

# **PUBLIC DISCLOSURE**

June 5, 2023

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Merrimack Valley Credit Union**  
**Certificate Number: 68693**

500 Merrimack St.  
Lawrence, Massachusetts 01843

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 concerning the safety and soundness of this financial institution.

## TABLE OF CONTENTS

<b>INSTITUTION RATING</b> .....	3
<b>SCOPE OF EVALUATION</b> .....	4
<b>DESCRIPTION OF INSTITUTION</b> .....	6
<b>DESCRIPTION OF ASSESSMENT AREA</b> .....	8
<b>CONCLUSIONS ON PERFORMANCE CRITERIA</b> .....	12
<b>GLOSSARY</b> .....	22

## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **High Satisfactory**

An institution in this group has a highly 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 following points summarize the credit union's performance under Intermediate Small Institution Standards.

**The Lending Test is rated High Satisfactory.**

- 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 substantial majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects good dispersion throughout the assessment area.
- The distribution of borrowers reflects good penetration of loans among individuals of different income levels.
- The credit union did not receive any CRA-related complaints since the previous evaluation; the credit union has a reasonable record relative to its fair lending policies and procedures.

**The Community Development Test is rated High Satisfactory.**

- Merrimack Valley Credit Union demonstrated good responsiveness to the assessment area's community development needs through qualified investments and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

## SCOPE OF EVALUATION

### **General Information**

The 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 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 the prior evaluation dated June 14, 2021, to the current evaluation dated June 6, 2023. Examiners used Intermediate Small Examination Procedures to evaluate the credit union’s CRA performance. These procedures include the Lending Test, and the Community Development Test.

Examiners used the 2015 and 2020 ACS updated data for metropolitan area boundaries, census tracts and their income levels, and demographic information.

The Lending Test considered the credit union’s performance according to the following criteria:

- LTS ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints and Fair Lending Program

The Community Development Test considered the following factors:

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

### **Loan Products Reviewed**

Merrimack Valley Credit Union’s major product lines are home mortgage loans and consumer loans, considering the credit union’s business strategy and the number and dollar volume of loans originated during the evaluation period. The home mortgage lending universe was readily available of these two lending products.

Examiners reviewed home mortgage loans reported on the credit union’s 2021 and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). The credit union originated 788 HMDA-reportable loans totaling \$205.7 million in 2021 and 782 HMDA-reportable loans totaling \$155.1 million in 2022. Examiners compared credit union lending in 2020 and 2021 to aggregate HMDA data for the relevant year. Examiners also compared credit union lending to applicable demographic data.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While the tables throughout this evaluation include both the number and dollar volume of loans, examiners emphasized credit union performance by number of loans, as the number of loans better indicates the number of individuals served.

For the Community Development Test, examiners drew conclusions based on data provided by credit union management on community development loans, qualified investments, and retail and community development services since the prior CRA evaluation dated June 14, 2021.

## DESCRIPTION OF INSTITUTION

### **Background**

Merrimack Valley Credit Union is a member-owned, not-for-profit cooperative institution originally chartered by the Commonwealth of Massachusetts in 1955. Membership is limited to those persons living, working, or having business within Bristol, Essex, Middlesex, Franklin, Hampden, Hampshire, and Norfolk Counties. The credit union has 76,529 members as of March 31, 2023. The credit union merged with RTN Credit Union on June 1, 2023, expanding its membership base significantly.

Merrimack Valley Credit Union received a “Satisfactory” rating from the Massachusetts Division of Banks during its prior evaluation using the Intermediate Small Institution Examination Procedures, published June 14, 2021. The Lending Test was assigned a “Satisfactory” and the Community Development Test was assigned a “Satisfactory”.

### **Operations**

As of the date of the evaluation, the credit union offers products and services through 18 full-service branches, including its main office at 500 Merrimack St, Lawrence, MA located in a low-income census tract. The full-service branches are listed below.

<b>Branch Locations</b>			
<b>Massachusetts</b>			
Amesbury*	Bridgewater	Brookline*	Boston*
Danvers*	Fairhaven	Haverhill	Lawrence
Marlborough*	Methuen	North Andover	Plymouth
Quincy	Tewksbury*	Waltham*	Worcester*
<b>New Hampshire</b>			
Plaistow	Seabrook		
*New Branches since the June 1 <sup>st</sup> Merger			

The credit union operates seven additional limited-service branches for employees of Raytheon and General Dynamics as a result of the RTN merger. Locations include Andover, Dedham, Lawrence, Marlborough, Taunton, Tewksbury, and Woburn.

All 18 full-services branches offer lobby services to members and generally operate between 8:30 a.m. to 5:00 p.m. most weekdays (with expanded hours on Thursdays and Fridays) and 8:30 a.m. to 1:00 p.m. on Saturdays. The Quincy MA and Seabrook NH locations are open from 10:00am to 5:00pm from Monday through Friday. As mentioned previously the credit union has added 8 full-service and seven limited-service branches since the previous evaluation.

The credit union offers both personal, student, and business accounts to members. Members can open checking accounts, savings accounts, certificates of deposits, individual retirement accounts, as well as business checking accounts. Services offered include online banking and mobile banking. In addition to deposit accounts, credit union members can apply for mortgage

loans, home equity loans and lines of credit, personal and student loans, new and used auto loans, and credit builder loans. Also, business lending offers commercial real estate loans and business lines of credit. The credit union also participates in shared branching, to allow member to access retail services across the United States.

### **Ability and Capacity**

As of March 31, 2023, assets totaled approximately \$1.4 billion, and shares totaled \$1.2 billion. Total loans were \$927.6 million, representing approximately 67.6 percent of total assets. Since the previous CRA evaluation, assets increased by 7.7 percent and the lending portfolio increased by 27.6 percent.

The following table illustrates residential lending accounts for the largest concentration of loans at 61.8 percent of the lending portfolio. Used vehicle loans were the next largest concentration at 17.2 percent of the portfolio. This product mix remains similar in concentration to the last evaluation.

<b>Loan Portfolio Distribution as of 3/31/2023</b>		
<b>Loan Type</b>	<b>Dollar Amount (\$)</b>	<b>Percent of Total Loans</b>
Unsecured Credit Card Loans	308,617	0.0
Non-Federally Guaranteed Student Loans	10,093,357	1.1
All Other Unsecured Loans/LOCs	11,230,743	1.2
New Vehicle Loans	33,816,764	3.6
Used Vehicle Loans	159,334,935	17.2
All Other Secured Non-Real Estate Loans/LOCs	13,023,899	1.4
Total Loans/LOCs Secured by 1 <sup>st</sup> Lien 1-4 Family Residential	494,561,836	53.3
Total Loans/LOCs Secured by Junior Lien 1-4 Family	78,687,305	8.5
All Other (Non-Commercial) Real Estate Loans/LOCs	207,516	0.0
Commercial Loans/Lines of Credit Real Estate Secured	124,149,357	13.4
Commercial Loans/Lines of Credit Non-Real Estate Secured	2,197,090	0.2
<b>Total Loans</b>	<b>927,611,419</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

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. Merrimack Valley Credit Union has designated a single assessment area in 2021 and 2022 encompassing 12 counties in Massachusetts, New Hampshire and Rhode Island. The following table is a list of counties the credit union has designated as its assessment area.

Assessment Area			
<b>Massachusetts</b>			
Barnstable	Bristol	Essex	Middlesex
Norfolk	Plymouth	Suffolk	
<b>New Hampshire</b>			
Hillsborough	Rockingham		
<b>Rhode Island</b>			
Bristol	Kent	Providence	

### **Economic and Demographic Data**

The assessment area includes 1590 census tracts. These tracts reflect the following income designations according to the 2020 ACS U.S. Census:

- 165 low-income tracts,
- 298 moderate-income tracts,
- 607 middle-income tracts,
- 468 upper income tracts, and
- 52 tracts with no income designation.

This represents a change from the 2015 ACS Census data (used in concert with 2021 lending information), where 1442 census tracts comprised the assessment area.



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

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	1,590	10.4	18.7	38.2	29.4	3.3
Population by Geography	6,923,773	9.4	19.0	39.5	31.3	0.9
Housing Units by Geography	2,852,505	8.8	19.5	41.1	29.9	0.7
Owner-Occupied Units by Geography	1,627,380	3.3	14.5	44.6	37.2	0.4
Occupied Rental Units by Geography	984,543	17.9	27.1	34.0	19.7	1.3
Vacant Units by Geography	240,582	8.2	22.5	45.9	22.4	0.9
Family Distribution by Income Level	1,653,172	22.5	16.7	20.4	40.4	0.0
Household Distribution by Income Level	2,611,923	26.2	14.7	17.1	41.9	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$99,410	Median Housing Value			\$450,654
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Gross Rent			\$1,435
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Families Below Poverty Level			6.3%
Median Family Income MSA - 31700 Manchester-Nashua, NH MSA		\$103,238				
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555				
Median Family Income MSA - 40484 Rockingham County-Strafford County, NH		\$107,377				
<i>Source: 2020 ACS, 2022 D&amp;B Data, and FFIEC Estimated Median Family Income;</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 2,852,505 housing units in the area. Of these units, 57.1 percent are owner occupied, 34.1 percent are occupied rental units, and 8.4 percent are vacant. The median housing value of \$450,654 based on ACS Data reflects an expensive area. Examiners also reviewed public HMDA data and noted that the average loan originated for 1-4 family purchase loans was \$483,584 in 2021 and increased to \$520,128 in 2022. This reflects an increase in home prices in even the last year.

The following table reflects the low-, moderate-, middle-, and upper-income categories for the assessment area.

<b>Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Barnstable Town, MA MSA Median Family Income (12700)</b>				
2021 (\$89,300)	<\$44,650	\$44,650 to <\$71,440	\$71,440 to <\$107,160	≥\$107,160
2022 (\$115,600)	<\$57,800	\$57,800 to <\$92,480	\$92,480 to <\$138,720	≥\$138,720
<b>Boston, MA Median Family Income (14454)</b>				
2021 (\$113,700)	<\$56,850	\$56,850 to <\$90,960	\$90,960 to <\$136,440	≥\$136,440
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
<b>Cambridge-Newton-Framingham, MA Median Family Income (15764)</b>				
2021 (\$120,200)	<\$60,100	\$60,100 to <\$96,160	\$96,160 to <\$144,240	≥\$144,240
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
<b>Manchester-Nashua, NH MSA Median Family Income (31700)</b>				
2021 (\$101,900)	<\$50,950	\$50,950 to <\$81,520	\$81,520 to <\$122,280	≥\$122,280
2022 (\$114,500)	<\$57,250	\$57,250 to <\$91,600	\$91,600 to <\$137,400	≥\$137,400
<b>Providence-Warwick, RI-MA MSA Median Family Income (39300)</b>				
2021 (\$87,500)	<\$43,750	\$43,750 to <\$70,000	\$70,000 to <\$105,000	≥\$105,000
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
<b>Rockingham County-Strafford County, NH Median Family Income (40484)</b>				
2021 (\$110,600)	<\$55,300	\$55,300 to <\$88,480	\$88,480 to <\$132,720	≥\$132,720
2022 (\$122,500)	<\$61,250	\$61,250 to <\$98,000	\$98,000 to <\$147,000	≥\$147,000
<i>Source: FFIEC</i>				

## **Competition**

Merrimack Valley Credit Union operates in a highly competitive market for retail services. According to 2022 Deposit Market Share data, there were 274 financial institutions operating 2,341 branches in the assessment area. MVCU ranked 55<sup>th</sup> with a deposit market share of 0.2 percent. The institutions ahead of MVCU included the large state chartered and national retail institutions (State Street Bank and Trust, Bank of America NA, and Citizens Bank NA) with a combined deposit market share of 46.5 percent.

The credit union operates in a highly competitive area for mortgage loans. In 2022, 747 lenders reported 207,033 originated or purchased home mortgage loans MVCU ranked 65<sup>th</sup> with a 0.4 percent market share. The three most prominent lenders were large national banks and mortgage companies, accounting for 14.7 percent of the total market share.

## **Community Contacts**

As part of the evaluation process, examiners contact organizations active in the 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.

Examiners contacted a representative from a non-profit organization serving Southeastern Massachusetts. The organization is a housing counseling agency providing education and technical assistance for low- and moderate-income residents. The contact noted an affordability gap as rising prices exceed even First Time Homebuyer (FTHB) grant and financial assistance opportunities. Housed individuals face homelessness risks including foreclosures, increasing rent prices, and utility bill increases. The contact mentioned that more support for shelters will be helpful in the current economy. There is a limit on financial institutions ability to close this affordability gap, and it is expanding to include middle-income families (that do not usually qualify for foreclosure or FTHB assistance). The contact relies heavily on financial institution donations and financial institutions work with counseling agencies to prepare buyers and ensure they have requisite financial literacy.

Examiners also contacted a community development organization focused on the Merrimack Valley region. The organization mentioned that the preservation of affordable housing and additional microlending for very small businesses were needs in the area, as well as general financial literacy. Housing prices have grown by almost 70 percent in Lowell, outpacing area wages. This has an even greater impact in low- and moderate-income areas, with populations that earn smaller wages. Financial literacy is important, but the contact noted that next steps beyond basic budgeting will help clients and residents build wealth.

## **Credit and Community Development Needs and Opportunities**

Examiners considered information gathered from the community contact, The credit union, and available economic data to determine the primary credit needs of the assessment area. Based on this information, examiners determined that the community's primary credit need is affordable housing and financial literacy for low- and moderate-income individuals.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Merrimack Valley Credit Union demonstrated High Satisfactory performance under the Lending Test. The following sections summarize the credit union's overall performance under each criterion.

#### Loan-to-Share Ratio

The average net loan-to-share ratio for the last eight quarters is reasonable given the institution's size, financial condition, and assessment area credit needs. The credit union's net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 72.5 percent over the past nine calendar quarters from June 30, 2021, through March 31, 2023.

The LTS ratio rose from 67.3 percent, as of June 30, 2021, to a high of 77.3 percent as of December 31, 2022. Loan growth contributed to these percentages as a combination of credit union efforts and increasing home and used auto prices. Loans grew approximately 21.1 percent over the evaluation period, while shares grew approximately 7.1 percent

The credit union's average net LTS ratio over the previous nine quarters was compared to that of two similarly situated institutions. The institution selection is based on geographic location, lending focus and branching structure. MVCU's average net LTS ratio is below one of the institutions and comparable to the other institution used in this comparison.

<b>Loan-to-Share (LTS) Ratio Comparison</b>		
<b>Institution</b>	<b>Total Assets as of 3/31/2023 (\$000)</b>	<b>Average Net LTD Ratio (%)</b>
<b>Merrimack Valley Credit Union</b>	<b>1,371,415</b>	<b>72.5</b>
St. Mary's Credit Union	1,031,782	81.1
St. Anne's Credit Union	1,172,174	70.0

*Source: Reports of Condition and Income*

#### Assessment Area Concentration

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

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2021	769	97.6	19	2.4	788	200,944	97.7	4,709	2.3	205,653
2022	742	94.9	40	5.1	782	144,457	93.1	10,638	6.9	155,095
<b>Total</b>	<b>1511</b>	<b>96.2</b>	<b>59</b>	<b>3.8</b>	<b>1570</b>	<b>345401</b>	<b>95.7</b>	<b>15347</b>	<b>4.3</b>	<b>360748</b>

Source: Credit Union Data

**Geographic Distribution**

The geographic distribution of loans reflects good dispersion throughout the assessment area, particularly to low-or moderate-income geographies in the assessment area. The credit union’s performance in home mortgage lending supports this conclusion. Examiners focused on the number and percentage of loans in low- and moderate-income census tracts.

In 2021, lending in low-income census tracts was above the percentage of owner-occupied units in the area and aggregate performance. The credit union’s 2022 performance fell by number and percentage but remained above the demographic and aggregate comparators.

The credit union’s performance in moderate-income census tracts was above aggregate performance in 2021 and the demographic of owner-occupied housing. The credit union’s 2022 performance in moderate-income census tracts was comparable by number and percentage. Performance remained above the aggregate lending in 2022 and the demographic of owner-occupied housing in moderate-income census tracts.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2021	3.4	4.2	49	6.4	12,478	6.2
2022	3.3	4.4	36	4.9	8,182	5.7
<b>Moderate</b>						
2021	13.7	14.2	140	18.2	31,479	15.7
2022	14.5	15.7	138	18.6	26,533	18.4
<b>Middle</b>						
2021	46.4	44.6	431	56.0	100,043	49.8
2022	44.6	43.7	416	56.1	66,340	45.9
<b>Upper</b>						
2021	36.4	36.9	147	19.1	56,478	28.1
2022	37.2	35.7	150	20.2	43,328	30.0
<b>Not Available</b>						
2021	0.1	0.1	2	0.3	467	0.2
2022	0.4	0.4	2	0.3	75	0.1
<b>Total</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>769</b>	<b>100.0</b>	<b>200,944</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>742</b>	<b>100.0</b>	<b>144,457</b>	<b>100.0</b>
<i>Source: 2015 &amp; 2020 ACS; Credit Union Data, 2021 &amp; 2022 HMDA Aggregate Data.</i>						

**Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among members of different income levels. This is supported by the credit union’s good performance of lending to low- and moderate-income borrowers.

***Home Mortgage***

The credit union’s 2021 lending to low-income borrowers was double aggregate performance. In 2022, The credit union’s lending to low-income borrowers fell by number and fell slightly by percentage but remained above the aggregate lending percentage. Similarly, the credit union’s lending to moderate-income borrowers in 2021 exceeded the aggregate lending level. Performance in 2022 fell by both number and percentage among moderate-income borrowers but remained above the aggregate lending levels.

In 2021, the aggregate performance of all lenders, including Merrimack Valley Credit Union, was significantly below the percentage of families categorized as low-income, the majority of which have an annual income of less than \$69,350. Whereas the average loan amount originated for a single-family residential purchase in 2022 was \$520,128. This data, coupled with around

6.3 percent of families in the assessment area falling below the poverty line, suggests a large percentage of low-income families would not meet the underwriting standards to repay the average loan amount. Moderate-income families earning over \$110,960 may be able to afford a home in the area, which may explain why the institution consistently exceeds the demographic of moderate-income families.

<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>						
2021	23.2	5.3	85	11.1	13,590	6.8
2022	22.5	7.2	72	9.7	8,350	5.8
<b>Moderate</b>						
2021	16.6	18.1	223	29.0	43,300	21.5
2022	16.7	19.6	175	23.6	23,109	16.0
<b>Middle</b>						
2021	19.8	23.1	206	26.8	50,747	25.3
2022	20.4	23.7	244	32.9	36,051	25.0
<b>Upper</b>						
2021	40.4	39.3	170	22.1	50,633	25.2
2022	40.4	37.3	184	24.8	40,443	28.0
<b>Not Available</b>						
2021	0.0	14.1	85	11.1	42,675	21.2
2022	0.0	12.2	67	9.0	36,504	25.3
<b>Total</b>						
<b>2021</b>	<b>100.0</b>	<b>100.0</b>	<b>769</b>	<b>100.0</b>	<b>200,944</b>	<b>100.0</b>
<b>2022</b>	<b>100.0</b>	<b>100.0</b>	<b>742</b>	<b>100.0</b>	<b>144,457</b>	<b>100.0</b>

*Source: 2015 & 2020 ACS; Credit Union Data, 2021 & 2022 HMDA Aggregate Data,*

### **Discriminatory or Other Illegal Credit Practices Review**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the credit union’s overall CRA rating.

### **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.

## Fair Lending Policies and Procedures

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, the credit union maintains a reasonable record relative to fair lending policies and practices.

### *Minority Application Flow*

The credit union's HMDA LARs for 2021 and 2022 were reviewed to determine if the application flow from the different racial groups within the credit union's assessment area was reflective of the assessment area's demographics.

According to the 2020 ACS Census Data, the credit union's assessment area contained a total population of 6,923,773 individuals of which 31.7 percent are minorities. The minority population represented is 6.7 percent Black/African American, 7.1 percent Asian, 0.1 percent Pacific Islander, 0.4 percent American Indian/Alaskan Native, and 7.1 percent other. Approximately 12.2 percent of the population is Hispanic or Latino.

The credit union's level of lending in 2021 was compared with that of the 2021 aggregate lending performance. The credit union's activity in 2022 was also evaluated compared to aggregate performance of the same year. The comparison of this data assists in deriving reasonable expectations for the rate of applications the credit union received from minority home mortgage loan applicants. Refer to the table below for information on the credit union's minority application flow as well as the aggregate lenders in the credit union's assessment area.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2021 HMDA		2021 Aggregate Data	Credit Union 2022 HMDA		2022 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.2	1	0.1	0.3
Asian	11	1.3	5.9	14	1.5	6.2
Black/ African American	11	1.3	4.6	12	1.2	5.4
Hawaiian/Pacific Islander	2	0.2	0.2	1	0.1	0.2
2 or more Minority	0	0.0	0.1	0	0.0	0.2
Joint Race (White/Minority)	6	0.7	1.5	13	1.3	1.7
<b>Total Racial Minority</b>	<b>30</b>	<b>3.5</b>	<b>12.5</b>	<b>41</b>	<b>4.2</b>	<b>14.0</b>
White	699	81.6	62.4	801	82.7	62.4
Race Not Available	128	14.9	25.1	127	13.1	23.6
<b>Total</b>	<b>857</b>	<b>100.0</b>	<b>100.0</b>	<b>969</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	108	12.6	6.0	132	13.6	7.3
Joint (Hisp/Lat /Not Hisp/Lat)	12	1.4	1.2	19	2.0	1.4
<b>Total Ethnic Minority</b>	<b>24</b>	<b>14.0</b>	<b>7.2</b>	<b>151</b>	<b>15.6</b>	<b>8.7</b>
Not Hispanic or Latino	596	69.5	68.0	691	71.3	68.4
Ethnicity Not Available	141	16.5	24.8	127	13.1	22.9
<b>Total</b>	<b>857</b>	<b>100.0</b>	<b>100.0</b>	<b>969</b>	<b>100.0</b>	<b>100.0</b>



In 2021, The credit union received 857 HMDA reportable loan applications within its assessment area. Of these applications, 3.5 percent were received from racial minority applicants. This was below aggregate performance of 12.5 percent of its applications from racial minority individuals. The credit union's racial minority application flow was comparable in 2022 at 4.2 percent, a slight growth in number and percentage. This performance was below the aggregate racial minority application flow.

In 2021, The credit union's percent of all applications from ethnic groups of Hispanic origin within its assessment area almost doubled the aggregate minority application flow. The credit union's strong performance continued into 2022 and remained above the aggregate ethnic minority application flow.

The credit union's minority application flow in 2021 and 2022 reflect a racial minority application flow below the aggregate. One factor contributing to the difference is the institution's absence in Suffolk and Middlesex Counties during 2022. The municipalities in these two counties account for half of the minority population and about 42.7 percent of the racial minority application flow received from aggregate lenders in the assessment area. The aggregate markets larger proportion of lending activity correlates to a difference in minority application flow. Conversely, the credit union's ethnic minority application flow exceeds the aggregate measures, which corresponds to a strong presence in Lawrence and municipalities in the Providence MSA.

However, the credit union's marketing and 2023 branching strategy reflect efforts to make credit accessible to areas with larger minority populations (i.e. Boston, Worcester, and Middlesex municipalities). The recent merger has expanded branch presence in Suffolk, Worcester and Middlesex Counties. The credit union employs individuals able to provide translation assistance in several languages. Additionally, the credit union conducts periodic monitoring of its lending practices to control fair lending risk.

Considering the demographic composition of the assessment area, comparisons to aggregate data, and the credit union's fair lending controls, The credit union's minority application flow reflects adequate performance.

### **COMMUNITY DEVELOPMENT TEST**

Merrimack Valley Credit Union demonstrated good responsiveness to the assessment area's community development needs through community development services, qualified investments, and community development loans. The credit union opted to provide its record of community development loans and investments for CRA consideration, which both grew substantially from the prior evaluation. Examiners also considered the institution's capacity and the need and availability of such opportunities.

## Community Development Services

During the evaluation period, credit union employees provided 68 instances of financial expertise or technical assistance to community development organizations within its assessment area. The community development services represent a combination of board involvement, financial education, and community outreach. The chart below illustrates the majority of activities support community services to low and moderate-income individuals and economic development throughout the review period.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
6/14/2021-12/31/2021	0	4	0	0	4
2022	0	38	1	0	39
YTD 2023	0	22	3	0	25
<b>Total</b>	<b>0</b>	<b>64</b>	<b>4</b>	<b>0</b>	<b>68</b>

*Source: Credit Union Data*

The following are examples of community development services provided by the credit union and its staff.

- Entrepreneurship for All (EforAll)***—A nonprofit organization that partners with communities nationwide to help under-represented individuals successfully start and grow a business through training, mentorship, and networking. Massachusetts programs are delivered in the communities of the Merrimack Valley to the south coast of Cape Cod, New Bedford and Fall River. Services are available in both English and Spanish. The Credit Union’s Senior Accountant serves as a Mentor for EForAll. In addition, the credit union is further responsive with financial contributions benefitting multiple portions of the assessment area.
- Emmaus***—The organization serves those in need with housing and support services for adults and families in the Merrimack Valley, North Shore communities of Massachusetts and in Southern New Hampshire. The organization also offers homelessness prevention, rehousing and stabilization, and career services. The Sr. Vice President of Marketing serves on the Board of Emmaus. The Credit Union is further responsive with an annual contribution to support Emmaus’ mission.
- South Eastern Economic Development Corporation (SEED)*** - SEED is a regional nonprofit economic development corporation with the mission of empowering entrepreneurs, strengthening local economies, and creating jobs by financing all types of small businesses in Massachusetts and Rhode Island. Executive Vice President and Chief Lending Officer continues a commitment on the Board of Directors for SEED.

**Other Services**

- **Banzai Financial Literacy** – MVCU sponsored 4 schools through the Banzai Educational program. This program provides teachers and students financial literacy programs at no cost. Of the 4 schools, 3 are in moderate-income census tracts in the towns of Methuen and Haverhill. Financial literacy topics include saving money, interest rate of return, and savings for a future goal. Courses are available to students in both English and Spanish.
- **Branches-** The branch distribution supports accessibility to areas of economic need and low and moderate-income geographies.

There are several opportunity zones within the credit union’s assessment area. Opportunity zones are federal, and state designated areas identified as areas of economic need, with many opportunity zones having the lowest median family income within MA. The credit union operates three branches in Lawrence, Haverhill and Fairhaven in opportunity zones.

The credit union’s branches are also distributed throughout out low and moderate-income census tracts. Lawrence, Haverhill, Methuen and Seabrook, NH branches are in low-income tracts. The Quincy branch is situated in a moderate-income census tract.

Lastly, the credit union is a member of a Shared Branch Network. It is a shared financial delivery channel created by credit unions to provide members with convenient hours and locations. Shared Branching allows members within its network to access and do limited transactions through a network of participating credit unions worldwide. Examples of such transactions include, but are not limited to, balance inquiries, share to share transfers, deposits, withdrawals, check cashing, statement printouts, and purchasing of monetary instruments such as bank checks, money orders, and traveler checks.

**Community Development Loans**

During the evaluation period, Merrimack Valley Credit Union originated 32 community development loans for approximately \$18.6 million. The activity represents an increase since the previous evaluation when no community development loans were noted. The credit union’s financial contributions primarily support economic development by financing small businesses.

<b>Community Development Loans</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
6/14/2021-12/31/2021	1	300	0	0	6	1,008	1	100	<b>8</b>	<b>1,408</b>
2022	7	7,104	0	0	10	8,725	0	0	<b>17</b>	<b>15,829</b>
YTD 2023	0	0	0	0	7	1,372	0	0	<b>7</b>	<b>1,372</b>
<b>Total</b>	<b>8</b>	<b>7,404</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>11,105</b>	<b>1</b>	<b>100</b>	<b>32</b>	<b>18,609</b>

*Source: Credit Union Data*

The following are notable examples of community development loans:

- The credit union originated one loan with a revitalization loan fund in 2021 in Lawrence MA. The purpose of the Loan fund is to support small businesses with additional avenues of credit access. The fund also revitalizes a predominantly low- and moderate-income area. The loan amount totaled \$100,000.
- The credit union originated a loan to a small business located in Barnstable County totaling \$7 million. The purpose of the loan was to finance two fast food restaurants within the assessment area. The financing will create jobs and likely benefit low- and moderate-income individuals in the work force. The loan was originated in 2022
- The credit union financed the purchase of an eight-unit residential property in Lawrence MA. The eight units maintain rents likely to be occupied by low- or moderate-income individuals in the area based on HUD Fair Market rent levels. The loan was originated in 2022 and totals \$907,500. This loan supports affordable housing for low- and moderate-income individuals.
- The credit union originated a loan in 2022 totaling \$72,500. The purpose of the loan was to purchase a vehicle for a small business located in a moderate-income census tract in Lawrence MA. This loan improves employment for individuals located in a moderate-income census tract, thereby supporting economic development in the area.

**Community Development Investments**

During the evaluation period, Merrimack Valley Credit Union donated \$273,795 in charitable contributions. Of this amount, 33 donations totaling \$204,085 were considered qualified for CRA. The dollar amount of donation activity represents an increase in qualified activities since the previous evaluation totaling \$186,707. The credit union’s financial contributions support community development services to low and moderate – income individuals. Additionally, financial contributions are aligned with the credit union’s CRA strategic goals of supporting literacy events and workshops to members, to low and moderate-income areas, and within school systems.

Activity Year	Qualified Donations									
	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
6/14/2021-12/31/2021	0	0	6	35,750	0	0	0	0	6	35,750
2022	0	0	18	85,000	0	0	0	0	18	85,000
YTD 2023	0	0	9	83,335	0	0	0	0	9	83,335
<b>Total</b>	0	0	33	<b>204,085</b>	0	0	0	0	<b>33</b>	<b>204,085</b>

*Source: Credit Union Data*

The following are notable examples of qualified donations:

- ***Lawrence Partnership***-The Partnership is a collaboration of business and civic leaders committed to building a local economy that benefits all people in Lawrence by helping to grow businesses. During the examination period, the credit union's financial contributions supported the mission of the Lawrence Partnership. Additionally, the credit union President and CEO serves on the Board of the Lawrence Partnership.
- ***Family Services of Merrimack Valley***- Family Services empowers, nurtures and supports children and families through life's challenges to help them reach their full potential. The credit union's contribution supports programs to low and moderate-income families in the entire Merrimack Valley region of Massachusetts.
- ***Greater Lawrence Family Health Center***- During the exam period, the credit union supported programs and services at Greater Lawrence Family Health Center. The financial contributions qualify for CRA credit as Greater Lawrence Family Health Center is a Federally Qualified Health Center (FQHC) dedicated to providing preventive, primary and non-emergent urgent care to all, regardless of financial circumstance or health insurance coverage status.

## 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 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.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in The credit union's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits The credit union's assessment area(s) or a broader statewide or regional area including The credit union's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of The credit union's retail banking services under § 345.24(d).

**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.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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.

**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 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.

**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.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**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 (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.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**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 Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA aids SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**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 500 Merrimack St, Lawrence, Massachusetts 01843."

[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.