

PUBLIC DISCLOSURE

July 19, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Mass Bay Credit Union
Certificate Number: 68137
147 West Fourth Street
South Boston, Massachusetts 02127

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 financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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 July 19, 2021). 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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. Mass Bay Credit Union's performance under this test is summarized below:

- Mass Bay Credit Union's average net loan-to-share ratio is good given the institution's size, financial condition, and credit needs of its AA.
- A majority of the credit union's residential loans are inside the AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA.
- The distribution of borrowers reflects, given the demographics of the AA, 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.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) 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 entire AA, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership.

This evaluation covers the period from January 1, 2019 to the current evaluation date July 19, 2021. Examiners used the Interagency Small Institution Examination Procedures to evaluate Mass Bay Credit Union's performance. The following criteria were considered: Loan-to-Share Analysis, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrower Profile and Response to CRA Complaints.

The evaluation references demographic and economic information from the 2015 American Community Survey (ACS) and the U.S. Bureau of Labor Statistics (BLS). Credit Union financial data reflects the March 31, 2020 Call Reports.

Activities Reviewed

Examiners determined the credit union's major product line is home mortgage loans. This conclusion considered the credit union's business strategy and the number and dollar volume of loans originated during the evaluation period.

The evaluation considered home mortgage loans collected on the credit union's 2019 and 2020 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LAR). In 2019, the credit union originated or purchased 112 loans totaling \$35.5 million and, in 2020, the credit union had 94 loans totaling \$32.8 million. For comparison purposes, examiners reviewed 2019 and 2020 aggregate data and 2015 ACS data.

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

DESCRIPTION OF INSTITUTION

Background

Chartered by the Commonwealth of Massachusetts in 1936, Mass Bay Credit Union is a wholly cooperative, member-owned organization established in Boston, Massachusetts to promote thrift among its members. Mass Bay Credit Union is member-oriented, community-focused and committed to meeting the credit needs of all its membership. The credit union expanded its membership by including all of Middlesex County and the City of Brockton since the last evaluation. Membership is available to those current or past employees of the Massachusetts Department of Transportation (MassDOT) and the Massachusetts State Police, and employees of affiliated entities and their family members, and employees of entities not affiliated who are members of labor union locals representing MassDOT employees who live, work or attend a school, college or university or belong to a labor organization located within: Middlesex County, Suffolk County, Norfolk County, Abington, Brockton, Hanover, Hingham, Lynn, Marshfield, Norwell, Peabody, Rockland, Saugus, Scituate, and Whitman. The field of membership also includes employees or former employees of entities, or labor unions, affiliated with MassDOT; employees or former employee of the Massachusetts State Police; and immediate family members of eligible members.

Mass Bay Credit Union received a "low-income credit union" designation from the NCUA on April 21, 2015.

The credit union has 19,354 members as of March 31 2021. Mass Bay Credit Union received a Satisfactory rating from the Massachusetts Division of Banks during its prior evaluation using the Small Institution Examination Procedures.

Operations

The credit union is headquartered at its main branch 147 West Fourth Street, South Boston, MA, located in an upper-income census tract. Mass Bay Credit Union operates three other full-service branches located at 409 D Street, Boston (upper-income), 1250 Hancock Street, Quincy (moderate-income), and 183 Main Street, Everett (low-income). Since the last exam, the credit union has not opened, nor closed, any branches.

The credit union's business hours are readily accessible to all members, with extended hours on Friday. Saturday hours include all four branches. The credit union offers automated teller machines (ATMs) at each branch, two of which are Interactive Teller Machines (ITMs) during lobby hours which provided for contact-free teller access for several basic banking transactions. Also, the credit union operated one deposit-taking ATM in Boston, two public stand-alone cash-dispensing ATMs (Boston, Medford) and four non-public cash-dispensing ATMs (Charlestown, Everett, Newton and Lynn). The credit union is a member of the Allpoint network providing surcharge-free cash withdrawal access to members nationwide.

The credit union offers a variety of real estate-secured and consumer loan products to its members. These include auto and motorcycle loans, student loans, mobile home loans, boat loans, vacation and holiday loans, unsecured personal loans, collateral secured loans, overdraft/line of credit, credit card re-write loans, debt consolidation loans, home equity loans, and fixed and adjustable rate mortgages. Deposit products offered include checking and savings accounts, vacation, holiday and kids club accounts, money market accounts, share certificates, and individual retirement accounts. Business products include savings and checking accounts, share certificates, money market accounts, term loans and commercial real estate loans. Other services include shared branching, online banking with eStatements and bill pay, mobile banking, mobile remote deposit capture, online loan application, wire transfers, Person-to-Person payments, card valet, T-Teller 24-hour telephone service, and debit cards.

Ability and Capacity

As of March 31, 2021, assets totaled approximately \$283.2 million and shares totaled \$239.5 million. Total loans were \$216.7 million, representing approximately 75.0 percent of total assets. Since the previous CRA evaluation, assets increased 22.3 percent and the lending portfolio increased 31.1 percent. The following table illustrates the credit union's loan portfolio.

Loan Portfolio Distribution as of 3/31/2021		
Loan Category	\$	%
Unsecured Credit Card Loans	0	0.0
Payday Alternative Loans	0	0.0
Non-Federally Guaranteed Student Loans	0	0.0
Unsecured Loans/Lines of Credit	15,807,032	7.3
New Vehicle Loans	8,735,436	4.0
Used Vehicle Loans	7,759,103	3.6
Secured Non-Real Estate Loans/Lines of Credit	408,780	0.2
Total Loans/Lines of Credit Secured by 1 st Lien 1-4 Family Residential	138,425,036	63.9
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential	44,304,840	20.4
All Other Real Estate Loans/Lines of Credit	0	0.0
Commercial Loans/Lines of Credit Real Estate Secured	1,293,244	0.6
Commercial Loans/Lines of Credit Not Real Estate Secured	0	0.0
Total Loans	216,733,471	100.0
<i>Source: Reports of Income and Condition</i>		

Examiners did not identify any financial, legal, or other impediments that affect the credit union’s ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. Mass Bay Credit Union has designated a single AA including 98 municipalities including all the cities and towns in Middlesex, Norfolk and Suffolk Counties as well as the Plymouth County communities of: Abington, Brockton, Hanover, Hingham, Marshfield, Norwell, Rockland, Scituate, and Whitman as well as the Essex County communities of: Lynn, Saugus and Peabody. The Essex and Middlesex Counties are under the Cambridge-Newton-Framingham, MA Metropolitan Division (MD) and the Norfolk, Plymouth and Suffolk Counties are under the Boston, MA MD. Fifty-one communities were added to the AA, more than doubling the number since the previous CRA examination.

The following sections discuss demographic and economic information for the AA.

Economic and Demographic Data

The AA includes 735 census tract. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 88 Low-income tracts,
- 153 moderate-income tracts,
- 248 middle-income tracts,
- 232 upper-income tracts,
- 14 tracts without an income designation.

The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	735	12.0	20.8	33.7	31.6	1.9
Population by Geography	3,408,605	9.9	21.2	35.7	33.0	0.2
Housing Units by Geography	1,369,862	9.4	21.3	36.4	32.6	0.3
Owner-Occupied Units by Geography	744,200	3.5	15.1	39.9	41.3	0.1
Occupied Rental Units by Geography	545,733	17.0	29.1	32.3	21.1	0.5
Vacant Units by Geography	79,929	12.1	25.2	32.1	30.2	0.5
Businesses by Geography	320,169	6.9	15.3	33.1	44.1	0.5
Farms by Geography	5,058	4.3	12.4	37.6	45.6	0.1
Family Distribution by Income Level	795,551	23.7	15.9	18.9	41.4	0.0
Household Distribution by Income Level	1,289,933	26.9	14.2	15.9	43.0	0.0
Median Family Income MSA - 14454 Boston, MA		\$90,699	Median Housing Value			\$425,073
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$100,380	Median Gross Rent			\$1,313
			Families Below Poverty Level			7.8%
<i>Source: 2015 ACS and 2020 D&B Data. 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>						

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

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2019 (\$105,500)	<\$52,750	\$52,750 to <\$84,400	\$84,400 to <\$126,600	≥\$126,600
2020 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2019 (\$115,500)	<\$57,750	\$57,750 to <\$92,400	\$92,400 to <\$138,600	≥\$138,600
2020 (\$118,800)	<\$59,400	\$59,400 to <\$95,040	\$95,040 to <\$142,560	≥\$142,560
Source: FFIEC				

Competition

The AA is located in a competitive market for home mortgage loans. There is a high level of competition for home mortgage loans among credit unions, banks, and non-depository lenders. In

2020, Mass Bay Credit Union held 0.04 percent market share. The largest three lenders by market share included Quicken Loan, LLC; Leader Bank, N.A.; and Guaranteed Rate, Inc.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities.

Examiners contacted a nonprofit housing and community service organization service part of the credit union's assessment area. The contact referenced rapidly rising housing costs, especially rental costs. As a result, many residents are being evicted and forced from their communities as the cost of living rises. The contact cited the primary needs in the assessment area are affordable housing and affordable rental housing. Additional needs include "fresh start" deposit accounts for those individuals with impaired account histories, financial literacy training, and credit counseling.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, credit union management, and demographic and economic data, examiners determined that affordable housing and affordable rental housing represent primary community development needs for the assessment area. The rapidly rising real estate costs and diminishing number of affordable housing units supports this need. Additionally, there is also a need for deposit products that accommodate individuals with damaged account histories, financial literacy, and credit counseling for low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA

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. The average net loan-to-share ratio for the last eight quarters is good given the institutions size, financial condition, and AA credit needs.

The credit union's net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, average 100.5 percent over the past eight calendar quarters from June 30, 2019 through March 31, 2021. Over the last four quarters, total shares increased by approximately \$37.4 million, while loans increased by only \$74 thousand. The ratio ranged from a low of 90.5 percent as of March 31, 2021 to a high of 108.4 percent as of December 31, 2019. The ratio average was 106.4 percent prior to the onset of the COVID-19 pandemic when total loans significantly decreased and deposits increased. The LTS ratio has averaged 94.5 percent since the onset of the pandemic.

The credit union's average LTS ratio over the previous eight quarters was compared to that of two similarly situated institutions. The institution selection is based on geographic location, lending

focus and branching structure. Mass Bay Credit Union’s average LTS ratio is above those of the two institutions.

Loan-to-Share Ratio Comparison		
Credit Union	Total Assets as of 3/31/2021 (\$000s)	Average Net LTS Ratio (%)
Mass Bay Credit Union	283,196,679	100.5
Tremont Credit Union	247,675,393	75.6
Naveo Credit Union	170,880,670	68.1
<i>Source: Reports of Income and Condition 6/30/2020 through 3/31/2021</i>		

Assessment Area Concentration

The credit union made a majority of home mortgage loans within its AA. Please refer to 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										
2019	80	71.4	32	28.6	112	26,286	74.1	9,167	25.9	35,454
2020	78	83.0	16	17.0	94	28,719	87.4	4,130	12.6	32,849
Total	158	76.7	48	23.3	206	55,006	80.5	13,297	19.5	68,303
<i>Source: Evaluated Period: 1/1/2019 – 12/31/2020 Credit Union Data</i>										

Geographic Distribution

Considering the credit union’s AA demographics, aggregate data, and performance context factors, the distribution of home mortgage loans reflects reasonable dispersion throughout the AA in low- and moderate-income geographies.

The credit union originated or purchased 8.8 percent of its home mortgage loans within low-income census tracts in 2019. This performance is above the aggregate of 4.4 percent and the demographic benchmark of owner-occupied housing of 3.5 percent. Though the credit union’s percentage of loans in low-income census tracts in 2020 decreased to 5.1 percent, performance remained above the aggregate of 3.6 percent and was in line with owner-occupied housing.

The credit union originated or purchased 20.9 percent of home mortgage loans within moderate-income census tracts in 2019. This is above the aggregate performance of 16.0 percent and the owner-occupied housing percentage of 15.1 percent. The credit union’s number of home mortgage

loans increased to 28.2 percent in moderate-income census tracts in 2020 which trended above the same 2019 aggregate performance of 15.1 percent.

Market share data further supports the credit union’s reasonable performance. In 2019, Mass Bay Credit Union held 0.08 and 0.07 percent market share in 2019 and 2020, respectively, in low- and moderate-income tracts, representing increased market share compared with the credit union’s overall market share. Refer to the table below for more information.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	3.5	4.4	7	8.8	2,597	9.9
2020	3.5	3.6	4	5.1	1,384	4.8
Moderate						
2019	15.1	16.0	16	20.0	4,289	16.3
2020	15.1	14.3	22	28.2	7,987	27.8
Middle						
2019	39.9	39.2	44	55.0	12,623	48.0
2020	39.9	38.7	36	46.2	11,955	41.6
Upper						
2019	41.3	40.3	13	16.3	6,778	25.8
2020	41.3	43.3	16	20.5	7,394	25.7
Not Available						
2019	0.1	0.2	0	0.0	0	0.0
2020	0.1	0.2	0	0.0	0	0.0
Totals						
2019	100.0	100.0	80	100.0	26,286	100.0
2020	100.0	100.0	78	100.0	28,720	100.0

Source: 2015 ACS; 1/1/2019 – 12/31/2020 Credit Union Data, 2019 HMDA Aggregate Data.

Borrower Profile

The distribution of home mortgage loans reflects reasonable penetration to individuals of different income levels. Examiners focused on percentage, by number, of home mortgage loans to low- and moderate-income borrowers.

In 2019, the credit union’s lending to both low- and moderate-income borrowers was above aggregate data. Mass Bay Credit Union originated 6.3 percent of loans in the AA to low-income borrowers, above the aggregate of 4.6 percent. The credit union originated 23.8 percent of loans to moderate-income borrowers, above the aggregate performance of 16.2 percent. In 2020, while

lending to low-income borrowers at 3.8 percent trended below aggregate of 4.3 percent, lending to moderate-income borrowers at 26.9 percent was well above aggregate data of 15.9 percent.

The percentage of low-income families is typically higher than lending to these families, as a low-income family in the assessment area, earning less than \$52,750 in the Boston, MA MD or \$57,750 in the Cambridge-Newton-Framingham, MA MD, may have difficulty qualifying for a mortgage under conventional underwriting standards, considering the median housing value of \$425,073. Refer to the table below for more information.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	23.7	4.6	5	6.3	977	3.7
2020	23.7	4.3	3	3.8	826	2.9
Moderate						
2019	15.9	16.2	19	23.8	4,721	18.0
2020	15.9	15.9	21	26.9	6,083	21.2
Middle						
2019	18.9	22.4	32	40.0	9,297	35.4
2020	18.9	22.9	24	30.8	8,465	29.5
Upper						
2019	41.4	44.0	24	30.0	11,292	43.0
2020	41.4	45.7	30	38.5	13,345	46.5
Not Available						
2019	0.0	12.8	0	0.0	0	0.0
2020	0.0	11.1	0	0.0	0	0.0
Totals						
2019	100.0	100.0	80	100.0	26,286	100.0
2020	100.0	100.0	78	100.0	28,719	100.0
<i>Source: 2015 ACS; Credit union Data, 2019 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%</i>						

The credit union loan extended to low- and moderate-income borrowers through a variety of programs during the review period. The credit union offers the MassSave HEAT loan product designed to make energy efficiency more affordable to Massachusetts residents by qualifying for interest-free loans up to \$25,000 toward energy efficient home improvements; more than fifty are originated annually. Mass Bay Credit Union’s First-time Home Buyer program offers closing cost discounts and a low down payment option, particularly for the benefit of low- and moderate-income borrowers. Additionally, the credit union is certified in the Federal Home Loan Bank’s Equity Builder program, designed to help low- and moderate-income buyers with down-payment, closing cost, and home rehabilitation assistance.

Response to Complaints

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.

Discriminatory or Other Illegal Credit Practices

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, examiners did not identify any violations of anti-discrimination laws and regulations.

Minority Application Flow

Examiners reviewed the credit union's 2019 and 2020 HMDA LARs to determine if the credit union's application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to ACS U.S Census data, the credit union's assessment area contained a total population of 3.4 million individuals of which 31.6 percent are minorities. The assessment area's minority and ethnic population is 10.3 percent Hispanic or Latino, 9.2 percent Black/African American, 9.0 percent Asian, 0.1 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, and 2.9 percent other.

In 2019, the credit union received 82 home mortgage loan applications from within its assessment area. Of these applications, 11 or 13.4 percent were received from racial minority applicants and all were originated or purchased by the credit union. The aggregate received 16.7 percent from minority applicants and 56.6 percent were originated. For the same time period, the credit union received 2 applications or 2.4 percent from ethnic groups of Hispanic origin within its assessment area and both applications were originated or purchased versus the aggregate that received 6.5 percent from Hispanic applicants and 54.1 percent were originated.

In 2020, the credit union received 82 home mortgage loan applications from within its assessment area. Of these applications, 14 or 17.0 percent were received from racial minority applicants, of which 12 or 85 percent were originated. For the same time period, the credit union received 2 applications or 2.4 percent from ethnic groups of Hispanic origin within its assessment area and both applications were originated. The table above details the credit union's minority application flow and aggregate data in its assessment area.

MINORITY APPLICATION FLOW					
RACE	2019		2019 Aggregate Data	2020	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	0	0.0	9.2	2	2.4
Black/ African American	9	11.0	5.3	10	12.2
Hawaiian/Pacific Islander	0	0.0	0.2	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	2	2.4	1.7	2	2.4
Total Racial Minority	11	13.4	16.7	14	17.0
White	45	54.9	59.5	36	43.9
Race Not Available	26	31.7	23.8	32	39.1
Total	82	100.0	100.0	82	100.0
ETHNICITY					
Hispanic or Latino	2	2.4	5.4	2	2.4
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.1	0	0
Total Ethnic Minority	2	2.4	6.5	2	2.4
Not Hispanic or Latino	52	63.4	69.5	46	56.1
Ethnicity Not Available	28	34.2	24.0	34	41.5
Total	82	100.0	100.0	82	100.0
<i>Source: HMDA Aggregate Data (2019), HMDA LAR Data (2019) and (2020)</i>					

Considering the demographic composition of the assessment area and comparisons to aggregate data in 2019, the credit union's minority application flow is adequate.

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 bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

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 Areas (CBSAs): 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).

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.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for

- Population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and
- Distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, 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 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 its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.