

PUBLIC DISCLOSURE

June 2, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Metro Credit Union
Certificate Number: 66364

200 Revere Beach Parkway
Chelsea, Massachusetts 02150

Division of Banks
One Federal Street, Suite 710
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.

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

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**. An institution in this group has an outstanding 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.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		X	
Satisfactory			
Needs to Improve			
Substantial Noncompliance			

The Lending Test is rated Outstanding.

- Lending levels reflect good responsiveness to assessment area credit needs.
- The institution originated a high percentage of loans within its assessment area.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels.
- The institution makes extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The institution is a leader in originating community development loans.
- Fair lending policies and procedures are reasonable.

The Investment Test is rated High Satisfactory.

- The institution has a significant level of qualified community development investments and grants.
- The institution exhibits good responsiveness to credit and community economic development needs.

- The institution occasionally uses innovative and/or complex investments to support community development initiatives

The Service Test is rated Outstanding.

- Delivery systems are readily accessible to all portions of the institution's assessment area.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals.
- The institution is a leader in providing community development services.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Division of Banks to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area consistent with the safe and sound operation of the institution. Upon the conclusion of such examinations, 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 7, 2021, to the current evaluation dated June 2, 2025. Examiners used Large Institution Examination Procedures to evaluate MCU's CRA performance. These procedures include three performance tests: the Lending Test, Investment Test, and Service Test.

The Lending Test considered the MCU's performance according to the following criteria.

- Lending activity
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Innovative and/or flexible lending practices
- Community development loans

The Investment Test considered the following criteria.

- Number and dollar amount of qualified investments
- Responsiveness to credit and community development needs
- Innovativeness or complexity of qualified investments

The Service Test considered the following criteria.

- Accessibility of delivery systems
- Changes in branch locations
- Reasonableness of business hours and services
- Community development services

Loan Products Reviewed

MCU's major product lines are home mortgage loans and consumer loans, considering MCU's business strategy and the number and dollar volume of originations during the evaluation period. Moreover, MCU's record of originating home mortgage loans during the evaluation period contributed the greatest weight to overall conclusions due to its larger portion of the loan portfolio at 44.6 percent.

Examiners reviewed home mortgage loans reported on MCU's 2023 and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). MCU originated 838 HMDA-reportable loans totaling \$196.8 million in 2023 and 868 HMDA-reportable loans totaling \$212.6 million in 2024. Examiners compared MCU's lending in 2023 and 2024 to aggregate HMDA data for the relevant year. Examiners also compared MCU's lending to applicable demographic data.

For consumer loans, examiners reviewed data from MCU's record for loans originated in 2023 and 2024 to draw conclusions about consumer lending performance. MCU originated 15,338 consumer loans totaling \$488.4 million in 2023, and 14,982 consumer loans totaling \$445.4 million in 2024.

For the Lending Test, examiners reviewed and presented the number and dollar volume of home mortgage loans. While the tables reflect both number and dollar volume of loans, examiners emphasized the performance on the number of loans originated, as that is a better indicator of individuals served.

For community development activity examiners met conclusions based on data provided by MCU management on community development loans, qualified investments, and community development services since the prior CRA evaluation dated June 7, 2021; as well as innovative and/or flexible lending practices from 2022 to first-quarter 2025.

DESCRIPTION OF INSTITUTION

Background

MCU is a community originally chartered in 1926 and headquartered in Chelsea, Massachusetts with three affiliated Credit Union Service Organizations (CUSO): CU Posh Technologies, LLC, eDOC Innovations Inc, and Metro Insurance Advisors, LLC. Membership is open to someone living, working, having a place of business, or attending an educational institution in the Massachusetts counties of Barnstable, Bristol, Essex, Franklin, Hampshire, Hampden, Middlesex,

Norfolk, Plymouth, Suffolk, and Worcester, as well as the New Hampshire counties of Cheshire, Hillsborough, Merrimack, Rockingham, and Strafford; or family members regardless of location. MCU is designated a low-income credit union by the National Credit Union Administration. During the evaluation period, MCU acquired Gloucester Fire Department Credit Union (October 2021).

The MCU received an “Outstanding” rating from the Massachusetts Division of Banks during its prior evaluation dated June 7, 2021, using Interagency Large Institution Examination Procedures.

Operations

MCU operates 18 full-service branches throughout eastern MA, including its main office at 200 Revere Beach Parkway, Chelsea, MA. MCU’s other branches are located in Boston (2), Burlington, Chelsea (2), Dorchester, Framingham, Lawrence, Lynn, Medford, Melrose, Newton, Peabody (2), Reading, Salem, Tewksbury, and West Roxbury. MCU also operates a branch in a Peabody High School. This branch has limited hours while offering all products and services and a walkup ATM. While each branch maintains automated teller machines (ATMs), MCU also maintains 24 stand-alone ATMs within the assessment area.

Since the previous evaluation, MCU opened three branches in middle-income census tracts and three branches in upper-income census tracts; one branch was relocated from a moderate-income tract to an unknown-income tract; and three total branches were closed among moderate-income, middle-income, and upper-income tracts.

MCU offers various products and services that serve consumers as well as businesses. Consumer lending products include home mortgage loans including first time homebuyer programs, home equity loans and lines of credit, automobile loans, a variety of personal, and credit-builder installment loans. Also offered are Student loans, Boat and Recreational Vehicle loans, MassSave Heat loans, Manufactured Home loans, Citizenship loans, and VISA and MasterCard credit cards. Deposit services include certificates of deposit, money market deposit accounts, various checking and savings accounts for individuals and businesses, and individual retirement account savings.

Other services include automated phone banking, online banking and bill pay, mobile banking, remote deposit, a live agent chat, P2P and bank-to-bank transfers, ACH origination, wire transfers, ATM and debit cards, and free coin counting for members. Business lending includes commercial real estate loans, commercial term loans, commercial equipment loans, commercial lines of credit, business credit cards, and Small Business Association (SBA) loans.

MCU is part of the SUM and NYCE networks, which allow members to perform ATM transactions, surcharge-free, at over 30,000 participating ATMs. MCU also offers insurance sales through Metro Insurance Advisors. Homeowners Insurance Discounts are available from Metro Insurance Advisors.

Ability and Capacity

As of March 31, 2025, MCU had total assets of \$3.3 billion, total shares and deposits of approximately \$2.7 billion, and total loans of \$2.8 billion. Compared to the prior examination, total assets increased by 27.5 percent, shares and deposits increased by 26.7 percent, and total loans increased by 33.9 percent. The following table illustrates the distribution of MCU's loan portfolio.

Loan Portfolio Distribution as of 3/31/2025		
Loan Category	\$(000's)	%
Unsecured Credit Card Loans	11,783	0.4
Non-Federally Guaranteed Student Loans	16,933	0.6
All Other Unsecured Loan/Lines of Credit	63,611	2.2
New Vehicle Loans	518,469	18.3
Used Vehicle Loans	412,981	14.5
All Other Secured Non-Real Estate Loans/Lines of Credit	4,109	0.1
Total Consumer Loans	1,027,886	36.1
Total Loans/Lines of Credit Secured by 1 st 1-4 Family Residential Properties	1,102,282	38.9
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	160,413	5.7
Total Residential Loans	1,262,695	44.6
Commercial Loans/Lines of Credit Real Estate Secured	546,053	19.2
Commercial Loans/Lines of Credit Not Real Estate Secured	3,346	0.1
Total Commercial Loans	549,399	19.3
Total Loans	2,839,980	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect MCU's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas in which examiners will evaluate the institution's CRA performance. MCU has designated a single assessment area encompassing all counties within Boston, Cambridge-Newton-Framingham, Providence-Warwick RI-MA, and Worcester Metropolitan Statistical Area's (MSA). The following sections discuss demographic and economic information relevant to the assessment area.

Economic and Demographic Data

The assessment area includes 226 cities and towns situated within Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester counties in Massachusetts. The 1353 census tracts reflect the following income designations according to the 2020 American Community Survey (ACS) US Census:

- 152 low-income tracts,
- 256 moderate-income tracts,
- 477 middle-income tracts,
- 420 upper-income tracts, and
- 48 census tracts with no income designation.

Since the prior examination, MCU expanded the assessment area to include full counties, increasing total census tracts by 644. The percentage of low-income census tracts within the assessment area increased by 43.4 percent, while the percentage of moderate-income census tracts increased by 67.3 percent. The following areas have concentrated numbers of low- and moderate-income census tracts: Boston, Brockton, Fall River, Lawrence, Lowell, Lynn, New Bedford, and Worcester.

The census tracts with no income designation included areas such as The Harbor Islands, Franklin Park Zoo, Stony Brook Reservation, Arnold Arboretum, Castle Island, Conley Terminal, South End, Charles River, Suffolk Downs, Belle Isle Marsh Reservation, Boston Common, Boston Harbor, and other areas with limited to no residential opportunity.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,353	11.2	18.9	35.3	31.0	3.5
Population by Geography	5,937,878	10.1	18.9	36.6	33.3	1.1
Housing Units by Geography	2,357,277	9.8	19.3	37.6	32.4	0.9
Owner-Occupied Units by Geography	1,359,693	3.5	14.6	41.5	39.9	0.4
Occupied Rental Units by Geography	855,157	19.4	26.5	31.5	21.1	1.6
Vacant Units by Geography	142,427	12.3	21.2	36.2	29.0	1.2
Businesses by Geography	645,622	7.7	15.4	34.6	41.0	1.3
Farms by Geography	12,787	3.7	13.5	40.6	41.7	0.5
Family Distribution by Income Level	1,406,967	23.0	16.3	19.9	40.8	0.0
Household Distribution by Income Level	2,214,850	26.4	14.5	16.7	42.4	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$474,475
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Gross Rent			\$1,479
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555	Families Below Poverty Level			6.4%
Median Family Income MSA - 49340 Worcester, MA		\$99,320				
Source: 2020 ACS, 2024 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

Examiners use the Federal Financial Institutions Examination Council (FFIEC)-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories, which are based on the 2023 and 2024 FFIEC-updated median family income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
2024 (\$136,200)	<\$68,100	\$68,100 to <\$108,960	\$108,960 to <\$163,440	≥\$163,440
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
2024 (\$146,600)	<\$73,300	\$73,300 to <\$117,280	\$117,280 to <\$175,920	≥\$175,920
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2023 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
2024 (\$113,200)	<\$56,600	\$56,600 to <\$90,560	\$90,560 to <\$135,840	≥\$135,840
Worcester, MA-CT MSA Median Family Income (49340)				
2023 (\$115,600)	<\$57,800	\$57,800 to <\$92,480	\$92,480 to <\$138,720	≥\$138,720
Worcester, MA MSA Median Family Income (49340)				
2024 (\$114,100)	<\$57,050	\$57,050 to <\$91,280	\$91,280 to <\$136,920	≥\$136,920
<i>Source: FFIEC</i>				

According to the United States Bureau of Labor Statistics, the average unemployment rate in 2024 was 4.7 percent in Bristol County; 4.1 percent in Essex County; 3.6 percent in Middlesex County; 3.7 percent in Norfolk County; 4.1 percent in Plymouth County; 3.9 percent in Suffolk County; and 4.1 percent in Worcester County. These levels were comparable to the MA state average and national rate of 4.0 percent.

Within the assessment area, 57.7 percent of the 2.3 million housing units are owner-occupied. Of those, 81.4 percent of owner-occupied units are located in middle- and upper-income census tracts, while only 18.1 percent are located in low- or moderate-income census tracts. Additionally, the median housing value of \$474,475 reflects a relatively expensive area. These factors demonstrate the need for affordable housing in MCU's assessment area.

Competition

MCU operates in a competitive market for financial services. According to 2024 peer deposit market share data, 228 financial institutions operated 1,956 offices in the assessment area. Of these, MCU ranked 23rd with 0.5 percent deposit market share. The top institutions were Citizens Bank, N.A., Bank of America, N.A., Santander Bank, N.A., Rockland Trust Company, and TD Bank, N.A., with a collective market share of 31.7 percent.

MCU also operates competitively in a highly active market for home mortgage loans. Preliminary 2024 peer mortgage data reflect 643 lenders originated or purchased 113,819 home mortgage loans in MCU's assessment area. MCU ranked 35th with 0.7 percent of the market share. Primarily large national banks ranked as the top fifteen lenders representing 41.9 percent market share. Some of the top lenders were Citizens Bank N.A., Guaranteed Rate, Inc., Rocket Mortgage, Leader Bank, N.A., and United Shore Financial Services.

Community Contact

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

Examiners contacted a representative of a community development organization within MCU's assessment area that serves the Greater Boston area. The organization works to ensure Boston families and individuals have access and knowledge for affordable housing. The contact discussed the difficulty in developing affordable housing, as well as the inability for low- and moderate-income individuals and families to afford housing. The contact explained that those looking to purchase homes are struggling with high costs due to the current market conditions. Lastly, the contact stated that potential borrowers would benefit from down payment assistance grants and first-time homebuyer education programs that prepare borrowers for home ownership.

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 support for economic development are the primary community development needs in the assessment area. The high housing costs and low-and-moderate-income individuals support this conclusion. The credit union can help by creating and offering innovative and flexible loan programs for both home mortgage and small business needs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

MCU's Lending Test performance rating is Outstanding. The following sections discuss MCU's performance under each criterion. MCU's performance in borrower profile, innovative and flexible lending, and community development lending primarily supports the rating.

Lending Activity

MCU's lending levels reflect good responsiveness to assessment area credit needs. In 2023, MCU originated or purchased 757 home mortgage loans totaling \$177.0 million within the assessment area.

This activity represented a market share of 0.7 percent, ranking 27th out of 710 lenders operating in the assessment area. In 2024, MCU originated 749 home mortgage loans within the assessment area, reflecting an increase in dollar amount to \$194.0 million.

MCU originated 13,000 consumer loans totaling \$406.5 million in the assessment area in 2023; while in 2024 the number of consumer loans decreased slightly to 12,452 loans totaling \$361.2 million.

Additionally, of the community development loans originated by MCU, 24 for \$77.1 million benefited affordable housing and revitalizing/stabilizing low- and moderate-income geographies, expanding housing in the assessment area.

Assessment Area Concentration

MCU made a high percentage of home mortgage and consumer loans, by number and dollar volume, within its assessment area. Consumer loans were not evaluated in the prior exam; however, examiners noted the percentage of home mortgage lending inside the assessment area has increased since the prior evaluation. The following table illustrates MCU's lending inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000's)	%	\$ (000's)	%	
Home Mortgage										
2023	757	90.3	81	9.7	838	177,016	89.9	19,865	10.1	196,881
2024	749	86.3	119	13.7	868	194,077	91.2	18,611	8.8	212,688
Subtotal	1,506	88.3	200	11.7	1,706	371,093	90.6	38,476	9.4	409,569
Consumer Loans										
2023	13,000	84.8	2,338	15.2	15,338	406,548	83.2	81,889	16.8	488,437
2024	12,452	83.1	2,530	16.9	14,982	361,272	81.1	84,153	18.9	445,425
Subtotal	25,452	83.9	4,868	16.1	30,320	767,820	82.2	166,042	17.8	933,862
Total	26,958	84.2	5,068	15.8	32,026	1,138,913	84.8	204,518	15.2	1,343,431
Source: Credit Union Data; Due to rounding, totals may not equal 100.0; Dollar amounts for Small Business, Small Farm, and Consumer loans are multiplied by 1000.										

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. MCU's good performance in home mortgage loans and reasonable performance in consumer lending supports this conclusion. Examiners focused on the number and percentage of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of loans reflects good dispersion throughout the assessment area, particularly to low-or moderate-income geographies in the assessment area. In 2023, lending in low-income census tracts was above the percentage of owner-occupied units and above the aggregate performance. In 2024, MCU's performance to low-income census tracts decreased, falling below the percentage of owner-occupied units and aggregate data.

In 2023, MCU's performance to moderate-income tracts was above both the aggregate performance and percentage of owner-occupied housing units. While the number of loans in 2024 to moderate-income census tracts remained consistent, the dollar amount of loans significantly increased. MCU's performance continued to exceed both the aggregate performance and the demographic data.

MCU's market share performance further supports good performance. In 2024, MCU ranked 35th out of 391 institutions, with a market share of 0.6 percent, that operated in low-income census tracts. MCU ranked 28th out of 489 institutions, with a 0.9 percent market share, operating to moderate-income census tracts. Additionally, the majority of the institutions ranking above MCU were national banks, mortgage companies, or large community banks.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	3.5	5.1	42	5.5	7,955	4.5
2024	3.5	5.1	23	3.1	3,147	1.6
Moderate						
2023	14.4	15.0	143	18.9	19,614	11.1
2024	14.6	16.0	154	20.6	59,677	30.7
Middle						
2023	41.3	38.3	324	42.8	56,276	31.8
2024	41.5	41.2	334	44.6	62,674	32.3
Upper						
2023	40.3	40.8	242	32.0	69,211	39.1
2024	39.9	37.2	232	31.0	66,218	34.1
Not Available						
2023	0.4	0.7	6	0.8	23,960	13.5
2024	0.4	0.5	6	0.8	2,361	1.2
Total						
2023	100.0	100.0	757	100.0	177,016	100.0
2024	100.0	100.0	749	100.0	194,077	100.0
Source: 2020 ACS; Credit Union Data, 2023 & 2024 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%						

Consumer Loans

The geographic distribution of consumer loans reflects reasonable dispersion throughout MCU's assessment area. In low-income census tracts, MCU's performance was below the percentage of households in 2023 and 2024. In moderate-income census tracts, MCU's performance remained below the demographic comparator in 2023 and 2024.

Geographic Distribution of Consumer Loans					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2023	9.6	717	5.5	18,440	4.5
2024	9.7	730	5.9	18,002	5.0
Moderate					
2023	19.1	2,113	16.3	61,200	15.1
2024	19.2	2,049	16.5	56,716	15.7
Middle					
2023	37.5	5,430	41.8	171,507	42.2
2024	37.6	5,366	43.1	155,774	43.1
Upper					
2023	33.0	4,682	36.0	153,932	37.9
2024	32.7	4,244	34.1	129,319	35.8
Not Available					
2023	0.9	58	0.4	1,470	0.4
2024	0.9	63	0.5	1,460	0.4
Total					
2023	100.0	13,000	100.0	406,548	100.0
2024	100.0	12,452	100.0	361,272	100.0
Source: 2020 ACS; Credit Union Data, Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by MCU, excellent penetration among retail customers of different income levels. This is supported by MCU's good performance of lending to both low- and moderate-income borrowers in home mortgage lending and consumer lending.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, reflects excellent penetration. MCU's 2023 lending to low-income borrowers exceeded aggregate performance. Lending to low-income borrowers in 2024 decreased, however MCU's performance remained above the aggregate performance. In 2023 and 2024, MCU's performance to moderate-income borrowers exceeded both the aggregate performance and percentage of families.

The median housing value in the assessment area in 2024 was \$474,475. Additionally, low-income individuals earn an annual median income of \$73,300 or less. This data, coupled with 6.4 percent of families falling below the poverty line, suggests it would be difficult for low-income families to qualify the underwriting standards for a home mortgage, particularly in the high-interest rate environment during the examination period.

MCU's market share performance further supports excellent performance. In 2023, MCU ranked 13th out of 420 institutions, with a market share of 1.3 percent, lending to low-income borrowers. MCU ranked 22nd out of 446 institutions, with a 0.9 percent market share, lending to moderate-income families. In 2024, MCU ranked 22nd out of 390 institutions, with a market share of 1.0 percent, lending to low-income borrowers. MCU ranked 24th out of 427 institutions, with a 1.0 percent market share, lending to moderate-income families. Additionally, of the institutions above MCU, in the 2023 and 2024 market share reports, most were national institutions and mortgage lenders with only three community institutions performing above MCU (Rockland Trust, Eastern Bank, Salem Five), all of which are significantly larger than MCU. This performance to low- and moderate-income borrowers exceeds MCU's overall rank and 0.7 percent market share of lending to all incomes within the assessment area, suggesting a focus on individuals that may need access to credit.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	22.9	5.5	116	15.3	10,045	5.7
2024	23.0	4.8	89	11.9	8,500	4.4
Moderate						
2023	16.3	16.0	169	22.3	18,842	10.6
2024	16.3	15.6	162	21.6	20,907	10.8
Middle						
2023	19.9	22.2	173	22.9	29,273	16.5
2024	19.9	23.2	183	24.4	31,705	16.3
Upper						
2023	41.0	35.8	296	39.1	95,462	53.9
2024	40.8	39.9	312	41.7	97,736	50.4
Not Available						
2023	0.0	20.6	3	0.4	23,394	13.2
2024	0.0	16.5	3	0.4	35,230	18.2
Total						
2023	100.0	100.0	757	100.0	177,016	100.0
2024	100.0	100.0	749	100.0	194,077	100.0
Source: 2020 ACS; Credit Union Data, 2023 & 2024 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%						

Consumer Loans

The distribution of MCU's consumer loans reflects good penetration to consumers, particularly those within low- and moderate-income households. For low-income borrowers, MCU's performance was slightly below the percentage of households in 2023 and 2024. Lending to moderate-income borrowers increased in 2023 and 2024, causing MCU's performance to surpass the demographic factor significantly.

Distribution of Consumer Loans by Borrower Income Level					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2023	26.4	3,011	23.2	71,821	17.7
2024	26.4	2,872	23.1	64,763	17.9
Moderate					
2023	14.5	3,692	28.4	113,891	28.0
2024	14.5	3,643	29.3	103,024	28.5
Middle					
2023	16.7	3,022	23.2	100,852	24.8
2024	16.7	2,818	22.6	86,240	23.9
Upper					
2023	42.4	3,275	25.2	119,985	29.5
2024	42.4	3,119	25.0	107,245	29.7
Not Available					
2023	0.0	0	0.0	0	0.0
2024	0.0	0	0.0	0	0.0
Total					
2023	100.0	13,000	100.0	406,548	100.0
2024	100.0	12,452	100.0	361,272	100.0
Source: 2020 ACS; Credit Union Data Due to rounding, totals may not equal 100.0%					

Innovative or Flexible Lending Practices

MCU makes extensive use of innovative and flexible lending programs to serve their assessment area's credit needs. During the evaluation period, MCU originated 5,046 innovative and flexible loans, totaling \$145.5 million, of which 198 loans for \$65.6 million were innovative and flexible home mortgage loans and 4,127 loans for \$72.9 million were innovative and flexible consumer loans. MCU offers various programs designed to assist low- and moderate-income individuals and first-time homebuyers with low minimum down payments, discounted interest rates, down payment assistance opportunities, and no mortgage insurance requirements. The following items highlight the various innovative and flexible mortgage and consumer loan programs offered by MCU.

Home Mortgage Loan Programs

- **40 Year Fixed Rate Mortgage** – MCU offers a 40-year fixed rate mortgage compared to the traditional 30-year mortgage, to reduce the payments monthly making the mortgage payment more affordable. This program requires certain debt to income ratios and loan to

value ratios to qualify. MCU originated 58 loans in the evaluation period, totaling \$33.3 million.

- **FHLB Permanent Rate Buydown** – MCU offers an interest rate reduction option for low- and moderate-income borrowers that are purchasing a home. MCU originated 24 interest rate buydowns totaling \$7.6 million.
- **FHLMC Home Possible** - Home Possible mortgages offer credit flexibilities to help low- and moderate-income borrowers attain home ownership. The program has a low-down payment amount requirement of 3.0 percent. MCU originated 10 Home Possible loans for \$3.0 million during the evaluation period.
- **Federal Housing Administration (FHA) Loan Products** - The FHA insures loans for fixed and adjustable-rate products with down payments as low as 3.5 percent, low closing costs, and flexible credit standards. During the examination period, MCU originated 31 FHA mortgage loans totaling \$15.8 million.

Grant Programs

- **FHLB Housing Our Workforce (HOW) Grants** – This program offers homebuyers grants to assist with down payments and closing costs'. The homebuyer earnings must be between 80 percent and 120 percent of the area median income to qualify. Throughout the examination period, MCU provided nine grants totaling \$215,000.
- **FHLB Equity Builder Program:** The FHLB's Equity Builder Program offers credit union members grants to provide down payment, closing costs, homebuyer counseling, and rehabilitation assistance to households within 80 percent of the median income limit.

Consumer Loan Programs

- **Credit Builder Loan** – This program is available to borrowers with limited or damaged credit. The money borrowed is secured in a savings account for the term of the loan with interest earned on the balance. The maximum loan size is \$3,000. MCU originated 284 credit builder loans for \$119,194.
- **MassSave HEAT Loans-** This program is available for borrowers to upgrade their home energy systems to improve efficiency. A no interest loan, this credit product aids a number of low- and moderate-income families with essential credit. MCU originated 3,620 MassSave loans for \$72.1 million.
- **Second Chance Car Loan** – This loan is offered in collaboration with Second Chance Cars, a non-profit organization who works to help working individuals for which a car is critical to securing, keeping, or advancing in a job. All applicants are referred by partner non-profit organization. Cars in the program are donated, and partner vocational schools make

necessary repairs to the vehicles. MCU provides the applicant with a no-interest loan for the vehicle and provides pro-bono assistance. MCU originated 53 loans for \$117,065.

Community Development Loans

MCU is a leader in providing community development loans. During the evaluation period, MCU originated 26 community development loans totaling \$78.2 million. These loans met the needs of affordable housing, economic development, and revitalization and stabilization. MCU's community development lending was particularly responsive to affordable housing by lending to several multifamily opportunities and below market-rate housing in low and moderate-income federally designated opportunity zones. The level of community development lending equates to 2.3 percent of average total assets and 2.7 percent of average total loans. This activity reflects an increase by dollar amount since the prior evaluation where MCU reported 32 community development loans totaling approximately \$59 million. Additionally, lending activity by dollar amount was above all three similarly situated institutions MCU's performance was compared to.

The following table illustrates MCU's qualified community development loans by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
6/8/2021-12/31/2021	10	15,064	0	0	0	0	0	0	10	15,064
2022	6	14,574	0	0	0	0	2	2,378	8	16,952
2023	3	7,993	0	0	0	0	0	0	3	7,993
2024	0	0	0	0	2	1,147	2	33,130	4	34,277
YTD 2025	1	4,000	0	0	0	0	0	0	1	4,000
Total	20	41,632	0	0	2	1,147	4	35,508	26	78,288
<i>Source: Credit Union Data</i>										

The following are notable examples of qualified community development loans.

- In 2024, MCU originated a \$26.5 million loan for the construction of a 133-unit mixed-use apartment project in Everett located in a moderate-income tract. 14 of the units are designated as affordable housing. The project is located close proximity to a redevelopment area designated by the city of Everett called the Everett Docklands. The goal is to create an influx of housing and jobs in and around the zone. This project helped to revitalize and stabilize a moderate-income census tract.
- In 2021, MCU originated a \$5.2 million loan for the purchase of two buildings that collectively held 36 residential units in Methuen, MA. Each unit was affordable based on HUD Fair Market Rent standards; therefore, this loan supported the community development need of affordable housing.

- In 2021, MCU refinanced a \$1.4 million loan for a mixed-use property in Lawrence, MA. The property consisted of 20 residential units, all of which were affordable, and one commercial unit. Additionally, three of the units were contracted to a local housing organization and one was leased to a community, non-profit organization that benefits homeless adults. This loan qualified for affordable housing.
- In 2022, MCU originated a \$1.8 million loan for the purchase of a 12-unit residential property in Methuen, MA. This property included five affordable units and was situated in a federally designated opportunity zone. This loan qualifies for community development as it supports revitalization and stabilization within the community.
- In 2022, MCU originated a \$18.2 million loan for the construction of a mixed-use property located in Milton, MA. The property consisted of 52 residential units, thirteen of which were considered affordable, and two commercial units. The qualifying pro-rata amount MCU received was \$4.5 million. This loan supported the need for affordable housing.
- In 2024, MCU originated two loans with a combined amount of \$1.1 million for the purchase of a mixed-use property in Beverly, MA. The property included two residential units, while the majority of the space was for a local mechanical contracting company. These loans are part of an SBA 504 program and will assist the business in creating jobs. By financing a small business, this loan supports economic development.

Response to Complaints

MCU did not receive any CRA-related complaints during the evaluation period, so this criterion did not affect the CRA rating.

Fair Lending Policies and Procedures

The Division provides comments regarding the institution's fair lending policies and practices pursuant to Regulatory Bulletin 1.3-106. Examiners reviewed MCU's loan policies and conducted interviews with staff to review MCU's adherence to the Equal Credit Opportunity Act. Examiners determined MCU's record relative to fair lending policies and practices is adequate.

Minority Application Flow

The Division reviewed MCU's HMDA LARs for 2023 and 2024 to determine if the application flow from the different racial and ethnic groups within MCU's assessment area was reflective of the assessment area's demographics.

According to the 2020 ACS Census Data, MCU's assessment area contained a total population of 5,937,878 individuals of which 33.5 percent are minorities. The minority population represented is 12.4 percent Hispanic or Latino, 9.1 percent Asian, 7.8 percent Black/African American, 0.1 percent American Indian, and 7.0 percent other.

Examiners compared MCU’s application activity to 2023 and 2024 aggregate. This data comparison assists in deriving reasonable expectations for the rate of applications MCU received from minority home mortgage loan applicants. Refer to the following table for information on MCU’s minority application flow as well as for the aggregate lenders in the assessment area.

In 2023, MCU received 1,181 HMDA-reportable loan applications from within its assessment area. Of these, MCU received 162 applications, or 13.7 percent, from racial minorities, which ranked below the 2023 aggregate data of 16.1 percent. In the same period, MCU received 91 applications, or 7.7 percent, from ethnic minority applicants, which ranked below aggregate data of 8.9 percent.

In 2024, MCU received 1,199 HMDA-reportable loan applications from within its assessment area for that year. MCU received 207 applications, or 17.3 percent, from racial minorities, which is comparable to the aggregate of 17.6 percent. MCU received 107 applications from ethnic minority applicants, or 8.9 percent, which is below the aggregate of 10.0 percent.

MCU’s performance increased each year, getting closer to the aggregate data for each perspective year. MCU maintains two bi-lingual loan officers, runs advertisements in Spanish, and notates the languages spoken at each branch on MCU’s website. These factors reflect consistent efforts from MCU to ensure applicants from all demographics have access to credit. Considering the assessment area’s demographic composition, and comparisons to 2023 and 2024 aggregate data, MCU’s minority application flow is considered reasonable.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2023 HMDA		2023 Aggregate Data	Credit Union 2024 HMDA		2024 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	6	0.5	0.3	7	0.6	0.3
Asian	71	6.0	7.5	55	4.6	8.3
Black/ African American	71	6.0	6.1	108	9.0	6.7
Hawaiian/Pacific Islander	1	0.1	0.2	3	0.2	0.2
2 or more Minority	1	0.1	0.2	9	0.8	0.2
Joint Race (White/Minority)	12	1.0	1.8	25	2.1	1.9
Total Racial Minority	162	13.7	16.1	207	17.3	17.6
White	680	57.6	55.5	683	56.9	57.9
Race Not Available	339	28.7	28.4	309	25.8	24.5
Total	1,181	100.0	100.0	1,199	100.0	100.0
ETHNICITY						
Hispanic or Latino	75	6.4	7.4	91	7.6	8.3
Joint (Hisp/Lat /Not Hisp/Lat)	16	1.4	1.5	16	1.3	1.7
Total Ethnic Minority	91	7.7	8.9	107	8.9	10.0
Not Hispanic or Latino	705	59.7	63.4	765	63.8	66.3
Ethnicity Not Available	385	32.6	27.7	327	27.3	23.7
Total	1,181	100.0	100.0	1,199	100.0	100.0
Source: 2020 US Census Data, HMDA Aggregate Data 2023 and 2024, HMDA LAR Data 2023 and 2024.						

INVESTMENT TEST

MCU demonstrated High Satisfactory performance under the Investment Test. The following sections address MCU's performance under each criterion.

Investment and Grant Activity

MCU has a significant level of qualified community development investments and donations, occasionally in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, MCU made 294 qualified investments totaling approximately \$9.9 million.

The total dollar amount of qualified investments equates to 0.3 percent of average total assets and 5.7 percent of average total securities over the last eight calendar quarters. MCU's qualified investments increased by 45.5 percent, by number, and 20.7 percent, by dollar amount, from the prior evaluation. MCU made \$3.9 million in new equity investments during the evaluation period, which is a decrease of \$3.0 million, or 43.1 percent, since the prior evaluation. The increase in investments by dollar amount was less than MCU's increase in total assets of 40.5 percent since the last examination.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	5,379	0	0	0	0	0	0	2	5,379
2021	0	0	0	0	6	1,488	0	0	6	1,488
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	10	2,482	0	0	10	2,482
2024	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0
Subtotal	2	5,379	0	0	16	3,970	0	0	18	9,349
Qualified Grants & Donations	12	76	219	414	45	150	0	0	276	640
Total	14	5,455	219	414	61	4,120	0	0	294	9,989
Source: Credit Union Data										

Equity Investments

Prior Period Investments

- MCU continues to maintain two prior period CRA mortgage-backed securities with a current book value of \$5.4 million. Home mortgage loans originated in MCU's assessment area secured these investments. A majority of the underlying mortgages in each mortgage-backed security were to low- and moderate-income borrowers.

Current Period Investments

- During the evaluation period, MCU made 16 certified deposits in low-income credit unions for \$3.9 million, of which one was located inside of MCU's assessment area, and one was located in a broader statewide area.

Qualified Grants and Donations

- ***The Neighborhood Developers (TND)*** – TND creates and maintains affordable housing units in Chelsea, Everett, and Revere. Additionally, the organization provides supportive services such as financial literacy, food assistance, job assistance, tax assistance, and more. MCU's multiple donations during the evaluation period helped to support the organization's affordable housing initiatives within the assessment area.
- ***Newmarket Business Improvement District*** – The Newmarket Business Improvement District is a publicly chartered, private, non-profit organization dedicated to protecting the quality of life and enhancing the accessibility, attractiveness and appeal of Boston's Newmarket District. The organization works to provide beautification projects, supports substance abuse initiatives, work programs for local homeless and addiction challenged individuals, and transportation assistance. The District operates in multiple census tracts including a low- and a moderate-income census tract. MCU's support of this organization helped support economic development inside of the assessment area.
- ***Backpacks for Low-Income Students*** – In 2024, MCU made an in-kind donation of backpacks and school supplies that benefited low-income students in the Chelsea and Lawrence school districts. In addition to providing backpacks and school supplies, credit union employees were responsible for filling the backpacks with the supplies. During other parts of the evaluation period, MCU made donations to school supply drives that benefited the Chelsea and Lawrence School districts. MCU's in-kind donation and multiple donations during the evaluation period provided a community service to low-income children within the assessment area.
- ***The Midas Collaborative*** – The collaborative works to advance the financial security of low- and moderate-income individuals across Massachusetts through advocacy and working with partner organizations to provide financial literacy and support. The organization offers matched-savings accounts or Individual Development Accounts (IDAs) that support savings goals for live changing purchases such as homes, higher education, and small businesses. MCU made multiple grants and donations during the evaluation period to support the organization and its match-savings program, which supported community services to low- and moderate-income individuals within the assessment area.
- ***Food Pantries*** - During the evaluation period, MCU made multiple grants and donations to support the following food pantries, A Servants Table, Bread and Roses Community Kitchen, My Brothers Table, Neighbors in Need, Merrimack Valley YMCA, and the Salem

Food Pantry. This support provided much needed community services to low- and moderate-income individuals within the assessment area.

Responsiveness to Credit and Community Development Needs

MCU exhibits good responsiveness to credit and community economic development needs.

MCU provided donations to organizations that focus on the needs of low- and moderate-income individuals and families, as well as low- and moderate-income areas. Of MCU's donations and grants, 79.3 percent by number and 64.6 percent by dollar amount were to organizations that provided community services to low- and moderate-income individuals in the assessment area. The prior period mortgage-backed securities also benefit MCU's assessment area.

Community Development Initiatives

MCU occasionally uses innovative or complex investments to support community development initiatives. CRA investment activity consisted of CRA mortgage-backed securities, certificates of deposit with minority, women-owned, and/or low-income credit unions, and donations.

SERVICE TEST

The overall Service Test performance is rated Outstanding.

MCU's strong performance in the Accessibility of Delivery Systems and Community Development Services criteria supports this rating. The following sections address MCU's performance under each criterion.

Accessibility of Delivery Systems

Delivery systems are readily accessible to all portions of MCU's assessment area. Alternative delivery systems supplement MCU's branches.

Distribution of Branches

MCU operates 18 full-service branches, including its main office, in the following towns and cities: Boston (2), Burlington, Chelsea (2), Dorchester, Framingham, Lawrence, Lynn, Medford, Melrose, Newton, Peabody (2), Reading, Salem, Tewksbury, and West Roxbury. In addition, there is one high school branch located at Peabody Veteran's Memorial High School that has limited hours and with access restricted to faculty, staff, and students.

All MCU branches offer at least one automated teller machine (ATM), and nine branches offer drive-through services. Alternate delivery systems include free electronic banking services such as online banking and bill pay services, mobile banking, and telephone banking. MCU employs a number of bilingual employees to better serve the community. Additionally, the website notates the

different languages spoken at each individual branch. With the variety of services, consumers and businesses can access their accounts 24 hours a day to perform various transactions.

The following table shows the full-service branch and distribution by census tract income level.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ITM/ATMs	
	#	%	#	%	#	%	#	%
Low	152	11.2	600,621	10.1	3	16.7	6	22.2
Moderate	256	18.9	1,124,368	18.9	3	16.7	7	25.9
Middle	477	35.3	2,175,138	36.6	8	44.4	9	33.4
Upper	420	31.0	1,974,721	33.3	3	16.7	3	11.1
NA	48	3.5	63,030	1.1	1	5.5	2	7.4
Total	1,353	100.0	5,937,878	100.0	18	100.0	27	100.0
<i>Source: 2020 ACS Data; Credit Union Data</i>								

The distribution of branches and ATMs in low-income census tracts is good as these percentages are above both the percentage of low-income census tracts and the percentage of low-income population in the assessment area. The percentage of branches in moderate-income census tracts is a little below these comparisons, however, the Melrose branch borders a moderate-income census tract and is in close proximity to an orange-line MBTA stop, increasing its accessibility. Additionally, the percentage of ATMs is well above both the percentage of moderate-income census tracts and demographics.

Changes in Branch Locations

To the extent changes have been made, MCU's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or to low- and moderate-income individuals.

MCU increased its number of full-service branches to 18 and reduced the number of training high school branches to one. Newly established full-service branch locations in 2022 included 50 Summit Drive, Burlington, 960 Morrissey Boulevard, Dorchester (borders two moderate-income census tracts), 1 Salem Street, Medford (borders a moderate-income census tract), 240 Andover Street, Peabody, 470 Main Street, Reading, and 1985 Centre Street, West Roxbury. In 2022, the full-service branch location at 120 Cambridge Street, Burlington was closed, and in 2024 included 100 City Hall Plaza, Boston was also closed. In 2022, the 138 Main Street, Melrose branch was relocated to 108 Main Street, Melrose. Due to school needs, the Chelsea High School training branch was unable to re-open following the COVID-19 pandemic and is permanently closed.

Of the newly established branches, three were located in middle-income census tracts, three in upper-income census tracts, and one in a census tract income category designated as unknown, however, the branch borders a moderate-income census tract. Of the closed branches, there was one located in a moderate-income census tract, one in a middle-income census tract, and one in an

upper-income census tract. Further, the closed high school branch was also in a moderate-income census tract.

With the relocation of the 108 Main Street, Melrose branch, the geographic change in location equates to approximately a tenth of a mile, however, demographically it crosses a census tract boundary from a moderate-income census tract to a tract classified as unknown. Considering the change in locale is minimal and the branch will serve primarily the same customers; this change is considered to have no impact on this criterion.

Regarding the Chelsea High School branch, examiners considered that this was a previously restricted access branch. Also, currently, to the northeast, there is a credit union branch located a 0.5-mile distance, and to the south, another branch is a 0.9-mile distance both of which are accessible by public transportation and could be considered walkable.

During the evaluation period, MCU expanded its assessment area. While there was an increase in the number of physical branches, the expanded area does not include branch presence throughout its entirety, including communities with a significant number of low- and moderate-income census tracts such as Brockton, Haverhill, Fall River, Lowell, New Bedford, and Worcester. To serve these areas, MCU provides retail banking services through online electronic banking options such as online banking, and mobile deposit. The technical capabilities provide accessibility to low and moderate-income individuals.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. All branches are open Monday-Friday from 8:30 A.M. to 5:00 P.M., Thursday-Friday 8:30 A.M. to 6:00 P.M. with some extended hours at the Massachusetts Ave (low-income census tract), Commonwealth Ave, Chelsea Main Office (moderate-income census tract), and Newton branches. Notably, the Peabody Veterans Memorial High School branch is open Monday and Wednesday from 10:30 am to 12:30 pm. All branches offer the same products and services. Mobile and online banking are available 24 hours a day, 7 days a week.

MCU offers free checking accounts with no monthly fees, no minimum balance, and low opening deposit requirements. The free checking account includes paperless checking, access to surcharge-free ATMs, a free Debit Card, access to mobile and online banking, and a Save Your Change rounding up option. Through MCU's iBanking online features, a member can perform a wide variety of transactions including opening accounts, eStatements, mobile deposit, pay bills, account transfers, and make loan payments. Additionally, through the digital branch, the virtual assistant, members can perform a variety of transactions as well. These services increase accessibility to all MCU customers.

MCU offers lower cost checking and savings accounts. These accounts are designed particularly to benefit low- and moderate-income individuals as they feature low opening balance requirements, and lower monthly fees and transaction costs. Further, these accounts provide affordable,

traditional banking services and allow low- and moderate-income or unbanked or underbanked consumers to work toward financial security.

Community Development Services

MCU is a leader in providing community development services. During the evaluation period, MCU provided 346 instances of community development services to 75 qualified organizations through financial literacy classes, first-time home buyer sessions, technical assistance to small businesses, and Board and committee membership for local community organizations. During the evaluation period, employees, senior management members, and directors devoted time to community development organizations supporting community services, economic development, affordable housing, workforce development initiatives, and financial literacy. These activities were responsive to needs identified by the community contacts.

MCU's community development program benefits from its overarching strategic approach and utilization of designated Community Engagement Officer positions. Approximately 40 percent of the Community Engagement Officers' time is dedicated to community development related initiatives focusing support in low and moderate-income communities, including majority-minority census tracts. In addition to management and staff engagement, there were three Community Engagement Officers in 2022, 2023, and 2025, and four officers in 2021 and 2024. Two of these officers' report under Business Development and one previously reported under Lending now directly reports to the President/CEO.

The following two tables summarize the community development service by year, purpose, and area.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
6/7/2021-12/31/2021	3	63	5	2	73
2022	4	55	3	2	64
2023	8	53	3	0	64
2024	15	59	5	2	81
1/1/2025-6/2/2025	12	46	4	2	64
Totals	42	276	20	8	346
<i>Source: Credit Union Data</i>					

The following samples highlight the community development services provided by MCU.

Employee Involvement

- **Habitat for Humanity of Greater Plymouth, Inc. (HFHGP)** – This non-profit affordable housing organization constructs, rehabilitates and preserves homes; advocates for fair and just housing policies; and provides training and resources to help families improve their shelter conditions for low- and moderate -income households who earn no more than 60.0

percent of the area median income by household size, have a current living situation that is inadequate for the household, and have a serious need for an affordable home. The organization also offers home repair services that can assist with minor home repairs, installation of wheelchair ramps, rehabs, and special community collaboration projects. A Credit Union Vice President served as a member of the Rebuild Committee from 2021 through 2025. This service was supportive of the creation and maintenance of affordable housing for low- and moderate -income individuals and families in the Boston MD assessment area.

- **LaVida Scholars (LVS)** – LVS offers a college preparatory program primarily serving immigrant families in the Gateway cities of Lynn and Chelsea, MA whose children attend local public high schools to aid students’ educational success. Services include academic support, family involvement, matched savings accounts partnered with Inversant, individualized counseling, and scholarship application assistance. In 2021 through 2025, the Credit Union President and CEO served as a member of the Board of Directors and the Finance Committee. This activity supported the community development purpose of community service within the assessment area.
- **Opportunity Communities (OppCo)** – Based in Boston, OppCo is a member-driven model for independent neighborhood nonprofits that leverages scaled access to suppliers, developers, and contractors to meet the community development missions and needs such as affordable housing equity, housing accelerator fund, and the Fellowship for Equitable Affordable Housing Development. In 2024 and 2025, an Assistant Vice President served as a member of the Board of Directors and in 2021 through 2025, a Senior Vice President served as President of the Board of Directors, and as a member of the Governance, Executive and Strategic Visioning Committees and as Clerk. This activity supported the community development purpose of affordable housing within the assessment area.
- **Citizen’s Inn** – Based in Peabody, Citizen’s Inn works on an individual basis to help families and individuals experiencing a housing crisis or food insecurity. Services provide comprehensive assistance tailored to each person’s needs. Citizen’s Inn, now merged with Haven from Hunger, serves families and individuals across the North Shore. In 2021 through 2025, a Vice President served as a member of the Development Committee. This activity was supportive of the community development purpose of community service.
- **City of Revere, RiverFront Development Advisory Group** – The Riverfront Development Advisory Group’s mission involved the planning and development of a 19.4-acre Revere RiverFront area bordering the Riverside and Point of Pines neighborhoods. The group worked to balance the needs of local residents, businesses, and the state's objectives for public waterfront access and maritime industry protection. Objectives include attracting new businesses and creating jobs, climate resilience, community engagement, and public spaces developing the Revere RiverFront Master Plan that would include major infrastructure projects such as plans for the General Edwards draw-bridge replacement, an expanded public safety facility, and a coastal resiliency study. In 2021 and 2022, a Vice President served as a member of the RiverFront Advisory Group. This activity was

supportive of the community development purpose of revitalization/stabilization within the assessment area.

- **City of Revere, Affordable Housing Trust Fund (AHTF)** – The City of Revere AHTF Board of Trustees works in conjunction with the Mayor's Office and other city boards and departments, particularly the Office of Planning and Community Development. The AHTF operates under local chapter 2.90 for the purpose of creating and preserving affordable housing for the benefit of low- and moderate-income households in the city. In 2022 through 2025, a Vice President served on the AHTF Board. This activity was supportive of the community development purpose of affordable housing within the assessment area.
- **Uncommon Threads** – Uncommon Threads is an innovative nonprofit located in the Gateway city of Lawrence, MA. Using an innovative "outside-in, inside-out" approach, the organization helps low-income women see and feel their true potential by using clothing and image as tools for building self-esteem and self-worth and providing clothing for work and personal attire. Uncommon Threads receives clients on a referral basis. In 2021 through 2025, a Senior Vice President served on the organization's Advisory Board. This activity was supportive of the community development purpose of community service within the assessment area.

Financial Literacy and Education

- **Chelsea Senior Center, Bilingual Fraud Prevention Education** – Operating in the Gateway City of Chelsea, MA this Senior Center is situated in a moderate-income census tract and adjacent to seven of eight census tracts that are also low- or moderate-income therefore likely serving a majority of LMI patrons. In 2024, a member of MCU management provided training to patrons in Spanish on the topic of Fighting Fraud.
- **First Time Homebuyer Classes** – During the evaluation period, MCU participated in eighteen qualified Citizens Housing and Planning Association (CHAPA) certified First-Time Homebuyer classes, which assisted low- and moderate-income participants to prepare for homeownership. The classes were held in collaboration with the Lynn Housing Authority and the Veterans Benefits Clearinghouse Development Corporation. MCU's involvement with First-Time Homebuyer classes with this affordable housing organization helped promote affordable housing to low and moderate-income families and individuals within the MCU's assessment area.
- MCU re-opened one high school training branch following the COVID-19 pandemic located in a Gateway City through its Metro@Work program. Currently, thirty-two students work at MCU as part of a finance or accounting class, receiving real world experience in tandem with financial literacy. Education topics include finance, money management, retail, and marketing. Upon graduation, students are invited to apply for part-time employment and are eligible for a scholarship.

- In addition to the school training branch, MCU continues its financial educational support through internet learning platforms. During the evaluation period, MCU partnered with EverFi in 2021, and with Banzai in 2022 through 2025. These programs helped students learn about budgeting, building credit, and setting goals. In addition to sponsoring Banzai, MCU's employees annually provided on-site assistance and program orientation for students and teachers at six schools where the majority of students were from low- and moderate-income families.

Other Technical Assistance

- **Second Chance Cars (SSCARS), Financial Counseling** – This program facilitates delivering affordable cars to working people who are low-income veterans, returning citizens, and single parents to have reliable transportation to get to work. An MCU Assistant Vice President, as a certified financial counselor for the program, receives referrals from SSCARS and meets with candidates individually to counsel and ensure candidates are financially prepared. Loans are guaranteed by SCCARS, have a zero APR and reduced insurance requirements. During the evaluation period, the program resulted in over 50 auto loan originations.
- **Citizens Inn, Financial Counseling** – Operating in the Gateway city of Peabody, MA, Citizens Inn provides programs to break the patterns of instability, such as substance abuse and addiction, that lead to homelessness and hunger to support every individual served. Services also offer a safe place to stay, a meal on the table, tools to empower families and individuals to find permanent solutions including food and housing. In 2024, a member of credit union management provided two instances of one-on-one counseling to clients of Citizen's Inn.
- MCU continued to serve as custodian for deposit accounts in partnership with several community development organizations. The accounts included Individual Development Accounts which assist low- and moderate-income individuals to save for education, home buying, other large purchases or unrestricted emergency funds. These programs also include financial counseling and education components. Partners included Breaktime, Economic Mobility Pathways, La Vida (formerly Inversant), Lawrence Community Works, and MassSaves.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (200 Revere Beach Parkway Chelsea, Massachusetts 02150)

[Please Note: If the institution has more than one assessment area, each office (other than off premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by the Massachusetts Division of Banks, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five-year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the credit union under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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 credit unions' and holding companies to make equity type of investments in community development projects. Credit union CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Credit union 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 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 credit union:
 - (i) Has not been reported or collected by the credit union 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 (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 (e.g., 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 provides assistance to 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.