

PUBLIC DISCLOSURE

August 25, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Brotherhood Credit Union
Certificate Number: 66350**

75 Market Street
Lynn, MA, 01901

Division of Banks
One Federal Street, Suite 710
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.

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This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Brotherhood Credit Union** (credit union) prepared by the Division of Banks (Division), the institution's supervisory agency as of **August 25, 2025**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION RATING

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 neighborhoods, in a manner consistent with its resources and capabilities. The credit union's performance under this test is summarized below:

- Brotherhood Credit Union's average net loan-to-share ratio is reasonable given the institution's size, financial condition, and credit needs of its assessment area.
- A majority of the credit union's residential loans were made inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The credit union did not receive any CRA-related complaints since the previous CRA evaluation and its fair lending procedures are considered adequate.

SCOPE OF EVALUATION

General Information

The CRA requires the Division to use their authority when examining financial institutions subject to their supervision, 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 needs of its membership.

This evaluation considered activity from the previous evaluation dated September 7, 2021, to the current evaluation dated August 25, 2025, using the Interagency Small Institution CRA Examination Procedures to evaluate CRA performance. 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 June 30, 2025, NCUA 5300 Quarterly Call Report.

Loan Products Reviewed

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

Examiners analyzed residential loans that originated from January 1, 2023, through December 31, 2024. Brotherhood Credit Union originated 35 residential loans totaling \$5.6 million in 2023, and 29 loans totaling \$3.8 million in 2024. The credit union was not a HMDA reporter in 2023 or 2024 as it did not meet the prior two calendar year origination thresholds for reporting. As such, examiners did not compare the credit union's residential lending to aggregate and instead compared the institution's 2023 and 2024 home mortgage lending performance to 2020 American Community Survey (ACS) demographic data.

Examiners focused this examination on the institution's home mortgage lending due to its higher share of the loan portfolio (86.6 percent). Examiners focused on the number of loans, rather than dollar volume, when assessing the institution's performance, as it is a better indicator of the number of individuals served.

DESCRIPTION OF INSTITUTION

Background

Brotherhood Credit Union, headquartered in Lynn, Massachusetts, is a community credit union originally chartered in 1934. Membership is open to anyone living or working in the Massachusetts counties of Essex, Middlesex, Suffolk, or Norfolk. Brotherhood Credit Union is designated as a low-income credit union by the National Credit Union Administration. As of June 30, 2025, the credit union had 5,340 members.

Brotherhood Credit Union received a "Satisfactory" rating from the Division during its prior evaluation, dated September 7, 2021, using Interagency Small Institution Examination procedures.

Operations

The credit union is headquartered at 75 Market Street in Lynn, Massachusetts. The credit union has two other branches, located in Marblehead and Peabody, Massachusetts. The Lynn branch is located in a low-income census tract, the Peabody branch is located in a moderate-income census tract, and the Marblehead branch is located in an upper-income census tract. The Peabody branch was opened in 2023. There have been no branch closings or merger activity since the previous examination.

The credit union's business hours are readily accessible to all members, with extended hours on Thursday. All branches include Saturday hours. The credit union offers deposit-taking automated teller machines (ATMs) at each branch and a drive-up teller at the main branch in Lynn.

The credit union offers a range of products and services to its members: checking accounts; savings accounts, including 18/65 accounts and specialized accounts designed to promote savings among teenagers; certificates of deposit (CDs); and IRA accounts. Checking accounts are also made available to businesses. Loan products include home mortgages, home equity and home equity lines of credit, new and used auto loans, personal loans, student loans, Mass Save HEAT loans and credit cards. Brotherhood Credit Union offers online and mobile banking. The credit union is part of the SUM

Network, an ATM Network that allows its members to access their accounts and perform certain banking activities at several thousand participating credit union branches.

Ability and Capacity

As of the June 30th, 2025, quarterly call report, the credit union's assets totaled approximately \$126.3 million, shares totaled approximately \$75.5 million, and loans and leases totaled approximately \$61.9 million. Since the previous evaluation, assets have increased by 8.5 percent, shares by 5.2 percent, and loans and leases by 14.6 percent.

The credit union is primarily a residential lender. As noted in the table below, total residential real estate accounts for 86.6 percent of the loan portfolio. Consumer loans account for 13.4 percent of the portfolio. Please see the table below for further information.

Loan Portfolio Distribution as of 6/30/2025		
Loan Category	\$	%
Unsecured Credit Card Loans	0	0.0
Non-Federally Guaranteed Student Loans	0	0.0
All Other Unsecured Loans/Lines of Credit	594,151	1.0
New Vehicle Loans	1,911,803	3.1
Used Vehicle Loans	4,024,625	6.5
All Other Secured Non-Real Estate Loans/Lines of Credit	1,733,972	2.8
Total Consumer Loans	8,264,551	13.4
Loans/Lines of Credit Secured by 1 st Lien 1-4 Family Residential Properties	42,419,780	68.6
Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	11,190,988	18.1
All Other Real Estate Loans/Lines of Credit	0	0.0
Total Residential Loans	53,610,768	86.6
Commercial Loans/Lines of Credit Real Estate Secured	0	0.0
Commercial Loans/Lines of Credit Not Real Estate Secured	0	0.0
Total Commercial Loans	0	0.0
TOTAL LOANS	61,875,319	100.0

Source: NCUA 5300 Report, Statement of Financial Condition as of June 30, 2025

Examiners did not identify any legal impediments that would impact the credit union's ability to meet the assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The credit union has designated its assessment area to include the following municipalities: Lynn, Marblehead, Nahant, Peabody, Salem, Saugus, and Swampscott, all of which are located in Essex County, Massachusetts and are under the Cambridge-Newton-Framingham, MA Metropolitan Division (MD). The assessment area has been unchanged since the previous examination.

Economic and Demographic Data

The 58 census tracts reflect the following income designations according to the 2020 American Community Survey (ACS) US Census:

- 11 low-income tracts,
- 21 moderate-income tracts,
- 21 middle-income tracts,
- 4 upper-income tracts, and
- 1 census tract with no income designation.

The low-income census tracts are located in Lynn (8), Peabody, and Salem (2). The moderate-income census tracts are located in Lynn (12), Peabody (3), Salem (3), Saugus (2), and Swampscott. There are no underserved or distressed nonmetropolitan middle-income census tracts within the assessment area. The following table illustrates select demographic characteristics of the credit union's assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	58	19.0	36.2	36.2	6.9	1.7
Population by Geography	267,719	16.4	38.7	35.8	8.4	0.6
Housing Units by Geography	105,098	16.7	36.7	37.2	8.8	0.6
Owner-Occupied Units by Geography	59,506	7.5	33.9	45.7	12.2	0.7
Occupied Rental Units by Geography	41,007	30.1	41.7	24.1	3.8	0.4
Vacant Units by Geography	4,585	15.6	28.2	43.3	11.1	1.8
Businesses by Geography	25,841	18.0	29.3	40.1	12.1	0.5
Farms by Geography	567	16.8	39.7	33.3	8.8	1.4
Family Distribution by Income Level	63,469	31.3	20.7	21.3	26.7	0.0
Household Distribution by Income Level	100,513	34.5	17.4	18.9	29.2	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Housing Value			\$417,797
			Median Gross Rent			\$1,308
			Families Below Poverty Level			8.5%

*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.*

Examiners use the Federal Financial Institutions Examination Council (FFIEC)-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories, which are based on the 2023 and 2024 FFIEC-updated median family income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
2024 (\$146,600)	<\$73,300	\$73,300 to <\$117,280	\$117,280 to <\$175,920	≥\$175,920

Source: FFIEC

According to the United States Bureau of Labor Statistics, the average unemployment rate in 2024 was 4.1 percent in Essex County. This is comparable to the MA state average and national rate of 4.0 percent.

Within the assessment area, 56.6 percent of the 105,098 million housing units are owner-occupied. Of those, 57.9 percent of owner-occupied units are located in middle- and upper-income census tracts, while only 41.4 percent are located in low- or moderate-income census tracts. Additionally, the median housing value of \$417,797 reflects a relatively expensive area. These factors demonstrate the need for affordable housing in Brotherhood Credit Union's assessment area.

Competition

The credit union's assessment area is a competitive lending market. In 2024, there were 261 depository and non-depository lenders in the credit union's assessment area that originated or purchased a total of 5,180 home mortgage loans. The top five ranked lenders in the credit union's assessment area accounted for 26.1 percent of the available market.

Community Contact

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

Examiners contacted a representative of a community development organization in the credit union's assessment area that serves the Greater Boston, Northern South Shore, and Metro West areas. The organization works to ensure families and individuals have access and knowledge for affordable housing. The contact discussed the difficulty in developing affordable housing, as well as the inability for low- and moderate-income individuals and families to afford housing. The contact explained that those looking to purchase homes are struggling with high costs due to the current market conditions. The contact also stated that potential borrowers would benefit from down payment assistance grants and first-time homebuyer education programs that prepare borrowers for homeownership.

Credit Needs

Examiners considered demographic and economic data, credit union management, and information gathered from the community contact to determine the assessment area's primary credit and community development needs. Examiners determined that affordable housing is the primary community

development need in the assessment area. Flexible and affordable home loan products represent a primary credit need.

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 93.9 percent over eight calendar quarters, from June 30, 2023, to June 30, 2025. Brotherhood Credit Union's LTS ratio varied over the evaluation period, ranging from a high of 99.3 percent, as of June 30, 2024, to a low of 81.9 percent, as of June 30, 2025. Brotherhood 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 06/30/2025 (\$)	Average LTS Ratio (%)
Brotherhood Credit Union	122,449,191	93.0
River Works Credit Union	170,289,295	89.8
Community Credit Union	173,332,735	89.3

Source: Reports of Income and Condition 6/30/2023 through 6/30/2025

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.

Loan Category	Lending Inside and Outside of the Assessment Area											
	Number of Loans				Total #	Dollar Amount of Loans				Total		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage												
2023	18	51.4	17	48.6	35	2,348,000	42.2	3,216,200	57.8	5,564,200		
2024	18	62.1	11	37.9	29	2,409,000	63.2	1,405,000	36.8	3,814,000		
Total	36	56.7	28	43.3	64	4,757,000	52.7	4,621,200	47.3	9,378,200		

Source: Credit Union Data

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Examiners focused on activity within low- and moderate-income census tracts.

Home Mortgage Lending

In 2023, the credit union originated two, or 11.1 percent, of residential loans in low-income census tracts, comparing favorably to the percentage of owner-occupied housing. In 2024, the credit union made one loan in a low-income census tract, or 5.6 percent of originated loans performing below the percentage of owner-occupied housing units. Additionally, the percentage of owner-occupied housing units is low, indicating a shortage of available housing units in low-income geographies.

The credit union's performance in moderate-income census tracts was above the demographic comparator in both 2023 and 2024. In 2023, the credit union made 7, or 38.9 percent of home mortgage loans to moderate-income census tracts. In 2024, the credit union made nine, or 50.0 percent of originated loans to moderate-income census tracts, performing above that of the demographic comparator.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$ (000s)	%
Low					
2023	7.5	2	11.1	465	19.8
2024	7.5	1	5.6	45	1.9
Moderate					
2023	33.9	7	38.9	581	24.7
2024	33.9	9	50.0	1,195	49.6
Middle					
2023	45.7	5	27.8	695	29.6
2024	45.7	2	11.1	148	6.1
Upper					
2023	12.2	4	22.2	607	25.9
2024	12.2	6	33.3	1,021	42.4
Not Available					
2023	0.7	0	0.0	0	0.0
2024	0.7	0	0.0	0	0.0
Total					
2023	100	18	100.0	2,348	100.0
2024	100	18	100.0	2,409	100.0

Source: 2020 ACS; Credit Union 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 4 loans, or 22.2 percent of originations, to low-income borrowers, performing below the percentage of families in the assessment area. In 2024, the credit union made four loans to low-income borrowers, representing 22.2 percent of originated loans and also performing below the demographic comparator.

In 2023, the credit union made 3 loans, or 22.2 percent, to low-income borrowers, performing below the percentage of families. In 2024, the credit union made one additional loan, originating four, or 22.2 percent, of real estate secured loans to moderate-income borrowers, performing slightly above the demographics

The percentage of low-income families made up 31.3 percent of the assessment area population in 2024, with moderate-income families comprising 20.7 percent of the assessment area population. The median housing value in the assessment area is high, valued at \$417,797. Low- and moderate-income borrowers would likely experience significant difficulty qualifying for traditional residential loans utilizing conventional underwriting standards. The cost of a traditional home mortgage is further increased by low housing stock and high-interest rate environments throughout both 2023 and 2024.

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

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$ (000s)	%
Low					
2023	31.3	4	22.2	305	13.0
2024	31.3	4	22.2	200	8.3
Moderate					
2023	20.7	3	16.7	200	8.5
2024	20.7	4	22.2	270	11.2
Middle					
2023	18.9	6	33.3	713	30.4
2024	18.9	4	22.2	526	21.8
Upper					
2023	26.7	5	27.8	1,130	48.1
2024	26.7	6	33.3	1,413	58.7
Not Available					
2023	0	0	0.0	0	0.0
2024	0	0	0.0	0	0.0
Total					
2023	100	18	100.0	2,348	100.0
2024	100	18	100.0	2,409	100.0

Source: 2020 ACS; Credit Union Data

Response to Complaints and Fair Lending Policies and Procedures

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

The Division provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. Based on Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures, examiners found no evidence of fair lending violations. Additionally, examiners note that a majority of the credit union's staff are bilingual, allowing the credit union to better service Spanish-speaking individuals. No violations of anti-discrimination laws and regulations were identified.

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, 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 75 Market Street, Lynn, Massachusetts 01901."

[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.