

PUBLIC DISCLOSURE

November 13, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Jeanne D'Arc Credit Union
Charter Number: 67352

1 Tremont Place
Lowell, MA 01854

**Division of Banks
1000 Washington Street
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

INSTITUTION'S CRA RATING: "Outstanding"

An institution in this group has an excellent 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.

Jeanne D'Arc Credit Union's (JDCU or the Credit Union) outstanding Community Reinvestment Act (CRA) performance under the Lending Test and the high satisfactory performance under the Community Development Test supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the Credit Union's Lending Test and Community Development Test performance.

The Lending Test is rated Outstanding.

- The loan-to-share (LTS) ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The Credit Union made a majority of its home mortgage and small business loans in the assessment area.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- The distribution of borrowers reflects excellent penetration of loans among individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated High Satisfactory.

- The institution demonstrated good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EVALUATION

General Information

The evaluation covers the period from the prior evaluation dated September 12, 2012, to the current evaluation dated November 13, 2018. Examiners used the Interagency Intermediate Small Institution (ISI) Examination Procedures to evaluate JDCU's CRA performance. These procedures include two tests: the Lending Test and the Community Development Test. The evaluation references demographic and economic information from the 2010 United States (U.S.) Census, 2015 American Community Survey (ACS) Census, and Warren Group Housing Statistics. Financial data reflects the September 30, 2018, Consolidated Reports of Condition and Income (Call Report).

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

- Loan-to-share ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints
- Fair lending policies and practices

The Community Development Test considered the following factors.

- Number and dollar amount of community development loans, qualified investments, and community development services
- The responsiveness of such activities to the community development needs of the assessment area

Credit unions must achieve at least a "Satisfactory" rating under each test to obtain an overall "Satisfactory" rating. This evaluation does not include any lending activity performed by affiliates.

Loan Products Reviewed

Examiners determined that the Credit Union's major product lines are home mortgage and consumer loans. This conclusion considered the Credit Union's business strategy and the number and dollar volume of originations during the evaluation period.

The Credit Union's record of originating home mortgage loans contributed more weight to overall conclusions due to the larger share of the portfolio when compared to consumer lending during the evaluation period. In evaluating the Credit Union's performance under the Lending Test, examiners considered all home mortgage loan originations reported on the Credit Union's 2016 and 2017 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). In 2016, the Credit Union reported 1,559 originations totaling approximately \$374.1 million. In 2017, the Credit Union reported 1,367 originations totaling approximately \$365.9 million.

In addition, examiners validated, analyzed and considered all consumer loans originated in 2016 and 2017. The Credit Union collected 2016 and 2017 consumer lending data for its own purposes. The Credit Union also collected six months of 2018 consumer loan data (YTD 2018), which was also reviewed for trend purposes. In 2016, the Credit Union originated 9,163 consumer loans totaling approximately \$83.2 million. In 2017, the Credit Union reported 8,901 consumer loans totaling approximately \$117.7 million.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage and consumer loans. Although the evaluation presents the number and dollar volume of loans, examiners emphasized performance by number of loans. The number of loans is a better indicator of the number of individuals and businesses served. The geographic distribution and borrower profile criteria only include analysis of loans extended within the Credit Union's assessment area.

For the Community Development Test, Credit Union management provided data on qualified community development loans, qualified investments, and community development services since the prior CRA evaluation dated September 12, 2012.

DESCRIPTION OF INSTITUTION

Background

JDCU is a community-focused credit union headquartered in Lowell, Massachusetts with two affiliated Credit Union Service Organizations (CUSO): 1) Callahan Credit Union Financial Services Limited Partnership (CUFSLIP), and 2) Octant Business Services. CUFSLIP is a partnership comprised of 28 credit union executives across the United States who look to develop collaborative solutions to enhance the value of credit unions and their communities. Octant is a jointly owned CUSO providing business loan underwriting, servicing and portfolio administration services. Through Octant, JDCU is affiliated with seven other Credit Unions.

In 2011, JDCU established 'We Share a Common Thread Foundation' as its 501(c) (3) charitable organization whose purpose is to collaborate with local philanthropic groups to provide food, shelter, clothing, health and education support to the community.

Operations

JDCU operates a corporate headquarters at 1 Tremont Place in Lowell, MA that houses administrative and executive offices. There are no branch services at the corporate location. There are eight full-service branches in its assessment area. The branches are located in the towns of Dracut, Chelmsford, Lowell (2 in low-income census tracts), Methuen, Tyngsborough, Westford, and Nashua, NH (1 in moderate-income census tract). Three of these are high school branches (Lowell High, Dracut High, and Nashua High) which introduce students to financial education by including checking and savings account services and walk-up cash-dispensing ATM.

Each Credit Union branch maintains a deposit-taking automated teller machine except the Lowell High and Dracut High locations. The Credit Union operates a mortgage center open by appointment only in Chelmsford, MA and two stand-alone cash-dispensing ATMs in Lowell (both in low-income census tracts).

Three additional branches were opened: 1) 196 Littleton Rd, Westford, MA on April 24, 2014; 2) 102 Spit Brook Rd, Nashua, NH on September 8, 2016; and 3) Nashua High School, 36 Riverside St, Nashua, NH in September 2017.

Most branch lobbies are open from 8:00 or 8:30 AM to 4:00 PM weekdays with extended hours to 6:00 PM on Thursday and Friday, and 8:00 AM to 1:00 PM. The three high school branches are open during regular school hours. The mortgage and commercial loan office hours are 8:00 AM to 4:00 PM on Monday through Friday. Most drive-up windows are open from 7:30 AM to 4:00 PM weekday with extended hours to 6:00 PM on Thursday and Friday, and 7:30 AM to 1:00 PM on Saturday. All branches have either a drive-up or walk-up automated teller (ATM) or both. There are seven branches with a 24-hour drive-up ATM, and five branches with a 24-hour walk-up ATM.

Personal products include premier and fee-free checking, savings, certificates of deposit (CDs), and money market accounts, and IRA retirement plans. The "M3 Money Club Savings" encourage members under age 12 to save, spend and share their money. Loan product offerings include residential mortgages, home equity lines of credit (LOC), home equity loans, VISA credit cards,

auto and personal loans. Business products include business checking, savings, CDs, debit and VISA credit cards, secured and unsecured commercial loans, SBA loans, and SEP IRA retirement planning.

Other services include online banking and Apps, Mobile Pay, SUM network, Online Bill Pay, Money Compass integrated financial management tool, PayUp! Person to person tool, Deposit Anywhere mobile deposit, eDocuments, direct deposit, ATM and debit card, call-24 phone access. The Credit Union provides several other in-branch services such as notary public, night depository, treasurer’s checks and money orders, coin counter, life and disability insurance, wire transfer services, postage stamps.

Ability and Capacity

Assets totaled approximately \$1.4 billion as of the September 30, 2018 quarterly call report, including total loans of approximately \$1.2 billion. Total loans and assets have increased since the last examination in September 2012. Total loans have increased by \$682 million, or 129.8 percent, and total assets have increased by \$421 million, or 43.5 percent. The Credit Union attributed the overall loan and asset growth to its strategic goals.

The Credit Union’s loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 9/30/18		
Loan Category	\$(000s)	%
Unsecured Credit Card Loans	\$29,390,595	2.4
Non-Federally Guaranteed Student Loans	\$20,459,305	1.7
All Other Unsecured Loans/LOC	\$14,322,285	1.2
New Vehicle Loans	\$39,624,945	3.3
Used Vehicle Loans	\$78,556,084	6.5
All Other Secured Non-Real Estate Loans/LOC	\$1,973,795	0.2
Total Loans/LOC Secured by 1 st Lien 1-4 Family Residential	\$805,594,487	66.7
Total Loans/LOC Secured by Jr Lien 1-4 Family Residential	\$84,316,371	7.0
All Other Real Estate Loans/LOC	\$89,933	0.0
Commercial Loans/LOC Real Estate Secured	\$131,777,174	10.9
Commercial Loans/LOC Not Real Estate Secured	\$2,355,864	0.2
Total Loans	\$1,208,460,838	100.0

Source: Reports of Condition and Income

The Division assigned the Credit Union a CRA rating of “Outstanding” at its previous CRA evaluation dated September 12, 2012. Examiners did not identify any financial, legal or other impediments that affect the Credit Union’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. JDCU designated a single assessment area encompassing 43 cities and towns within two Massachusetts counties and two New Hampshire counties.

Assessment Area					
Massachusetts					
Middlesex County					
Acton	Ayer	Bedford	Billerica	Burlington	Carlisle
Chelmsford	Concord	Dracut	Dunstable	Groton	Hanscom AFB
Littleton	Lowell	North Chelmsford	North Reading	Pepperell	Reading
Tewksbury	Townsend	Tyngsboro	Westford	Wilmington	
Essex County					
Andover	Haverhill	Lawrence	Methuen	Middleton	North Andover
New Hampshire					
Rockingham County					
Atkinson	Derry	Plaistow	Salem	Windham	
Hillsborough County					
Amherst	Brookline	Hollis	Hudson	Litchfield	Merrimack
Milford	Nashua	Pelham			

It should be noted that, Hanscom AFB (census tract 25 017 3601.00), a former Air Force Base primarily located in Bedford, MA, is now operated by the Massachusetts Port Authority responsible for the vast majority of flights in and out of this local airport. This area has limited lending opportunities.

The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The assessment area includes 202 census tracts in Essex County, MA, Middlesex County, MA, Hillsborough County, NH, and Rockingham County, NH. These census tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 38 low-income tracts,
- 27 moderate-income tracts,
- 77 middle-income tracts,
- 60 upper-income tracts, and
- 0 N/A.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	202	18.8	13.4	38.1	29.7	0.0
Population by Geography	1,039,089	15.1	13.3	38.8	32.8	0.0
Housing Units by Geography	397,809	14.9	14.4	39.1	31.6	0.0
Owner-Occupied Units by Geography	259,802	4.9	11.4	43.9	39.8	0.0
Occupied Rental Units by Geography	118,041	35.6	20.4	29.7	14.4	0.0
Vacant Units by Geography	19,966	22.4	17.8	33.4	26.4	0.0
Businesses by Geography	70,350	12.2	10.6	39.7	37.5	0.0
Farms by Geography	1,618	3.8	7.5	42.0	46.7	0.0
Family Distribution by Income Level	268,089	22.7	16.7	20.9	39.7	0.0
Household Distribution by Income Level	377,843	25.2	15.0	16.9	42.9	0.0
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$100,380	Median Housing Value			\$317,327
Median Family Income MSA - 31700 Manchester-Nashua, NH MSA		\$85,966	Median Gross Rent			\$1,124
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH MD		\$90,150	Families Below Poverty Level			6.7%
<p><i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						

The 2016 and 2017 Federal Financial Institutions Examination Council (FFIEC) median family income (MFI) level is used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper-income categories based on the 2016 and 2017 FFIEC updated median family income.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA MD Median Family Income (15764)				
2016 (\$98,600)	<\$49,300	\$49,300 to <\$78,880	\$78,880 to <\$118,320	≥\$118,320
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
Manchester-Nashua, NH MSA Median Family Income (31700)				
2016 (\$83,100)	<\$41,550	\$41,550 to <\$66,480	\$66,480 to <\$99,720	≥\$99,720
2017 (\$87,200)	<\$43,600	\$43,600 to <\$69,760	\$69,760 to <\$104,640	≥\$104,640
Rockingham County-Strafford County, NH MD Median Family Income (40484)				
2016 (\$87,900)	<\$43,950	\$43,950 to <\$70,320	\$70,320 to <\$105,480	≥\$105,480
2017 (\$93,800)	<\$46,900	\$46,900 to <\$75,040	\$75,040 to <\$112,560	≥\$112,560
<i>Source: FFIEC Due to rounding, totals may not equal 100.0</i>				

The Credit Union’s assessment area consists of 1,039,089 individuals.

In addition, approximately 39.4 percent of families are designated as low- or moderate-income. These percentages further demonstrate the need for affordable housing in the assessment area.

Competition

There is a strong level of competition within the assessment area for home mortgages. JDCU competes directly with other local credit unions, community credit unions both small and large, as well as large national credit unions and mortgage companies. Aggregate data for 2017 shows that out of 493 lenders originating at least one home mortgage loan in the assessment area, the Credit Union ranked 7th with 2.5 percent market share. The top three lenders in the assessment area included: Wells Fargo Credit union, NA, Quicken Loans, Inc., and JP Morgan Chase Credit union, NA representing approximately 16.0 percent market share.

Community Contact

As part of the CRA evaluation process, third parties who are active in the assessment area are contacted to assist in evaluating community needs of the Credit Union’s assessment area. Relevant information from these contacts assists in determining whether local financial institutions are responsive to the credit needs of the community, and what further opportunities, if any, are available.

Examiners contacted a representative of an economic development organization in the assessment area. The contact indicated that the most significant community development-related need in the assessment area was affordable housing for the low income population in the area. The contact indicated that the homeless population are especially at risk as lack of available housing can exasperate addiction and mental health issues.

The contact identified a significant level of opportunity for home mortgage lending, as the IDA program that enables low income families to purchase a home is being discontinued. The contact also mentioned that they are working closely with the banking institutions in the assessment area to develop an action plan to address the needs of the homeless in the community. Additionally, the contact indicated small credit builder and small personal loans as an area of opportunity that has met tremendous success within the community.

Overall, the contact was very pleased with the involvement of local financial institutions and considered JDCU very active in the community.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Jeanne D'Arc Credit union demonstrated excellent performance under the Lending Test. The Loan to Share ratio, Assessment Area Concentration criterion, and Borrower Profile performance support this conclusion.

Loan-to-Share Analysis

The average LTS ratio since the previous evaluation is more than reasonable given the institution's size, financial condition, and assessment area credit needs. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total shares. This performance criterion determines what percentage of the Credit Union's share base is reinvested in the form of loans.

The Credit Union's net LTS ratio, as calculated from NCUA 5300 Quarterly Call Report data, averaged 101.5 percent over the past eight quarters from December 31, 2016 to September 30, 2018. The ratio ranged from a low of 94.9 percent on March 31, 2017 to a high of 105.5 percent on December 31, 2017; the LTS ratio showed particular increases over the first two quarters in 2017 and remained consistent over the remainder of the evaluation period. Conversations with the Credit Union's management indicated that increases were due to a greater focus on mortgage loan originations throughout the market area. An average LTS ratio of 101.5 demonstrates the Credit Union's ability to lend within the community.

To further evaluate the Credit Union's LTS ratio, examiners selected comparable institutions based on their asset size, geographic location, and lending focus. Please refer to the following table.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of 9/30/2018	Average Net LTD Ratio (%)
JDCU	\$1,389,098	101.5
St. Mary's Credit Union	\$866,843	106.7
Metro Credit Union	\$1,851,413	106.9
Workers' Credit Union	\$1,800,000	107.2
<i>Source: Reports of Income and Condition 12/31/16 through 9/30/18</i>		

Assessment Area Concentration

The Credit Union made a majority of its home mortgage loans, by number and dollar volume, within its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	1,036	66.5	523	33.5	1,559	204,222	54.6	169,905	45.4	374,127
2017	880	64.4	487	35.6	1,367	172,250	47.1	193,659	52.9	365,909
Subtotal	1,916	65.5	1,010	34.5	2,926	376,472	50.9	363,564	49.1	740,036
Consumer										
2016	8,442	92.1	721	7.9	9,163	69,124	83.1	14,094	16.9	83,218
2017	7,726	86.8	1,175	13.2	8,901	85,479	72.7	32,178	27.3	117,657
YTD 2018	3,450	90.1	380	9.9	3,830	24,866	80.2	6,137	19.8	31,003
Subtotal	19,618	89.6	2,276	10.4	21,894	179,469	77.4	52,409	22.6	231,878
Total	21,534	86.8	3,286	13.2	24,820	555,941	57.2	415,973	42.8	971,914
<i>Source: Evaluation Period: 1/1/2016 - 6/30/2018 Credit union Data Due to rounding, totals may not equal 100.0</i>										

Geographic Distribution

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

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. Examiners focused on the comparison to aggregate data.

The following table shows that the Credit Union's performance in 2016 low-income census tracts was 2.2 percentage points lower than the aggregate level. However, the Credit Union improved in 2017 low-income census tracts whereby the Credit Union's performance was comparable to the aggregate level. By number, the Credit Union almost tripled their originations from 2016 to 2017. The increase in lending corresponds to both the increased branch presence in Nashua and the Credit Union's efforts to expand their mortgage lending. The Credit Union's improvement exhibits a commitment to lending in the expanded assessment area.

In moderate-income areas, the Credit Unions performance exceeded the aggregate level for both 2016 and 2017 by 7.5 and 11.5 percent points, respectively. The Credit Union's performance similarly exceeded the demographic of owner occupied housing in moderate-income tracts.

Market share data correlates to the Credit Union's performance. In 2016, the Credit Union ranked 21st in lending in low-income census tracts with a 1.29 percent market share. This is below the Credit Union's overall 2016 market rank of 9th. However, in 2017, the Credit Union ranked 7th in lending in low-income census tracts with a 2.56 percent market share, comparable to its overall 2017 rank of 7th in market share.

The Credit Union ranked 3rd in lending in moderate-income census tracts with a 4.1 percent market share in 2016. In 2017 the Credit Union ranked 2nd in lending in moderate-income census tracts with a 4.70 percent market share. In both, cases, the Credit Union was the highest-ranked local lender in the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	3.9	4.7	26	2.5	3,776	1.8
2017	4.9	8.4	76	8.6	14,187	8.2
Moderate						
2016	11.4	10.4	185	17.9	31,587	15.5
2017	11.4	12.9	215	24.4	33,575	19.5
Middle						
2016	48.7	48.5	564	54.4	103,462	50.7
2017	43.9	43.0	395	44.9	72,705	42.2
Upper						
2016	36.0	36.5	261	25.2	65,397	32.0
2017	39.8	35.7	194	22.0	51,783	30.1
Totals						
2016	100.0	100.0	1,036	100.0	204,222	100.0
2017	100.0	100.0	880	100.0	172,250	100.0
<i>Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Credit Union Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0</i>						

Consumer Loans

The geographic distribution of consumer loans reflects excellent dispersion throughout the assessment area. Examiners focused on the comparison to demographic data.

In 2016, the Credit Union's performance in low- and moderate-income census tracts exceeded the demographic of households in the same census tracts. The originations in low-income census tracts, at 24.9 percent, was more than double that of the demographics. Similarly, the Credit Union's performance in moderate-income census tracts was almost double the percentage of households in the same geographies.

In 2017, the Credit Union performance was again above the demographic. The Credit Union doubled the demographic in low-income census tracts and exceeded the demographic of moderate-income census tracts by 10 percentage points. Based on YTD 2018 information, the Credit Union's performance remains consistent in the current year.

Geographic Distribution of Consumer Loans					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2016	10.5	2,101	24.9	8,234	11.9
2017	14.5	2,475	32.0	12,603	14.7
YTD 2018	14.5	1,237	35.9	5,063	20.4
Moderate					
2016	15.6	2,450	29.0	13,341	19.3
2017	14.2	1,887	24.4	18,452	21.6
YTD 2018	14.2	856	24.8	5,623	22.6
Middle					
2016	44.7	2,950	34.9	32,658	47.2
2017	39.5	2,476	32.0	36,494	42.7
YTD 2018	39.5	996	28.9	9,467	38.1
Upper					
2016	29.2	941	11.1	14,891	21.5
2017	31.8	888	11.5	17,930	21.0
YTD 2018	31.8	361	10.5	4,713	19.0
Totals					
2016	100.0	8,442	100.0	69,124	100.0
2017	100.0	7,726	100.0	85,479	100.0
YTD 2018	100.0	3,450	100.0	24,866	100.0

Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 6/30/2018 Credit Union Data.

Due to rounding, totals may not equal 100.0

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels (including low- and moderate-income). The Credit Union's home mortgage and consumer lending performance support this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is excellent. Examiners focused on the comparison to aggregate data.

Home mortgage lending to low-income borrowers in 2016, at 8.1 percent, is excellent when compared to the aggregate data of 5.6 percent. This trend continued into 2017 with 11.4 percent, compared to the aggregate data of 7.4 percent.

A low-income family in the assessment area, with an income of \$49,300, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$317,327. Therefore, the demand and opportunity for lending to low-income families are relatively limited. This helps explain the difference between Credit Union performance of lending to low-income borrowers and the 8.1 percent for 2016 and 11.4 percent of families of this income level in 2016 and 2017, respectively. It should be noted that the aggregate percentages are below the demographic percentages as well for both years.

Home mortgage lending to moderate-income borrowers was equally strong for the Credit Union in 2016, the Credit Union garnered 24.3 percent in comparison to the aggregate of 17.4. The percentages in 2017 continued with a strong performance with 24.7 percent of loans originated to moderate-income borrowers, compared to aggregate performance of 20.3 percent. The Credit Union performance also compared favorably to the demographics for the lending area, exceeding the percentages of moderate-income families.

Market share data further supported the Credit Union's excellent performance. In 2016, the Credit Union ranked 6th in lending in low-income census tracts with a 3.47 percent market share. In comparison the Credit Union overall 2016 market rank is 9th. In 2017, the Credit Union ranked 5th in lending in low-income census tracts with a 3.80 percent market share, comparable to its overall 2017 rank of 7th in market share. For moderate-income census tracts, the Credit Union ranked 6th in lending with a 3.4 percent market share in 2016. In 2017, the Credit Union ranked 6th in lending in moderate-income census tracts with a 3.01 percent market share. Thus, for both years the Credit Union was below the overall market share percentages for this lending group.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	20.6	5.6	84	8.1	10,000	4.9
2017	22.7	7.4	100	11.4	12,383	7.2
Moderate						
2016	17.4	17.4	252	24.3	39,260	19.2
2017	16.7	20.3	217	24.7	34,835	20.2
Middle						
2016	21.6	23.5	309	29.8	59,305	29.0
2017	20.9	24.2	254	28.9	43,396	25.2
Upper						
2016	40.5	37.9	376	36.3	90,838	44.5
2017	39.7	33.8	291	33.1	75,181	43.6
Not Available						
2016	0.0	15.7	15	1.4	4,819	2.4
2017	0.0	14.3	18	2.0	6,455	3.7
Totals						
2016	100.0	100.0	1,036	100.0	204,222	100.0
2017	100.0	100.0	880	100.0	172,250	100.0
<i>Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Credit Union Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Consumer Loans

The distribution of consumer loans to individuals of different income levels, including low- and moderate-income borrowers, is excellent. Examiners focused on the comparison to demographic data.

The Credit Union provided a majority of loans to low-income individuals during the evaluation period. The performance exceeded area demographics for each year, more than double the percentage of low-income households in the assessment area.

The Credit Union's performance in originating consumer loans to moderate-income borrowers was comparable to demographic measures. In 2016, the Credit Union originated 15.3 percent of its consumer loans to individuals of moderate-income, compared to a 15.4 percent demographic of moderate-income households. In 2017, the Credit Union's performance improved to 18.7 percent,

exceeding the demographic by over 3 percentage points. Performance YTD 2018 appears consistent with prior years.

Distribution of Consumer Loans by Borrower Income Level					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2016	23.8	5,391	63.9	19,759	28.6
2017	25.2	4,742	61.4	24,118	28.2
YTD 2018	25.2	2,261	65.5	9,690	39.0
Moderate					
2016	15.4	1,290	15.3	13,275	19.2
2017	15.0	1,442	18.7	21,448	25.1
YTD 2018	15.0	600	17.4	5,714	23.0
Middle					
2016	17.9	890	10.5	15,122	21.9
2017	16.9	864	11.2	19,538	22.9
YTD 2018	16.9	351	10.2	5,104	20.5
Upper					
2016	43.0	767	9.1	19,610	28.4
2017	42.9	655	8.5	19,859	23.2
YTD 2018	42.9	230	6.7	4,313	17.3
Not Available					
2016	0.0	104	1.2	1,358	2.0
2017	0.0	23	0.3	516	0.6
YTD 2018	0.0	8	0.2	45	0.2
Totals					
2016	100.0	8,442	100.0	69,124	100.0
2017	100.0	7,726	100.0	85,479	100.0
YTD 2018	100.0	3,450	100.0	24,866	100.0
<i>Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 6/30/2018 Credit Union Data. Due to rounding, totals may not equal 100.0</i>					

Response to CRA Related Complaints

The Credit Union did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this evaluation.

Minority Application Flow

The Credit Union's HMDA LARs for 2016 and 2017 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 2015 ACS Census Data, the Credit Union's assessment area contained a total population of 1,039,089 individuals, of which 24.0 percent are minorities. The assessment area's minority and ethnic population is 2.1 percent Black/African American, 7.2 percent Asian/Pacific Islander, 0.1 percent American Indian, 12.8 percent Hispanic or Latino, and 1.9 percent other.

The Credit Union's level of lending was compared with that of the aggregate's lending performance level for the years that data was available, 2016 and 2017. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Credit Union received from minority residential loan applicants. 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 2016		Aggregate Data 2016	Credit Union 2017		Aggregate Data 2017
	#	%	%	#	%	%
American Indian/Alaska Native	0	0.0	0.3	2	0.2	0.2
Asian	91	7.3	6.7	82	7.3	6.5
Black/African American	27	2.2	1.8	19	1.7	2.2
Hawaiian/Pacific Islander	2	0.1	0.2	0	0.0	0.2
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	11	0.9	1.3	8	0.7	1.3
Total Minority	131	10.5	10.4	101	9.9	10.5
White	963	76.9	68.9	911	81.2	67.4
Race Not Available	157	12.6	20.7	100	8.9	22.1
Total	1,251	100.0	100.0	1,122	100.0	100.0
ETHNICITY						
Hispanic or Latino	55	4.4	6.3	52	4.6	7.0
Joint (Hisp/Lat /Not Hisp/Lat)	16	1.3	1.1	23	2.1	1.1
Not Hispanic or Latino	1,020	81.5	72.5	948	84.5	70.1
Ethnicity Not Available	160	12.8	20.1	99	8.8	21.8
Total	1,251	100.0	100.0	1,122	100.0	100.0

In 2016, the Credit Union received 1,251 HMDA-reportable loan applications from within its assessment area. Of these applications, 131 or 10.5 percent were received from racial minority applicants, of which 99 or 75.5 percent resulted in originations. Approximately 10.5 percent of aggregate lender applications were received from racial minority applicants, 67.8 percent of which were originated. The Credit Union received 71 applications from ethnic minority applicants in 2016, approximately 5.7 percent of all originations. This was also comparable to aggregate data, which had an ethnic minority application flow of 7.4 percent. The origination rate of ethnic minority applications, at 54.9 percent, is lower than the aggregate rate of 62.5 percent.

In 2017, the Credit Union received 1,122 HMDA-reportable loan applications from within its assessment area. Of these applications, 101 or 9.9 percent were received from minority applicants, of which 79 or 78.2 percent resulted in originations. The aggregate racial minority application rate was 10.5 percent and 68.3 percent of these applications were originated. The Credit Union received 75 applications from ethnic minority applicants in 2017, approximately 6.7 percent of all originations. This was also comparable to aggregate data, which had an ethnic minority application flow of 8.1 percent. The origination rate of ethnic minority applications, at 74.6 percent, is higher than the aggregate rate of 65.8 percent.

The Credit Union's racial and ethnic minority application flows over the evaluation period is comparable to the aggregate. Overall, the origination rate of the Credit Union compares favorably to the aggregate. The Credit Union regularly reviews the demographic composition of its assessment area and utilizes a diverse staff to translate for minority applicants. Considering the Credit Union's overall performance, coupled with review of sampled loans for underwriting controls, the Credit Union's minority application flow is adequate.

COMMUNITY DEVELOPMENT TEST

JDCU demonstrated good responsiveness to the assessment area's community development needs through community development services. Additionally, while not required for a Credit Union, JDCU opted to provide its record of community development loans and investments for CRA consideration. The Credit Union was particularly responsive and innovative in meeting the needs of its community, exemplified by the new investments and services initiated during the evaluation period. The Credit Union designed several programs from the ground up, including the WSCAT foundation and money strong, and multiple employees hold critical roles in the development of local community organizations. Examiners also considered the institution's capacity and the need and availability of such opportunities.

Community Development Services

During the evaluation period, the Credit Union provided community development services to different community development-related organizations in the assessment area.

Employee Involvement

Credit union employees are involved in local community development organizations in multiple capacities. Employees provide service through membership and participation, providing financial expertise to the organizations they serve. The following are some organizations that benefited from the dedicated service of employees.

Catie's Closet – This organization provides at-risk students with access to clothing and toiletries throughout Massachusetts and New Hampshire. Each of the 68 participating schools set aside a space as a permanent resource for students in need. Trusted faculty members discreetly offer students with access to this space to retrieve clothing or other essentials. Over 35,000 low- and moderate-income students are supported by this program. The Credit Union's Vice President of Marketing is the Board President and Founder of the organization. Several other Credit Union employees act as fundraising agents for this program.

Revitalization Effort Towards New Urbanism (RENU) – RENU is an affiliate non-profit of the Lowell Housing Authority. The aim of RENU is to develop space in Lowell for moderate-income residents, families that may fall out of the Lowell Housing Authority's guidelines but are still in need of assistance. The Chief Lending Officer of JDCU acts as Vice Chair of the Board for this nonprofit.

Girls Inc. of Greater Lowell – Girls Inc. aims to provide young women, particularly those in need, with the tools essential for success. Through financial literacy, English literacy support, violence prevention, and STEM development, Girls Inc. encourages self-reliance, critical thinking, and confidence. Girls Inc. is located in a low-income area, and primarily reaches out to members of the community. A VP of the Credit Union is a Board and Finance Committee member for Girls Inc., and multiple employees act as fundraising agents for the organization.

Merrimack Valley Small Business Center – This organization provides services to entrepreneurs within Merrimack valley. The program is a subsidiary of Community Teamwork, Inc., and offers

assistance in the form of training, tools, or microloans. The aim of the organization is an improved economic impact through job creation and retention. The Credit Union's VP of residential and consumer lending is on the Loan Committee of the small business center, providing technical expertise.

Lowell High School Scholarship Review - Lowell High School is a Title One school, and the majority of students attending come from low- or moderate-income families. An Assistant Vice President and Regional Manager of the Credit Union reviews and selects scholarship recipients from the school.

Lawrence Community Works (LCW) – LCW is a community development corporation focused on affordable housing and economic development for residents and businesses. Community Planning Initiatives, homebuyer education, and workforce development are some of the programs offered. An AVP of Human Resources at the Credit Union used their technical expertise on behalf of LCW in recruiting new staff for their programs.

Coalition for a Better Acre (CBA) – CBA is a community development corporation providing real estate development for the benefit of Lowell Residents. CBA maintains a particular focus on low-income residents, and has provided housing for over 500 families since its inception. The Credit Union's Chief Market Development Officer provides lending expertise to CBA through participation on the Real Estate Advisory Committee.

Owl Diner Charities – This charitable organization provides funds for families in need. Located in a low-income census tract in Lowell, the organization is geared toward low- and moderate-income individuals. The Credit Union's CEO is a Committee member of the organization's fundraising initiatives.

Lawrence Partnership – A collaboration of leaders from business, education, healthcare, and non-profit, form the Lawrence Partnership. The Lawrence Partnership's primary initiative is economic development of the area, including workforce development and small business support for a predominately low-income area. The CEO of the Credit Union is a Board Member of the organization. Additionally, the VP of Commercial Lending sits on the loan committee of the Lawrence Partnership's venture fund.

Lowell Development & Financial Corporation – LDFC is part of an initiative to revitalize Downtown Lowell. The primary initiatives include a series of revolving loan funds for homebuyers and small businesses. The Credit Union's VP of commercial lending sits on multiple loan committees for this organization, including the Incubator Fund for technology and life-science businesses and the Downtown Venture Fund, for the development of retail and service businesses in the area.

Technical Assistance/ Financial Education

The Credit Union coordinates with community development organizations to provide education to the community. Subjects include affordable housing, small business development, fraud prevention, and credit counseling. Since 2015, the Credit Union has committed to over 1700 hours

of financial education, and reached more than 2600 individuals in the assessment area. The following are examples of educational services provided.

Moneystrong – A program created by JDCU, Moneystrong is committed to the financial wellness of individuals in the community. Moneystrong offers a series of workshops, financial literacy presentations, and one-on-one counseling sessions. Topics include basic banking, budgeting, consumer awareness, employability skills, and consumer awareness. The program is coupled with credit services to restore or generate a positive credit history for adults dealing with credit score issues. Life lesson plans have been developed for all ages, from elementary school through senior service organizations. In addition to presentations, JDCU also held several “Moneystrong Fairs” for local schools, an interactive game that encourages wise financial decisions for the future.

Merrimack Valley Housing Partnership – This organization promotes affordable home ownership opportunities for low- and moderate-income members of the community. The organization offers first-time homebuyer courses throughout the Greater Lowell Area. The Credit Union employees participated in multiple homebuyer workshops over the evaluation period. The Credit Union participated in workshops held in both English and Cambodian, in an effort to reach out to underserved segments of the population.

Budget Buddies – This Chelmsford-based organization aims to help low-income women become more economically self-sufficient. The organization provides courses honing money-management skills and offers personal financial coaches. The Credit Union led several money management presentations during the evaluation period.

Middlesex Community College: Shark Tank – A number of entrepreneurs developed business plans for the dual purpose of education and experience. These small businesses were reviewed and evaluated by community representatives. A representative of JDCU offered instruction and advice on maintaining a small business several times during the evaluation period.

Other Services

Branch Location – The Credit Union has maintained 3 branches in low- and moderate-income census tracts during the evaluation period, expanding accessibility to Credit Union services in the area.

Massachusetts Community & Banking Council: Basic Banking – The Credit Union adheres to the basic banking guidelines from this community organization. The aim of the products offered is to encourage those of moderate-income to establish banking relationships.

Qualified Investments

JDCU made 622 qualified investments totaling approximately \$7.1 million, equaling 0.5 percent of average total assets since the last evaluation. Economic development represented the primary investment by dollar amount, while community services to low- and moderate-income individuals represented the greatest number of donations.

The Credit Union committed approximately \$6.1 million in the form of equity investments. The investments were comprised of certificates of deposit or commitments to local loan funds. During the evaluation period, the Credit Union made annual investments in one-year certificates of deposit to a local low-income Credit Union, totaling \$996,000. An additional \$4 million in certificates of deposit were established with a cooperative lending pool, whose primary purpose is to provide financing for small Credit Unions in need of technical assistance.

The Credit Union invested \$400,000 in local loan fund projects, including the Lawrence Venture Fund and the Lowell Development & Financial Corporation Incubator and Downtown Venture Funds. All initiatives were geared to support small or startup businesses in low- and moderate-income areas.

The remainder of the Credit Union’s qualified investments were in the form of grants to local organizations, totaling \$982,760. Grants were extended from both the Credit Union and the “We Share a Common Thread” (WSCAT) foundation, an organization created and run by the Credit Union’s executive management team. The following table details qualified investments by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize Or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period					1	60			1	60
9/12/2012-12/31/2015	5	7	118	1,315	4	1,016	0	0	127	2,338
2016	0	0	131	517	4	1,340	0	0	135	1,857
2017	6	3	169	414	29	1,023	1	2	205	1,442
YTD 2018	6	2	115	384	30	1,035	3	7	154	1,429
Totals	17	12	533	2,631	68	4,474	4	9	622	7,126
<i>Source: Credit Union records</i>										

Below are notable examples of the Credit Union’s qualified donations:

Merrimack Valley Food Bank – This organization aims to expand access to quality food for the most vulnerable residents of the area. The organization works with local businesses, social service agencies, and volunteers to coordinate food drives for the needy. JDCU has provided annual donations to the organization.

Lowell General Hospital – Lowell General Hospital received several donations annually from the Credit Union. Lowell General Hospital has provided care for over 100 years to the residents of the area. As a “High Public Payer” hospital, a majority of the patients served by the hospital use Medicare or Medicaid, suggesting a low- or moderate-incomes.

Mill City Grows – The goal of the organization is to increase community access to healthy fresh food, improving economic independence, professional health, and the environmental sustainability of Lowell. Programs include farm to table cooking classes, educational programs for Lowell

schools, and a mobile market geared specifically to aid low-income communities. JDCU sponsored this organization in 2018.

Lowell Community Health Center - The Community Health care center aims to reduce health disparities throughout Lowell by offering affordable care to children and adults of all ages, regardless of ability to pay. The Credit Union extended annual donations to this health center since the previous evaluation, including a sponsorship as part of the 2017 “Building Bridges” campaign.

“Give a Click” Campaign – The WSCAT foundation utilizes a crowdsourced selection method to determine recipients of quarterly grants. The majority of organizations selected focus on community service for low- and moderate-income families. Past recipients include Uncommon Threads, the Nashua Soup Kitchen & Shelter, and Marguerite’s Place.

Middlesex 3 Coalition – The Middlesex 3 Coalition is a partnership of nine Middlesex county communities, with the shared goal of economic development in the region. The organization, promotes workforce development and education as well as infrastructure and transportation improvements. JDCU became a sponsor of the Middlesex 3 in 2018.

Community Development Loans

JDCU originated 7 community development loans totaling approximately \$3.3 million during the evaluation period. All Community development loans were credit extended toward affordable housing projects.

Community development lending included one loan for a qualified amount of \$253,333 to an entity located in a broader statewide area that includes the assessment area. As the Credit Union has been responsive to assessment area community development needs, examiners considered these loans under the Community Development Test. The following table illustrates the Credit Union’s community development lending activity by year.

Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize Or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
09/12/2012-12/31/2015	2	524	0	0	0	0	0	0	2	524
2016	1	1,452	0	0	0	0	0	0	1	1,452
2017	3	1,229	0	0	0	0	0	0	3	1,229
YTD 2018	0	0	0	0	0	0	1	50	1	50
Totals	6	3,205	0	0	0	0	1	50	7	3,255

Source: Credit Union records

Below are notable examples of community development loans:

- In 2017, the Credit Union originated a loan for \$1.3 for a six unit property in Lawrence MA. Two of the six units were rented at below fair market rate guidelines established by HUD for suggested affordable housing. The community development qualified portion of this loan totaled \$440,000.
- The Credit Union originated one loan for \$760,000 in 2017. The loan was originated with a Lowell developer for a six-unit property in Rockland, MA. Two of the six units were reserved for section 8 recipients. The community development qualified portion of this loan amounted to \$253,333.
- In 2016, the Credit Union originated a loan for \$1.4 to a local developer for a multifamily property in Lowell. The majority of units were rented to borrowers at below fair market value. This loan qualified as affordable housing for the full amount.
- The Credit Union participated in a \$1.0 million emergency loan fund for the Lawrence Area in response to the pipeline explosions. As a predominately low- and moderate-income area, a number of families and employees in the city are particularly vulnerable. The area is in particular need of stabilization in light of the emergency, as evidenced by numerous state and local government plans and initiatives. The Credit Union's participating portion in the emergency loan totaled \$50,000.

GLOSSARY

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

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

Assessment Area: A geographic area delineated by the 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).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and

nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

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

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

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

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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

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

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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.