

PUBLIC DISCLOSURE

September 25, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Boston Firefighters Credit Union
Charter Number: 67837

60 Hallet Street,
Dorchester, MA 02124

Division of Banks
1000 Washington Street, 10th 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 Boston Firefighters Credit Union (or the credit union), prepared by the Division, the institution's supervisory agency as of September 25, 2023. 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 an adequate record of meeting the credit needs of its membership, including low- and moderate-income members, in a manner consistent with its resources and capabilities.

According to CRA regulations, an institution shall delineate one or more assessment areas by which the institution will serve to meet the 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 residence are permitted to designate its' membership as its assessment area.

Boston Firefighters Credit Union was evaluated according to Intermediate Small Institution CRA Examination Procedures, which apply to an institution with assets of at least \$376 million as of December 31st, of the prior two calendar years, adjusted annually and currently at \$376 million. A summary of the credit union's performance is provided below.

The Lending Test is rated Satisfactory.

- The credit union's average net loan to share (LTS) ratio for the past eight quarters was 88.8 percent and is considered reasonable.
- The credit union's distribution of borrowers reflects, given the characteristics of its membership and area demographics, adequate penetration of low- and moderate-income borrowers.
- No CRA-related complaints were received during the evaluation period.
- Fair lending policies and procedures are considered adequate.

The Community Development Test is rated Satisfactory.

- The institution's community development performance demonstrates reasonable responsiveness to community development needs in its assessment area through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

DESCRIPTION OF INSTITUTION

Background

Chartered in 1947 by the Commonwealth of Massachusetts, Boston Firefighters Credit Union is an industrial credit union whose members include employees, retirees, and family members of the first responder community in Massachusetts (fire departments, police departments, and municipally operated EMS departments), employees and retirees of Boston Firefighters Credit Union, Labor Union employees and retirees thereof serving the first responder community in Massachusetts, employees and retirees of the Suffolk County Sheriff's Department, The Professional Firefighters of Massachusetts, The International Association of Firefighters, and the State Police Association of Massachusetts. The credit union has 11,359 members as of June 30, 2023.

Operations

The credit union is headquartered at 60 Hallet Street in Dorchester, MA which is located in an upper-income census tract. Since the previous evaluation, the credit union did not open any branches and closed its location located at 2029 Centre Street, West Roxbury, MA in 2021.

The credit union offers its members checking accounts, savings accounts, money market accounts, term deposits, Individual Retirement Accounts, club accounts, consumer auto loans, personal loans, vacation loans, lines of credit, education loans for tuition (high school and college), and real estate mortgage loans, and lines of credit. The credit union also offers online banking with BillPay, mobile banking, text banking, and ATM and Debit Cards. The credit union is also a member of the SUM, MoneyPass, and Co-Op networks, which provide its members with free ATM transactions at thousands of locations.

Ability and Capacity

As of June 30, 2023, the credit union had total assets of \$423.1 million and loans totaled \$341.7 million. Since the previous evaluation, the credit union's assets increased by 26.4 percent, and total loans increased by 30.7 percent.

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 80.1 percent of total loans. The credit union's remaining loans consist of consumer loans, with used auto loans making up the largest percentage at 8.2 percent. The following table details information regarding the credit union's loan portfolio.

Loans Portfolio Distribution as of 6/30/2023		
Loan Category	\$	%
Loans/Lines of Credit Secured by 1st lien on 1-4 family residential property	241,538,658	70.7
Loans/Lines of Credit Secured by junior lien on 1-4 family residential property	32,216,238	9.4
Total 1-4 family residential loans	273,754,896	80.1
Unsecured Credit Cards	8,327,785	2.4
Non-Federally Granted Student Loans	2,962,077	0.9
All Other Unsecured Loans/Lines of Credit	18,457,308	5.4
New Vehicle Loans	7,573,547	2.2
Used Vehicle Loans	20,533,411	6.0
All Other Secured Non-Real Estate Loans/Lines of Credit	562,289	0.2
Total Consumer Loans	58,416,417	17.1
Commercial Loans/Lines of Credit	9,528,747	2.8
Total Loans	341,700,060	100.0
<i>Source: Call Report data 6/30/2023</i>		

DESCRIPTION OF ASSESSMENT AREAS

The Community Reinvestment Act requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. In accordance with 209 CMR 46.41, BFCU defines its assessment area as its membership. Since the credit union's membership is not defined by a geographic area, the evaluation did not include an analysis of lending by geographic location of the borrower.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks to use their authority when examining state-chartered financial institutions to assess the institution's record of meeting the needs of its entire assessment area, 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 and community development needs of its membership.

This evaluation covers the period from May 26, 2020, to the current evaluation date of September 25, 2023. The FFIEC Intermediate-Small Institution (ISI) CRA procedures were used for this evaluation. These procedures include two tests: the CRA Lending Test and the Community Development Test.

Activities Reviewed

Home mortgage lending data analyzed full year data from January 1, 2021, through December 31, 2022. Information related to home mortgage lending was derived from the credit union's Loan Application Registers maintained by the credit union, pursuant to HMDA. For 2021, the credit union

reported 278 originations totaling \$103.9 million in its assessment area. For 2022, the credit union reported 130 originations totaling \$72.1 million in its assessment area, this decline in the number of loans is primarily attributed to increasing interest rates and a decline in the number of refinances. Examiners also reviewed a sample of consumer loan originations for the calendar years 2021 and 2022.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While the number and dollar volume are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals served. Due to the credit union primarily being a residential lender by dollar amount, more weight was given to the credit union's home mortgage performance.

For the Community Development Test, credit union management provided data on community development loans, qualified services, and qualified donations since the prior CRA evaluation dated May 26, 2020.

The credit union was last evaluated on May 26, 2020 which resulted in a Satisfactory rating.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Boston Firefighters Credit Union demonstrated 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 and evaluates its appropriateness. The average net loan-to-share ratio for the last eight quarters is reasonable, given the institution's size and financial condition.

The credit union's LTS ratio, calculated from Call Report data, averaged 88.8 percent over the last eight calendar quarters from September 30, 2021 to June 30, 2023. The ratio ranged from a high of 99.4 percent on March 31, 2023 and a low of 80.2 percent on September 30, 2021.

Borrower Profile

The credit union's performance demonstrated adequate penetration of home mortgage loans and consumer loans among borrowers of different income levels.

Home Mortgage Loans

The credit union's performance reflects an adequate penetration of home mortgage loans among members of different income levels, including low- and moderate-income borrowers.

The distribution of home mortgage loans reflects reasonable penetration to individuals of different income levels. In 2021, the credit union originated 1.1 percent of loans to low-income borrowers and 6.8 percent of loans to moderate-income borrowers. In 2021, the level of lending to low-income borrowers was 0.8 percent while lending to moderate-income borrowers was 6.9 percent. For lending to low-income borrowers, this performance is similar to the previous evaluation, while the credit union’s performance among moderate-income borrowers was a slight increase.

The starting salary for a Boston firefighter in 2021 and 2022 was approximately \$74,341, while a Boston police officer’s starting salary was approximately \$74,000. Members of the Boston Fire Department and Boston Police Department make up a large portion of the credit union’s membership. For both years, the starting salaries for both departments exceeded the low-income family delineation for each year, limiting the credit union’s ability to lend to low-income borrowers. Additionally, income qualifications for residential loans include overtime pay in addition to base salary and usually combine income of all household members, adding to the relatively high salaries mentioned. These reasons clarify the limited performance among low- and moderate-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level				
Borrower Income Level	#	%	\$(000s)	%
Low				
2021	3	1.1	445	0.4
2022	1	0.8	155	0.2
Moderate				
2021	19	6.8	5,975	5.8
2022	9	6.9	3,385	4.7
Middle				
2021	63	22.7	22,465	21.6
2022	35	26.9	16,045	22.3
Upper				
2021	193	69.4	75,085	72.2
2022	85	65.4	52,525	72.8
Income Not Available				
2021	0	0.0	0	0.0
2022	0	0.0	0	0.0
Totals				
2021	278	100.0	103,970	100.0
2022	130	100.0	72,110	100.0
<i>Source: 1/1/2021 and 12/31/2022 Credit Union Data</i>				

Consumer Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels. Examiners focused on lending to low- and moderate-income borrowers.

A sample of the credit union’s consumer loans was analyzed. Examiners selected a random sample of loans for each year for both 2021 and 2022. The sample consisted of personal unsecured, new, and used auto, and holiday loans.

In 2021, the credit union originated two or 10.0 percent of loans to low-income borrowers and three or 15.0 percent of loans to moderate-income borrowers within the sample of consumer loans reviewed. In 2022, the credit union originated five or 25.0 percent of loans to low-income borrowers and three or 15.0 percent of loans to moderate-income borrowers within the sample of consumer loans. The credit union’s performance is similar to that of the previous evaluation.

Distribution of Consumer Loans by Borrower Income Level				
Borrower Income Level	#	%	\$(000s)	%
Low				
2021	2	10.0	16,000	3.2
2022	5	25.0	66,516	23.5
Moderate				
2021	3	15.0	58,254	11.6
2022	3	15.0	11,500	4.1
Middle				
2021	5	25.0	156,380	31.1
2022	7	35.0	125,329	44.2
Upper				
2021	8	40.0	200,624	39.8
2022	5	25.0	80,000	28.2
Income Not Available				
2021	2	10.0	72,079	14.3
2022	0	0.0	0	0.0
Totals				
2021	20	100.0	503,337	100.0
2022	20	100.0	283,345	100.0
<i>Source: 1/1/2021 and 12/31/2022 Credit Union Data</i>				

Response to Complaints

The credit union did not receive any CRA-related complaints during the evaluation period.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution’s fair lending policies and practices pursuant to Regulatory Bulletin 1.3-106. Based on a review of the credit union’s public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified.

COMMUNITY DEVELOPMENT TEST

Boston Firefighters Credit Union demonstrates reasonable responsiveness to the assessment area’s community development needs through qualified development loans, qualified investments, and community development services.

Community Development Loans

The credit union originated 183 HEAT loans during the evaluation period for \$3.3 million. As part of the Mass Save HEAT Loan program, eligible borrowers may obtain an unsecured interest-free HEAT Loan up to \$25,000 with terms up to five years for the installation of energy efficient improvements. To be eligible for the program, borrowers must own a one to four-family home and have been approved by Mass Save after completing the Mass Save Home Energy Assessment.

During the evaluation period, the credit union also originated three Small Business Administration Paycheck Protection Plan loans for \$53,450 in response to the Covid-19 pandemic.

Qualified Investments

During the evaluation period, the credit union made 11 qualified investments for \$23,250 all of which came in the form of charitable donations.

The following are notable examples of organizations that have received qualified contributions from the credit union.

- **South Boston Neighborhood House** - The South Boston Neighborhood House is a non-profit community service organization providing a variety of childcare, senior care, and other supportive services to low- and moderate-income individuals and families in the neighborhood of South Boston. The organization offers preschool, afterschool, and summer programs for children with slots set aside for those receiving state-subsidized vouchers, income-eligible subsidies, and DCF supportive subsidies. The organization also provides education and career assistance to those between 11-22, including assistance with obtaining internships and apprenticeship opportunities, educational and career mentors, and life skills workshops. The credit union's involvement helped provide community services to low- and moderate-income individuals and families.
- **The Gavin Foundation** – The Gavin Foundation is a non-profit organization which provides comprehensive adult, youth, and community substance abuse education, prevention, and treatment programs. The organization helps provide assistance to over 10,000 individuals annually.

Community Development Services

During the evaluation period, the credit union provided 12 instances of financial expertise or technical assistance,

Employee Involvement

- **Boys and Girls Club of Greater Lowell** – This Lowell based organization provides afterschool education and enrichment for young individuals in the community. This community service organization is located in a low-income census tract, and the surrounding community is primarily low- and moderate-income geographies. The organization does not

turn any children away and offers scholarships for any who cannot afford the cost of membership. An Executive Vice-President from the credit union serves on the organization's finance committee and business planning and sustainability committee.

Financial Literacy

The credit union provides annual financial literacy training to the Boston Fire Department's Teen Academy. The program, which is put on in partnership with Action for Boston Community Development, a non-profit community organization, is a paid summer internship for students 15-18 years old who are residents of Boston. Members of the credit union's senior management team provide an annual training on financial literacy to the participants, covering topics such as balancing a budget, savings, and more. During the evaluation period, the credit union's Chief Executive Officer, an Executive Vice-President, a Vice-President, and a Marketing Coordinator, have all participated in providing financial literacy to the participants of the program.

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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 60 Hallet Street, Dorchester, MA 02124".

[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.