

PUBLIC DISCLOSURE

July 29, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Holyoke Credit Union
Certificate Number: 67875

490 Westfield Rd
Holyoke, MA 01040

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.

INSTITUTION RATING

This document is an evaluation of the CRA performance of Holyoke Credit Union (credit union) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of July 29, 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 **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The following points summarize the credit union's performance under Small Institution Standards.

The Lending Test is rated Satisfactory.

- 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 substantial majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects reasonable 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.

DESCRIPTION OF INSTITUTION

Background

Holyoke Credit Union was founded in 1911 as a Massachusetts state-chartered credit union to deliver a full assortment of consumer banking services to its members. According to the credit union's charter, "membership is available to anyone who lives or works in Hampden or Hampshire Counties in Massachusetts." Holyoke Credit Union has received a low-income designation from the National Credit Union Association (NCUA) and the Division of Banks. As of July 25, 2024, the credit union has 22,788 members.

Operations

The main office is located at 490 Westfield Road in Holyoke in a middle-income census tract. In addition to its main office, the credit union operates two full-service branch offices located in West Springfield and Feeding Hills. In May 2022, the West Springfield branch was relocated from 333 Elm Street to 85 Elm Street. The West Springfield branch is in a moderate-income census tract and the Feeding Hills branch is in an upper-income tract. Business hours are from 9:00 a.m. to 4:00 p.m. with extended hours on Friday until 5:00 p.m. at all three offices. All three branches offer Saturday hours from 9:00 a.m. to 12:00 p.m. The main office and Feeding Hills branches have drive-up services, which open at 8:00 a.m. Monday through Friday and at 9:00 am on Saturdays in Holyoke, and at 9:00 a.m. daily in Feeding Hills. The credit

union offers automated teller machines (ATM) and is a member of the SUM and MoneyPass Networks, which are surcharge-free ATM networks.

In July of 2022, Holyoke Credit Union merged with Holyoke Postal Credit Union. The main office of Holyoke Credit Union remained the main office of the continuing institution, and the single branch of Holyoke Postal Credit Union was closed, and the membership absorbed.

Holyoke Credit Union is a full-service financial institution that offers a wide variety of products and services. Savings and checking accounts offered by the credit union include share savings accounts, money market deposit accounts, certificates of deposit, and IRA accounts. Similar products exist for business customers as well. Home financing programs include fixed rate and adjustable-rate mortgages and home equity loans.

Consumer loans include personal (unsecured) loans, new and used automobile loans, debt consolidation, and credit cards. Other services offered by the credit union include online banking, ATM and debit cards, direct deposit, Zelle and Digital Wallet (Apple, Google, and Samsung Pay) and TruStage Insurance Products.

The credit union was last examined for CRA on August 24, 2020. The examination resulted in a CRA rating of Satisfactory.

Ability and Capacity

As of June 30, 2024, the credit union had total assets of \$285.1 million and total shares of \$222.3 million. Total loans were \$159 million and represented 55.8 percent of total assets. The credit union’s net loan-to-share ratio, as of the same date, was 71.5 percent. Since the last CRA evaluation, the credit union’s assets have increased 30.5 percent, shares have increased 39.4 percent and net loans have increased 29.6 percent.

Total residential real estate credit accounts for 61.1 percent of the portfolio. Consumer lending accounts for the second largest portion of the loan portfolio at 23.0 percent.

Loan Portfolio Distribution as of 06/30/2024		
Loan Category	\$	%
Total First Lien 1-4 Family Real Estate Credit	53,501,186	33.6
Total Junior Lien 1-4 Family Real Estate Credit	42,155,996	26.5
Total Other Real Estate Credit	1,562,207	1.0
Total Residential Real Estate Credit	97,219,389	61.1
Commercial Credit (Real Estate Secured)	21,758,446	13.7
Commercial Credit (Not Real Estate Secured)	3,436,004	2.2
Total Commercial Loans	25,194,450	15.8
Used Vehicle Loans	28,487,836	17.9
New Vehicle Loans	1,264,635	0.8
Total All Other Secured Loans/Lines of Credit	613,592	0.4
All Other Unsecured Loans/Lines of Credit	2,996,667	1.9
Unsecured Credit Card Loans	3,254,806	2.0
Total Consumer Loans	36,617,536	23.0
Total Loans	159,031,375	100.0
<i>Source: NCUA Call Report for HCU dated June 30, 2024</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. Holyoke Credit Union’s designated assessment area includes the Springfield MA MSA. The credit union’s assessment area contains all the cities and towns located in Hampden County and Hampshire County. The assessment area as currently defined meets the technical requirements of the regulation as it includes whole geographies and does not arbitrarily exclude low- or moderate-income areas or expand beyond state boundaries.

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 ACS Census data:

- 17 low-income tracts,
- 30 moderate-income tracts,
- 44 middle-income tracts,
- 43 upper-income tracts, and
- 5 N/A tracts

The following table provides additional demographic and economic information pertaining to the credit union’s assessment area

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	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 2022 and 2023 FFIEC-updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield, MA MSA Median Family Income (44140)				
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
<i>Source: FFIEC</i>				

According to the 2015 ACS Census Data, the unemployment rate for the assessment area was 5.9 percent. Data obtained from the U.S. Bureau of Labor and Statistics as of December 31, 2019, indicates that the unemployment rate across the assessment area averaged 3.8 percent over the evaluation period. The Hampden County unemployment rate at 4.6 percent is above the Hampshire County unemployment rate of 3.1 percent. The state of Massachusetts had an overall unemployment rate of 3.3 percent. The assessment area’s higher unemployment rate relative to the state of Massachusetts, coupled with a high poverty rate of 12.0 percent, reflects a weaker economic profile. Such a profile may pose challenges for consumers to obtain home mortgages.

Competition

The credit union faces strong competition from other financial institutions that originate loans within the assessment area. The assessment area includes 357 institutions that originated or purchased 11,259 loans in 2023. Holyoke Credit Union ranked 24th among the lenders with a market share of 1.2 percent.

Community Contact(s)

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

The contact recognized an added pressure put onto low- and moderate-income families as the cost increases for essentials (e.g., groceries and gas), making it difficult to keep up with the cost of living in the area. The contact also identified a need for more affordable housing within the assessment area. There was mention of relatively lower housing values in Western Massachusetts compared to other parts of the state; however, affordable rent or mortgages in this area remain difficult to find. The shifting population, due to immigration, is assisting in improving the workforce in the restaurant industry and other relatively low-skilled jobs, however, this is coupled with an increased need for limited English proficiency resources.

The contact recognized a significant need for business credit in Hampden County. Loans with flexible collateral criteria hold an appeal for sole proprietor businesses for individuals in low- and moderate-

income households. Local businesses could benefit from having better access to revolving lines of credit to assist in the growth and working capital of their companies. The contact made note of an initiative to collaborate surrounding restaurants with food pantries to help stabilize food insecurity concerns, as well as generate economic development.

Credit Needs

Examiners considered information gathered from the community contact and the credit union, as well as available economic and demographic data, to determine the assessment area's primary credit needs. Based on the assessment area's increasing housing costs, coupled with high poverty levels, the community would greatly benefit from access to more affordable housing. Additionally, social services for low- and moderate-income individuals, such as food pantries, appear to be in need.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (“Division”) 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, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership. This evaluation covers the period from the prior evaluation dated August 24, 2020, to the current evaluation dated July 29, 2024. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Analysis, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrower’s Characteristics and Response to CRA Complaints.

The evaluation references demographic and economic information from the 2020 American Community Survey (ACS). Credit Union financial data reflects the June 30, 2024 Call Report.

Activities 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.

Home mortgage lending data analyzed included data from January 1, 2022, through December 31, 2023. Information related to home mortgage lending was derived from the Loan Application Registers (LARs) maintained by the credit union, pursuant to HMDA. For 2022, the credit union reported 189 originations totaling \$26.4 million within the assessment area. For 2023, the credit union reported 136 originations totaling \$17.0 million within the assessment area.

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

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 ratio for the last 16 quarters is reasonable given the institution’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 55.9 percent over the past 16 calendar quarters from September 30, 2020, through June 30, 2024. The ratio ranged from a low of 48.8 percent as of March 31, 2023, to a high of 71.5 percent as of June 30, 2024.

The credit union’s average LTS ratio over the past 16 quarters was also compared to that of two similarly situated institutions. The institutions were selected based on geographic location and lending focus. Holyoke Credit Union’s average LTS ratio is above one similarly situated institution and below two others.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of 06/30/2024 (\$000s)	Average Net LTS Ratio (%)
Holyoke Credit Union	285,118,084	55.9
Arrha Credit Union	147,667,943	82.8
Greater Springfield Credit Union	233,190,914	49.2
Alden Credit Union	197,292,343	80.6
<i>Source: Reports of Income and Condition 09/30/2020 through 06/30/2024</i>		

Assessment Area Concentration

The credit union made a substantial majority of home mortgage loans, by number and dollar volume, within its assessment area. See the following table for details

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	191	95.5	9	4.5	200	27,985	95.2	1,425	4.8	29,410
2023	136	88.9	17	11.1	153	16,960	74.1	5,925	25.9	22,885
Subtotal	327	92.6	26	7.4	353	44,945	85.9	7,350	14.1	52,295
Total	327	92.6	26	7.4	353	44,945	85.9	7,350	14.1	52,295
<i>Source: Bank 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 reasonable dispersion throughout the assessment area. In 2022, the credit union originated 1.0 percent of its home mortgage loans to low-income census tracts. This trailed both the aggregate and demographic comparator. In 2023, the level of lending in low-income tracts increased to 4.4 percent, which was comparable to the aggregate and above the demographic comparator.

In moderate-income census tracts in 2022, the credit union originated 25.1 percent of its home mortgage loans in moderate-income census tracts. This was above both the aggregate and demographic comparator. In 2023, the level of lending to moderate-income tracts declined to 22.1 percent. The table below illustrates this data.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	2.3	4.0	2	1.0	1,440	5.1
2023	2.3	4.5	6	4.4	730	4.3
Moderate						
2022	16.0	20.7	48	25.1	5,700	20.4
2023	16.0	20.4	30	22.1	3,020	17.8
Middle						
2022	37.0	36.3	70	36.6	9,800	35.0
2023	37.0	36.1	58	42.7	6,180	36.4
Upper						
2022	44.7	38.9	71	37.2	11,045	39.5
2023	44.7	39.0	42	30.9	6,180	36.4
Not Available						
2022	0.0	0.1	0	0.0	0	0.0
2023	0.0	0.1	0	0.0	0	0.0
Total						
2022	100.0	100.0	191	100.0	27,985	100.0
2023	100.0	100.0	136	100.0	16,960	100.0

*Source: 2020 ACS; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels. In 2022, the credit union originated 8.4 percent of its home mortgage loans to low-income borrowers. This was comparable to the aggregate while trailing the demographic comparator. In 2023, the credit union's level of lending rose to 8.8 percent. This was above the aggregate level of lending while trailing the demographic comparator.

In 2022, the credit union originated 28.8 percent of its home mortgage loans to moderate-income borrowers. This was comparable to the aggregate and was above the demographic comparator. In 2023, the credit union’s level of lending to moderate-income borrowers increased to 31.6 percent. This was above both the aggregate and the demographic comparator.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	24.1	7.7	16	8.4	1,520	5.4
2023	24.1	6.8	12	8.8	650	3.8
Moderate						
2022	16.2	26.9	55	28.8	6,845	24.5
2023	16.2	23.0	43	31.6	3,985	23.5
Middle						
2022	18.2	24.4	63	33.0	9,065	32.4
2023	18.2	26.2	49	36.0	5,925	34.9
Upper						
2022	41.5	28.0	53	27.7	8,925	31.9
2023	41.5	30.4	29	21.3	5,285	31.2
Not Available						
2022	0.0	13.0	4	2.1	1,630	5.8
2023	0.0	13.5	3	2.2	1,115	6.6
Total						
2022	100.0	100.0	191	100.0	27,985	100.0
2023	100.0	100.0	136	100.0	16,960	100.0
<i>Source: 2020 ACS; Bank 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 had no CRA-related complaints during the examination period; therefore, this criterion did not have an impact on 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. 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 evidence of disparate treatment.

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 628,133 individuals, of which 35.4 percent are minorities. The assessment area’s minority and ethnic population is 21.2 percent Hispanic or Latino, 7.4 percent Black/African American, 3.7 percent Asian, 0.4 percent American Indian or Alaska Native, 0.1 Native Hawaiian or other Pacific Islander, and 2.6 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.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2022		2022 Aggregate Data	Credit Union 2023		2023 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	14	4.8	0.5	16	6.4	0.7
Asian	1	0.3	2.6	4	1.6	2.8
Black/ African American	13	4.5	6.2	13	5.2	6.6
Hawaiian/Pacific Islander	0	0.0	0.3	0	0.0	0.3
2 or more Minority	1	0.3	0.2	0	0.0	0.3
Joint Race (White/Minority)	7	2.4	1.5	2	0.8	1.4
Total Minority	36	12.4	11.5	35	14.0	12.1
White	224	77.0	63.1	180	72.0	62.6
Race Not Available	31	10.7	25.6	35	14.0	25.5
Total	291	100.0	100.0	250	100.0	100.0
ETHNICITY						
Hispanic or Latino	51	17.5	12.6	52	20.8	13.6
Joint (Hisp/Lat /Not Hisp/Lat)	7	2.4	1.5	3	1.2	1.7
Total Ethnic Minority	58	19.9	14.1	55	22.0	15.3
Not Hispanic or Latino	214	73.5	62.4	166	66.4	61.5
Ethnicity Not Available	19	6.5	23.4	29	11.6	23.2
Total	291	100.0	100.0	250	100.0	100.0

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

In 2022, the credit union received 291 home mortgage loan applications from within its assessment area. Of these applications 36, or 12.4 percent, were received from racial minority applicants, of which 27, or 75.0 percent, resulted in originations. The aggregate received 11.5 percent of its applications from minority consumers, of which 53.7 percent were originated. For the same period, the credit union also received 58 applications, or 19.9 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, 35 or 60.3 percent were originated, compared with an aggregate application rate of 14.1 percent with a 54.9 percent origination rate.

In 2023, the credit union received 250 home mortgage loan applications from within its assessment area. Of these applications, 35 or 14.0 percent were received from racial minority applicants, of which 18 or 51.4 percent, 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 also received 55 applications, or 22.0 percent, from ethnic groups of Hispanic origin within its assessment area. Of these applications, 28 or 50.9 percent, were originated, compared with an aggregate application rate of 15.3 percent with a 52.3 percent origination rate.

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

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 490 Westfield Rd, Holyoke, MA 01040."

[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 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).

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.