

# **PUBLIC DISCLOSURE**

August 5, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Greater Springfield Credit Union  
Certificate Number: 67902

1030 Wilbraham Road  
Springfield, Massachusetts 01109

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 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 **Greater Springfield Credit Union (credit union)** prepared by the Massachusetts Division of Banks (“Division”), the institution’s supervisory agency as of **August 5, 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 need of its assessment area, including low- and moderate-income borrowers, in a manner consistent with its resources and capabilities. Greater Springfield Credit Union’s performance under this test is summarized below:

- Greater Springfield Credit Union’s average net loan-to-share ratio is adequate given the institution’s size and financial condition, and the credit needs of its assessment area.
- The credit union made a majority of its home mortgage loans inside its assessment area.
- The geographic distribution of loans reflects more than reasonable dispersion within the assessment area.
- The distribution of borrowers reflects 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 and fair lending procedures are adequate.

## 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 assessment area, including low- and moderate-income individuals and 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 May 18, 2020, to the current evaluation dated August 5, 2024. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Ratio, Assessment Area Concentration, Geographic Distribution, Borrower Profile, Responses to CRA-related Complaints, and Fair Lending Procedures.

The evaluation references demographic and economic information from the 2020 American Community Survey (ACS). Credit Union financial data reflects the March 31, 2024 NCUA 5300 Quarterly Call Report.

## **Loan Products Reviewed**

Examiners determined Greater Springfield Credit Union's major product line is home mortgage loans, considering the number and dollar volume of loans the credit union originated during the evaluation period.

Examiners analyzed home mortgage loan originations from January 1, 2022 through December 31, 2023, reported on the institution's 2022 and 2023 HMDA Loan Application Registers (LARs). Greater Springfield Credit Union originated 149 home mortgage loans totaling \$16.5 million in 2022. In 2023, the credit union originated 108 home mortgage loans totaling \$8.6 million. Examiners compared the credit union's 2022 and 2023 mortgage lending to aggregate data in order to assess the reasonableness of the credit union's performance.

Examiners reviewed the number and dollar volume of home mortgage loans. While both the number and dollar volumes are presented, examiners emphasize the number of loans rather than the dollar volume when assessing the credit union's performance, as the number of loans better indicates the number of individuals served.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Greater Springfield Credit Union, state-chartered in 1927, offers membership to anyone working, attending school, or residing in Hampden or Hampshire counties. As of March 31, 2024, the credit union has 10,935 members.

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

Greater Springfield Credit Union received a "Satisfactory" rating at its previous Division of Banks CRA Performance Evaluation dated May 18, 2020, based on the Interagency Small Institution CRA Examination Procedures and the Division's CRA Regulation 209 CMR 46.00.

### **Operations**

The credit union's main office is located at 1030 Wilbraham Road, Springfield, open from 9:00 AM to 4:00PM, Monday to Thursday, 9:00 AM – 6:00 PM on Friday, and maintains limited hours on Saturday from 8:30 AM to 12:00 PM. Drive-up hours differ slightly from lobby hours, operating Monday to Thursday, 8:30 AM – 5:00 PM, Friday from 8:30 AM – 6:00 PM, and Saturday from 8:30 AM – 12:00 PM. The credit union operates one additional branch at 157 Shaker Road, East Longmeadow, which maintains hours from 9:00 AM – 4:30 PM, Monday to Friday, and limited hours on Saturdays from 8:30 AM – 12:00 PM.

Greater Springfield Credit Union offers a variety of personal banking products. Members can open checking and savings accounts, money market accounts, individual retirement accounts (IRAs), and certificates of deposit; share loans, vacation and holiday loans, personal loans and lines of credit, and new and used auto loans; home equity loans, home equity lines of credit, and home mortgages.

In addition to their brick-and-mortar locations, the credit union offers both mobile and online banking services, allowing members to view account balances, transfer funds between accounts, schedule bill payments, and remotely deposit checks. The credit union also participates as a member of both the SUM and Money Pass Networks, allowing members access to a wide network of surcharge-free ATMs across the entirety of the United States.

**Ability and Capacity**

As of the March 31, 2024, quarterly call report, the credit union’s assets totaled approximately \$236.2 million, held shares and deposits totaling approximately \$201.5 million, and maintains a loan portfolio of approximately \$107.8 million. Over the last eight calendar quarters, the credit union’s total asset size has decreased by 7.6 percent, while the credit union’s total loan portfolio has increased by 7.0 percent.

Residential mortgage lending accounts for a majority of the credit union’s loan portfolio, first liens on 1-4 family residential properties accounting for approximately 59.5 percent of all loans. Loans secured by a junior lien on 1-4 family properties account for 23.1 percent of the credit union’s loan portfolio. The following table provides an overview of the credit union’s loan portfolio.

<b>Loan Portfolio Distribution as of 03/31/2024</b>		
<b>Loan Category</b>	<b>\$</b>	<b>%</b>
Unsecured Credit Card Loans	478,474	0.4
All Other Unsecured Loans/Lines of Credit	1,997,178	1.9
New Vehicle Loans	4,390,742	4.1
Used Vehicle Loans	11,369,756	10.6
All Other Secured Non-Real Estate Loans/Lines of Credit	442,706	0.4
Loans/Lines of Credit Secured by a First Lien on a single 1-4 Family Residential	64,188,632	59.5
Loans/Lines of Credit Secured by a Junior Lien on a single 1-4 Family	24,948,828	23.1
<b>Total Loans</b>	<b>107,816,316</b>	<b>100.0</b>
<i>Source: Reports of Income and Condition</i>		

**DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Greater Springfield Credit Union has designated its assessment area to include all communities within Hampshire and Hampden counties. The following table reflects the cities and towns by county in the assessment area.

<b>Hampshire County, MA</b>			
Amherst	Belchertown	Easthampton	Goshen
Granby	Hadley	Hatfield	Huntington
Northampton	South Hadley	Southampton	Ware
Westhampton	Worthington		
<b>Hampden County, MA</b>			
Agawam	Blandford	Chicopee	East Longmeadow
Hampden	Holyoke	Longmeadow	Ludlow
Monson	Palmer	Russell	Southwick
Springfield	Wales	West Springfield	Westfield
Wilbraham			

### **Economic and Demographic Data**

The credit union's assessment area consists of 139 census tracts that reflect the following income designations according to the 2020 American Community Survey (ACS) data:

- 16 low-income tracts,
- 27 moderate-income tracts,
- 56 middle-income tracts,
- 35 upper-income tracts,
- 5 tracts without income designation.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	139	12.2	21.6	31.7	30.9	3.6
Population by Geography	628,133	9.1	21.9	31.2	34.8	3.0
Housing Units by Geography	257,827	8.9	23.3	33.0	34.5	0.3
Owner-Occupied Units by Geography	151,712	2.3	16.0	37.0	44.7	0.0
Occupied Rental Units by Geography	88,387	19.1	34.9	26.1	19.2	0.7
Vacant Units by Geography	17,728	14.3	27.7	33.3	23.6	1.1
Businesses by Geography	53,775	10.0	21.6	28.5	38.8	1.1
Farms by Geography	1,626	2.0	9.7	34.7	53.4	0.2
Family Distribution by Income Level	151,099	24.1	16.2	18.2	41.5	0.0
Household Distribution by Income Level	240,099	26.2	15.2	16.1	42.5	0.0
Median Family Income MSA - 44140 Springfield, MA MSA		\$79,907	Median Housing Value			\$229,947
			Median Gross Rent			\$943
			Families Below Poverty Level			10.1%

Source: 2020 ACS, 2023 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 for each year during the review period.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Springfield, MA MSA Median Family Income (44140)</b>				
2022 (\$91,300)	<\$45,650	\$45,650 to <\$73,040	\$73,040 to <\$109,560	≥\$109,560
2023 (\$94,600)	<\$47,300	\$47,300 to <\$75,680	\$75,680 to <\$113,520	≥\$113,520

Source: FFIEC

## **Competition**

The credit union's assessment area is a competitive lending market. In 2022, there were 385 depository and non-depository lenders in the credit union's assessment area that originated or purchased a total of 16,243 mortgage loans. In 2023, there were a total of 356 lenders that originated or purchased a total of 11,257 mortgage loans. In both 2022 and 2023, the five highest ranked lenders

were either non-depository loan providers or large national banks, all of which accounted for more than 20.0 percent of the available market.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit and community development needs. This information helps determine whether local financial institutions are responsive to the needs of the communities it serves and what additional credit and community development opportunities are available.

Examiners contacted a representative of a community development financial institution (CDFI) serving un-banked and under-banked individuals and families in western central Massachusetts. The organization contact expressed that affordable housing is a concern for the assessment area. Available housing stock is limited, expensive, and often in need of significant repair. The contact expressed that rents are increasing, creating a significant barrier in borrowers' ability to save towards the purchase of a residence. Additionally, the contact expressed that large downpayments, high interest rates, and expensive closing costs are all barriers to low- and moderate-income borrowers. The contact noted that there is a significant need for first-time homebuyer education, low- and moderate-income downpayment assistance, and relaxed credit requirements for prospective low- and moderate-income borrowers.

### **Credit and Community Development Needs and Opportunities**

Examiners considered information gathered from the community contact and available economic and demographic data to determine the assessment area's primary credit and community development needs. Examiners determined that financial education, flexible loan products for individuals who may not qualify for traditional loan offerings, and downpayment and closing cost assistance are significant needs for the assessment area.

## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

#### **Loan-to-Share Ratio**

This performance criterion determines what percentage of the credit union's share base is reinvested in the form of loans and evaluates its appropriateness. The average net loan-to-share (LTS) ratio for the last eight quarters is adequate given the institution's size, financial condition, and membership needs.

The credit union's net loan-to-share ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 50.5 percent over the past eight calendar quarters, from June 30, 2022 to March 31, 2024. Greater Springfield Credit Union's loan-to-share ratio ranged from a low of 44.6 percent as of June 30, 2022, to a high of 54.8 percent as of December 31, 2023. The credit union's loan-to-share ratio experienced a gradual increase over the course of the review period. The credit union's loan-to-share ratio was substantially below one of the institutions selected for comparison but performed



similarly to the other selected institution. Please refer to the table below for a comparison of the credit union’s loan-to-share ratio.

<b>Loan-to-Share Ratio Comparison</b>		
<b>Institution</b>	<b>Total Assets as of 3/31/2024 (\$)</b>	<b>Average LTS Ratio (%)</b>
<b>Greater Springfield Credit Union</b>	<b>235,206,601</b>	<b>50.5</b>
Holyoke Credit Union	266,715,589	53.7
Alden Credit Union	203,058,250	85.3

*Source: Reports of Income and Condition 6/30/2022 through 3/31/2024*

### **Assessment Area Concentration**

The credit union made a majority of home mortgage loans, by both number and dollar volume, within its assessment area. The following table illustrates the credit union’s lending inside and outside its assessment area.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans</b>				<b>Total</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2022	135	90.6	14	9.4	149	13,976,538	84.6	2,538,774	15.4	16,515,312
2023	101	93.5	7	6.5	108	7,757,028	89.8	884,900	10.2	8,641,928
<b>Total</b>	<b>236</b>	<b>91.8</b>	<b>21</b>	<b>8.2</b>	<b>257</b>	<b>21,733,566</b>	<b>86.4</b>	<b>3,423,674</b>	<b>13.6</b>	<b>25,157,240</b>

*Source: Credit Union Data  
Due to rounding, totals may not equal 100.0*

### **Geographic Distribution**

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

In 2022, the credit union originated 11, or 8.1 percent, of home mortgage loans in low-income census tracts, double that of the rate of aggregate lenders and 5.8 percentage points above the percentage of owner-occupied housing units. In 2023, the credit union’s performance decreased from the previous year, but continued to perform above demographic data and performed below aggregate data, originating 3 loans in low-income census tracts, or 3.0 percent, compared to aggregate performance of 4.5 percent.

The credit union’s performance in moderate-income census tracts was strong, substantially exceeding both aggregate and demographic data in 2022 and 2023. In 2022, the credit union made 34 loans, or 25.2 percent, exceeding aggregate data by 4.5 percentage points and demographic data

by 9.2 percentage points. In 2023, the credit union made 28 loans, or 27.7 percent, outperforming aggregate data by 7.3 percentage points and demographic data by 11.7 percentage points.

Market Share data supports the credit union’s performance in the geographic distribution criterion. There is a significant amount of competition in the credit union’s assessment area. Despite this, in 2022, the credit union ranked 13 out of a total of 168 lenders that made at least one loan in a low-income census tract. While the credit union ranked below several loan production offices and large national banks, it ranked behind two other state-chartered institution. The credit union’s rank fell in 2023, as it made less loans in low-income tracts, but still ranked 26 out of 159 lenders, above both similarly situated and larger institutions. Market share data for moderate-income tracts showed similarly impressive performance. In 2022, the credit union ranked 40 out of 269, but improved its market share significantly the following year, ranking 22 out of 253 total lenders.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2022	2.3	4.0	11	8.1	1,154	8.3
2023	2.3	4.5	3	3.0	84	1.1
<b>Moderate</b>						
2022	16.0	20.7	34	25.2	2,534	18.1
2023	16.0	20.4	28	27.7	1,882	24.3
<b>Middle</b>						
2022	37.0	36.3	49	36.3	4,922	35.2
2023	37.0	36.1	42	41.6	2,948	38.0
<b>Upper</b>						
2022	44.7	38.9	41	30.4	5,368	38.4
2023	44.7	39.0	28	27.7	2,843	36.7
<b>Not Available</b>						
2022	0.0	0.1	0	0.0	0	0.0
2023	0.0	0.1	0	0.0	0	0.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>135</b>	<b>100.0</b>	<b>13,977</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>101</b>	<b>100.0</b>	<b>7,757</b>	<b>100.0</b>
<i>Source: 2020 ACS; Credit Union Data, 2022 &amp; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

### **Borrower Profile**

The distribution of borrowers reflects more than reasonable penetration among individuals of different income levels. Examiners focused on the credit union’s lending activity to low- and moderate-income borrowers.

In 2022, the credit union originated 15, or 11.1 percent, of loans to low-income borrowers, 3.4 percentage points above the aggregate, at 7.7 percent. For the same year, the credit union originated 28.1 percent, or 38 loans, to moderate-income borrowers, again above aggregate lenders and demographic data. In 2023, the credit union made 8, or 7.9 percent of loans, to low-income borrowers, performing above demographic data but below aggregate data. For the same year, the credit union made 24, or 22.8 percent of loans originated, to moderate-income borrowers, again performing above both aggregate and demographic data.

While the credit union performed above aggregate data in 2022 and 2023, lending to low-income borrowers was below the percentage of families in the assessment area. Low-income families in the assessment area, earning less than \$47,300, would have difficulty qualifying for a mortgage under conventional underwriting standards, considering the median housing value of \$229,947.

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

<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>						
2022	24.1	7.7	15	11.1	1,159	8.3
2023	24.1	6.9	8	7.9	235	3.0
<b>Moderate</b>						
2022	16.2	26.9	38	28.1	3,618	25.9
2023	16.2	23.0	23	22.8	1,307	16.8
<b>Middle</b>						
2022	18.2	24.4	37	27.4	3,742	26.8
2023	18.2	26.3	39	38.6	2,745	35.4
<b>Upper</b>						
2022	41.5	28.0	45	33.3	5,457	39.0
2023	41.5	30.4	31	30.7	3,471	44.7
<b>Not Available</b>						
2022	0.0	13.0	0	0.0	0	0.0
2023	0.0	13.5	0	0.0	0	0.0
<b>Total</b>						
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>135</b>	<b>100.0</b>	<b>13,977</b>	<b>100.0</b>
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>101</b>	<b>100.0</b>	<b>7,757</b>	<b>100.0</b>

*Source: 2020 ACS; Credit Union Data, 2022 & 2023 HMDA Aggregate Data  
Due to rounding, totals may not equal 100.0%*

### **Response to Complaints**

The credit union has not received any CRA-related complaints since the last CRA evaluation; therefore, this criterion did not affect the CRA 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. 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, no evidence of disparate treatment was noted.

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

The credit union's HMDA LARs for 2022 and 2023 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 US Census Data, the credit union's assessment area contained a total population of 628,133 individuals, of which 35.4 percent are minorities. The minority population represented is 8.2 percent Black/African American, 4.6 percent Asian, 0.2 percent American Indian, 21.2 percent Hispanic or Latino, and 5.0 percent other.

In 2022, the credit union received 206 HMDA reportable loan applications within its assessment area. Of these applications, 46 or 22.4 percent were received from minority applicants, 28 or 60.9 percent of which resulted in originations. The aggregate received 11.3 percent of its applications from minority consumers, of which 53.7 percent were originated. For the same period, the credit union received 31 or 15.1 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which 22 or 75.9 percent of loans were originated. This was compared to an aggregate ethnic minority application rate of 14.1 percent with a 54.9 percent origination rate.

In 2023, the credit union received 170 HMDA reportable loan applications within its assessment area. Of these applications, 34 or 20.0 percent were received from minority applicants, 15 or 44.1 percent of which resulted in originations. The aggregate received 12.1 percent of its applications from minority consumers, of which 52.6 percent were originated. For the same period, the credit union received 34 or 20.0 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which 17 or 50.0 percent of loans were originated. This was compared to an aggregate ethnic minority application rate of 14.1 percent with a 52.3 percent origination rate.

The credit union's level of lending in 2022 and 2023 was compared with that of the 2022 and 2023 aggregate's lending performance. The comparison of this data assists examiners 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.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2022 HMDA		2022 Aggregate Data	Credit Union 2023 HMDA		2023 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.5	0	0.0	0.7
Asian	6	2.9	2.6	5	2.9	2.8
Black/ African American	36	17.5	6.2	24	14.1	6.6
Hawaiian/Pacific Islander	2	1.0	0.3	1	0.6	0.3
2 or more Minority	0	0.0	0.2	1	0.6	0.3
Joint Race (White/Minority)	2	1.0	1.5	3	1.8	1.4
<b>Total Racial Minority</b>	<b>46</b>	<b>22.4</b>	<b>11.3</b>	<b>34</b>	<b>20.0</b>	<b>12.1</b>
White	110	53.4	63.1	96	56.5	62.4
Race Not Available	50	24.2	25.6	40	23.5	25.5
<b>Total</b>	<b>206</b>	<b>100.0</b>	<b>100.0</b>	<b>170</b>	<b>100.0</b>	<b>100.0</b>
ETHNICITY						
Hispanic or Latino	29	14.1	12.6	30	17.6	13.6
Joint (Hisp/Lat /Not Hisp/Lat)	2	1.0	1.5	4	2.4	1.7
<b>Total Ethnic Minority</b>	<b>31</b>	<b>15.1</b>	<b>14.1</b>	<b>34</b>	<b>20.0</b>	<b>15.3</b>
Not Hispanic or Latino	119	57.8	62.4	99	58.2	61.5
Ethnicity Not Available	56	27.1	23.4	37	21.8	23.2
<b>Total</b>	<b>206</b>	<b>100.0</b>	<b>100.0</b>	<b>170</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2020 US Census Data, HMDA Aggregate Data 2022 and 2023, HMDA LAR Data 2022 and 2023</i>						

Considering the demographic composition of the assessment area and comparisons to aggregate data, the credit union’s lending in 2022 and 2023 reflects a good racial minority application flow. The credit union’s application and origination rates from racial and ethnic minority applicants support their good performance.

## **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 1030 Wilbraham Road Springfield, Massachusetts 01109."

[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.

## 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.