

# **PUBLIC DISCLOSURE**

April 1, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Fall River Municipal Credit Union  
Certificate Number: 67894

333 Milliken Boulevard  
Fall River, Massachusetts 02721

Division of Banks  
1000 Washington Street, 10<sup>th</sup> Floor  
Boston, Massachusetts 02118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **High Satisfactory**

An institution in this group has a good 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 performance.

- The loan-to-share (LTS) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The Credit Union made a substantial majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects good dispersion throughout the assessment area.
- The distribution of borrowers reflects good penetration of loans among individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation.

## SCOPE OF EVALUATION

### **General Information**

This evaluation covers the period from the prior evaluation dated October 13, 2015, to the current evaluation dated April 1, 2019. Pursuant to 209 CMR 46.26 *et seq.*, examiners used Small Institution Examination Procedures to evaluate Fall River Municipal Credit Union's (Credit Union) performance. The Procedures include an evaluation of the Credit Union's performance under the Lending Test.

The evaluation references demographic and economic information from the 2015 American Community Survey (ACS). Credit Union financial data reflects the December 31, 2018 Consolidated Reports of Condition and Income (Call Report).

The Lending Test considered the Credit Union's performance according to the following criteria.

- Loan-to-share ratio,
- Assessment area concentration,
- Geographic distribution,
- Borrower profile, and
- Response to CRA-related complaints.

### **Loan Products Reviewed**

Examiners determined that 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. No other loan types, such as small farm or consumer loans represent a major product line; therefore, they provide no material support for conclusions or ratings and are not presented.

Credit Union records indicate that the lending focus and product mix remained consistent throughout the evaluation period. Examiners considered all home mortgage loans reported on the Credit Union's 2017 and 2018 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). For 2017, the Credit Union reported 112 originated loans totaling \$12.5 million. For 2018, the Credit Union reported 133 originated loans totaling \$19.1 million. Examiners used aggregate and assessment area demographic information as standards of comparison for the Credit Union's home mortgage lending. Because aggregate data for 2018 was not available during the evaluation, examiners compared the Credit Union's 2018 performance only to demographic information.

Examiners reviewed the number and dollar volume of home mortgage loans. While both figures are presented, examiners assigned more weight to performance by number of loans because the number of loans is a better indicator of the number of individuals served.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Fall River Municipal Credit Union was first chartered by the Commonwealth of Massachusetts in 1930, serving municipal employees and their families. Presently, membership is available to individuals who reside, work, attend school, or have a place of business in Bristol, Plymouth, or Barnstable County, in Massachusetts, or Bristol or Newport Counties, in Rhode Island, and to members of their immediate family or household.

In May of 2015, the Credit Union received a Low-Income Credit Union (LICU) designation from the National Credit Union Association (NCUA). A LICU is one in which a majority of its membership (50 percent plus one member) qualify as low-income members. Low-income members – as defined by the NCUA – are those who earn 80 percent or less than the median family income or total median earnings for individuals for the metropolitan area where they live, or the national metropolitan area, whichever is greater.

The Credit Union has 11,985 members as of December 31, 2018.

### **Operations**

The Credit Union is headquartered at 333 Milliken Boulevard in Fall River, within a low-income census tract. The Credit Union operates three additional branches: the Robeson branch, located at 1110 Robeson St. in Fall River, within an upper-income census tract; the South End Branch, located at 1208 Dwelly Street in Fall River, within a moderate-income census tract; and the Assonet Branch, located at 58 South Main Street in Assonet, within an upper-income census tract. Since the previous evaluation, the Credit Union opened its Dwelly Street location and closed a branch located at 755 GAR Highway in Swansea, which was located within an upper-income census tract.

The Credit Union offers the following personal products and services to its members: checking accounts; savings accounts, including specialized accounts designed to promote savings among kids and teenagers; 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, personal, and HEAT loans offered through the Mass Save program. The Credit Union is part of a shared branching network that allows its members to access their accounts and perform certain banking activities at several thousand participating branches. It also offers mobile payment and online banking services.

The Credit Union serves a diverse community. Examiners noted that the Credit Union employs bilingual employees, including several who speak Portuguese, a prominent language spoken by individuals in the Credit Union's assessment area.

### **Ability and Capacity**

As of December 31, 2018, the Credit Union had total assets of approximately \$209.3 million, total shares and deposits of approximately \$156.2 million, and total loans of approximately \$127.1 million. Since the previous evaluation, total assets increased by 5.7 percent and total

loans increased by 12.5 percent.

The Credit Union is primarily a residential mortgage lender by dollar volume. Loans secured by first liens on 1-4 family residential properties account for 68.2 percent of total loans and loans secured by junior liens on 1-4 family residential properties account for 12.1 percent of total loans.

The following table illustrates the distribution of the Credit Union's loan portfolio.

<b>Loan Distribution as of December 31, 2018</b>		
<b>Loan Type</b>	<b>\$</b>	<b>%</b>
Unsecured Loans/Lines of Credit	4,973,420	3.9
New Vehicle Loans	5,346,760	4.2
Used Vehicle Loans	12,909,015	10.2
Secured Non-Real Estate Loans/Lines of Credit	623,922	0.5
Total Loans/Lines of Credit Secured by 1st Lien 1-4 Family Residential Properties	86,672,438	68.2
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	15,408,371	12.1
All Other Real Estate Loans/Lines of Credit	161,050	0.1
Commercial Loans/Lines of Credit Secured by Real Estate	1,035,059	0.8
<b>Total Loans</b>	<b>127,130,035</b>	<b>100.0</b>
<i>Source: NCUA 5300 Report, Statement of Financial Condition as of December 31, 2018</i>		

## **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's assessment area, as currently defined, meets the technical requirements of the CRA regulation. The Credit Union's assessment area consists of 12 municipalities: Fall River, Freetown, Somerset, Swansea, Westport, Lakeville, and Middleboro, located Massachusetts, and Little Compton, Tiverton, Newport, Portsmouth, and Bristol, located in Rhode Island. The Credit Union's assessment area encompasses both the Providence-Warwick MA-RI MSA and the Boston, MA MSA MD. The following sections discuss demographic and economic information for the assessment area.

### **Economic and Demographic Data**

The assessment area includes 63 census tracts that include the following income designations according to the 2015 ACS:

- 7 low-income census tracts,
- 17 moderate-income census tracts,
- 21 middle-income census tracts, and
- 18 upper-income census tracts.

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)	63	11.1	27.0	33.3	28.6	0.0
Population by Geography	266,190	8.1	24.9	35.7	31.3	0.0
Housing Units by Geography	122,248	9.0	26.6	33.1	31.3	0.0
Owner-Occupied Units by Geography	64,046	2.2	16.5	43.3	38.0	0.0
Occupied Rental Units by Geography	43,591	18.6	42.4	20.9	18.2	0.0
Vacant Units by Geography	14,611	10.8	23.4	25.2	40.6	0.0
Businesses by Geography	16,570	8.5	19.7	36.4	35.4	0.0
Farms by Geography	530	1.1	11.3	33.8	53.8	0.0
Family Distribution by Income Level	67,211	24.2	17.2	19.6	39.0	0.0
Household Distribution by Income Level	107,637	27.6	15.1	16.1	41.2	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$295,396
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Median Gross Rent			\$853
			Families Below Poverty Level			10.1%
<i>Source: 2015 ACS Census and 2017 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 122,248 housing units within the assessment area, of which 52.4 percent are owner-occupied, 35.7 percent are occupied rental units, and 11.9 percent are vacant. The assessment area's median housing value is \$295,396.

Examiners used the 2017 and 2018 FFIEC updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories.



<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA MD Median Family Income (14454)</b>				
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
2018 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
<b>Providence-Warwick, RI-MA MSA Median Family Income (39300)</b>				
2017 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
2018 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
<i>Source: FFIEC</i>				

**Competition**

Competition in the assessment area is robust. The Credit Union competes with other local credit unions, community banks small and large, as well as larger national banks and mortgage companies. Aggregate data for 2017 shows that out of 318 lenders originating at least one home mortgage loan in the assessment area, the Credit Union ranked 22<sup>nd</sup> with a market share of 1.3 percent. Among the top lenders in the assessment area include Residential Mortgage Services, Wells Fargo Bank NA, St Anne’s Credit Union, Baycoast Bank, and Randolph Savings Bank.

**Community Contact**

As part of the evaluation process, examiners contact third parties who are active in community affairs to assist in assessing the credit and community development needs of the assessment area. Information collected from these community organizations aids in determining how well local institutions respond to the needs of the community.

Examiners contacted a representative of a social services organization that serves New Bedford, Fall River, and the surrounding communities. The contact explained the needs of the community surrounded around the opioid epidemic, mental health, and educational attainment. The contact noted the existence of assistance from financial institutions is in the form of volunteer work and financial contributions. The level of assistance was explained as being invaluable. Overall, the contact indicated that financial institutions have been responsive to area needs.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Fall River Municipal Credit Union exhibited good 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. The loan-to-share ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total shares.

The LTS ratio since the previous evaluation is reasonable given the Credit Union's size, financial condition, and assessment area credit needs.

The Credit Union's net LTS ratio, as calculated quarterly Call Report data, averaged 82.1 percent over the past eight quarters, from March 31, 2017 to December 31, 2018. The ratio ranged from a low of 79.8 percent as of March 31, 2018 to a high of 84.8 percent as of June 30, 2017. The ratio remained relatively constant during the evaluation period. To further evaluate the Credit Union's performance under this criterion, examiners selected comparable institutions based on their asset size, geographic location, and lending focus. Please refer to the following table.

<b>Loan-to-Share Ratio Comparison</b>		
<b>Credit Union</b>	<b>Total Assets as of 12/31/2018 (\$000s)</b>	<b>Average Net LTS Ratio (%)</b>
<b>Fall River Municipal Credit Union</b>	<b>209,342</b>	<b>82.1</b>
Southern Mass Credit Union	211,013	74.8
New Bedford Credit Union	126,481	65.4

*Source: Reports of Condition and Income 03/31/2017 through 12/31/2018*

### Assessment Area Concentration

The Credit Union made a substantial majority of home mortgage loans by number and dollar volume within its assessment area. Please refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	99	88.4	13	11.6	112	10,200	81.7	2,288	18.3	12,488
2018	109	82.0	24	18.0	133	14,245	74.7	4,820	25.3	19,065
<b>Total</b>	<b>208</b>	<b>84.9</b>	<b>37</b>	<b>15.1</b>	<b>245</b>	<b>24,445</b>	<b>77.5</b>	<b>7,108</b>	<b>22.5</b>	<b>31,553</b>
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2018 Credit Union Data Due to rounding, totals may not equal 100.0</i>										

### Geographic Distribution

The geographic distribution of loans reflects good dispersion throughout the assessment area. The Credit Union's dispersion of home mortgage lending supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

The analysis compared the Credit Union's 2017 performance to 2017 aggregate data and 2018 performance to demographic data, the percentage of owner-occupied housing units. The following table shows the Credit Union's geographic distribution of home mortgage loans.

Geographic Distribution of Home Mortgage Loans							
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%	
Low							
2017	2.2	2.6	5	5.1	701	6.9	
2018	2.2	--	5	4.6	715	5.0	
Moderate							
2017	16.5	18.1	30	30.3	2,896	28.4	
2018	16.5	--	32	29.4	3,390	23.8	
Middle							
2017	43.3	43.7	40	40.4	4,489	44.0	
2018	43.3	--	42	38.5	5,060	35.5	
Upper							
2017	38.0	35.5	24	24.2	2,114	20.7	
2018	38.0	--	30	27.5	5,080	35.7	
<b>Totals</b>							
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>99</b>	<b>100.0</b>	<b>10,200</b>	<b>100.0</b>	
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>109</b>	<b>100.0</b>	<b>14,245</b>	<b>0.0</b>	
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>							

The Credit Union's 2017 performance in lending to borrowers in low-income census tracts was 2.5 percentage points above the aggregate. The Credit Union originated 30.3 percent of its home mortgage loans to borrowers located in moderate-income census tracts, 12.2 percentage points above aggregate performance of 18.1 percent.

In 2018, the Credit Union originated 4.6 percent of loans to borrowers in low-income census tracts, 2.4 percentage points above demographic data. It originated 29.4 percent of loans to borrowers in moderate-income tracts, 12.9 percentage points above demographic data.

### **Borrower Profile**

The distribution of borrowers reflects good penetration among borrowers of different income levels in the assessment area. The Credit Union's good performance in home mortgage lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. The analysis compared 2017 Credit Union performance to 2017 aggregate data and 2018 performance to demographic data. The following table details the distribution of home mortgage loans by borrower income level.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2017	24.2	4.4	7	7.1	558	5.5
2018	24.2	--	10	9.2	610	4.3
<b>Moderate</b>						
2017	17.2	16.9	23	23.2	2,018	19.8
2018	17.2	--	21	19.3	2,565	18.0
<b>Middle</b>						
2017	19.6	24.8	31	31.3	2,774	27.2
2018	19.6	--	33	30.3	3,455	24.3
<b>Upper</b>						
2017	39.0	38.7	36	36.4	4,515	44.3
2018	39.0	--	43	39.4	7,225	50.7
<b>Not Available</b>						
2017	0.0	15.3	2	2.0	335	3.3
2018	0.0	--	2	1.8	390	2.7
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>99</b>	<b>100.0</b>	<b>10,200</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>109</b>	<b>100.0</b>	<b>14,245</b>	<b>100.0</b>
<i>Source: 2015 ACS Census ; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

In 2017, 7.1 percent of the Credit Union's home mortgage loans were made to low-income borrowers in the assessment area, above aggregate performance of 4.4 percent. Also in 2017, 23.2 percent of the Credit Union's home mortgage loans were made to moderate-income borrowers in the assessment area, above aggregate performance of 16.9 percent.

In 2018, 9.2 percent of the Credit Union's home mortgage loans were made to low-income borrowers in the assessment area, falling 15 percentage points below demographic data. Examiners noted that a low-income borrower in the assessment area would not likely qualify for a home mortgage using traditional underwriting standards, considering the median housing value in the assessment area is \$295,396. Also in 2018, 19.3 percent of home mortgage loans were made to moderate-income borrowers in the assessment area, 2.1 percentage points above demographic data.

### **Response to Complaints**

The Credit Union did not receive any CRA-related complaints since the previous evaluation, therefore this criterion did not affect the Lending Test 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. Based on a review of the Credit Union's public comment file and its performance relative to fair lending policies and practices, examiners did not identify any violations of anti-discrimination laws and regulations.

### ***Minority Application Flow***

The Credit Union's HMDA LARs for 2017 and 2018 were reviewed to determine if the application flow from the different racial and ethnic groups within the Credit Union's assessment area was reflective of the assessment area's demographics.

According to the 2015 ACS Census Data, the Credit Union's assessment area contained a total population of 266,190, of which 11.4 percent are minorities. The assessment areas minority and ethnic population is 2.3 percent Black/African American, 1.3 percent Asian, 0.1 percent Hawaiian/Pacific Islander, 4.8 percent Hispanic or Latino, and 2.9 percent Other.

The Credit Union's level of lending was compared with that of the aggregate's lending performance level for the most recent year that data was available, 2017. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Credit Union received from minority residential loan applicants.

In 2017, the Credit Union received 149 HMDA-reportable loan applications from within its assessment area. Of these applications, 4.7 percent were received from minority applicants. The aggregate received 3.7 percent of applications from minorities during 2017. For the same time period, the Credit Union received 0.7 percent of applications from Hispanic/Latino applicants, compared to aggregate performance of 1.8 percent.

In 2018, the Credit Union received 158 HMDA-reportable applications from within its assessment area. Of these applications, 4.4 percent were received from minority applicants. It received 3.8 percent of applications from Hispanic/Latino applicants, an increase of 3.1 percent from the previous year.

Please refer to the table below for information detailing the Credit Union’s minority application flow and aggregate performance within the Credit Union’s assessment area.

RACE	2017 Credit Union Data		2017 Aggregate Data	2018 Credit Union Data	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.1	0	0.0
Asian	2	1.3	0.9	2	1.3
Black/ African American	1	0.7	1.6	0	0
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.1	1	0.6
Joint Race (White/Minority)	4	2.7	0.9	4	2.5
<b>Total Minority</b>	<b>7</b>	<b>4.7</b>	<b>3.7</b>	<b>7</b>	<b>4.4</b>
White	139	93.3	75.3	151	95.6
Race Not Available	3	2.0	21.0	0	0.0
<b>Total</b>	<b>149</b>	<b>100.0</b>	<b>100.0</b>	<b>158</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	<b>1</b>	<b>0.7</b>	<b>1.8</b>	6	3.8
Not Hispanic or Latino	144	96.6	76.5	142	89.9
Joint (Hisp/Lat /Not Hisp/Lat)	<b>0</b>	<b>0.0</b>	<b>0.6</b>	10	6.3
Ethnicity Not Available	4	2.7	21.1	0	0.0
<b>Total</b>	<b>149</b>	<b>100.0</b>	<b>100.0</b>	<b>158</b>	<b>100.0</b>

Source: 2017 HMDA Data \*Due to rounding, totals may not equal 100.0 percent.

Considering the demographic composition of the assessment area and comparisons to aggregate data, the Credit Union’s minority application flow is reasonable.

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**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 bank 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 refinancings 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 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 333 Milliken Boulevard, Fall River, MA 02721

- 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.