

PUBLIC DISCLOSURE

July 15, 2024

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, 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 Fall River Municipal Credit Union (credit union) prepared by the Massachusetts Division of Banks, the institution's supervisory agency as of July 15, 2024. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated **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. The following points summarize the credit union's performance under Small Institution Standards.

- The loan-to-share ratio (LTS) is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The credit union made a 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 credit union did not receive any CRA-related complaints since the previous evaluation; the credit union has a reasonable record relative to its fair lending policies and procedures.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, consistent with the 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 January 1, 2022, to the current evaluation dated July 15, 2024. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate CRA performance.

Loan Products Reviewed

Examiners analyzed home mortgage loan originations from January 1, 2022, through December 31, 2023, collected through the institution's 2022 and 2023 Home Mortgage Loan Application Registers (LARs). Examiners presented these years of performance in the assessment area concentration, geographic distribution, and borrower profile tables.

Fall River Municipal Credit Union originated 109 loans totaling \$15.9 million in 2022, and 164 loans totaling \$22.8 million in 2023. Examiners compared the institution’s home mortgage lending performance to 2020 American Community Survey (ACS) demographic data as appropriate.

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

Financial data about the credit union was obtained from the March 31, 2024 Call Report filed with the NCUA.

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, Barnstable, and Dukes Counties in Massachusetts, or Kent, Providence, Bristol, or Newport Counties in Rhode Island, and to members of their immediate family or household. The credit union has 13,712 members as of March 31, 2024.

The credit union has 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 Massachusetts Division of Banks assigned a “High Satisfactory” rating at its previous Performance Evaluation, dated April 1, 2019, based on Small Institution Examination Procedures.

Operations

The credit union is headquartered at 333 Milliken Boulevard in Fall River, within a low-income census tract. The credit union operates two additional branches: the Robeson branch, located at 1110 Robeson St. in Fall River, within an upper-income census tract; and the Assonet Branch, located at 58 South Main Street in Assonet, within an upper-income census tract. In 2022, the credit union closed one branch at 1208 Dwelly Street in Fall River. The closure did not impact customers as the credit union operates the Milliken Boulevard branch in close proximity, within 2 miles of the Dwelly Street branch closure.

The credit union offers a wide range of products and services to its members: checking accounts; savings accounts, including 18/65 accounts and specialized accounts designed to promote savings among youth and 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, HEAT loans offered through the Mass Save program, new and used auto loans, personal, boat loans, and credit cards. Since the last evaluation, the credit union began a partnership with Sterling Associates to originate loans for mobile and manufactured homes. The credit union is part of the Allpoint ATM Network, a shared ATM network that allows its members to access their accounts and perform certain banking activities at several thousand participating ATMs without surcharges. Additionally, the credit union is part of the shared branching network that allows its members to access their accounts and perform certain banking activities at several thousand participating credit union branches. Fall River Municipal Credit Union also offers mobile payment and online banking services.

Ability and Capacity

As of March 31, 2024, the credit union had total assets of approximately \$288.2 million, total shares and deposits of approximately \$203.7 million, and total loans and leases of approximately \$179.8 million. Since the previous evaluation, total assets increased by 27.0 percent and total loans increased by 31.0 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 39.7 percent of total loans and loans secured by junior liens on 1-4 family residential properties account for 16.1 percent of total loans. The following table illustrates the distribution of the Credit Union’s loan portfolio:

Loan Portfolio Distribution as of 3/31/2024		
Loan Category	\$	%
All Other Unsecured Loans/Lines of Credit	3,372,598	1.9
New Vehicle Loans	5,258,723	2.9
Used Vehicle Loans	15,039,797	8.4
All Other Secured Non-Real Estate Loans/Lines of Credit	53,513,565	29.8
Total Loans/Lines of Credit Secured by 1st Lien 1-4 Family Residential Properties	71,364,728	39.7
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	28,923,854	16.1
All Other Non-Commercial Real Estate Loans/Lines of Credit	456,553	0.3
Commercial Loans/Lines of Credit Real Estate Secured	1,906,131	1.1
Total Loans	179,835,949	100.0
<i>Source: NCUA Call Report for FRMCU dated March 31, 2024</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 assessment areas in which examiners will evaluate the institution’s CRA performance. Fall River Municipal Credit Union designated a single assessment area which meets the technical requirements of the CRA regulation. The following sections discuss demographic and economic information relevant to the assessment area.

Economic and Demographic Data

The assessment area includes 78 census tracts throughout a portion of the Greater Fall River area which encompasses cities/towns in Massachusetts and Rhode Island. Dartmouth, Fall River, Freetown, Lakeville, Middleborough, Somerset, Swansea, and Westport in MA and Bristol, Little Compton, Middletown, Newport, Portsmouth, and Tiverton in RI.

The census tracts reflect the following income designations according to the 2020 American Community Survey (ACS) data.

- 11 low-income census tracts,
- 19 moderate-income census tracts,
- 22 middle-income census tracts, and
- 26 upper-income census tracts,

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	78	14.1	24.4	28.2	33.3	0.0
Population by Geography	327,120	10.9	24.4	28.7	35.9	0.0
Housing Units by Geography	144,370	11.8	24.2	28.7	35.4	0.0
Owner-Occupied Units by Geography	80,463	4.4	19.2	32.6	43.8	0.0
Occupied Rental Units by Geography	47,901	25.0	34.1	22.0	18.9	0.0
Vacant Units by Geography	16,006	9.5	19.4	28.8	42.3	0.0
Businesses by Geography	33,221	10.6	18.5	30.4	40.5	0.0
Farms by Geography	1,023	2.5	15.3	25.3	56.8	0.0
Family Distribution by Income Level	83,589	24.8	15.9	20.5	38.9	0.0
Household Distribution by Income Level	128,364	26.9	14.8	17.2	41.2	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$345,231
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555	Median Gross Rent			\$1,023
			Families Below Poverty Level			7.7%

Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income; ()The NA category consists of geographies assigned an income classification.*

Examiners used the 2022 and 2023 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.

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)				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
2023 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
<i>Source: FFIEC</i>				

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. Within low-income census tracts of the assessment area, 4.4 percent are owner occupied units. This low owner occupancy level is recognized to be a challenge for home ownership opportunities as the makeup of these tracts comprises of a large concentration of rental units of 25.0 percent.

The median housing cost of \$345,231 is high within the assessment and there is a notable increase from the 2021 examination of \$295,396. The high cost of housing indicates challenges to low- and moderate-income buyers and affordable homeownership.

Competition

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders within the credit union’s assessment area. In 2023, 329 lenders reported 5,539 residential mortgage loans originated or purchased. Fall River Municipal Credit Union ranked 17th, with a market share of 1.7 percent by number. The three most prominent home mortgage lenders accounted for 15 percent of total market share and consisted of Citizens Bank, NA, St. Anne’s Credit Union of Fall River and BankNewport.

Community Contact(s)

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

Examiners contacted a non-profit community action agency serving over 80 communities in Southeastern Massachusetts, to Cape Cod and the Islands. The agency provides a range of services that help improve the opportunities and well-being of low-income individuals and families in Southeastern Massachusetts

The contact noted, through a client survey, 40% of low-income respondents reported they are worse off now as compared to before the Pandemic. The top unmet needs of low-income individuals and families living on the South Shore are inability to pay for heat and utilities, affordable housing, access

to affordable and nutritious food, transportation, assistance with financial emergencies, and early education and childcare.

The contact noted support from a number of financial institutions. Additionally, the contact indicated areas where financial institutions could be more involved, such as assistance with Individual Development Accounts. This was a state funded program and effective. However, currently there are no resources to continue this program and assistance from institutions would be helpful. Another need was for financial management assistance for those with higher credit card usage. Lastly, affordable housing continues to be a big concern and whatever financial institutions can do to support affordable housing is greatly needed.

Credit Needs

Considering information from the community contact, credit union management, and demographic and economic data, examiners determined the primary need of the assessment area is affordable housing. The credit union can help meet this need by continuing to offer innovative and flexible lending and deposit products.

Presently, the credit union offers mobile and manufactured housing loans which supports low and moderate-income individuals and is an affordable housing option. Deposit products, such as the credit union's Freedom Checking account, benefit low and moderate-income individuals and unbanked consumers. According to the 2021 FDIC Survey, approximately 29.2 percent of unbanked households cited minimum balance requirements and high fees as the main reasons for not opening a bank account. FRMCU Freedom Checking has a low \$5 minimum opening deposit but no minimum balance requirement or monthly maintenance fee, includes a debit card, and provides access to online and mobile banking. Additionally, a youth and teens special savings account encourages financial education and management at an early age. Lastly, the credit union further meets the needs of the community by engaging in various outreach activities.

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 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 from the NCUA 5300 Quarterly Call Report data, averaged 69.5 percent over the past 21 quarters, from March 31, 2019 to March 31, 2024. The ratio ranged from a low of 50.0 percent as of March 31, 2022. The LTS fluctuation was a result of the interest rate environment. Contributing to the low LTS ratio in March 2022, the credit union was

originating loans; however, they were being sold to Fannie Mae and were not retained in the portfolio. To maintain customer relationships, the credit union retained the servicing of the loans and the servicing portfolio grew from \$15 million to \$52 million. Subsequently, in third quarter 2022, the LTS ratio began increasing as the credit union expanded their portfolio to various consumer loan types and increased to a high of 90.6 percent as of December 31, 2023.

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. Fall River Credit Union’s average LTS ratio is comparable to one other institution and below another institution. Please refer to the following table.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of 03/31/2024 (\$000s)	Average Net LTS Ratio (%)
Tremont Credit Union	255,914	78.5
Fall River Municipal Credit Union	288,241	69.5
New Bedford Credit Union	163,885	69.6
<i>Source: Reports of Income and Condition 03/31/2019 through 03/31/2024</i>		

Assessment Area Concentration

The credit union originated a majority of home mortgage loans by number and dollar volume within its assessment area. During the review period, the credit union originated 62.6 percent of its home mortgage loans inside the assessment area. Home mortgage originations consist of conventional fixed rate mortgages, adjustable-rate mortgages, home equity loans, and mobile and manufactured housing home loans. The credit union’s partnership with Sterling Associates and participation in manufactured housing began in 2022 and contributed to the increase in the home mortgage portfolio from 2022-2023. Please refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	79	72.5	30	27.5	109	10,170	63.8	5,779	36.2	15,949
2023	92	56.1	72	43.9	164	10,995	48.2	11,829	51.8	22,824
Total	171	62.6	102	37.4	273	21,165	54.6	17,608	45.4	38,773
<i>Source: credit union data; Due to rounding, totals may not equal 100.0; Dollar amounts for Small Business, Small Farm, and Consumer loans are multiplied by 1000.</i>										

Geographic Distribution

The geographic distribution of loans reflects good dispersion throughout the assessment area. The credit union’s performance in moderate-income census tracts supports this conclusion.

In 2022, the credit union originated 5.1 percent of its home mortgage loans in low-income census tracts, trailing the aggregate by 0.5 percent but leading the demographic comparator by 0.7 percent. In 2023, the credit union's lending in low-income census tracts decreased to 3.3 percent, trailing the aggregate by 2.6 percent and the demographic comparator by 1.1 percent. There are several factors that explain the performance in low-income census tracts. According to demographic data of the institution's assessment area, the percentage of owner-occupied housing units in low-income census tracts at 4.4 percent is low and limits the lending opportunities to those geographies. This factor, combined with the high level of competition, creates further challenges in lending in low-income areas in the assessment area.

In 2022, the credit union originated 31.6 percent of its home mortgage loans in the moderate-income census tracts of the assessment area. This was above aggregate performance by 11.5 percentage points and the demographic comparator by 12.5 percentage points. The credit union's lending to moderate-income tracts increased to 34.8 percent in 2023, leading both the aggregate and demographic comparator by 13.8 and 15.6 points, respectively.

The following table illustrates the credit union's dispersion of home mortgage loans by census tract income level within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.4	5.6	4	5.1	320	3.1
2023	4.4	5.9	3	3.3	381	3.5
Moderate						
2022	19.2	20.1	25	31.6	2,734	26.9
2023	19.2	21.0	32	34.8	3,718	33.8
Middle						
2022	32.6	32.3	32	40.5	4,985	49.0
2023	32.6	32.6	27	29.3	2,954	26.9
Upper						
2022	43.8	42.0	18	22.8	2,132	21.0
2023	43.8	40.5	30	32.6	3,943	35.9
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Total						
2022	100.0	100.0	79	100.0	10,170	100.0
2023	100.0	100.0	92	100.0	10,995	100.0
<i>Source: 2020 ACS; credit union data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, good penetration among individuals of different income levels. Examiners focused on low- and moderate-income borrowers.

Home mortgage lending to low-income borrowers was above aggregate lending trends in both 2022 and 2023, by 7.9 percent and 0.8 percent, respectively. The credit union's lending to low-income borrowers decreased by number and percentage from 2022 to 2023; however, it did remain above the aggregate.

The credit union's performance to moderate-income borrowers was well above the aggregate lenders. In 2022, 32.9 percent of the credit union's home mortgage loans within the assessment area were made to moderate-income borrowers. This exceeded aggregate lending and the demographic comparator by 13.5 and 17.0 percentage points, respectively. In 2023, the credit union's level of lending to moderate-income borrowers remained stable at 32.6 percent. This exceeded the aggregate level of lending by 14.9 percentage points and the demographic comparator by 16.7 percentage points.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	24.8	6.0	11	13.9	1,029	10.1
2023	24.8	5.7	6	6.5	405	3.7
Moderate						
2022	15.9	19.4	26	32.9	3,388	33.3
2023	15.9	17.7	30	32.6	2,751	25.0
Middle						
2022	20.5	25.8	24	30.4	3,071	30.2
2023	20.5	25.7	30	32.6	3,042	27.7
Upper						
2022	38.9	36.6	17	21.5	2,557	25.1
2023	38.9	37.6	26	28.3	4,797	43.6
Not Available						
2022	0.0	12.2	1	1.3	125	1.2
2023	0.0	13.3	0	0.0	0	0.0
Total						
2022	100.0	100.0	79	100.0	10,170	100.0
2023	100.0	100.0	92	100.0	10,995	100.0
<i>Source: 2020 ACS; credit union data, 2022 & 2023 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 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. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, the credit union has adequate fair lending policies and practices. Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet the community credit needs.

Minority Application Flow

The credit union's HMDA LARs for 2022 and 2023 were reviewed to determine if the application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to 2020 ACS U.S Census data, the credit union's assessment area contained a total population of 327,120 individuals, of which 23.1 percent are minorities. The assessment area's minority and ethnic population is 6.9 percent Hispanic or Latino, 3.2 percent Black/African American, 1.9 percent Asian, 0.3 percent American Indian or Alaska Native, 0.1 Native Hawaiian or other Pacific Islander, and 10.7 percent other.

The credit union's level of applications was compared with that of the 2022 and 2023 aggregate 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. 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.

In 2022, the credit union received 110 home mortgage loan applications from within its assessment area. Of these applications, 5 or 4.5 percent were received from racial minority applicants, of which 2, or 40.0 percent, resulted in originations. The aggregate received 7.2 percent of its applications from minority consumers, of which 55.0 percent were originated. For the same period, the credit union also received 2 applications, or 1.8 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, 1 or 50.0 percent were originated, compared with an aggregate application rate of 4.3 percent with a 53.0 percent origination rate.

In 2023, the credit union received 134 home mortgage loan applications from within its assessment area. Of these applications, 5 or 3.7 percent were received from racial minority applicants, of which 3 or 60.0 percent resulted in originations. The aggregate received 7.7 percent of its applications from minority consumers, of which 48.1 percent were originated. For the same period, the credit union also received 5 applications, or 3.7 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, 3 or 60.0 percent were originated, compared with an aggregate application rate of 4.9 percent with a 49.3 percent origination rate.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2022		2022 Aggregate Data	Credit Union 2023		2023 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	1	0.9	0.3	0	0.0	0.2
Asian	1	0.9	1.5	2	1.5	1.7
Black/ African American	3	2.7	3.7	1	0.7	4.1
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0	0.2
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	0	0.0	1.4	2	1.5	1.4
Total Minority	5	4.5	7.2	5	3.7	7.7
White	101	91.8	72.3	120	89.5	72.1
Race Not Available	4	3.7	20.5	9	6.7	20.2
Total	110	100.0	100.0	134	100.0	100.0
ETHNICITY						
Hispanic or Latino	2	1.8	3.4	4	3.0	3.6
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	0.9	1	0.7	1.3
Total Ethnic Minority	2	1.8	4.3	5	3.7	4.9
Not Hispanic or Latino	102	92.7	74.9	119	88.8	74.7
Ethnicity Not Available	6	5.5	20.8	10	7.5	20.4
Total	110	100.0	100.0	134	100.0	100.0

Source: ACS Census 2020, HMDA Aggregate Data 2022 and 2023, HMDA LAR Data 2022 and 2023

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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

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

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

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

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).

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

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

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

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

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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

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

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

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.

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.

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, requires 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, Massachusetts 02721)."

[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.