

PUBLIC DISCLOSURE

July 24, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Homefield Credit Union
Charter Number: 68057

86 Worcester Road
North Grafton, MA 01536

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 or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **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 loan-to-deposit 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 reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration of loans among individuals of different income levels.
- The credit union did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.
- The credit union has a reasonable record relative to its fair lending policies and procedures.

SCOPE OF EVALUATION

General Information

This evaluation considered activity from January 1, 2021, to the current evaluation dated July 24, 2023. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate CRA performance. These procedures include five criteria within the Lending Test:

- LTD ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints and Fair Lending

Loan Products Reviewed

Examiners analyzed home mortgage loan originations from January 1, 2021 through December 31, 2022 collected through the institution's 2021 and 2022 Home Mortgage Loan Application Registers (LARs). Examiners presented these years of performance in the assessment area concentration, geographic distribution, and borrower profile tables.

Homefield Credit Union originated 111 loans totaling \$31.6 million in 2021, and 38 loans totaling \$10.9 million in 2022. Examiners compared the institution's home mortgage lending performance to 2015 and 2020 American Community Survey (ACS) demographic data as appropriate.

Examiners focused this examination on the institution's home mortgage lending due to its higher share of the loan portfolio (60.1 percent) and its readily available data. Examiners also focused on the number of loans, rather than dollar volume, when assessing the institution's performance, as it is a better indicator of the number of individuals served.

Financial data about the credit union was obtained from the June 30, 2023 Call Report issued to the FFIEC.

DESCRIPTION OF INSTITUTION

Background

Founded in 1966, Homefield Credit Union is a federally insured state-chartered credit union. Membership in the credit union is limited to those who live, work, or attend any school in Worcester County or Middlesex County in Massachusetts and family members of such persons. As of June 30, 2023, the credit union's membership totaled 7,730 members.

The credit union received a Satisfactory rating at its previous evaluation conducted by the Division of Banks on May 28, 2019.

Operations

In addition to the main office located in North Grafton, the credit union operates a full-service branch in Milford. The main office is located in an upper-income census tract, and the Milford branch is in a middle-income census tract. No branch changes and no merger or acquisition activities have occurred since the last examination. Hours do not vary substantially between branches. Each branch uses 24-hour Automated Teller Machines (ATMs).

Homefield Credit Union offers a wide variety of products and services to consumers. The credit union offers loan products including home mortgage and consumer loans, including new and used auto loans. The credit union also provides various deposit services such as checking, savings, certificates of deposit, and individual retirement accounts. Business customers have access to loans (including overdraft lines of credit and Small Business Administration loans), checking accounts and credit cards. Alternative banking services include online banking, mobile banking, and electronic bill pay.

Ability and Capacity

Homefield Credit Union's assets totaled approximately \$171.5 million as of June 30, 2023, including total loans of approximately \$134.9 million and total deposits of \$147.3 million. Residential loans represent the primary credit product with approximately 60.1 percent of the loan portfolio.

Loan Portfolio Distribution as of 6/30/2023		
Loan Type	Dollar Amount (\$)	Percent of Total Loans
Unsecured Credit Card Loans	0	0.0
Non-Federally Guaranteed Student Loans	0	0.0
All Other Unsecured Loans/LOCs	4,445,291	3.3
New Vehicle Loans	9,118,649	6.8
Used Vehicle Loans	20,528,175	15.2
All Other Secured Non-Real Estate Loans/LOCs	655,628	0.5
Total Loans/LOCs Secured by 1 st Lien 1-4 Family Residential	62,027,205	46.0
Total Loans/LOCs Secured by Junior Lien 1-4 Family	19,012,810	14.1
All Other (Non-Commercial) Real Estate Loans/LOCs	0	0.0
Commercial Loans/Lines of Credit Real Estate Secured	14,659,984	10.9
Commercial Loans/Lines of Credit Non-Real Estate Secured	4,473,793	3.3
Total Loans	134,921,535	100.0
<i>Source: Reports of Condition and Income</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to define one or more assessment areas within which the institution will focus its lending efforts. Homefield Credit Union has designated a single contiguous assessment area, which includes the Boston, MA Metropolitan Division (MD), the Cambridge-Newton-Framingham Metropolitan Division (MD), and the Worcester, MA-CT Metropolitan Statistical Area (MSA).

The following municipalities comprise the assessment area: Bellingham, Grafton, Holliston, Hopedale, Hopkinton, Medway, Mendon, Milford, Millbury, Northbridge, Sutton, Upton, Westborough, and Worcester. There have been no changes to the assessment area since the previous evaluation.

Economic and Demographic Data

The credit union's assessment area consists of 86 census tracts that reflect the following income designations according to the 2020 American Community Survey (ACS):

- 14 low-income tracts,
- 16 moderate-income tracts,
- 29 middle-income tracts,
- 24 upper-income tracts, and
- 3 tracts with no income designation.

The majority of low- and moderate-income tracts (28 of 30) are located in Worcester. All three of the tracts with no income designation are also located in Worcester and comprise parks and universities. The credit union's 2021 home mortgage lending performance was compared to 2015 ACS demographic data, while 2022 home mortgage lending performance was compared to the 2020 ACS data. The most relevant differences between 2021 and 2022 demographic information are as follows:

- The number of moderate-income tracts increased from 14 to 16:
- The percentage of owner-occupied housing units in low-income tracts decreased from 5.1 percent to 3.5 percent, and the percentage of owner-occupied housing units in moderate income tracts increased from 9.5 percent to 11.2 percent.

ACS 2022 Demographic information for the assessment area is displayed in the chart below.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	86	16.3	18.6	33.7	27.9	3.5
Population by Geography	401,710	16.0	17.4	32.3	32.5	1.9
Housing Units by Geography	151,789	15.8	17.7	34.1	31.3	1.1
Owner-Occupied Units by Geography	84,567	3.5	11.2	40.8	44.3	0.2
Occupied Rental Units by Geography	57,912	32.1	26.1	25.3	14.2	2.3
Vacant Units by Geography	9,310	26.3	24.2	28.0	20.0	1.4
Family Distribution by Income Level	90,125	23.7	15.5	19.4	41.4	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$307,767
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Gross Rent			\$1,147
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$96,860	Families Below Poverty Level			8.1%
<i>Source: 2020 ACS and 2022 FFIEC Estimated Median Family Income;</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The assessment area’s lending trends reflect increasing housing prices, in a moderately priced market. The median housing value based on ACS data is \$307,767. The average loan extended for a single-family purchase transaction in was \$379,094 in 2021 and increased to \$394,692 in 2022. These increasing prices reflect possible challenges for low- and moderate-income borrowers to qualify for home mortgage loans in the assessment area.

The FFIEC Median Family Income level is used to analyze home mortgage loans under the Borrower Profile criterion. The following table displays the low-, moderate-, middle-, and upper-income categories 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%
Boston, MA Median Family Income (14454)				
2021 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2021 (\$120,200)	<\$60,100	\$60,100 to <\$96,160	\$96,160 to <\$144,240	≥\$144,240
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
Worcester, MA-CT MSA Median Family Income (49340)				
2021 (\$96,700)	<\$48,350	\$48,350 to <\$77,360	\$77,360 to <\$116,040	≥\$116,040
2022 (\$107,900)	<\$53,950	\$53,950 to <\$86,320	\$86,320 to <\$129,480	≥\$129,480
<i>Source: FFIEC</i>				

The City of Worcester comprises the majority of low- and moderate-income families, at 68.7 and 50.5 percent, respectively.

In the credit union's municipalities that comprise the assessment area, unemployment rates fell over the evaluation period. This unemployment rate was 4.7 percent in 2021 and fell to an average 2022 unemployment rate of 3.4 percent. Receding unemployment may reflect gradual economic improvements. The assessment area's average unemployment rate was below the state's overall unemployment level, at 6.1 percent.

Increasing home purchase prices coupled with higher unemployment may reflect difficulty in obtaining credit for low- and moderate-income families, particularly in municipalities like Worcester.

Competition

The assessment area represents a moderately-sized market for deposits. According to Peer Deposit Market Share data, 36 financial institutions operated 123 full-service branches within the credit union's assessment area. Of these institutions, Homefield Credit Union ranked 20th with a 0.9 percent deposit market share. Bank of America NA, Berkshire Bank, and Unibank are the largest institutions based on Deposit Market Share, comprising approximately 39.8 percent of the market.

There is a high level of competition for home mortgage loans. In 2022, 397 lenders reported 11,345 residential mortgage loans originated or purchased in the credit union's assessment area. The highest ranked institutions in the assessment area are mortgage companies and national banks, totaling approximately 12.3 percent of the market.

Community Contact

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.

Examiners contacted a representative from a non-profit organization serving Grafton Massachusetts. The organization is a housing agency providing assistance for low- and moderate-income residents. The contact noted an affordability gap as rising prices for mortgages and rentals exceed the ability for many families. Housed individuals face homelessness risks including foreclosures, increasing rent prices, and utility bill increases. The contact mentioned that more support for low-income credit programs or housing renovation assistance would benefit the community, as would relief on bank fees.

Credit Needs

The assessment area has a need for additional affordability and support for low- and moderate-income families. Flexible credit products or lending initiatives will help meet this need in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA

Loan-to-Share Ratio

This performance criterion determines what percentage of the credit union’s membership share base is reinvested in the form of loans and evaluates its appropriateness. The average net loan-to-share ratio since the previous examination is reasonable given the institution’s size, financial condition, and assessment area credit needs.

The credit union’s loan to share ratio, as calculated from the Quarterly Call Report data, averaged 87.3 percent over the past eight calendar quarters from September 30, 2021, through June 30, 2023. The ratio rose steadily over the reviewed period and ranged from a high of 91.9 percent as of December 31, 2022, to a low of 80.7 percent as of September 30, 2021. The rising trend of the ratio was primarily driven by loan growth through the eight quarters; total loans increased approximately \$16.2 million over the evaluation period, or 13.7 percent growth. During the same period shares increased \$139,000 or 0.1 percent growth.

The credit union’s average net LTS ratio over the evaluation period was compared to that of two similarly situated institutions. The institution selection is based on geographic location, lending focus, and branching structure. Homefield Credit Union’s average net LTS ratio is comparable to two of the three the institutions used in this comparison and supports reasonable performance.

Loan-to-Deposit Ratio Comparison		
Institution	Assets (\$000)	Average LTS Ratio (%)
Homefield Credit Union	171,458	87.3
Alden Credit Union	199,071	77.9
Shrewsbury Credit Union	209,157	46.8
<i>Source: Reports of Income and Condition 9/30/2021 through 6/30/2023</i>		

Assessment Area Concentration

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

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2021	76	68.5	35	31.5	111	21,958	69.3	9,732	30.7	31,690
2022	20	52.6	18	47.4	38	4,888	44.9	5,987	55.1	10,874
Total	96	64.4	53	35.6	149	26,846	63.1	15,719	36.9	42,564
<i>Source: Credit Union Data</i>										

Geographic Distribution

The geographic distribution of loans reflects adequate dispersion throughout the assessment area.

The credit union’s performance in low-income census tracts in 2021 was below the demographic of owner occupied housing and aggregate lending levels in the same areas. The credit union originated the same number of loans in low-income census tracts in 2022, but lower overall volume increased the percentage of lending in low-income tracts above aggregate performance and owner-occupied housing demographics.

The credit union’s performance in moderate-income census tracts was below the 2021 demographics and aggregate lending. The credit union’s lending fell by number in 2022 and remained below the demographics and aggregate lending in the same areas.

Performance context explains and mitigates the credit union’s performance for low- and moderate-income areas. Approximately 93.3 percent of the assessment areas low- and moderate-income tracts are located in Worcester, which also comprises the majority of competition and a large portion of the origination activity. The limited branch presence of the credit union coupled with the high level of competition makes outreach to these areas a challenge.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	5.1	6.3	2	2.6	546	2.5
2022	3.5	6.6	2	10.0	710	14.5
Moderate						
2021	9.6	9.7	6	7.9	1,344	6.1
2022	11.2	13.4	2	10.0	553	11.3
Middle						
2021	36.7	33.1	14	17.9	3,550	15.8
2022	40.8	37.7	5	25.0	1,141	23.3
Upper						
2021	48.5	50.8	54	69.2	16,518	73.7
2022	44.3	41.8	11	55.0	2,485	50.8
Not Available						
2021	0.1	0.2	0	0.0	0	0.0
2022	0.2	0.5	0	0.0	0	0.0
Total						
2021	100.0	100.0	78	100.0	22,400	100.0
2022	100.0	100.0	20	100.0	4,888	100.0
<i>Source: 2015 & 2020 ACS; Credit Union Data, 2021 & 2022 HMDA Aggregate Data.</i>						

Borrower Profile

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

Home mortgage lending to low-income borrowers is below aggregate performance in 2021, and comparable to aggregate performance in 2022. Credit union performance was below the demographic for all years analyzed. The percentage of loans to low-income borrowers is less than the percentage of low-income families, which reflects the difficulty for a low-income family to qualify for a mortgage using conventional underwriting standards. The borrowers earning \$64,750 would have difficulty qualifying for \$394,692 of credit.

The credit union's performance among moderate-income lenders was below the aggregate performance and demographic of moderate-income families for both years. Performance context explains and mitigates the credit union's performance for moderate-income families. Approximately 50.5 percent of moderate-income families reside in Worcester, which also comprises the majority of competition and a large portion of the origination activity. The limited branch presence of the credit union coupled with the high level of competition makes outreach to these moderate-income families a challenge.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	23.5	5.2	3	3.9	444	2.0
2022	23.7	5.7	1	5.0	165	3.4
Moderate						
2021	15.6	18.2	8	10.5	1,868	8.5
2022	15.5	20.6	2	10.0	96	2.0
Middle						
2021	18.6	23.5	15	19.7	3,878	17.7
2022	19.4	24.2	6	30.0	1,591	32.5
Upper						
2021	42.4	38.1	39	51.3	13,147	59.9
2022	41.4	36.4	7	35.0	2,026	41.5
Not Available						
2021	0.0	15.0	11	14.5	2,622	11.9
2022	0.0	13.1	4	20.0	1,010	20.7
Total						
2021	100.0	100.0	76	100.0	21,958	100.0
2022	100.0	100.0	20	100.0	4,888	100.0

Source: 2015 & 2020 ACS; Credit Union Data, 2021 & 2022 HMDA Aggregate Data.

Response to Complaints and 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, the credit union maintains an adequate record relative to fair lending policies and practices.

Minority Application Flow

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

According to the 2020 ACS Census Data, the credit union's assessment area contained a total population of 401,710 individuals of which 36.6 percent are minorities. The minority population represented is 7.8 percent Black/African American, 13.7 percent Asian/Pacific Islander, 0.1 percent American Indian/Alaskan Native, and 1.5 percent other. Approximately 15.3 percent of the population is Hispanic or Latino.

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

In 2021, The credit union received 85 HMDA reportable loan applications within its assessment area. The credit union received no applications from a consumer identified as a racial minority. This was below the aggregate performance of 16.6 percent of its applications from racial minority individuals. The credit union's racial minority application flow improved in 2022 to 10.9 percent of all applications but remained below aggregate lending at 18.5 percent.

In 2021, The credit union received 5 or 5.9 percent of all applications from ethnic groups of Hispanic origin within its assessment area. This was comparable to an aggregate ethnic minority application rate of 9.2 percent. In 2022, The credit union's ethnic minority application flow fell to 2.2 percent, below aggregate application flow of 12.0 percent.

The credit union's minority application flow in 2021 and 2022 reflects an adequate racial minority application flow. The credit union's minority application flow is below aggregate activity. One factor contributing to the difference is the institution's relatively limited presence in Worcester. Conversely, the city of Worcester accounts for a larger percentage of all applications received from aggregate lenders in the assessment area. The aggregate markets larger proportion of lending activity in the city that primarily comprises the majority minority census tracts in the assessment

area and the majority of minority application flow volume in the assessment area (approximately 64.5 percent of the racial minority applications and approximately 70.9 percent of the ethnic minority applications) correlates to a difference in minority application flow.

However, the credit union's marketing strategy reflects efforts to make credit accessible and representative of the demographics of the area. The credit union also employs individuals able to provide translation assistance in Spanish.

Considering the demographic composition of the assessment area, comparisons to aggregate data, and the credit union's fair lending controls, The credit union's minority application flow reflects adequate performance.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet the community credit needs.

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.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 86 Worcester Road, North Grafton MA 01536."

[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.