

PUBLIC DISCLOSURE

September 2, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Mass Bay Credit Union
Certificate Number: 68137**

147 West Fourth Street
South Boston, Massachusetts 02127

Division of Banks
One Federal Street, Suite 710
Boston, Massachusetts 02110-2012

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
SCOPE OF EVALUATION	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREA	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
SMALL INSTITUTION PERFORMANCE CRITERIA	12
GLOSSARY	14

This document is an evaluation of the CRA performance of **Mass Bay Credit Union** (credit union) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of **September 2, 2025**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

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 credit union's performance under this test is summarized below:

The Lending Test is rated Satisfactory.

- The credit union's average net loan-to-share ratio is excellent given the institution's size, financial condition, and credit needs of its assessment area.
- The credit union made a majority of its home mortgage loans inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of 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 and procedures are reasonable.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act requires the Massachusetts Division of Banks to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its assessment area, including low- and moderate-income individuals and neighborhoods, consistent with safe and sound operation of the institution. Upon the conclusion of such an examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership.

This evaluation covers the period from July 19, 2021, to the current evaluation dated September 2, 2025. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Ratio, Assessment Area Concentration, Geographic Distribution, Borrower Profile, and Response to CRA-related Complaints and Fair Lending Procedures.

The evaluation references demographic and economic information from the 2020 American Community Survey (ACS). Credit Union financial data reflects the NCUA 5300 Quarterly Call Report as of June 30, 2025.

Activities Reviewed

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

Examiners analyzed home mortgage loan originations from January 1, 2023, through December 31, 2024. In 2023, including home equity lines of credit (HELOCs), Mass Bay Credit Union originated 314 home mortgage loans totaling \$57.4 million. In 2024, including HELOC loans, the credit union originated 276 home mortgage loans totaling \$39.2 million. In 2023, the credit union met the minimum number of open-end lines of credit applications required for reporting on the HMDA Loan Application Register (LAR), however the threshold was not met in 2024. The credit union collected 2024 HELOC data and provided it to examiners for this evaluation. The credit union's mortgage lending performance for 2023 and 2024 was compared to aggregate data and to 2020 U.S. American Community Survey demographic data to assess the reasonableness of the credit union's performance.

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

DESCRIPTION OF INSTITUTION

Background

Chartered in 1936 to promote thrift among members, Mass Bay Credit Union is a wholly owned cooperative member-owned organization established in the metro Boston, MA area. Geographic and community membership eligibility includes employees and former employees of the Massachusetts Department of Transportation (MassDOT), members of the Massachusetts State Police, and employees of organizations operated wholly by and for such employees, including retirees, widowed spouses, and immediate families of members. Also included are employees of entities affiliated with MassDOT, employees entities not affiliated with MassDOT who are members of labor union locals representing MassDOT employees and individuals, and their immediate family members, who live, work or attend school, college or university or belong to a labor organization located within Norfolk, Suffolk, Middlesex Counties and the selected Plymouth County municipalities of Abington, Brockton, Hanover, Hingham, Marshfield, Norwell, Rockland, Scituate, and Whitman and the Essex County municipalities of Lynn, Peabody and Saugus.

Mass Bay Credit Union received the "low-income credit union" designation from the National Credit Union Association on April 21, 2015, and maintains this designation. A designated low-income credit union indicates that a majority of its membership earns less than 80 percent of the median family income for the metropolitan area where they live or the national metropolitan area, whichever is greater.

The credit union has 18,204 members as of June 30, 2025. Mass Bay Credit Union received a Satisfactory rating from the Massachusetts Division of Banks during its prior evaluation using the FFIEC Small Institution Examination Procedures.

Operations

In addition to its main office at 147 West Fourth Street, South Boston, the credit union operates three additional branches located at 1250 Hancock Street, Quincy; 183 Main Street, Everett; and 409 D Street, Boston. The 409 D Street, Boston branch was temporarily closed commencing October 2022. Prior to its temporary closure, the branch operated on reduced hours, and its Interactive Teller Machine (ITM) remained operational to serve members. This branch is now scheduled to re-open in late September 2025 with similar reduced hours. All other branch hours do not vary with operating hours from 8:30 AM – 4:00 PM, Monday to Friday, and weekend hours on Saturdays from 8:30 AM – 1:15 PM. Walk-up and drive-up (Everett) ITM hours exactly follow branch hours. Outside of standard business hours, ITMs maintain functionality as automated teller machines (ATMs) and may be accessed at any time. Since the prior evaluation, the credit union removed one public deposit-taking ITM at 10 Park Plaza, Boston and four non-public cash-dispensing ATMs,

Mass Bay Credit Union members have access to a variety of products. Members can open checking, savings, and money market accounts, as well as share certificates and Individual Retirement Accounts (IRAs). Members may apply for home mortgage loans, home equity loans or lines of credit, new and used automobile loans, personal loans, student loans, credit builder loans, Mass Save Heat loans, and debt consolidation and credit card re-write loans. Members may also apply for commercial real estate or term loans and business checking, savings, money market accounts, and share certificates are available to business members.

The credit union offers a variety of alternative banking services. Members can access their accounts through online and mobile services to view balances, manage bill pay activity, transfer funds, deposit checks, and 24-hour telephone banking. The credit union is part of the Credit Union Service Centers shared branching network and finally, Mass Bay Credit Union added two more ATM networks thus now offering the SUM, MoneyPass, and AllPoint networks allowing members to access over 90,000 surcharge-free ATMs nationwide.

Ability and Capacity

As of June 30, 2025, the credit union reported \$359.0 million in total assets, \$251.1 million in total shares and deposits, and \$300.0 million in total loans. Over the last eight calendar quarters total assets increased by 7.7 percent, while the total loan portfolio has increased by 5.9 percent.

Residential mortgage lending accounts for a majority of the credit union's loan portfolio with first liens on 1-4 family residential properties accounting for approximately 51.2 percent of all loans, while loans secured by a junior lien on 1-4 family properties account for 33.4 percent of the credit union's loan portfolio. The following table provides an overview of the credit union's loan portfolio.

Loan Portfolio Distribution as of 6/30/2025		
Loan Category	\$	%
All Other Unsecured Loans/Lines of Credit	15,936,250	5.3
New Vehicle Loans	18,748,287	6.3
Used Vehicle Loans	10,783,080	3.6
All Other Secured Non-Real Estate Loans/Lines of Credit	477,363	0.2
Loans/Lines of Credit Secured by a First Lien on a single 1-4 Family Residential	153,615,350	51.2
Loans/Lines of Credit Secured by a Junior Lien on a single 1-4 Family Residential	100,044,737	33.4
Commercial Loan/Real Estate Secured Line of Credit	358,808	0.1
Total Loans	299,963,875	100.0

Source: Reports of Income and Condition

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. The credit union designated a single CRA assessment area that aligns with its geographical and community boundaries defined in a credit union by-law amendment. That CRA assessment area includes all the cities and towns in Middlesex, Norfolk and Suffolk Counties and the three Essex County municipalities of Lynn, Peabody and Saugus, and the nine Plymouth County municipalities of Abington, Brockton, Hanover, Hingham, Marshfield, Norwell, Rockland, Scituate, and Whitman. The assessment area delineation in total contained ninety-eight cities and towns and did not change since the prior evaluation.

Economic and Demographic Data

The credit union's assessment area consisted of 840 census tracts that reflected the following income designations according to the 2020 American Community Survey (ACS) data:

- 86 low-income tracts,
- 152 moderate-income tracts,
- 271 middle-income tracts,
- 292 upper-income tracts,
- 39 tracts without income designation.

The 2020 U.S. Census adjusted the income designation and number of several census tracts within the assessment area when compared to the 2015 U.S. Census data. The number of total low-income tracts increased by twenty-nine, moderate-income tracts increased by sixty-three, middle-income tracts increased by eighty-nine, upper-income tracts increased by one hundred and sixty-seven, and tracts without an income designation increased by twenty-seven. The total number of census tracts increased by three hundred and seventy-five from 465 to 840.

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)	840	10.2	18.1	32.3	34.8	4.6					
Population by Geography	3,591,257	9.4	18.8	34.4	36.0	1.4					
Housing Units by Geography	1,421,483	9.1	18.7	34.9	36.0	1.3					
Owner-Occupied Units by Geography	776,770	3.6	13.9	37.9	44.0	0.7					
Occupied Rental Units by Geography	566,304	16.3	25.2	31.5	25.0	2.1					
Vacant Units by Geography	78,409	11.6	19.6	30.4	36.4	2.0					
Businesses by Geography	426,749	6.2	14.4	32.2	45.4	1.7					
Farms by Geography	6,626	4.0	13.8	37.0	44.5	0.8					
Family Distribution by Income Level	827,710	22.7	15.9	19.6	41.8	0.0					
Household Distribution by Income Level	1,343,074	26.4	14.1	16.6	42.9	0.0					
Median Family Income MSA - 14454 Boston, MA	\$112,607	Median Housing Value			\$556,919						
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA	\$121,481	Median Gross Rent			\$1,656						
		Families Below Poverty Level			6.2%						
Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income.											
(*) The NA category consists of geographies that have not been assigned an income classification.											

The updated Federal Financial Institutions Examination Council (FFIEC) median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table for each year during the review period.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
2024 (\$136,200)	<\$68,100	\$68,100 to <\$108,960	\$108,960 to <\$163,440	≥\$163,440
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
2024 (\$146,600)	<\$73,300	\$73,300 to <\$117,280	\$117,280 to <\$175,920	≥\$175,920

Source: FFIEC

The median housing value in the assessment area is \$556,919, which is high when compared to the median family income of \$136,200 in the Boston, MA Metropolitan Division (MD) and \$146,200 in the Cambridge-Newton-Framingham MA MD. Additionally, 6.2 percent of families in the assessment area live below the poverty line, which represents a subset of low-income families. These factors may limit the ability for low- and moderate-income families to qualify for a mortgage under conventional

underwriting standards. Therefore, these factors may limit the credit union's home mortgage lending opportunities to low- and moderate-income families.

Competition

The credit union's assessment area is a highly competitive market for home mortgage loans. According to market share data, in 2024, a total of 627 lenders made at least one loan in the credit union's assessment area. Of these lenders, the credit union held less than one percent of the available market and ranked below several financial institutions, including large national banks, non-depository lenders, and several state-chartered banks and credit unions of varying sizes.

Additionally, according to branch and deposit market share data, there is a total of 1,200 depository branch locations operating within the credit union's assessment area. Out of 159 institutions, 75 of them operated three or more branch locations. Of these institutions, the credit union operates just four branches within the assessment area and held 0.3 percent of available deposits.

Community Contact

As part of the evaluation process, examiners contact third parties that are active within the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to those needs, and to identify what credit and community development opportunities are available.

Examiners reviewed a recent contact from a community development organization in the credit union's assessment area that serves the Greater Boston, Northern South Shore, and Metro West areas. The organization works to ensure families and individuals have access to and knowledge about affordable housing. The contact discussed the difficulty in developing affordable housing as well as the inability for low- and moderate-income individuals and families to afford housing. The contact explained that those looking to purchase homes are struggling with high costs due to the current market conditions. Language barriers are also problematic. Last, the contact stated that potential borrowers would benefit from down payment assistance grants and first-time homebuyer education programs that prepare borrowers for homeownership as well as small business classes.

Credit Needs

Considering information from the community contact interview, credit union management, and demographic and economic data, examiners determined that affordable housing and support for economic development are the primary community development needs in the assessment area. The high housing costs and low- and moderate-income individuals support this conclusion. The credit union can help by creating and offering innovative and flexible loan programs for both home mortgage and small business needs. The credit union can also help by offering and/or participating in programs to assist first-time homebuyers.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Mass Bay Credit Union's overall Lending Test performance is rated Satisfactory. The sections below discuss the credit union's performance under each criterion.

Loan-to-Share Ratio

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

The credit union's net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 117.6 percent over eight calendar quarters from September 30, 2023, through June 30, 2025. Mass Bay Credit Union's LTS ratio ranged from a high of 121.2 percent as of December 31, 2023, to a low of 112.7 percent as of September 30, 2023. The LTS ratio remained relatively stable throughout the examination period. Mass Bay Credit Union's LTS ratio compared well above those of two similarly situated institutions. Please refer to the table below for a comparison of the credit unions' loan-to-share ratios.

Loan-to-Share Ratio Comparison				
Institution			Total Assets as of 6/30/2025	Average Net LTS Ratio (%)
Mass Bay Credit Union			359,002,425	117.6
Members Plus Credit Union			344,098,533	72.5
Tremont Credit Union			263,796,833	86.8

Source: Reports of Income and Condition 9/30/2023 through 6/30/2025

Assessment Area Concentration

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

Loan Category	Lending Inside and Outside of the Assessment Area											
	Number of Loans				Total #	Dollar Amount of Loans				Total		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Home Mortgage												
2023	240	76.4	74	23.6	314	46,029,634	80.2	11,368,205	19.8	57,397,839		
2024	210	76.1	66	23.9	276	30,569,150	78.0	8,613,000	22.0	39,182,150		
Total	450	76.3	140	23.7	590	76,598,784	79.3	19,981,205	20.7	96,579,989		

Source: Credit Union Data

Geographic Distribution

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

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$ (000s)	%
Low						
2023	3.6	5.2	10	4.2	1,872	4.1
2024	3.6	4.8	11	5.2	960	3.1
Moderate						
2023	13.9	13.8	42	17.5	6,903	15.0
2024	13.9	14.8	24	11.4	2,048	6.7
Middle						
2023	37.9	33.8	81	33.8	15,282	33.2
2024	37.9	37.9	91	43.3	14,390	47.1
Upper						
2023	44.0	46.1	104	43.3	21,775	47.3
2024	44.0	41.8	83	39.5	12,971	42.4
Not Available						
2023	0.7	1.1	3	1.3	197	0.4
2024	0.7	0.8	1	0.5	200	0.7
Total						
2023	100.0	100.0	240	100.0	46,030	100.0
2024	100.0	100.0	210	100.0	30,569	100.0

Source: 2020 U.S. ACS; Credit Union Data, 2023 & 2024 HMDA Aggregate Data,

In 2023, the credit union originated 10, or 4.2 percent, of home mortgage loans in low-income census tracts, trailing aggregate performance and was above the percentage of owner-occupied housing units. In 2024, the credit union made 11 loans to low-income census tracts, or 5.2 percent of originated loans, performing in line with 2024 aggregate lenders and above the 2024 percentage of owner-occupied housing units.

In 2023, the credit union originated 42, or 17.5 percent of originated home mortgage loans, in moderate-income census tracts, performing above both aggregate performance and demographics. In 2024, the credit union originated 24, or 14.8 percent, to moderate-income census tracts showing a decrease from 2023. The 2024 performance within moderate-income tracts was below both 2024 aggregate data and below the percentage of owner-occupied housing units.

Borrower Profile

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

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

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$ (000s)	%
Low						
2023	22.7	4.8	6	2.5	815	1.8
2024	22.7	4.5	17	8.1	1,995	6.5
Moderate						
2023	15.9	13.5	35	14.6	3,640	7.9
2024	15.9	14.5	42	20.0	5,367	17.6
Middle						
2023	19.6	19.6	66	27.5	10,262	22.3
2024	19.6	21.9	64	30.5	8,639	28.3
Upper						
2023	41.8	36.6	132	55.0	31,193	67.8
2024	41.8	43.1	87	41.4	14,568	47.7
Not Available						
2023	0.0	25.4	1	0.4	120	0.3
2024	0.0	16.0	0	0.0	0	0.0
Total						
2023	100.0	100.0	240	100.0	46,030	100.0
2024	100.0	100.0	210	100.0	30,569	100.0

Source: 2020 U.S. ACS; Credit Union Data, 2023 & 2024 HMDA Aggregate Data.

In 2023, the credit union originated six loans, or 2.5 percent of originations, to low-income borrowers, performing below aggregate lenders and significantly below the percentage of families in the assessment area. In 2024, the credit union's performance increased significantly with 17 loans to low-income borrowers, representing 8.1 percent of originated loans. This level of lending was above the 2024 aggregate data and below the percentage of families.

While the credit union's performance to low-income borrowers in the assessment area was below the Percentage of Families, it should be noted that due to the high median housing value of \$556,919, it would be difficult for low-income families earning less than \$136,200 in the Boston, MA Metropolitan Division (MD) and \$146,200 in the Cambridge-Newton-Framingham MA MD to qualify for

conventional home mortgage financing. It was also noted the percentage of low-income families make up as much as 22.7 percent of the assessment area's population.

In 2023, the credit union made 35 loans, or 14.6 percent, comparing favorably to aggregate performance and trailing just under the percentage of families in moderate-income borrowers. In 2024, the credit union originated 42, or 20.0 percent, home mortgage loans to moderate-income borrowers, performing above the percentage of families and trended above the 2023 aggregate lender performance.

Response to Complaints

The credit union has not received any CRA-related complaints since the last CRA evaluation; therefore, this criterion did not affect the CRA rating.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. A review of the credit union's public comment file indicated the credit union received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

Minority Application Flow

Mass Bay Credit Union's 2023 and 2024 HMDA LARs were reviewed to determine if the credit union's application flow from different racial and ethnic groups reflected the assessment area's demographics. Comparison to aggregate data assists in deriving reasonable expectations for the rate of applications the credit union received from minority home mortgage loan applicants.

According to 2020 ACS U.S. Census data, the credit union's assessment area contained a total population of 3,591,257 individuals, of which 38.5 percent are minorities. The assessment area's minority population consists of 11.9 percent Hispanic or Latino, 11.0 percent Asian, 9.4 percent Black/African American, 0.3 percent American Indian or Alaskan Native, and 16.0 percent Other Race.

In 2023, Mass Bay Credit Union received 473 home mortgage loan applications from within its assessment area. Of these applications, the credit union received 112, or 23.6 percent, from racial minority applicants. Aggregate lenders from within the credit union's assessment area received 19.9 percent of applications from racial minority groups. For the same year, the credit union received 47, or 9.9 percent, of applications from ethnic minority groups. Aggregate lenders received 8.0 percent of applications from ethnic minority borrowers.

In 2024, the credit union received 468 home mortgage loan applications from within its assessment area. Of these applications, 89, or 19.0 percent, were received from racial minority applicants. The aggregate received 22.3 percent of loans from racial minority applicants. For the same year, the credit union received 29, or 6.2 percent of applications, from ethnic minority groups. Aggregate lenders received 9.4 percent of applications from ethnic minority applicants.

MINORITY APPLICATION FLOW						
RACE	2023 Credit Union HMDA		2023 Aggregate Data	2024 Credit Union HMDA		2024 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	5	1.1	0.3	2	0.4	0.3
Asian	46	9.6	10.4	32	6.8	11.8
Black/ African American	47	9.9	6.8	43	9.2	7.5
Hawaiian/Pacific Islander	0	0.0	0.2	1	0.2	0.2
2 or more Minority	4	0.9	0.2	2	0.4	0.2
Joint Race (White/Minority)	10	2.1	2.0	9	1.9	2.3
Total Racial Minority	112	23.6	19.9	89	19.0	22.3
White	243	51.4	48.3	180	38.5	52.9
Race Not Available	118	25.0	31.8	199	42.5	24.8
Total	473	100.0	100.0	468	100.0	100.0
ETHNICITY						
Hispanic or Latino	#	%	%	#	%	%
Joint (Hisp/Lat /Not Hisp/Lat)	41	8.6	6.4	28	6.0	7.7
Total Ethnic Minority	6	1.3	1.6	1	0.2	1.7
Not Hispanic or Latino	299	63.2	60.8	227	48.5	66.7
Ethnicity Not Available	127	26.9	31.2	212	45.3	23.9
Total	473	100.0	100.0	468	100.0	100.0

Source: U.S. Census 2020, HMDA Aggregate Data 2023 and 2024, HMDA LAR Data 2023 and 2024

Considering the assessment area's demographic composition, economic data, and market competition, the credit union's minority application flow is considered reasonable.

SMALL INSTITUTION PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The institution's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the institution's assessment area(s);
- 3) The geographic distribution of the institution's loans;
- 4) The institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The institution's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 147 West Fourth Street, South Boston, Massachusetts 02127."

[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.

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 or field of membership 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.

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.

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.

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.

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.

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.