

PUBLIC DISCLOSURE

December 9, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Lynn Teachers' Credit Union
Certificate Number: 67882

33 North Common Street
Lynn, Massachusetts 01902

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

INSTITUTION RATING

This document is an evaluation of the CRA performance of Lynn Teachers' Credit Union (Credit Union) prepared by the Division, the institution's supervisory agency as of December 9, 2024. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "**Satisfactory**." An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income individuals, in a manner consistent with its resources and capabilities. Lynn Teachers' Credit Union's performance under this test is summarized below:

- Lynn Teachers' Credit Union's average net loan-to-share ratio is adequate given the institution's size, financial condition, and credit needs of its assessment area.
- The distribution among borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).
- The Credit Union has not received any CRA-related complaints since the last CRA evaluation.
- Fair lending policies are adequate for the size and complexity of the Credit Union.

DESCRIPTION OF INSTITUTION

Lynn Teachers' Credit Union is a state-chartered credit union that was established in 1935. The Credit Union's field of membership includes individuals that work or have worked in the Lynn School Departments, and the Credit Union members' immediate family. The Credit Union has 656 members as of December 5, 2024.

The Credit Union's sole office is located at 33 North Common Street Lynn, Massachusetts, within the lobby of the Fecteau Leary High School. This location primarily serves current and former Lynn teachers and is situated in a low-income census tract. The Credit Union's hours are Tuesday through Thursday 8:00 A.M. to 2:00 P.M., with reduced hours during school vacations and summer months.

The Credit Union offers its members savings accounts, payroll deduction and automatic loan payments. Members can also apply for personal loans, new and used auto loans, unsecured home improvement loans, and holiday and vacation loans.

As of September 30, 2024, the Credit Union had total assets of approximately \$4.6 million, total shares and deposits of approximately \$3.6 million, and total loans of approximately \$1.7 million. The Credit Union is primarily a consumer lender by dollar volume. Unsecured loans account for 85.8 percent of the Credit Union's total loans, while vehicle loans account for 14.2 percent of total loans. Pursuant to 209 CMR 46.22(1)(a), because consumer lending constitutes a substantial majority of the Credit Union's business, examiners sampled new and used auto loans, personal loans, and home improvement loans.

The following table illustrates the distribution of the Credit Union's loan portfolio.

Loan Portfolio Distribution as of 9/30/2024		
Loan Category	\$(000s)	%
All Other Unsecured Loans/Lines of Credit	1,528	85.8
New Vehicle Loans	146	8.2
Used Vehicle Loans	107	6.0
Total Loans	1,782	100.0
<i>Source: Reports of Condition and Income</i>		

DESCRIPTION OF ASSESSMENT AREA

Pursuant to 209 CMR 46.41(8), Lynn Teachers' Credit Union delineates its membership as its assessment area. According to CRA regulations, an institution shall delineate one or more assessment areas where the institution will meet credit needs and by which the Division will evaluate the institution's CRA performance. Credit unions whose membership by-laws provisions are not based upon geography are permitted to designate its membership as its assessment area. Since the Credit Union has defined its membership as its assessment area, as opposed to a geographic area, an evaluation of credit extended within a defined geographic area was not conducted. This evaluation was based on an analysis of the Credit Union's loan-to-share ratio, its performance in providing loans to individuals of various incomes, its response to CRA-related complaints, and fair lending performance.

Examiners used the 2022 and 2023 FFIEC estimated median income levels to analyze consumer loans under the Borrower Profile criterion. The following table presents low-, moderate-, middle-, and upper income ranges for the Cambridge-Newton Framingham, Massachusetts Metropolitan Division, within which the geographic area of the Credit Union's field of membership is located.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
<i>Source: FFIEC</i>				

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Share (LTS) Ratio

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

The Credit Union's net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 33.8 percent over the past eight calendar quarters from December 31, 2022, through September 30, 2024. The ratio ranged from a low of 25.3 percent as of March 31, 2023, to a high of 49.2 percent as of September 30, 2024. While the LTS ratio represents an increase since the prior examination, examiners noted fewer shares or deposits were received during the summer months as a result of the Lynn School Department employees having the summer months off. Additionally, the Credit Union's summer loan and winter holiday programs account for a significant portion of its lending, contributing to the seasonal increases in the ratio.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate- income borrowers. Examiners reviewed a sample of 10 consumer loans originated in both 2022 and 2023, comprised of new and used auto loans, personal loans, and unsecured home improvement loans. A majority of the Credit Union's sampled loans, by both number and dollar amount, in both years were originated to low- and moderate-income borrowers.

The Credit Union originated 10.0 percent of loans to low-income borrowers in 2022; while in 2023, the Credit Union increased lending and originated 20.0 percent of loans to borrowers of the same income level. The Credit Union originated 70.0 percent of sampled loans to moderate-income borrowers in 2022. In 2023, there was a small decline in lending to 60.0 percent of lending to moderate-income borrowers

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

Distribution of Consumer Loans by Borrower Income Level				
Borrower Income Level	#	%	\$(000s)	%
Low				
2022	1	10.0	60	6.5
2023	2	20.0	98	8.8
Moderate				
2022	7	70.0	609	65.8
2023	6	60.0	626	56.5
Middle				
2022	2	20.0	257	27.7
2023	1	10.0	128	11.5
Upper				
2022	0	0.0	0	0.0
2023	1	10.0	257	23.2
Total				
2022	10	100.0	926	100.0
2023	10	100.0	1,109	100.0
<i>Source: Sampled Loans</i>				

Response to Complaints and Fair Lending Policies and Procedures

The Credit Union did not receive any CRA-related complaints during the evaluation period.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and practices pursuant to Regulatory Bulletin 1.3-106. The Credit Union has an adequate record of implementing fair lending policies and procedures.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, requires all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 33 North Common Street Lynn, MA 01902.

[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 the Massachusetts Division of Banks, 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.