

PUBLIC DISCLOSURE

November 18, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

New Bedford Credit Union
Certificate Number: 66733

1150 Purchase Street
New Bedford, 02740

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

This document is an evaluation of the CRA performance of **New Bedford Credit Union (credit union)** prepared by the Division, the institution's supervisory agency as of **November 18, 2024**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**. An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.. **New Bedford Credit Union's** performance under this test is summarized below:

- New Bedford Credit Union's average net loan-to-share ratio is reasonable given the institution's size, financial condition, and credit needs of its community.
- The credit union made a majority of its home mortgage loans inside its assessment area.
- The distribution of borrowers reflects reasonable penetration among borrowers of different income levels.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The institution did not receive any CRA-related complaints since the previous examination. This factor did not affect the credit union's Lending Test performance rating.
- Fair lending policies and procedures are considered adequate.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks to use its authority when examining financial institutions, subject to its supervision, to assess the institution's record of meeting the needs of its assessment area, including low- and moderate-income individuals and neighborhoods, consistent with safe and sound operation of the institution. Upon the 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 July 13, 2020, to the current evaluation dated November 18, 2024. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Ratio, Assessment Area Concentration, Geographic Distribution, Borrower Profile, and Response to CRA-related Complaints and Fair Lending Procedures.

The evaluation references demographic and economic information from the 2020 American Community Survey (ACS) and D&B Data. Credit Union financial data reflects the September 30, 2024 NCUA 5300 Quarterly Call Report.

Activities Reviewed

Examiners determined New Bedford Credit Union's major product line is home mortgage loans, considering the number and dollar volume of loans the credit union originated during the evaluation period and the prevalence of loans secured by residential real estate in the credit union's loan portfolio.

Examiners analyzed the credit union's home mortgage loan originations from January 1, 2022, through December 31, 2023, reported on the institution's 2022 and 2023 HMDA Loan Application Registers (LARs). New Bedford Credit Union originated 188 loans totaling approximately \$21.4 million in 2022 and 96 loans for \$7.4 million in 2023. Examiners compared the credit union's 2022 and 2023 home mortgage lending to aggregate data in order to assess the reasonableness of the credit union's performance.

Examiners also analyzed the credit union's consumer loan activity. These products were reviewed due to the significant growth demonstrated in these categories of the credit union's loan portfolio since the previous examination. Examiners reviewed a sample of consumer loans from 2022 and 2023. The sample consisted of new and used automobile and motorcycle loans made through the credit union's indirect lending program.

Examiners weighted New Bedford Credit Union's home mortgage lending performance more heavily when determining conclusions of the Lending Test due to the availability of data, the credit union's loan portfolio distribution, and the number and dollar volume of home mortgage loans. Examiners weigh the number of loans more heavily than the dollar amount, as the number of loans is a better indicator of the number of individuals served.

DESCRIPTION OF INSTITUTION

Background

New Bedford Credit Union, established in October of 1932, is a state-chartered credit union headquartered in New Bedford, Massachusetts. Membership is available to employees of the City of New Bedford, pensioned employees of the credit union, and to any person living, working, or attending school in the Greater New Bedford area, and their family members. The credit union defines the Greater New Bedford area as all cities and towns of Bristol County, as well as the following cities and towns in Plymouth, Barnstable, and Newport Counties: Bridgewater, Carver, Lakeville, Marion, Mattapoisett, Middleboro, Plymouth, Raynham, Rochester, Wareham, Barnstable, Bourne, Buzzard's Bay, Falmouth, Mashpee, Sandwich, Yarmouth, Little Compton, and Tiverton.

The credit union is a low-income credit union, designated by the Division of Banks and the National Credit Union Administration (NCUA). A designated low-income credit union indicates that a majority of its membership earns less than 80 percent of the median family income for the metropolitan area where they live, or the national metropolitan area, whichever is greater.

New Bedford Credit Union received a “Satisfactory” rating at its previous Division of Banks CRA Performance Evaluation dated July 13, 2020, based on the Interagency Small Institution CRA Examination Procedures and the Division’s CRA Regulation 209 CMR 46.00.

Operations

The credit operates two full-service branch locations, both located in moderate-income census tracts in New Bedford, Massachusetts. The credit union’s main office is located at 1150 Purchase Street, while its secondary location is located at 120 Dawson Street, approximately three miles from the main office. Operating hours are consistent between locations, open for business from 9:00 AM – 5:00 PM, Monday through Friday, and maintains limited hours on Saturday, from 9:00 AM – 12:00 PM. Drive-up capabilities are available at both branches, open from 8:00 AM – 5:00 PM, Monday through Thursday, 8:00 AM – 6:00 PM on Fridays, and 8:00 AM – 12:00 PM on Saturdays. The credit union further maintains 24-hour walk-up ATMs at both locations.

New Bedford Credit Union offers a wide variety of banking products and services. Members can open personal checking, money market, child, senior, and business checking accounts; savings, passbook accounts, holiday, and club accounts; individual retirement accounts (IRAs), and certificates of deposit. Lending products offered by the credit union include, but are not limited to, first mortgage products, adjustable rate mortgages (ARMs), home equity lines of credit (HELOCs), and home improvement loans; personal loans; both direct and indirect new and used automobile loans; motorcycle, boat, and recreational vehicle loans; as well as commercial auto loans, real estate loans, and lines of credit.

Ability and Capacity

As of the September 30, 2024 quarterly call report, the credit union’s assets totaled approximately \$161.4 million, held shares and deposits totaling approximately \$144.5 million, and maintains a loan portfolio of approximately \$110.4 million. Over the last eight calendar quarters, the credit union’s total asset size has decreased 0.3 percent, while the credit union’s total loan portfolio has increased by 2.2 percent.

Loans and lines of credit secured by first liens on residential real estate account for the largest part of the credit union’s portfolio, making up 48.2 percent of all loans, followed by loans secured by a junior lien on residential properties, which account for 21.8 percent of the loan portfolio.

The following table provides an overview of the credit union's loan portfolio.

Loan Portfolio Distribution as of 9/30/2024		
Loan Category	\$	%
Unsecured Credit Card Loans	2,775,495	2.5
All Other Unsecured Loans/Lines of Credit	2,858,735	2.6
New Vehicle Loans	6,599,445	6.0
Used Vehicle Loans	9,245,207	8.4
All Other Secured Non-Real Estate Loans/Lines of Credit	7,490,712	6.8
Loans/Lines of Credit Secured by a First Lien on a single 1-4 Family Residential	53,226,880	48.2
Loans/Lines of Credit Secured by a Junior Lien on a single 1-4 Family Residential	24,053,747	21.8
Total Loans	110,429,087	100.0
<i>Source: Reports of Income and Condition</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. New Bedford Credit Union has designated its assessment area to include the municipalities of Marion, Mattapoisett, and Rochester, located in Plymouth County, as well as Acushnet, Dartmouth, Fairhaven, Freetown, and New Bedford, located in Bristol County.

Economic and Demographic Data

The credit union's assessment area consists of 49 census tracts that reflect the following income designations according to the 2020 American Community Survey (ACS) data:

- 9 low-income tracts,
- 13 moderate-income tracts,
- 19 middle-income tracts,
- 8 upper-income tracts.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	49	18.4	26.5	38.8	16.3	0.0
Population by Geography	188,123	13.3	23.9	44.2	18.6	0.0
Housing Units by Geography	78,205	14.3	24.5	44.8	16.4	0.0
Owner-Occupied Units by Geography	41,908	3.9	16.9	55.6	23.6	0.0
Occupied Rental Units by Geography	29,967	28.3	35.7	30.3	5.8	0.0
Vacant Units by Geography	6,330	16.9	22.2	42.5	18.3	0.0
Businesses by Geography	15,539	16.6	15.9	46.8	20.7	0.0
Farms by Geography	509	9.8	9.6	50.1	30.5	0.0
Family Distribution by Income Level	45,354	27.0	17.1	20.7	35.2	0.0
Household Distribution by Income Level	71,875	30.0	16.0	16.6	37.5	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$294,749
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$89,555	Median Gross Rent			\$895
			Families Below Poverty Level			9.0%
Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

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

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA Median Family Income (14454)				
2022 (\$129,500)	<\$64,750	\$64,750 to <\$103,600	\$103,600 to <\$155,400	≥\$155,400
2023 (\$136,900)	<\$68,450	\$68,450 to <\$109,520	\$109,520 to <\$164,280	≥\$164,280
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2022 (\$99,600)	<\$49,800	\$49,800 to <\$79,680	\$79,680 to <\$119,520	≥\$119,520
2023 (\$108,300)	<\$54,150	\$54,150 to <\$86,640	\$86,640 to <\$129,960	≥\$129,960
Source: FFIEC				

Competition

There is a high level of competition for home mortgage loans among lenders in the credit union's assessment area. In 2022, there were 307 depository and non-depository lenders in the credit union's assessment area that originated or purchased a total of 7,932 mortgage loans. In 2023, there were a total of 252 lenders that originated or purchased a total of 5,352 mortgage loans. In both 2022 and 2023, the five highest ranked lenders were either non-depository loan providers, large national banks, or credit unions larger than that of New Bedford Credit Union, all of which accounted for more than 27.9 percent of the available market in 2022 and 27.9 percent in 2023. Although there is a significant level of competition, New Bedford Credit Union's market share remained stable throughout the examination period, ranking 13th in both 2022 and 2023.

Community Contact

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

Examiners contacted a representative of a community action agency that operates in the credit union's assessment area, working to assist low-income individuals and families with a variety of targeted financial and technical assistance through the programs and services offered by the organization. The organization contact expressed that affordable housing, affordable options for childcare and early education, access to affordable and nutritious food, and utility assistance are all concerns for low-income individuals and families in the assessment area.

Credit Needs

Examiners considered information gathered from the community contact and available economic and demographic data to determine the assessment area's primary credit and community development needs. Examiners determined that financial education, loan consolidation solutions, and downpayment and closing cost assistance are significant needs for the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Share Ratio

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

The credit union's net loan-to-share ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 74.4 percent over eight calendar quarters, from December 31, 2022 to September 30,

2024. New Bedford Credit Union's loan-to-share ratio varied slightly over the evaluation period, from 72.0 percent as of March 31, 2023, to a high of 76.8 percent as of December 31, 2023. The credit union's loan-to-share ratio was below that of two similarly situated institutions.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of 9/30/2024 (\$)	Average LTS Ratio (%)
New Bedford Credit Union	161,430,413	74.4
Fall River Municipal Credit Union	293,793,243	81.0
Alltrust Credit Union	311,555,853	111.1
<i>Source: Reports of Income and Condition 12/31/2022 through 09/30/2024</i>		

Assessment Area Concentration

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

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	160	85.1	28	14.9	188	16,158	75.4	5,281	24.6	21,439
2023	78	81.3	18	18.8	96	6,143	82.3	1,324	17.7	7,468
Total	238	83.8	46	16.2	284	22,301	77.1	6,605	22.9	28,907
Source: Credit Union Data										

Borrower Profile

Home Mortgage Lending

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

In 2022, the credit union originated 17, or 10.6 percent, of loans to low-income borrowers, performing 3.7 percentage points above the aggregate. In 2023, the credit union increased its performance by 6.1 percentage points, performing above aggregate lenders by 10 percentage points.

In 2022, the credit union compared favorably to both aggregate performance and the percentage of families in moderate-income borrowers. In 2023, the credit union made 20.5 percent of loans to moderate-income borrowers, slightly below aggregate performance but still above the demographic comparator.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	27.0	6.9	17	10.6	1,131	7.0
2023	27.0	6.7	13	16.7	684	11.1
Moderate						
2022	17.1	23.3	42	26.3	3,829	23.7
2023	17.1	20.9	16	20.5	815	13.3
Middle						
2022	20.7	28.4	48	30.0	4,663	28.9
2023	20.7	29.1	20	25.6	1,151	18.7
Upper						
2022	35.2	29.6	53	33.1	6,536	40.4
2023	35.2	28.8	29	37.2	3,493	56.9
Not Available						
2022	0.0	11.8	0	0.0	0	0.0
2023	0.0	14.4	0	0.0	0	0.0
Total						
2022	100.0	100.0	160	100.0	16,158	100.0
2023	100.0	100.0	78	100.0	6,144	100.0
<i>Source: 2020 ACS; Credit Union Data, 2022 & 2023 HMDA Aggregate Data</i>						

The percentage of low-income families is high, making up 27.0 percent of families in the assessment area, while the percentage of owner-occupied housing, vacant housing units, and housing units are lowest in low-income geographies, indicating a shortage of available units likely to be affordable to low-income borrowers. Examiners noted that, while low-income families making less than \$68,450 may have difficulty qualifying for a mortgage under conventional writing standards, the credit union made 36.9 percent of home mortgage loans to low- and moderate-individuals in 2022 and increased performance slightly in 2023, making 37.2 percent of loans to low- and moderate-income borrowers.

Consumer Lending

The distribution of consumer loans reflects reasonable penetration to individuals of different income categories.

In 2022, the credit union made six, or 30.0 percent of sampled loans, to low-income borrowers. For the same year, the credit union made seven loans to moderate-income borrowers, or 35.0 percent. In 2023, the credit union originated six loans to low-income borrowers, or 30.0 percent of sampled loans. For the same year, the credit union made five, or 25.0 percent, to moderate-income borrowers.

In 2022, the credit union made 65.0 percent to low- and moderate-income borrowers. The credit union maintained similar performance in 2023, making 55.0 percent of sampled loans to low- and moderate-income borrowers, even as interest rates increased during the assessment period.

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

Distribution of Consumer Loans by Borrower Income Level					
Borrower Income Level		#	%	\$	%
Low					
2022		6	30.0	157,476	26.7
2023		6	30.0	127,836	25.5
Moderate					
2022		7	35.0	189,900	32.2
2023		5	25.0	148,114	29.5
Middle					
2022		4	20.0	141,031	23.9
2023		6	30.0	181,470	36.2
Upper					
2022		3	15.0	101,602	17.2
2023		3	15.0	44,049	8.8
Total					
2022		20	100.0	590,009	100.0
2023		20	100.0	501,469	100.0
Source: 1/1/2022 - 12/31/2023 Credit Union Data					

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, primarily supported by the credit union's home mortgage performance. Examiners focused on activity within low- and moderate-income census tracts.

Home Mortgage Lending

In 2022, the credit union originated 10, or 6.3 percent, of home mortgage loans in low-income census tracts, comparing favorably to aggregate performance and 2.4 percentage points above the percentage of owner-occupied housing. In 2023, the credit union performed below aggregate data, but above demographic data.

The credit union's performance in moderate-income census tracts performed above both aggregate and demographic data in 2022 and 2023. In 2022, the credit union made 40, or 25.0 percent, of home mortgage loans to moderate-income census tracts, comparing favorably to both aggregate performance and the percentage of owner-occupied housing. In 2023, the credit union increased its lending to moderate-income census tracts to 26.9 percent, performing above both the demographic comparator and 8.7 percentage points above that of aggregate performance.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	3.9	5.9	10	6.3	669	4.1
2023	3.9	6.1	4	5.1	273	4.4
Moderate						
2022	16.9	19.5	40	25.0	4,119	25.5
2023	16.9	18.2	21	26.9	1,363	22.2
Middle						
2022	55.6	52.5	83	51.9	8,475	52.5
2023	55.6	55.4	44	56.4	3,886	63.2
Upper						
2022	23.6	22.1	27	16.9	2,895	17.9
2023	23.6	20.3	9	11.5	622	10.1
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Total						
2022	100.0	100.0	160	100.0	16,158	100.0
2023	100.0	100.0	78	100.0	6,144	100.0
<i>Source: 2020 ACS; Credit Union Data, 2022 & 2023 HMDA Aggregate Data</i>						

Consumer Lending

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. Examiners reviewed a random sample of consumer loans originated in 2022 and 2023, comprised of new and used automobile loans made through the credit union's indirect lending program.

In both 2022 and 2023, the credit union originated three, or 15.0 percent, of consumer loans to low-income census tracts. For the same year, the credit union originated five loans, or 25.0 percent, in moderate-income census tracts. In 2023, the credit union originated two loans, or 10.0 percent, to moderate-income census tracts.

The following table demonstrates the distribution of consumer loans by geography.

Geographic Distribution of Consumer Loans				
Tract Income Level	#	%	\$	%
Low				
2022	3	15.0	52,374	8.9
2023	3	15.0	84,107	16.8
Moderate				
2022	5	25.0	118,629	20.1
2023	2	10.0	34,251	6.8
Middle				
2022	7	35.0	233,823	39.6
2023	9	45.0	256,536	51.2
Upper				
2022	5	25.0	185,183	31.4
2023	6	30.0	126,575	25.2
Total				
2022	20	100.0	590,009	100.0
2023	20	100.0	501,469	100.0
<i>Source: 1/1/2022 - 12/31/2023 Credit Union Data</i>				

Response to Complaints and Fair Lending Policies and Procedures

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

Fair Lending Policies and Procedures

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

Minority Application Flow

New Bedford Credit Union's 2022 and 2023 HMDA LARs were reviewed to determine if the credit union's application flow from different racial and ethnic groups reflected the assessment area's demographics. Comparison to aggregate data assists in deriving reasonable expectations for the rate of applications the credit union received from minority home mortgage loan applicants.

According to 2020 ACS U.S. Census data, the credit union's assessment area contained a total population of 188,123 individuals of which 28.6 percent are minorities. The assessment area's minority population consists of 14.5 percent Hispanic or Latino, 3.9 percent Black/African

American, 1.5 percent Asian, less than half a percent American Indian or Alaskan Native, and 10.9 percent other.

In 2022, New Bedford Credit Union received 186 home mortgage loan applications from within its assessment area. Of these applications, the credit union received 23, or 12.3 percent, from racial minority applicants, of which 18, or 78.3 percent, resulted in originations. Aggregate lenders from within the credit union's assessment area received 10.7 percent of applications from racial minority groups, of which 55.6 percent resulted in originations. For the same year, the credit union received 8, or 4.3 percent, of applications from ethnic minority groups, of which 87.5 percent resulted in originations. Aggregate lenders received 6.9 percent of applications from ethnic minority borrowers, of which 57.3 percent resulted in origination.

In 2023, the credit union received 109 home mortgage loan applications from within its assessment area. Of these applications, 17, or 15.6 percent, were received from racial minority applicants, of which 53.0 percent resulted in originations. The aggregate received 10.3 percent of loans from racial minority applicants, originating 47.4 percent. For the same year, the credit union received 11, or 10.1 percent, of applications from ethnic minority groups, of which 72.7 percent were originated. Aggregate lenders received 7.5 percent of applications from ethnic minority borrowers, originating 49.7 percent of those applications.

RACE	2022 Credit Union		2022 Aggregate	2023 Credit Union		2023 Aggregate
	#	%	%	#	%	%
American Indian/ Alaska Native	3	1.6	0.4	0	0.0	0.4
Asian	0	0.0	1.0	1	0.9	1.3
Black/ African American	18	9.7	7.6	15	13.8	6.7
Hawaiian/Pacific Islander	1	0.5	0.1	0	0.0	0.3
2 or more Minority	1	0.5	0.1	1	0.9	0.3
Joint Race (White/Minority)	0	0.0	1.5	0	0.0	1.3
Total Racial Minority	23	12.3	10.7	17	15.6	10.3
White	158	85.0	67.3	89	81.7	66.5
Race Not Available	5	2.7	22.0	3	2.7	23.2
Total	186	100.0	100.0	109	100.0	100.0
ETHNICITY						
Hispanic or Latino	8	4.3	6.9	11	10.1	7.5
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.2	0	0.0	1.5
Total Ethnic Minority	8	4.3	8.1	11	10.1	9.0
Not Hispanic or Latino	170	91.4	70.8	93	85.3	69.0
Ethnicity Not Available	8	4.3	21.1	5	4.6	22.0
Total	186	100.0	100.0	109	100.0	100.0

Source: U.S. Census 2020, HMDA Aggregate Data 2022, HMDA LAR Data 2022 and 2023

Although aggregate lenders saw a slight decrease in the level of racial minority applications received, New Bedford Credit Union increased its minority application flow from 12.3 percent in 2022 to 15.6 percent in 2023, performing above aggregate by 5.3 percentage points and demonstrating an increase of 3.3 percentage points up from the previous year's performance. Although the credit union's ethnic minority application flow was 3.8 percentage points below the aggregate comparator in 2022, the credit union increased its application flow to perform above aggregate data in 2023.

Considering the assessment area's demographic composition and comparisons to aggregate data, the credit union's minority application flow is considered reasonable.

SMALL INSTITUTION PERFORMANCE CRITERIA

Lending Test

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

1. the institution's loan-to-deposit ratio, adjusted for seasonal variation and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
2. the percentage of loans and, as appropriate, other lending-related activities located in the institution's assessment area(s);
3. the institution's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes;
4. the geographic distribution of the institution's loans, provided, however that a credit union shall be evaluated in the context of its relevant membership by-law provisions; and
5. the institution's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s) and its performance with regard to fair lending policies and practices.

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 1150 Purchase Street, New Bedford, 02740.

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

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

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

GLOSSARY

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

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

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

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

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

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

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