

# **PUBLIC DISCLOSURE**

May 6, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Members Plus Credit Union  
Certificate Number: 66706

29 High Street  
Medford, MA 02155

Division of Banks  
1000 Washington Street, 10<sup>th</sup> 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.

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## INSTITUTION RATING

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

This document is an evaluation of the CRA performance of **Members Plus Credit Union (Credit Union)** prepared by the Division, the institution's supervisory agency, as of **May 6, 2019**. The Division rates the CRA performance of an institution consistent with the provisions set forth in the Division's 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 neighborhoods, in a manner consistent with its resources and capabilities. The assigned rating is based on the results of the performance of the Lending Test and is summarized below.

The institution is rated “Satisfactory” under the Lending Test. This rating is supported by the following summary of results.

- The loan-to-share ratio (LTS) is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The Credit Union made a majority of its home mortgage loans in the assessment area.
- The distribution of borrowers reflects reasonable distribution of loans among individuals of different income levels
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- Response to CRA Complaints and Fair Lending Policies is adequate. The Credit Union did not receive any CRA-related complaints during the period reviewed; therefore, this factor did not affect the Lending Test rating.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation assesses the Credit Union's CRA performance utilizing the Interagency Small Institution Credit Union Examination Procedures. An institution with this designation has assets of at least \$321 million as of December 31 of both of the prior two calendar years, and less than \$1.284 billion as of December 31 (adjusted annually) of either of the prior two calendar years. These procedures require one performance test: the Lending Test. The Lending Test analyzes an institution's applicable home mortgage data during a certain review period.

### **Loan Products Reviewed**

The Lending Test considered the Credit Union's home mortgage lending for 2017 and 2018. The Credit Union's most recent Report of Condition and Income (Call Report), dated March 31, 2019, indicated residential lending, including all loans secured by 1 to 4 family and multi-family (five or more units) residential properties, represented 86.9 percent of the loan portfolio by dollar amount and consisted of a significant majority of loan volume generated during the current review period. Based on the information in the call report, the overall conclusions were primarily based on the Credit Union's performance in home mortgage lending, as this product carried a greater weight in the overall lending test analysis.

Data reviewed includes all originated home mortgage loans reported on the Credit Union's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for 2017 and 2018. The LARs contain data about home purchase and home improvement loans, including refinances, of one to four family and multifamily properties. The Credit Union's 2017 home mortgage lending performance was compared against 2017 aggregate lending data. Aggregate data includes the lending activity of all institutions subject to HMDA reporting within the same defined assessment area. The Credit Union's 2018 data was examined for trends.

While the total dollar amounts of loans are discussed under the Lending Test, the evaluation is primarily based on the Credit Union's lending performance by the number of loans originated or purchased during the review period. Demographic information referenced in this evaluation was obtained from the 2010 United States (US) Census, unless otherwise noted. Financial data about the Credit Union was obtained from the March 31, 2019 Call Report.

## DESCRIPTION OF INSTITUTION

### **Background**

Members Plus Credit Union is a state-chartered credit union incorporated in 1940. The Credit Union's membership is limited to those who live or work in the Massachusetts counties of Essex, Middlesex, Norfolk, Plymouth, and Suffolk. In addition, membership is open to those who belong to a religious or social organization within the preceding counties. Essex County has been added to the Credit Union's membership since the previous examination. As of March 31, 2019, the Credit Union has 13,273 members.

The Credit Union received a "Satisfactory" rating during the previous evaluation by the Division of Banks dated February 11, 2013.

### **Operations**

The Credit Union's main branch is located at 29 High Street in Medford. The Credit Union operates four full-service branches. In addition to the main branch, there are full-service branches located in Everett, Dorchester, and Norwood. The Credit Union also operates limited service branches in Dorchester and Plymouth. On October 1, 2018, the Credit Union merged with Everett Credit Union. The merger added the Everett branch.

The Credit Union offers products and services to its members. The Credit Union offers loan products including home mortgage and consumer loans, with a primary focus on residential lending. The Credit Union also provides various deposit services, such as checking, savings, money market accounts, certificates of deposit, and club accounts. Alternative services include online banking, mobile banking, mobile check deposit, and electronic bill pay. The Credit Union is a member of the SUM and CO-OP networks, and as a member the Credit Union's customers can use any SUM or CO-OP program ATM surcharge-free. In 2018, the Credit Union became a member of the CO-OP Shared Branching network. This network allows it members to conduct business at any network credit union.

### **Ability and Capacity**

Assets totaled approximately 314.7 million as of the March 31, 2019 quarterly call report, including total loans of approximately 179.9 million. Total loans and assets have increased since the last examination dated February 11, 2013. Total loans have increased by 17.3 percent and total assets have increased by 36.8 percent. Residential loans account for the largest portion of the loan portfolio at 86.9 percent. The loan portfolio distribution has remained consistent since the last examination.

The following table shows the loan portfolio distribution as of March 31, 2019.

<b>Loan Portfolio Distribution as of March 31, 2019</b>		
<b>Loan Type</b>	<b>Dollar Amount (\$)</b>	<b>Percent of Total Loans</b>
Unsecured Credit Card Loans	2,770,425	1.5
Non-Federally Guaranteed Student Loans	1,597,343	0.9
All Other Unsecured Loans/LOCs	7,061,516	3.9
New Vehicle Loans	4,688,639	2.6
Used Vehicle Loans	7,343,595	4.1
All Other Secured Non-Real Estate Loans/LOCs	132,606	0.1
Total Loans/LOCs Secured by 1 <sup>st</sup> Lien 1-4 Family Residential Properties	130,088,124	72.3
Total Loans/LOCs Secured by Junior Lien 1-4 Family Residential Properties	26,239,024	14.6
All Other Real Estate Loans/LOCs	0	0.0
Commercial Loans/LOCs Real Estate Secured	0	0.0
Commercial Loans/LOCs Not Real Estate Secured	0	0.0
<b>Total</b>	<b>179,921,272</b>	<b>100.0</b>

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. The Credit Union designated a single assessment area within the Boston, MA Metropolitan Division (MD) (#14454) and the Cambridge-Newton-Framingham, MA MD (#15764) and include Middlesex, Essex, Plymouth, Norfolk and Suffolk Counties. Both MDs are part of greater Boston-Cambridge-Newton, MA-New Hampshire (NH) Metropolitan Statistical Area (MSA) (#14460). The following sections discuss demographic and economic information for the assessment area.

The census tracts reflect the following income designations according to the 2015 ACS data:

- 112 low-income tracts,
- 178 moderate-income tracts,
- 340 middle-income tracts,
- 268 upper-income tracts, and
- 19 census tracts with no income designation.

The low- and moderate-income census tracts are primarily located in Haverhill, Salisbury, Lawrence, Lowell, Methuen, Salem, Beverly, Lynn, Medford, Malden, Revere, Chelsea, Everett, Boston, Quincy, Brockton, Randolph and Holbrook. The census tracts with no income-designation situated near Boston include the Suffolk Downs race track and Belle Isle Marsh Reservation. Additionally, further in the South eastern portion of the assessment area is Bridgewater State Hospital and Corrections facility. There are no underserved or distressed nonmetropolitan middle-income geographies or designated disaster areas within the Credit Union's assessment area. Nevertheless, there are Opportunity Zones within the assessment area. The Opportunity Zone program was created by the federal Tax Cuts and Jobs Act of 2017. The statute provides federal tax benefits to certain investors who invest within Opportunity Zones through Opportunity Funds. These zones are designated by the Governor of Massachusetts and certified by the U.S. Department of Treasury. Opportunity Zones are identified as areas of economic need; in Massachusetts, many Opportunity Zones have the lowest median family income within the state. Within the Credit Union's assessment area there are a number of census tracts designated as Opportunity Zones throughout Boston, Beverly, Charlestown, Chelsea, Everett, Lynn, Malden, Medford, Peabody, Revere, Salem, Saugus, Somerville, and Winthrop.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	916	12.2	19.4	37.1	29.3	2.0
Population by Geography	4,270,286	10.3	19.8	38.9	30.8	0.3
Housing Units by Geography	1,720,696	9.7	20.2	40.0	29.9	0.2
Owner-Occupied Units by Geography	968,899	3.6	14.6	44.1	37.5	0.1
Occupied Rental Units by Geography	642,297	18.5	28.0	33.9	19.3	0.4
Vacant Units by Geography	109,500	11.3	24.1	38.9	25.4	0.4
Businesses by Geography	321,041	7.3	14.5	37.6	40.2	0.4
Farms by Geography	6,098	2.9	11.1	45.0	41.0	0.0
Family Distribution by Income Level	1,015,942	23.7	16.2	19.3	40.7	0.0
Household Distribution by Income Level	1,611,196	26.8	14.3	16.2	42.6	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$410,840
Median Family Income MSA - 15764 Cambridge- Newton-Framingham, MA MD		\$100,380	Median Gross Rent			\$1,281
			Families Below Poverty Level			7.5%
<i>Source: 2017 Demographics and 2018 D&amp;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>						

Examiners used the FFIEC-updated median family income level to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories. These categories are based on the 2017 and 2018 FFIEC-updated median family income for each MD in the overall assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Boston, MA MD Median Family Income (14454)</b>				
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
2018 (\$99,300)	<\$49,650	\$49,650 to <\$79,440	\$79,440 to <\$119,160	≥\$119,160
<b>Cambridge-Newton-Framingham, MA MD Median Family Income (15764)</b>				
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
2018 (\$110,300)	<\$55,150	\$55,150 to <\$88,240	\$88,240 to <\$132,360	≥\$132,360
<i>Source: FFIEC</i> <i>Due to rounding, totals may not equal 100.0</i>				

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 1.7 million housing units in the assessment area. Of these, approximately 56 percent are owner-occupied, and 38 percent are occupied rental units. The remaining 6 percent of housing units are vacant.



Data obtained from the BLS indicated that the 2017 year-end unemployment rate was 3.8 percent in Essex County, 3.0 percent in Middlesex County, and 3.4 percent in Suffolk County. The unemployment rate in the state was 3.7 percent as of year-end 2017. The unemployment rates in each county fell below the nationwide unemployment rate of 4.4 percent. The unemployment rate decreased since the last evaluation from approximately 6.2 percent in the assessment area.

### **Competition**

The assessment area is highly competitive for financial services. There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository lenders in the overall assessment area. In 2017, 607 lenders reported 130,210 originated or purchased residential mortgage loans in the credit union's assessment area. Large national banks, non-depository lenders, and several state-chartered community banks ranked well above Members Plus Credit Union.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the overall assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows available credit and community development opportunities. Examiners contacted a representative of a housing and community service organization serving the credit union's assessment area. The organization provides emergency shelter and affordable housing for homeless and low-income individuals and families. The contact cited a dire need for affordable housing and affordable rental housing in the credit union's assessment area and would like to see institution's invest in low-income housing development. The contact stated that real estate prices in the area are exorbitantly high making home ownership for low-income individuals very difficult. Further, it has caused landlords to increase rent in the area. The contact also noted the the new casino opening in Everett has caused further increases in the cost of real estate. The contact also noted a need for financial literacy, credit counseling, and a need for products that would allow individuals to build and repair their credit. In addition, the contact stated there is a need for larger grant donations to community service organizations, financial institution involvement on fundraising committees, and sponsorship of fundraising events.

### **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 represents a primary community development need for the assessment area. Additionally there is a need for financial literacy and credit counseling for low-income individuals. There is also a need for products that help individuals establish, build, and repair credit.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

#### Loan-to-Share Ratio

The average LTS ratio is reasonable given the Credit Union's size, financial condition, and the credit needs of its assessment area. The average LTS ratio is calculated from Call Report data over the past 21 quarters from March 31, 2014 to March 31, 2019. The average LTS ratio is 86.3 percent, ranging from a low of 82.5 percent on March 31, 2014 to a high of 90.2 percent on December 31, 2016. The LTS ratio has been relatively stable throughout the examination period.

Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. The Credit Union's average LTS ratio is similar to that of comparable institutions. Please refer to the table below.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of March 31, 2019	Average LTS Ratio (%)
Boston Firefighters Credit Union	\$277,718,243	83.9
City of Boston Credit Union	\$420,764,548	94.1
Mass Bay Credit Union	\$252,644,852	89.1
<b>Members Plus Credit Union</b>	<b>\$314,727,619</b>	<b>86.3</b>

*Source: Reports of Income and Condition 3/30/2014 through 3/31/2019*

#### 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										
2017	39	90.7	4	9.3	43	9,343	92.9	712	7.1	10,055
2018	65	83.3	13	16.6	78	13,565	86.0	2,225	14.0	15,790
<b>Subtotal</b>	104	86.0	17	14.0	121	22,908	88.6	2,937	11.4	25,845

*Source: Evaluation Period: 1/1/2017 - 12/31/2018 Credit Union Data  
Due to rounding, totals may not equal 100.0*

#### Borrower Profile

The distribution of home mortgage loans reflects reasonable performance among individuals of different income levels. Examiners focused on the comparison to aggregate data.

The following table shows that in 2017, the Credit Union’s lending to low-income borrowers was below the aggregate performance. The Credit Union’s lending to low-income borrowers remained the same in 2018. This level of activity was below the 23.7 percent of low-income families in the assessment area in 2017 and 2018. However, opportunity for lending to low-income families is relatively limited. First, approximately 7.5 percent of families in the assessment area have income below the poverty level, a sub-set of the low-income category included in the following table. A low-income family in the assessment area would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$410,840. Lastly, almost 56.0 percent of housing units in the assessment area are occupied rental units. These factors help to explain the difference between the Credit Union’s level of lending and the percent of low-income families in the assessment area.

The Credit Union’s lending to moderate-income borrowers was below the aggregate performance in 2017. The Credit Union’s number of loans to moderate-income borrowers increased in 2018. The percentage of lending remained the same and almost comparable to the percent of moderate-income families in the assessment area. It is also important to note that the demographic data shows the percent of all families, not just those that purchased or are in the market for, a home loan.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2017	23.7	5.2	1	2.6	55	0.6
2018	23.7	--	1	1.5	15	0.1
<b>Moderate</b>						
2017	16.2	17.2	6	15.4	1,079	11.5
2018	16.2	--	10	15.4	1,750	12.9
<b>Middle</b>						
2017	19.3	23.6	16	41.0	3,393	36.3
2018	19.3	--	26	40.0	5,860	43.2
<b>Upper</b>						
2017	40.7	41.5	16	41.0	4,816	51.5
2018	40.7	--	28	43.1	5,940	43.8
<b>Not Available</b>						
2017	0.0	12.6	0	0.0	0	0.0
2018	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>9,343</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>65</b>	<b>100.0</b>	<b>13,565</b>	<b>100.0</b>

Source: 2017 Demographics; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0

## Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the comparison to aggregate data. The following table shows that in 2017, the Credit Union did not originate loans in low-income census tracts. In 2018, the Credit Union's lending in low-income tracts improved. The Credit Union's lending in low-income tracts was comparable to the demographics. The number of loans in moderate-income tracts dropped slightly in 2018 and the Credit Union was below the demographics.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	3.6	5.4	0	0.0	0	0.0
2018	3.6	--	2	3.0	360	2.6
Moderate						
2017	14.6	17.2	6	15.4	1,229	13.2
2018	14.6	--	3	4.6	355	2.6
Middle						
2017	44.1	43.1	20	51.3	4,748	50.8
2018	44.1	--	43	66.1	10,165	74.9
Upper						
2017	37.5	34.1	13	33.3	3,366	36.0
2018	37.5	--	17	26.2	2,685	19.8
Not Available						
2017	0.1	0.2	0	0.0	0	0.0
2018	0.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>	<b>9,343</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>65</b>	<b>100.0</b>	<b>13,565</b>	<b>100.0</b>
<i>Source: 2017 Demographics; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 HMDA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0</i>						

## Response to CRA Complaints and Fair Lending Policies

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

The Credit Union's HMDA LARs for 2017 and 2018 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 2017 demographic data, the Credit Union's assessment area contained a total population of 4.2 million individuals of which 28.9 percent are minorities. The assessment area's minority and ethnic population is 7.7 percent Black/African American, 7.6 percent Asian, 0.1 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, 10.7 percent Hispanic or Latino and 2.7 percent other.

In 2017, the Credit Union received 61 HMDA reportable loan applications from within its assessment area. Of these applications, 7 or 11.4 percent were received from racial minority applicants, of which 3 or 42.0 percent resulted in originations. For the same time period, the Credit Union received 1 application from ethnic groups of Hispanic origin within its assessment area which was originated. By comparison, in 2017 the aggregate received 14 percent of applications from minority applicants and 67.0 percent were originated. For the same time period, the aggregate received 6.6 percent from Hispanic applicants of which 66.5 percent were originated.

In 2018, the Credit Union received a higher rate of overall applications, as well as applications from racial and ethnic minorities, showing a positive trend. 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 assessment area.

<b>MINORITY APPLICATION FLOW</b>					
<b>RACE</b>	<b>Credit Union 2017</b>		<b>Aggregate 2017</b>	<b>Credit Union 2018</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	1	1.6	7.2	1	1.0
Black/ African American	6	9.8	4.8	12	12.4
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	0	0.0	1.6	0	0.0
<b>Total Minority</b>	<b>7</b>	<b>11.4</b>	<b>14.0</b>	<b>13</b>	<b>13.4</b>
White	46	75.4	64.0	65	67.0
Race Not Available	8	13.2	22.0	19	19.6
<b>Total</b>	<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>97</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	0	0.0	5.5	4	4.1
Not Hispanic or Latino	52	82.2	71.8	74	76.2
Joint (Hisp/Lat /Not Hisp/Lat)	1	1.6	1.1	0	0.0
Ethnicity Not Available	8	13.2	21.6	19	19.7
<b>Total</b>	<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>97</b>	<b>100.0</b>

## 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 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.

**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 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

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

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

## PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 29 High Street, Medford, MA 02155.

[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.