessment area.
- The geographic distribution of loans reflects reasonable dispersion within the 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 finds its fair lending procedures adequate.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act requires the Massachusetts Division of Banks to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the needs of its assessment area, including low- and moderate-income individuals and neighborhoods, consistent with safe and sound operation of the institution. Upon the conclusion of such an 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 July 6, 2020, to the current evaluation dated April 22, 2025. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Ratio, Assessment Area Concentration, Geographic Distribution, Borrower Profile, and Response to CRA-related Complaints and Fair Lending Procedures.

The evaluation references demographic and economic information from the 2020 American Community Survey (ACS). Credit Union financial data reflects the December 31, 2024 NCUA 5300 Quarterly Call Report.

Loan Products Reviewed

Examiners determined Arrha Credit Union's major product line is home mortgage loans, considering the number and dollar volume of loans the credit union originated during the evaluation period.

Examiners analyzed home mortgage loan originations from January 1, 2023, through December 31, 2024, reported on the institution's 2023 and 2024 HMDA Loan Application Registers (LARs). Arrha Credit Union originated 75 home mortgage loans totaling \$10.4 million in 2023. In 2024, the credit union originated 60 home mortgage loans totaling \$9.1 million. Examiners compared the credit union's 2023 and 2024 mortgage lending to aggregate data in order to assess the reasonableness of the credit union's performance.

Examiners reviewed the number and dollar volume of home mortgage loans. While both the number and dollar volumes are presented, examiners emphasize the number of loans rather than the dollar volume when assessing the credit union's performance, as the number of loans better indicates the number of individuals served.

DESCRIPTION OF INSTITUTION

Background

Arrha Credit Union, originally founded and chartered as Springfield Teacher's Credit Union on October 5, 1929, is a member-owned, not-for-profit credit union. On May 1, 2015, the credit union's name was changed to Arrha Credit Union to better reflect its growing field of membership. Membership with Arrha Credit Union is open to anyone who lives or works in Hampden, Hampshire, or Franklin counties of Massachusetts, or Hartford and Tolland counties of Connecticut, and their immediate family members. As of December 31, 2024, the credit union had 9,720 individual members.

The credit union is a low-income credit union, designated by the Division and the National Credit Union Administration (NCUA). A designated low-income credit union indicates that a majority of its membership earns less than 80 percent of the median family income for the metropolitan area where they live, or the national metropolitan area, whichever is greater.

The credit union received a "Satisfactory" rating at its previous Division of Banks CRA Performance Evaluation dated July 6, 2020, based on the Interagency Small Institution CRA Examination Procedures and the Division's CRA Regulation 209 CMR 46.00.

Operations

The credit union's main office is located at 145 Industry Avenue, Springfield, and maintains operating hours from 9:00 AM – 4:30PM, Monday to Friday, and weekend hours on Saturdays from 8:00AM – 12:00PM. Drive up and interactive teller machines (ITMs) hours closely follow branch hours, and may be visited from 8:00AM – 4:30PM, Monday to Friday, as well as Saturdays from 8:00AM – 12:00PM. Outside of standard business hours, ITMs maintain functionality as automated teller machines (ATMs) and may be accessed at any time. Arrha Credit Union has three additional branches. These branches are located at 63 Park Avenue, West Springfield; 1240 Sumner Avenue, Springfield, opened during the examination period; and 231 Hazard Avenue, Enfield, Connecticut, also opened during the examination period. Hours do not vary between branches and each location maintains drive-up, ITM, and ATM services.

Arrha Credit Union offers a variety of personal banking products. Members can open checking and savings accounts; student accounts; individual retirement accounts (IRAs), certificates of deposit, and money market accounts; personal loans and credit cards; new and used auto loans; home equity loans, home equity lines of credit (HELOCs), and home mortgages; and business checking accounts and commercial loans.

Members may utilize the credit union's mobile and online services to view account balances, transfer funds, schedule bill payments, and remotely deposit checks. The credit union also participates as a member of the SUM Network, allowing members access to a wide network of surcharge-free ATMs across the United States.

Ability and Capacity

As of the December 31, 2024 quarterly call report, the credit union's assets totaled approximately \$149.6 million, held shares and deposits totaling approximately \$122.8 million, and maintains a loan portfolio of approximately \$110.5 million. Over the last eight calendar quarters, the credit union's total asset size has increased by 6.7 percent, while the credit union's total loan portfolio has increased by 7.9 percent.

Residential mortgage lending accounts for a majority of the credit union's loan portfolio, first liens on 1-4 family residential properties accounting for approximately 63.6 percent of all loans, while loans secured by a junior lien on 1-4 family properties account for 14.1 percent of the credit union's loan portfolio. The following table provides an overview of the credit union's loan portfolio.

Loan Portfolio Distribution as of 12/31/2024		
Loan Category	\$	%
Unsecured Credit Card Loans	534,055	0.5
All Other Unsecured Loans/Lines of Credit	1,036,907	0.9
New Vehicle Loans	2,080,073	1.9
Used Vehicle Loans	8,840,900	8.0
All Other Secured Non-Real Estate Loans/Lines of Credit	232,879	0.2
Loans/Lines of Credit Secured by a First Lien on a single 1-4 Family Residential	70,268,181	63.6
Loans/Lines of Credit Secured by a Junior Lien on a single 1-4 Family Residential	15,584,699	14.1
Commercial Loan/Real Estate Secured Line of Credit	9,965,174	9.0
Commercial Loan/Non-Real Estate Secured Line of Credit	1,935,746	1.8
Total Loans	110,478,614	100.0
<i>Source: Reports of Income and Condition</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. The credit union's assessment area has been adjusted since the previous examination. The assessment area was previously made up of the municipalities in Hampden, Hampshire, and Franklin counties. The credit union's newly designated assessment area includes the town of Enfield, Connecticut, as well as all municipalities within Hampden County, Massachusetts. Hampden County includes the municipalities of Agawam, Blandford, Chicopee, East Longmeadow, Hampden, Holyoke, Longmeadow, Ludlow, Monson, Palmer, Russell, Southwick, Springfield, Wales, West Springfield, Westfield, and Wilbraham.

Economic and Demographic Data

The credit union's assessment area consists of 116 census tracts that reflect the following income designations according to the 2020 American Community Survey (ACS) data:

- 15 low-income tracts,
- 26 moderate-income tracts,
- 41 middle-income tracts,
- 32 upper-income tracts,
- 2 tracts without income designation.

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	116	12.9	22.4	35.3	27.6	1.7
Population by Geography	507,966	9.7	23.1	34.5	32.0	0.7
Housing Units by Geography	211,395	9.6	23.1	35.8	31.2	0.4
Owner-Occupied Units by Geography	124,186	2.2	15.5	39.2	43.0	0.0
Occupied Rental Units by Geography	73,203	21.0	34.8	30.7	12.6	0.8
Vacant Units by Geography	14,006	15.3	28.4	31.6	23.9	0.9
Businesses by Geography	41,858	11.1	21.0	33.4	34.0	0.5
Farms by Geography	1,106	2.6	11.0	31.6	54.4	0.4
Family Distribution by Income Level	126,049	23.9	16.5	18.2	41.3	0.0
Household Distribution by Income Level	197,389	27.5	15.6	16.7	40.3	0.0
Median Family Income MSA - 25540 Hartford-West Hartford-East Hartford, CT MSA		\$102,081	Median Housing Value			\$205,291
Median Family Income MSA - 44140 Springfield, MA MSA		\$74,547	Median Gross Rent			\$916
			Families Below Poverty Level			11.1%
Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

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 for each year during review period:

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Hartford-East Hartford-Middletown, CT MSA Median Family Income (25540)				
2023 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440
Hartford-West Hartford-East Hartford, CT MSA Median Family Income (25540)				
2024 (\$123,800)	<\$61,900	\$61,900 to <\$99,040	\$99,040 to <\$148,560	≥\$148,560
Springfield, MA MSA Median Family Income (44140)				
2023 (\$94,600)	<\$47,300	\$47,300 to <\$75,680	\$75,680 to <\$113,520	≥\$113,520
2024 (\$89,100)	<\$44,550	\$44,550 to <\$71,280	\$71,280 to <\$106,920	≥\$106,920
Source: FFIEC				

Competition

The credit union's assessment area is a competitive lending market. In 2023, there were 380 depository and non-depository lenders in the credit union's assessment area that originated or purchased a total of 14,145 home mortgage loans. Of these lenders, Arrha Credit Union ranked 43, with a market share of just 0.6 percent. The top ten ranked lenders in the credit union's assessment area accounted for 36.6 percent of the available market.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit and community development needs. This information helps determine whether local financial institutions are responsive to the needs of the communities served and what additional credit and community development opportunities are available.

Examiners contacted a representative of a municipal housing authority that operates in the credit union's assessment area, working directly with local government, non-profit organizations, and financial institutions to increase housing opportunities for low- and moderate-income individuals and families. The community contact noted a significant number of distressed multifamily housing, fire-damaged buildings, and dwellings that received limited, low-quality repairs. The contact expressed that the city's 1-4 family housing stock is increasingly limited. The contact further expressed that limited availability of housing stock is further exacerbated by out-of-area investors purchasing 1-4 family homes to lease as rental properties.

Credit and Community Needs and Opportunities

Examiners considered information gathered from the community contact, the Credit Union, and available economic and demographic data to identify the primary needs of the assessment area. Examiners determined that the community's primary community development needs are affordable housing opportunities and community services for low- and moderate-income individuals. The community contact identified a pressing need for Spanish landlord seminars, downpayment assistance, and home repair loans.

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 is reasonable given the institution's size, financial condition, and membership needs.

The credit union's net LTS ratio, calculated using NCUA 5300 Quarterly Call Report data, averaged 88.6 percent over eight calendar quarters, from March 31, 2023, to December 31, 2024. Arrha

Credit Union's LTS ratio gradually increased over the evaluation period, ranging from a low of 84.9 percent, as of March 31, 2023, to a high of 90.3 percent, as of December 31, 2024. Arrha Credit Union's LTS ratio was above that of two similarly situated institutions. Please refer to the table below for a comparison of the credit union's loan-to-share ratio.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of 12/31/2024 (\$)	Average LTS Ratio (%)
Arrha Credit Union	149,612,395	88.6
Holyoke Credit Union	290,411,615	62.9
Greater Springfield Credit Union	233,432,959	53.5
<i>Source: Reports of Income and Condition 03/31/2023 through 12/31/2024</i>		

Assessment Area Concentration

The credit union made a majority of home mortgage loans, by both number and dollar volume, inside its assessment area. The following table illustrates the credit union's lending inside and outside its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000)s
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2023	60	80.0	15	20.0	75	6,885	66.5	3,476	33.5	10,361
2024	43	71.7	17	28.3	60	5,624	62.0	3,442	38.0	9,066
Total	103	74.1	32	25.9	135	12,509	64.3	6,918	35.8	19,427
Source: Credit Union Data										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, primarily supported by the credit union's home mortgage performance. Examiners focused on activity within low- and moderate-income census tracts.

Home Mortgage Lending

In 2023, the credit union originated four, or 6.7 percent, of home mortgage loans in low-income census tracts, comparing favorably to aggregate performance and the percentage of owner-occupied housing. In 2024, the credit union made one loan to low-income census tracts, or 2.3 percent of originated loans, performing below aggregate lenders, but slightly above the percentage of owner-occupied housing units. Examiners noted that the percentage of owner-occupied housing units was especially low, indicating a shortage of vacant units available for purchase.

The credit union's performance in moderate-income census tracts was above both aggregate data and the demographic comparator in 2023 and 2024. In 2023, the credit union made 15, or 25.0

percent of home mortgage loans, to moderate-income census tracts, slightly above that of aggregate performance and 4.7 percentage points above demographics. In 2024, the credit union increased its lending to moderate-income census tracts, again performing above both aggregate lenders and the percentage of owner-occupied housing units.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	3.1	5.8	4	6.7	199	2.9
2024	2.2	4.2	1	2.3	83	1.5
Moderate						
2023	20.3	24.6	15	25.0	1,422	20.6
2024	15.5	19.9	11	25.6	1,800	32.0
Middle						
2023	34.9	34.2	21	35.0	1,760	25.6
2024	39.2	38.5	18	41.9	1,518	27.0
Upper						
2023	41.6	35.3	20	33.3	3,504	50.9
2024	43.0	37.3	13	30.2	2,222	39.5
Not Available						
2023	0.0	0.1	0	0.0	0	0.0
2024	0.0	0.1	0	0.0	0	0.0
Total						
2023	100.0	100.0	60	100.0	6,885	100.0
2024	100.0	100.0	43	100.0	5,624	100.0

Source: 2020 ACS; Credit Union Data, 2023 & 2024 HMDA Aggregate Data

Borrower Profile

Home Mortgage Lending

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Examiners focused on the credit union's lending activity to low- and moderate-income borrowers.

In 2023, the credit union originated three loans, or 5.0 percent of originations, to low-income borrowers, performing below aggregate lenders and significantly below the percentage of families in the assessment area. In 2024, the credit union made one loan to low-income borrowers, representing 2.3 percent of originated loans, and performing below that of both aggregate lenders and the demographic comparator.

The credit union made 16 loans, or 26.7 percent, comparing favorably to both aggregate performance and the percentage of families in moderate-income borrowers in 2023. In 2024, the credit union's performance fell, originating nine, or 20.9 percent, of home mortgage loans to moderate-income borrowers, performing slightly below that of aggregate lenders but above the percentage of families.

Examiners note that lending to low-income individuals and families can be particularly difficult. The percentage of low-income families make up as much as 26.4 percent of the assessment area population in 2023, and 23.9 in 2024. Aggregate lenders in the assessment area performed far below that of the demographic indicator in 2023, and continued to decrease to just 4.7 percent in 2024, indicating the limited home-lending opportunities available. Additionally, demographic data indicates that the percentage of families below the poverty level, a subset of the low-income level category, is as high as 11.1 percent. Families in this category are faced with increased financial hardship and likely face challenges qualifying for traditional residential loans utilizing conventional underwriting standards for homes with a median housing value of \$205,291.

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

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	26.4	7.1	3	5.0	143	2.1
2024	23.9	4.7	1	2.3	105	1.9
Moderate						
2023	16.8	24.8	16	26.7	1,274	18.5
2024	16.5	21.1	9	20.9	885	15.7
Middle						
2023	18.1	26.9	18	30.0	1,938	28.1
2024	18.2	27.5	15	34.9	1,353	24.1
Upper						
2023	38.6	26.8	21	35.0	2,881	41.8
2024	41.3	30.0	17	39.5	2,846	50.6
Not Available						
2023	0.0	14.5	2	3.3	650	9.4
2024	0.0	16.6	1	2.3	435	7.7
Total						
2023	100.0	100.0	60	100.0	6,885	100.0
2024	100.0	100.0	43	100.0	5,624	100.0

Source: 2020 ACS; Credit Union Data, 2023 & 2024 HMDA Aggregate Data.

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 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

Arrha Credit Union's 2023 and 2024 HMDA LARs were reviewed to determine if the credit union's application flow from different racial and ethnic groups reflected the assessment area's demographics. Comparison to aggregate data assists in deriving reasonable expectations for the rate of applications the credit union received from minority home mortgage loan applicants.

According to 2020 ACS U.S. Census data, the credit union's assessment area contained a total population of 507,966 individuals, of which 38.8 percent are minorities. The assessment area's minority population consists of 24.7 percent Hispanic or Latino, 10.1 percent Black/African American, 3.4 percent Asian, 0.2 percent American Indian or Alaskan Native, and 5.0 percent other.

RACE	2023 Credit Union		2023 Aggregate	2024 Credit Union		2024 Aggregate
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.8	0	0.0	0.8
Asian	0	0.0	2.5	1	1.6	2.8
Black/ African American	5	6.2	7.8	4	6.6	9.0
Hawaiian/Pacific Islander	0	0.0	0.3	1	1.6	0.4
2 or more Minority	0	0.0	0.3	0	0.0	0.0
Joint Race (White/Minority)	0	0.0	1.3	1	1.6	1.4
Total Racial Minority	5	6.2	13.1	7	11.5	14.4
White	49	60.4	59.7	40	65.6	60.1
Race Not Available	27	33.3	27.1	14	23.0	25.2
Total	81	100.0	100.0	61	100.0	100.0
ETHNICITY						
Hispanic or Latino	15	18.5	16.3	9	14.8	16.0
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.7	0	0.0	1.8
Total Ethnic Minority	15	18.5	18.0	9	14.8	17.8
Not Hispanic or Latino	43	53.1	57.9	41	67.2	59.8
Ethnicity Not Available	23	28.4	24.0	11	18.0	22.3
Total	81	100.0	100.0	61	100.0	100.0

Source: U.S. Census 2020, HMDA Aggregate Data 2023 and 2024, HMDA LAR Data 2023 and 2024

In 2023, Arrha Credit Union received 81 home mortgage loan applications from within its assessment area. Of these applications, the credit union received five, or 6.2 percent, from racial minority applicants. Aggregate lenders from within the credit union's assessment area received 13.1 percent of applications from racial minority groups. For the same year, the credit union received 15, or 18.5 percent, of applications from ethnic minority groups. Aggregate lenders received 18.0 percent of applications from ethnic minority borrowers.

In 2024, the credit union received 61 home mortgage loan applications from within its assessment area. Of these applications, seven or 11.5 percent were received from racial minority applicants. The aggregate received 14.4 percent of loans from racial minority applicants. For the same year, the credit union received nine, or 14.8 percent of applications, from ethnic minority groups. Aggregate lenders received 17.8 percent of applications from ethnic minority borrowers.

Considering the assessment area's demographic composition and comparisons to aggregate data, the credit union's minority application flow is considered reasonable.

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 or field of membership 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.

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.

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.

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.

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.

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.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, requires 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 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, Massachusetts 01104."

[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 the Massachusetts Division of Banks, 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.