

PUBLIC DISCLOSURE

April 18, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community Credit Union of Lynn
Certificate Number: 67558
One Andrew Street
Lynn, Massachusetts 01901

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.

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INSTITUTION RATING

This document is an evaluation of the CRA performance of **Community Credit Union of Lynn (Credit Union)** prepared by the Division, the institution's supervisory agency as of **April 18, 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: Community Credit Union of Lynn 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.

Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the credit union's Lending Test performance.

The Lending Test is rated Satisfactory.

- Community Credit Union of Lynn'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 loans are inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, more than 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.
- Fair lending policies and procedures are adequate.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (“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, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership.

This evaluation covers the period from December 4, 2017, to the current evaluation dated April 18, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate City of Boston Credit Union’s performance. These procedures include one test: the Lending Test.

The evaluation references demographic and economic information from the 2020 United States Census, the 2015 American Consumer Survey (ACS) and the U.S. Bureau of Labor Statistics (BLS). Credit Union financial data reflects the December 31, 2022, Call Report.

Activities Reviewed

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

The evaluation considered all home mortgage loans reported on the credit union’s 2021 and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. In 2021, the credit union originated 114 home mortgage loans totaling \$39.8 million and in 2022, the credit union originated 46 home mortgage loans totaling \$18.1 million. The credit union stated that the drop in loan volume between 2021 and 2022 was due to a change in the lending environment, leading to less of a demand for refinancing. For comparison purposes, examiners reviewed 2021 and 2022 HMDA aggregate data, 2020 Census, and 2015 ACS data.

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

DESCRIPTION OF INSTITUTION

Background

Community Credit Union of Lynn, established in 1955, offers membership to those who live, work, or worship in Lynn, its surrounding communities, or Essex County. As of December 31, 2022, the credit union has 2,848 members.

The credit union is a designated low-income credit union by the Commissioner of Banks and the National Credit Union Administration (NCUA), indicating that 50% or more of its membership earn 80% or less than the median family income for the metropolitan area where they live, or the national metropolitan area, whichever is greater.

The Division of Banks rated the credit union “Satisfactory” at the conclusion of its previous examination, dated December 4, 2017.

Operations

Community Credit Union of Lynn’s (CCU) main office is located at 1 Andrew Street, Lynn, Massachusetts, a low-income census tract. The credit union has not closed or opened any new branches since its previous examination and currently operates three full-service branches. In addition to the main office, branches are located at 377 Summer Street, Somerville, an upper-income tract, and 32 Central Street, Peabody, a moderate-income tract. The Division considers the credit union’s hours to be reasonable. The credit union is also a member of the SUM, NYCE, and PLUS Networks, allowing members to access their accounts from any ATM associated with the listed networks without incurring an ATM surcharge.

The credit union offers a variety of banking products and services, including personal and business checking, savings, money market, individual retirement accounts (IRAs), and certificate accounts; mortgage, home equity, construction, and vehicle lending; and online and mobile banking services, including mobile check deposit, card management, and bill pay capabilities. Additionally, CCU has partnered with Kasasa Ltd. to expand its product offerings. These include Kasasa Cash, Kasasa Cash Back, and Kasasa Saver, which provide members with free checking, no minimum balances, ATM fee refunds, and high-yield savings accounts.

Ability and Capacity

As of the December 31, 2022, quarterly call report, the credit union’s assets totaled approximately \$150.2 million, total shares and deposits of approximately \$129.7 million, and total loans of approximately \$104.3 million. Since the previous evaluation, total asset size increased by 3.92 percent and total loans decreased by 8.63 percent.

As noted in the table below, loans and lines of credit secured by 1st mortgages represent approximate total of 46.9 percent of the credit union’s loan portfolio, with real estate-secured commercial loans and lines of credit making up the second largest category with approximately

19.9 percent of the loan portfolio. The following table details the credit union’s loan portfolio as of December 31, 2022.

| Loan Portfolio Distribution as of 12/31/2022 | | |
|--|--------------------|--------------|
| Loan Category | \$ | % |
| Unsecured Loans/Lines of Credit | 19,852,795 | 19.0 |
| Unsecured Credit Cards Loans | 239,898 | 0.2 |
| New Vehicle Loans | 1,852,021 | 1.8 |
| Used Vehicle Loans | 2,293,078 | 2.2 |
| Secured Non-Real Estate Loans/Lines of Credit | 56,767 | 0.1 |
| Total Loans/Lines of Credit Secured by 1 st Lien 1-4 Family Residential | 48,896,863 | 46.9 |
| Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential | 8,811,807 | 8.5 |
| Commercial Loans/Lines of Credit Real Estate Secured | 20,797,838 | 19.9 |
| Commercial Loans/Lines of Credit Not Real Estate Secured | 1,477,689 | 1.4 |
| Total Loans | 104,278,756 | 100.0 |
| <i>Source: Reports of Income and Condition</i> | | |

Examiners did not identify any financial, legal, or other impediments that affect the credit union’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. Community Credit Union of Lynn has designated its assessment area to include Arlington, Belmont, Cambridge, Everett, Medford, and Somerville, located in Middlesex County, part of the Cambridge-Newton-Framingham Metropolitan Division (MD); Beverly, Danvers, Lynn, Lynnfield, Marblehead, Middleton, Nahant, Peabody, Salem, Saugus, and Swampscott, all located in Essex County, part of the Cambridge-Newton-Framingham MD; and Revere, located within the Boston, MA MD. Both areas are contained within the Boston-Worcester-Manchester, MA-RI-NH Consolidated Statistical Area.

The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

The AA encompasses 190 census tracts with the following income designations according to the 2020 ACS U.S. Census:

- 19 low-income tracts,
- 55 moderate-income tracts,
- 59 middle-income tracts, and
- 53 upper-income tracts
- 4 tracts without an income designation.

The 2020 ACS U.S. Census adjusted the income designation and number of several census tracts within the assessment area when compared to the 2015 U.S. Census data. The total of low -

income tracts decreased by two, moderate-income tracts increased by seven, middle-income tracts decreased by one, upper-income tracts increased by 18, and tracts without an income designation increased by three.

When comparing the 2020 ACS U.S. Census data to the 2015 U.S. Census data, the percentage of owner-occupied housing units in low-income tracts decreased from 6.2% percent to 4.8 percent for low-income tracts but increased slightly in moderate-income census tracts from 25.7 to 26.2 percent. The following table provides additional assessment area economic and demographic information.

| Demographic Information of the Assessment Area | | | | | | |
|--|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 190 | 10.0 | 28.9 | 31.1 | 27.9 | 2.1 |
| Population by Geography | 800,795 | 9.7 | 29.9 | 32.1 | 27.2 | 1.1 |
| Housing Units by Geography | 320,049 | 9.5 | 28.6 | 32.6 | 28.1 | 1.2 |
| Owner-Occupied Units by Geography | 156,849 | 4.8 | 26.2 | 36.4 | 31.5 | 1.1 |
| Occupied Rental Units by Geography | 145,688 | 14.7 | 31.5 | 28.3 | 24.1 | 1.3 |
| Vacant Units by Geography | 17,512 | 8.1 | 25.9 | 34.4 | 29.9 | 1.6 |
| Businesses by Geography | 79,682 | 8.3 | 26.0 | 34.3 | 30.4 | 1.0 |
| Farms by Geography | 1,121 | 9.0 | 31.0 | 31.0 | 27.5 | 1.5 |
| Family Distribution by Income Level | 173,389 | 26.4 | 18.0 | 20.5 | 35.1 | 0.0 |
| Household Distribution by Income Level | 302,537 | 28.9 | 15.0 | 18.1 | 38.0 | 0.0 |
| Median Family Income MSA - 14454 Boston, MA | | \$112,607 | Median Housing Value | | | \$571,849 |
| Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA | | \$121,481 | Median Gross Rent | | | \$1,731 |
| | | | Families Below Poverty Level | | | 7.1% |

*Source: 2020 ACS, 2022 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.

| Median Family Income Ranges | | | | |
|---|------------------------|------------------------------------|-----------------------------------|------------------------|
| Median Family Incomes | Low <50% | Moderate 50% to <80% | Middle 80% to <120% | Upper ≥120% |
| Boston, MA Median Family Income (14454) | | | | |
| 2021 (\$113,700) | <\$56,850 | \$56,850 to <\$90,960 | \$90,960 to <\$136,440 | ≥\$136,440 |
| 2022 (\$129,500) | <\$64,750 | \$64,750 to <\$103,600 | \$103,600 to <\$155,400 | ≥\$155,400 |
| Cambridge-Newton-Framingham, MA Median Family Income (15764) | | | | |
| 2021 (\$120,200) | <\$60,100 | \$60,100 to <\$96,160 | \$96,160 to <\$144,240 | ≥\$144,240 |
| 2022 (\$138,700) | <\$69,350 | \$69,350 to <\$110,960 | \$110,960 to <\$166,440 | ≥\$166,440 |
| <i>Source: FFIEC</i> | | | | |

Competition

Competition in the assessment area is robust. The credit union competes directly with other local credit unions, community banks small and large, as well as larger national banks and mortgage companies that ranked above Community Credit Union of Lynn.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to help assess the credit and community development needs. The information obtained helps examiners determine whether local financial institutions are responsive to these needs and what credit and community development opportunities, if any, are available.

Examiners contacted a housing and community service organization serving the credit union’s assessment area. The contact stated that the primary need within the area is affordable housing. The contact referenced rapidly rising housing costs, especially rental costs, as a challenge. Consequently, many residents are being evicted and forced from their communities as housing costs rise. Additional, needs include deposit accounts for those individuals with impaired account histories, financial literacy training, and credit counseling.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Community Credit Union of Lynn demonstrated reasonable performance under the Lending Test. Loan-to-Share Ratio, Assessment Area Concentration, Geographic Distribution performance primarily support this conclusion.

Loan-to-Share Ratio

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

The credit union’s net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 73.9 percent over the past eight calendar quarters from March 31, 2021, through December 31, 2022. The ratio ranged from a high of 80.4 percent as of December 31, 2022, to a low of 67.3 percent as of March 31, 2022. The LTS ratio remained relatively stable throughout the exam period.

The credit union’s average LTS ratio over the previous eight quarters was compared to that of two similarly situated institutions. The institution selection is based on geographic location and lending focus. Community Credit Union of Lynn’s average LTS ratio is comparable to these two institutions.

| Loan-to-Share Ratio Comparison | | |
|---|---|----------------------------------|
| Institution | Total Assets as of 12/31/2022 (\$000s) | Average Net LTS Ratio (%) |
| Community Credit Union of Lynn | 150,226,989 | 73.8 |
| First Priority Credit Union | 125,816,486 | 76.3 |
| Luso-American Credit Union | 127,004,099 | 74.2 |
| <i>Source: Reports of Income and Condition 3/31/2021 through 12/31/2022</i> | | |

Assessment Area Concentration

A majority of the credit union’s lending activity occurs within its assessment area.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---|------------------------|-------------|----------------|-------------|--------------|--|-------------|----------------|-------------|-----------------|
| Loan Category | Number of Loans | | | | | Dollar Amount of Loans \$(000s) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | # | \$ | % | \$ | % | \$(000s) |
| Home Mortgage | | | | | | | | | | |
| 2021 | 68 | 59.6 | 46 | 40.4 | 114 | 23,630 | 59.4 | 16,168 | 40.6 | 39,798 |
| 2022 | 20 | 43.5 | 26 | 56.5 | 46 | 5,501 | 30.3 | 12,629 | 69.7 | 18,130 |
| Total | 88 | 55.0 | 72 | 45.0 | 160 | 29,131 | 50.3 | 28,797 | 49.7 | 57,928 |
| <i>Source: Credit Union Data; Due to rounding, totals may not equal 100.0</i> | | | | | | | | | | |

Geographic Distribution

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

In 2021, the credit union’s lending at 5.9 percent was below the aggregate at 6.8 percent and below the percentage of owner-occupied housing at 6.2 percent within low-income census tracts. In 2022, the credit union did not originate any home mortgage loans within the low-income census tracts of the assessment area.

In 2021, the credit union’s lending of 36.8 percent was above the aggregate at 26.1 percent and above the percentage of owner-occupied housing at 25.7 percent within moderate-income census tracts. In 2022, the credit union’s lending to moderate-income census tracts increased to 50.0 percent. This was above both the aggregate lending performance of 27.9 percent and the percentage of owner-occupied housing of 26.2 percent. Please refer to the table below for more information.

| Geographic Distribution of Home Mortgage Loans | | | | | | |
|---|--|-------------------------------------|-----------|--------------|-----------------|--------------|
| Tract Income Level | % of Owner-Occupied Housing Units | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2021 | 6.2 | 6.8 | 4 | 5.9 | 790 | 3.3 |
| 2022 | 4.8 | 6.5 | 0 | 0.0 | 0 | 0.0 |
| Moderate | | | | | | |
| 2021 | 25.7 | 26.1 | 25 | 36.8 | 7,018 | 29.7 |
| 2022 | 26.2 | 27.9 | 10 | 50.0 | 2,420 | 44.0 |
| Middle | | | | | | |
| 2021 | 43.8 | 43.5 | 28 | 41.2 | 9,083 | 38.4 |
| 2022 | 36.4 | 34.8 | 7 | 35.0 | 1,988 | 36.1 |
| Upper | | | | | | |
| 2021 | 24.3 | 23.6 | 11 | 16.2 | 6,739 | 28.5 |
| 2022 | 31.5 | 29.3 | 3 | 15.0 | 1,093 | 19.9 |
| Not Available | | | | | | |
| 2021 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 1.1 | 1.5 | 0 | 0.0 | 0 | 0.0 |
| Total | | | | | | |
| 2021 | 100.0 | 100.0 | 68 | 100.0 | 23,630 | 100.0 |
| 2022 | 100.0 | 100.0 | 20 | 100.0 | 5,501 | 100.0 |
| <i>Source: 2015 ACS; Credit Union Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> | | | | | | |

Borrower Profile

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

In 2021, the credit union originated 4.4 percent of loans to low-income borrowers, which was below the aggregate at 5.8 percent and the demographic comparator of 27.8 percent. For the same year, the credit union originated 26.5 percent to moderate-income borrowers, which was above the aggregate at 19.0 percent.

In 2022, the credit union made 15.0 percent of loans to low-income borrowers which was above the aggregate at 7.4 percent but below the demographic comparator of 26.4 percent. For the same year, the credit union originated 30.0 percent of loans to moderate-income borrowers, which is above the aggregate performance of 18.7 percent and the demographic comparator of 18.0 percent. Please refer to the table below for more information.

| Distribution of Home Mortgage Loans by Borrower Income Level | | | | | | |
|---|----------------------|-------------------------------------|-----------|--------------|-----------------|--------------|
| Borrower Income Level | % of Families | Aggregate Performance % of # | # | % | \$(000s) | % |
| Low | | | | | | |
| 2021 | 27.8 | 5.8 | 3 | 4.4 | 492 | 2.1 |
| 2022 | 26.4 | 7.4 | 3 | 15.0 | 988 | 18.0 |
| Moderate | | | | | | |
| 2021 | 18.4 | 19.0 | 18 | 26.5 | 5,621 | 23.8 |
| 2022 | 18.0 | 18.7 | 6 | 30.0 | 1,290 | 23.4 |
| Middle | | | | | | |
| 2021 | 20.4 | 22.8 | 18 | 26.5 | 6,341 | 26.8 |
| 2022 | 20.5 | 22.5 | 5 | 25.0 | 863 | 15.7 |
| Upper | | | | | | |
| 2021 | 33.4 | 37.5 | 29 | 42.6 | 11,177 | 47.3 |
| 2022 | 35.1 | 36.5 | 6 | 30.0 | 2,361 | 42.9 |
| Not Available | | | | | | |
| 2021 | 0.0 | 14.9 | 0 | 0.0 | 0 | 0.0 |
| 2022 | 0.0 | 14.8 | 0 | 0.0 | 0 | 0.0 |
| Total | | | | | | |
| 2021 | 100.0 | 100.0 | 68 | 100.0 | 23,630 | 100.0 |
| 2022 | 100.0 | 100.0 | 20 | 100.0 | 5,501 | 100.0 |
| <i>Source: 2015 ACS; Credit Union Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i> | | | | | | |

Response to Complaints

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

Discriminatory or Other Illegal Credit Practices

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the credit union's overall 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. Examiners conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not identify any evidence of disparate treatment.

Minority Application Flow

The credit union's HMDA LARs for 2021 and 2022 were reviewed to determine if the application flow from the different racial groups within the credit union's assessment area was reflective of the assessment area's demographics.

According to the 2020 ACS Census Data, the credit union's assessment area contained a total population of 800,795 individuals, of which 38.0 percent are minorities. The minority population represented is 6.7 percent Black/African American, 16.7 percent Asian, 0.1 percent Pacific Islander, 0.4 percent American Indian, 16.5 percent Hispanic or Latino, and 9.9 percent other.

The credit union's level of lending in 2021 and 2022 was compared with that of the 2021 and 2022 aggregate's lending performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the credit union received from minority home mortgage loan applicants.

In 2021, the credit union received 81 HMDA-reportable loan applications from within its assessment area. Of these applications, the credit union received 12, or 14.8 percent, from minority applicants; nine, or 75.0 percent, of which were originated. Compared to aggregate data, which indicates 13.9 percent of applications received were from minority applicants, of which, 63.1 percent were originated. For the same period, six applications, representing 7.4 percent of total applications, were received from ethnic groups of Hispanic origin within the assessment area, four, or 66.7 percent, of which were originated. The aggregate data indicates 10.2 percent of total applications were received from this ethnic group in the assessment area, of which 59.0 percent were originated.

In 2022, the credit union received 27 HMDA-reportable loan applications from within its assessment area. Of these applications, the credit union received four, or 14.8 percent, from

minority applicants; two, or 50.0 percent, of which were originated. Compared to aggregate data, which indicates 14.9 percent of applications received were from minority applicants, of which 58.2 percent were originated. For the same period, one application, representing 3.7 percent of total applications, were received from ethnic groups of Hispanic origin within the assessment area. The application was originated. The aggregate data indicates 12.4 percent of total applications were received from this ethnic group in the assessment area, of which 56.2 percent were originated.

Refer to the table below for information on the credit union’s minority application flow as well as the aggregate lenders in the credit union’s assessment area.

| MINORITY APPLICATION FLOW | | | | | | |
|----------------------------------|--------------------------|--------------|----------------------------|--------------------------|--------------|----------------------------|
| RACE | Credit Union 2021 | | 2021 Aggregate Data | Credit Union 2022 | | 2022 Aggregate Data |
| | # | % | % | # | % | % |
| American Indian/ Alaska Native | 2 | 2.5 | 0.2 | 0 | 0.0 | 0.4 |
| Asian | 6 | 7.4 | 8.3 | 3 | 11.1 | 7.9 |
| Black/ African American | 3 | 3.7 | 3.1 | 1 | 3.7 | 4.1 |
| Hawaiian/Pacific Islander | 0 | 0.0 | 0.1 | 0 | 0.0 | 0.2 |
| 2 or more Minority | 0 | 0.0 | 0.1 | 0 | 0.0 | 0.1 |
| Joint Race (White/Minority) | 1 | 1.2 | 2.1 | 0 | 0.0 | 2.3 |
| Total Minority | 12 | 14.8 | 13.9 | 4 | 14.8 | 14.9 |
| White | 63 | 77.8 | 58.6 | 20 | 74.1 | 57.5 |
| Race Not Available | 6 | 7.4 | 27.5 | 3 | 11.1 | 27.7 |
| Total | 81 | 100.0 | 100.0 | 27 | 100.0 | 100.0 |
| ETHNICITY | | | | | | |
| Hispanic or Latino | 5 | 6.2 | 8.9 | 1 | 3.7 | 10.8 |
| Not Hispanic or Latino | 71 | 87.7 | 63.5 | 25 | 92.6 | 61.6 |
| Joint (Hisp/Lat /Not Hisp/Lat) | 1 | 1.2 | 1.3 | 0 | 0.0 | 1.6 |
| Ethnicity Not Available | 4 | 4.9 | 2 | 1 | 3.7 | 26.0 |
| Total | 81 | 100.0 | 100.0 | 27 | 100.0 | 100.0 |

Considering the demographic composition of the assessment area and comparisons to aggregate data, the credit union’s minority application flow is adequate.

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.

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

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

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

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

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

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

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

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

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

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

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

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

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

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

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

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

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, require all financial institution to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (One Andrew St, Lynn, MA 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 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.