

PUBLIC DISCLOSURE

May 20, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Quincy Credit Union
Certificate Number: 67709

100 Quincy Ave
Quincy, Massachusetts 02169-6714

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
SCOPE OF EVALUATION	2
DESCRIPTION OF INSTITUTION	3
DESCRIPTION OF ASSESSMENT AREAS.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
INTERMEDIATE SMALL INSTITUTION PERFORMANCE CRITERIA	18
GLOSSARY	19

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**. An institution in this group has an adequate record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following points summarize the credit union's Lending Test and Community Development Test performance. The allowance of an overall satisfactory rating for a credit union is supported by the Division's Regulation at 209 CMR 46.28(2) (e).

The Lending Test is rated Satisfactory.

- The loan-to-share ratio (LTS) is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The credit union made a majority of its loans in the assessment area.
- The geographic distribution of loans reflects good dispersion throughout the assessment area.
- The distribution of borrowers reflects more than reasonable penetration of loans among individuals of different income levels.
- The credit union did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.
- The credit union has an adequate record relative to its fair lending policies and procedures.

The Community Development Test is rated Satisfactory.

- Quincy Credit Union demonstrated adequate responsiveness to the assessment area's community development needs through qualified loans, donations, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks 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 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 considered activity from the previous evaluation dated November 15, 2021, to the current evaluation dated May 20, 2024, using the Interagency Intermediate Small Institution CRA Examination Procedures to evaluate CRA performance. These procedures include the Lending Test and the Community Development Test. The two most recent calendar years of 2022 and 2023 were used in financial data findings.

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

- Loan-To-Share (LTS) Ratio
- Assessment Area Concentration
- Geographic Distribution
- Borrower Profile
- Response to CRA-related complaints
- Fair Lending Policies and Procedures

The Community Development Test considered the following factors:

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

Loan Products Reviewed

Examiners analyzed both home mortgage loans and consumer loans originated from January 1, 2022, through December 31, 2023. The home mortgage loan originations were collected through the institution's 2022 and 2023 Home Mortgage Loan Application Registers (LARs). Examiners presented these years of performance in the assessment area concentration, geographic distribution, and borrower profile tables.

Quincy Credit Union originated 266 home mortgage loans totaling \$54.9 million in 2022, and 136 loans totaling \$48.8 million in 2023. Examiners compared the institution's home mortgage lending performance to 2020 American Community Survey (ACS) demographic data and to available aggregate data.

Examiners reviewed a sample of 20 consumer loans for both 2022 and 2023. Within this sample, the institution originated a total dollar amount of \$187,000 in 2022, as well a total dollar amount of

\$558,000 in 2023. Of the 20 loans in the sample, seven loans were originated in the assessment area for 2022, and 11 loans were originated in the assessment area for 2023.

Examiners focused the examination on the institution's home mortgage lending due to its higher share of the loan portfolio (65.7 percent) and its readily available data. Examiners also focused on the number of loans rather than dollar volume when assessing the institution's performance, as it is a better indicator of the number of individuals served.

The Community Development Test considered the number and dollar amount of community development loans, qualified investments, and community development services performed since the prior CRA evaluation dated November 15, 2021, through May 20, 2024 (YTD 2024). Financial data about the credit union was obtained from the March 31, 2024 Call Report filed with the NCUA.

DESCRIPTION OF INSTITUTION

Background

Quincy Credit Union is a community credit union, originally established in 1937 and headquartered in Quincy, Massachusetts. Membership within this credit union is available to all people in Dorchester, Plymouth and Norfolk counties, as well as their family members. As of May 8, 2024, the credit union has 37,355 members.

Quincy Credit Union received a "Satisfactory" rating at its previous Division of Banks CRA Performance Evaluation dated November 15, 2021, based on the Interagency Intermediate Small Institution CRA Examination Procedures and the Division's CRA Regulation at 209 CMR 46.

Operations

The credit union's main office and operations center is located at 100 Quincy Ave in Quincy, Massachusetts. The credit union continues to maintain its Weymouth branch location and has added a third branch location in Marshfield since the previous evaluation. The main branch is in a moderate-income census tract, and the Weymouth and Marshfield branches are in upper-income census tracts. While the Marshfield location does not currently offer drive-up hours, the lobby hours and operations remain consistent at all three of the credit union's branches. The credit union operates a standalone deposit-taking Automated Teller Machine (ATM) at the Quincy Police Department, as well as new Interactive Teller Machines (ITM) at the Marshfield branch and Kilroy Square in Quincy.

The credit union offers a variety of loan products, including home mortgage, commercial, auto, consumer, and Mass Save Heat loans, along with a range of traditional deposit services including checking and savings options for personal and business purposes. Members have access to financial services through the credit union's online and mobile banking, where members can apply for loans, open new accounts, make loan payments, or complete deposit transactions. The credit union participates in co-op shared branching to expand their retail services across the country. Members of Quincy Credit Union can visit other participating institutions to receive basic financial services.

Ability and Capacity

As of March 31, 2024, Quincy Credit Union had total assets of approximately \$712.4 million, total loans of \$440.2 million, and total shares of \$643.3 million. Total loans represent approximately 61.8 percent of total assets. Residential loans represent the primary credit product with approximately 65.7 percent of the loan portfolio.

Loan Portfolio Distribution as of 3/31/2024		
Loan Category	\$	%
Unsecured Credit Card Loans	16,070,288	3.6
All Other Unsecured Loans/Lines of Credit	15,650,410	3.6
New Vehicle Loans	20,312,276	4.6
Used Vehicle Loans	61,333,177	13.9
Secured Non-Real Estate Loans/Lines of Credit	10,266,329	2.3
Total Loans/Lines of Credit Secured by 1st Lien 1-4 Family Residential Properties	217,231,560	49.3
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	72,037,723	16.4
Commercial Loans/Lines of Credit Real Estate Secured	24,101,965	5.5
Commercial Loans/Lines of Credit Not Real Estate Secured	3,284,783	0.7
Total Loans	440,288,511	100.0

Source: Reports of Condition and Income

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. Quincy Credit Union has designated one single assessment area, which includes the municipalities of Braintree, Hanover, Hingham, Marshfield, Norwell, Quincy, and Weymouth. The assessment area, as currently defined, meets the technical requirements of the Division of Bank's CRA regulation.

Economic and Demographic Data

The credit union's assessment area consists of 61 census tracts that reflect the following income designations according to the 2020 American Community Survey (ACS):

- 2 low-income tracts,
- 10 moderate-income tracts,
- 25 middle-income tracts,
- 21 upper-income tracts, and
- 3 census tracts with no income designation.

Since the previous examination, the credit union has added the following towns to its assessment area: Hanover, Hingham, Marshfield, and Norwell. This update created the following changes in census tract designations since the previous examination: low-income census tracts increased from 1 to 2, moderate-income census tracts increased from 8 to 10, middle-income census tracts

decreased from 27 to 25, upper-income census tracts increased from 2 to 21, and no-income designation tracts increased from 0 to 3.

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)	61	3.3	16.4	41.0	34.4	4.9
Population by Geography	274,488	2.3	18.4	40.0	37.1	2.3
Housing Units by Geography	112,526	2.3	20.2	42.2	33.4	2.0
Owner-Occupied Units by Geography	68,041	0.8	13.5	41.7	42.3	1.7
Occupied Rental Units by Geography	38,607	4.7	31.4	42.5	18.9	2.6
Vacant Units by Geography	5,878	3.0	24.0	46.2	25.0	1.9
Businesses by Geography	32,653	2.6	14.6	34.1	47.8	0.9
Farms by Geography	489	0.6	10.8	35.4	52.1	1.0
Family Distribution by Income Level	66,014	19.7	15.9	20.8	43.6	0.0
Household Distribution by Income Level	106,648	24.1	14.8	17.8	43.4	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$486,047
Families Below Poverty Level		5.0%	Median Gross Rent			\$1,613
<i>Source: 2020 ACS, 2023 D&B Data, and FFIEC Estimated Median Family Income.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 112,526 housing units in the area. Owner-occupied housing units account for 60.5 percent of the housing stock, rental units account for 34.3 percent of the housing stock, and the remaining 5.2 percent of units are vacant. Within the 12 low- and moderate -income tracts, owner -occupied housing units account for 14.3 percent of total units, compared to 85.7 percent in the middle- and upper-income census tracts. This suggests limited owner-occupied housing stock in low- and moderate-income census tracts.

The median housing value in 2020 based on ACS data was \$486,047. HMDA public information reflected the average loan originated for 1-4 family purchase loans was approximately \$550,000 in 2022, compared to \$540,000 in 2023, which reflects a decrease in home prices in recent years.

The FFIEC Median Family Income level is used to analyze home mortgage loans under the Borrower Profile criterion. The following table displays the low-, moderate-, middle-, and upper-income categories 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
<i>Source: FFIEC</i>				

Data obtained from the U.S. Bureau of Labor Statistics indicates that the 2023 annual average unemployment rate was 3.4 percent statewide, 3.1 percent in Norfolk County, and 3.5 percent in Plymouth County. The higher unemployment rate in Plymouth County could suggest greater needs in that portion of the assessment area. Similarly, a low- income family earning \$68,450 and a poverty level of 5.0 percent in the assessment area may suggest challenges for low-income families qualifying for a residential home mortgage.

Competition

Financial services are moderately competitive within the assessment area. According to the 2023 FDIC Deposit Market Share data, there are 24 financial institutions operating 97 full-service branches in the assessment area. Of these institutions, Quincy Credit Union ranks 7th with a 4.4 percent deposit market share by dollar amount, while the top four institutions collectively hold over 57.0 percent deposit market share by dollar amount.

There is a high level of competition for home mortgage loans among several banks, credit unions and non-depository lenders in the institution’s assessment area. In 2023, there were 289 lenders that originated or purchased 5,212 home mortgage loans. Quincy Credit Union ranked 15th with 1.5 percent market share, while the top four institutions collectively hold over 26.0 percent market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to understand the credit and community development needs of the area. The information obtained helps to determine whether local financial institutions are responsive to those needs. The information also shows what credit and community development opportunities are available.

Examiners conducted a community contact interview with a non-profit community action agency serving in several parts of the assessment area. The agency provides assistance to low- and moderate-income individuals and families needing nutrition and food assistance, home energy and utility assistance, energy conservation assistance, early education and family support, transportation for the elderly and disabled, and income maximization.

The contact noted positive interaction with local institutions and attributed some of the success in maintaining their staff through the monetary contributions from partnerships of local banks. The contact noted that according to a 2024 survey, about 40 percent of their low-income respondents are in a worse financial position now compared to prior to the Covid-19 pandemic. There was specific mention that the community could benefit from financial management as there appears to be high

credit card usage amongst clients due to not being able to afford basic things such as household heat or utilities, nutritious food, or transportation. The contact noted affordable housing as another area the community could benefit from, specifically looking for support from local banks regarding first time homebuyer programs or financial literature.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact, the Credit Union, and available economic data to determine the primary credit needs of the assessment area. Based on this information, examiners determined that the community’s primary credit need is financial literature and affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Quincy Credit Union demonstrated an adequate performance under the Lending Test. The institution’s reasonable geographic distribution and more than reasonable penetration among individuals of different income levels, combined with the reasonable loan-to-share ratio and majority of loan originations within the assessment area, support this conclusion.

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 ratio for the last eight quarters is reasonable given the institution’s size, financial condition, and assessment area credit needs.

The credit union’s net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 63.6 percent over the past eight calendar quarters from June 30, 2022, through March 31, 2024. The ratio ranged from a low of 58.6 percent as of June 30, 2022, to a high of 68.1 percent as of March 31, 2024, showing a consistent increasing trend during the evaluation period.

Loan to Share Ratio		
Credit Union	Total Assets as of 3/31/2024	Average Net LTS Ratio (%)
Quincy Credit Union	\$712,417,782	63.6
City of Boston Credit Union	\$582,206,152	83.4
Liberty Bay Credit Union	\$795,359,646	103.0
<i>Source: Reports of Condition and Income 06/31/2022-03/31/2024</i>		

Assessment Area Concentration

The credit union originated a majority of its home mortgage and consumer loans within its assessment area. Examiners focused on the number of loans originated compared to the dollar amount of loans, as the number of loans is a better indicator of low- and moderate-income

individuals or families that received a loan. The credit union attributed the decrease in home mortgages from 2022 to 2023 to high interest rates and a low housing inventory. Please refer to the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	152	57.1	114	42.9	266	27,840	50.6	27,130	49.4	54,970
2023	78	57.4	58	42.6	136	10,390	21.2	38,505	78.8	48,895
Subtotal	230	57.2	172	42.8	402	38,230	36.8	65,635	63.2	103,865
Consumer										
2022	7	35.0	13	65.0	20	58	31.0	129	69.0	187
2023	11	55.0	9	45.0	20	235	42.1	322	57.7	558
Subtotal	18	45.0	22	55.0	40	293	39.3	451	60.6	745
Total	248	56.1	194	43.9	442	38,523	36.8	66,086	63.2	104,609

Source: HMDA Reported Data; Consumer Loan Sample

Geographic Distribution

Considering the credit union’s assessment area demographics and aggregate data, the distribution of home mortgage and consumer loans reflects good dispersion throughout the low- and moderate-income geographies. Examiners focused on the percentage of loans by number in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects more than reasonable dispersion throughout the assessment area. The credit union’s 2022 loan performance in low-income census tracts was above the performance of aggregate lenders in the same areas. Similarly, the credit union’s percentage of loans in low-income census tracts exceeded the percentage of owner-occupied housing units in low-income areas. The credit union did not originate any loans in low-income census tracts in 2023, making their performance below the aggregate.

The credit union’s 2022 performance in moderate- income census tracts was above the aggregate, as well as above the demographics of owner-occupied housing units in the same areas. The credit union’s 2023 performance in moderate-income census tracts fell by number, but was commensurate with the overall reduction in home mortgage loans that year.

The following table illustrates the credit union’s dispersion of home mortgage loans by census tract income level within the assessment area.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.8	0.6	3	2.0	745	2.7
2023	0.8	0.9	0	0.0	0	0.0
Moderate						
2022	13.5	13.0	24	15.8	7,440	26.7
2023	13.5	13.2	11	14.1	1,335	12.8
Middle						
2022	41.7	39.7	76	50.0	11,270	40.5
2023	41.7	37.2	51	65.4	6,915	66.6
Upper						
2022	42.3	44.9	45	29.6	8,215	29.5
2023	42.3	47.3	15	19.2	2,115	20.4
Not Available						
2022	1.7	1.8	4	2.6	170	0.6
2023	1.7	1.4	1	1.3	25	0.2
Total						
2022	100.0	100.0	152	100.0	27,840	100.0
2023	100.0	100.0	78	100.0	10,390	100.0

Source: 2020 ACS; 2022 & 2023 HMDA Aggregate Data, "--" data not available.

Consumer Loans

The geographic distribution of a sample of consumer loans reflects adequate dispersion within its assessment area. Within the low-income census tracts, the institution did not originate any consumer loans in 2022 or 2023, putting the credit union’s performance below the demographic data for the percentage of households. The performance in 2022 for moderate-income tracts exceeded the percentage of households. The credit union did not originate any consumer loans in 2023 for moderate-income census tracts, causing the credit union’s performance to fall below the percentage of households.

The following table illustrates the credit union’s lending to consumer loans by census tract income level.

Geographic Distribution of Consumer Loans					
Tract Income Level	% of Households	#	%	\$(000s)	%
Low					
2022	2.2	0	0.0	0	0.0
2023	2.2	0	0.0	0	0.0
Moderate					
2022	20.0	2	28.6	6	10.3
2023	20.0	0	0.0	0	0
Middle					
2022	42.0	4	57.1	36	62.1
2023	42.0	8	72.7	205	87.3
Upper					
2022	33.8	1	14.3	16	27.6
2023	33.8	2	18.2	25	10.6
Not Available					
2022	2.0	0	0.0	0	0.0
2023	2.0	1	9.1	5	2.1
Total					
2022	100.0	7	100.0	58	100.0
2023	100.0	11	100.0	235	100.0
<i>Source: 2020 ACS</i>					

Borrower Profile

Given the demographics of the assessment area, the distribution of borrowers reflects more than reasonable penetration among individuals of different income levels for home mortgage and consumer loans. Examiners focused on activity among low- and moderate-income borrowers.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is more than reasonable. The credit union’s activity was above the aggregate performance to low-income borrowers in 2022. The 2023 performance to low-income borrowers fell by number and dollar amount but remained above the aggregate performance. The credit union’s performance was below the demographic of low-income families for 2022 and 2023, suggesting the difficulty for a low-income family to qualify for a residential mortgage using conventional underwriting standards.

The credit union’s performance for moderate-income borrowers in 2022 was above the aggregate performance, as well as the demographic of moderate-income families. The 2023 performance for

moderate-income borrowers fell by number and dollar amount, however, it remained above the aggregate performance.

The following table illustrates the credit union’s lending to borrowers of different income levels in the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	19.7	6.8	17	11.2	2,075	7.5
2023	19.7	5.3	5	6.4	345	3.3
Moderate						
2022	15.9	17.8	35	23.0	5,605	20.1
2023	15.9	15.6	16	20.5	1,190	11.4
Middle						
2022	20.8	23.0	43	28.3	6,005	21.6
2023	20.8	21.7	25	32.0	3,135	30.2
Upper						
2022	43.6	40.8	48	31.6	8,030	28.8
2023	43.6	40.2	30	38.5	4,900	47.2
Not Available						
2022	0.0	11.6	9	5.9	6,125	22.0
2023	0.0	17.3	2	2.6	820	7.9
Total						
2022	100.0	100.0	152	100.0	27,840	100.0
2023	100.0	100.0	78	100.0	10,390	100.0
<i>Source: 2020 ACS; 2022 & 2023 HMDA Aggregate Data, "--" data not available.</i>						

Consumer Loans

The distribution of a sample of consumer loans reflects reasonable penetration to low- and moderate-income households. The credit union’s lending to low-income families in 2022 was above the percentage of households with the same income level. In 2023, the credit union’s lending to low-income households increased by number and dollar amount but fell by percentage. The institution’s activity to low-income families remained above the demographic of households for 2023.

The following table illustrates the credit union’s lending to consumer loans by family income level.

Distribution of Consumer Loans by Borrower Income Level					
Borrower Income Level	% of Households	#	%	\$(000s)	%
Low					
2022	24.1	5	71.4	41	70.7
2023	24.1	6	54.5	71	30.2
Moderate					
2022	14.8	1	14.3	1	1.7
2023	14.8	0	0.0	0	0.0
Middle					
2022	17.8	0	0.0	0	0.0
2023	17.8	1	9.1	15	6.4
Upper					
2022	43.4	1	14.3	16	27.6
2023	43.4	4	36.4	149	63.4
Not Available					
2022	0.0	0	0.0	0	0.0
2023	0.0	0	0.0	0	0.0
Total					
2022	100.0	7	100.0	58	100.0
2023	100.0	11	100.0	235	100.0
<i>Source: 2020 ACS</i>					

Response to Complaints

The credit union did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not have an impact on the CRA rating.

Discriminatory or Illegal Credit Practices

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

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

According to the 2020 US Census Data, the credit union's assessment area contained a total population of 274,488 individuals, of which 29.1 percent are minorities. The minority population represented is 3.7 percent Black/African American, 16.4 percent Asian, 0.1 percent American Indian, 4.1 percent Hispanic or Latino, and 4.8 percent other.

In 2022, the credit union received 204 HMDA reportable loan applications within its assessment area. Of these applications, 13 or 6.4 percent were received from minority applicants, 7 or 53.8 percent of which resulted in originations. The aggregate received 17.9 percent of its applications from minority consumers, of which 60.7 percent had been originated. For the same period, the credit union received 3 or 1.5 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which 1 or 33.3 percent of loans were originated. This was compared to an aggregate ethnic minority application rate of 3.5 percent with a 56.1 percent origination rate.

In 2023, the credit union received 116 HMDA reportable loan applications within its assessment area. Of these applications, 5 or 4.4 percent were received from minority applicants, of which 3 or 60.0 percent resulted in originations. The aggregate received 19.2 percent of its applications from minority consumers, of which 58.8 percent had been originated. For the same period, the credit union received 1 or 0.9 percent of all applications from ethnic groups of Hispanic origin within its assessment area, of which no loans were originated. This was compared to an aggregate ethnic minority application rate of 3.2 percent with a 52.4 percent origination rate.

The credit union's level of lending in 2022 and 2023 was compared with that of the 2022 and 2023 aggregate's lending performance. The comparison of this data assists in deriving reasonable expectations for the rate of applications the credit union received from minority home mortgage loan applicants. The credit union's HMDA LARs for 2022 and 2023 was also reviewed to determine if the application flow from the different racial groups within the credit union's assessment area was reflective of the assessment area's demographics. Considering the demographic composition of the assessment area, comparisons to aggregate data, lending trends, marketing and outreach efforts, and languages spoken by credit union employees, the credit union's minority application flow is adequate.

Refer to the table below for information on the credit union’s minority application flow as well as the aggregate lenders in the credit union’s assessment area.

MINORITY APPLICATION FLOW						
RACE	2022		2022 Aggregate Data	2023		2023 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0	0.2
Asian	10	4.9	14.3	4	3.5	15.1
Black/ African American	2	1.0	1.8	1	0.9	2.3
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0	0.1
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	1	0.5	1.4	0	0.0	1.5
Total Racial Minority	13	6.4	17.8	5	4.4	19.3
White	182	89.2	61.4	104	89.6	58.5
Race Not Available	9	4.4	20.7	7	6.0	22.2
Total	204	100.0	100.0	116	100.0	100.0
ETHNICITY						
Hispanic or Latino	2	1.0	2.4	1	0.9	2.3
Joint (Hisp/Lat /Not Hisp/Lat)	1	0.5	1.1	0	0.0	0.9
Total Ethnic Minority	3	1.5	3.5	1	0.9	3.2
Not Hispanic or Latino	192	94.1	74.3	106	91.4	73.2
Ethnicity Not Available	9	4.4	22.2	9	7.7	23.6
Total	204	100.0	100.0	116	100.0	100.0

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

COMMUNITY DEVELOPMENT TEST

Quincy Credit Union demonstrates adequate responsiveness to the assessment area’s community development needs through qualified community development loans, qualified donations, and community development services. Examiners considered the credit union’s capacity and the need and availability of such opportunities for community development in the assessment area.

Community Development Loans

During the evaluation period, the credit union originated 8 community development loans for \$5.4 million. The credit union originated five loans for \$3.3 million inside the assessment area, and three loans for approximately \$2.1 million outside the assessment area in a broader statewide or regional area. The following table illustrates the 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)
11/15/2021 – 12/31/2021	0	0	0	0	0	0	1	493	1	493
2022	1	1,000	0	0	1	31	0	0	2	1,031
2023	1	1,800	0	0	3	1,980	0	0	4	3,780
YTD 2024	0	0	0	0	1	132	0	0	1	132
Total	2	2,800	0	0	5	2,143	1	493	8	5,436
<i>Source: Credit Union Data</i>										

Below are examples of the credit union’s qualified community development loan activities:

- In 2022, the credit union originated an affordable housing loan for \$1.0 million. The loan was for the refinance of a 10-unit multifamily building located in Quincy, MA. All 10 units were considered affordable as they were rented below the U.S. Housing and Urban Development’s (HUD) fair market rents.
- In 2023, the credit union originated an affordable housing loan for \$1.8 million. The loan was for the refinance of a 15-unit multifamily property located in Quincy, MA. All 15 units are considered affordable as they were rented below the HUD fair market rents for the area.
- In 2021, the credit union originated a \$492,500.00 loan for the refinance of a commercial building located in a moderate-income census tract. This loan helps to revitalize or stabilize a moderate-income census tract.
- In 2023, the credit union originated a \$1.9 million loan for the purchase of a restaurant located in an upper-income census tract located just outside the credit union’s assessment area. This loan qualifies as economic development through the purchase of a small business and the creation of low- and moderate-income jobs in an upper-income area.

Community Development Investments

During the evaluation period, Quincy Credit Union made 50 qualified donations totaling \$48,294, which represents an increase from the previous evaluation at 45 donations totaling \$42,504. These qualified donations demonstrate the credit union’s responsiveness to the needs of the low- and moderate-income individuals and geographies within the assessment area. The following table illustrates community development donations by year and purpose.

Community Development Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or stabilize		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
2022	1	2,500	16	19,037	0	0	0	0	15	18,037
2023	3	4,100	21	20,257	0	0	0	0	23	20,857
YTD 2024	0	0	8	2,100	1	300	0	0	9	2,400
Total	4	6,600	45	41,394	1	300	0	0	50	48,294

Source: Credit Union Data

Below are notable examples of the credit union’s donation activity:

- ***Germantown Neighborhood Center/South Shore YMCA:*** This organization is dedicated to aiding the youth in the area in need of support. Programs include an afterschool, school supplies, and food assistance. The organization, located in a low-income census tract, provides community services to local families.
- ***Boston Chinatown Neighborhood Center (BCNC):*** Located in a low-income census tract, BCNC is an organization that empowers Asians and new immigrants to feel welcome within their community. The organization provides community services through a large range of innovative and family-centered programs that serve over 13,000 children, youth, and adults every year. The credit union provided multiple donations to this organization during the evaluation period.
- ***Recovered Souls Foundation:*** This community service charitable foundation located in Quincy, MA helps support individuals in recovery from substance abuse while maintaining a professional and personal well-being. The credit union provided multiple donations to this organization during the evaluation period.

Community Development Services

During the evaluation period, Quincy Credit Union provided 52 instances of financial expertise to seven different community development-related organizations in the credit union’s assessment area. The following are notable examples of the credit union’s community development services:

- ***Yawkey Housing Resource Center/Father Bills & Mainspring*** – This organization is a daytime housing center with services and programs that help individuals at risk of homelessness. The organization provides community services by providing an emergency shelter and permanent supportive housing. The credit union provided financial literacy to individuals within the shelters on nine occasions.
- ***Mass Hire South Shore*** - This organization helps create connections between jobseekers and businesses within the community. The credit union provided community service through financial literature or classes to young adults in surrounding low-income areas. This financial literature concentrated on money management and credit scores.
- ***First Time Homebuyer Seminar*** – During the evaluation period, the credit union provided

community services through its First Time Home Buyer program for its members. These classes were held at the Credit Union's Quincy branch, which is located in a moderate-income census tract.

- ***Moderate-Income Branch*** – The credit union maintains one branch location in a moderate-income census tract. This branch provides essential retail banking services which include banking and lending products for the area.

INTERMEDIATE 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:

- 1) The institution's loan-to-share 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 geographic distribution of the institution's loans;
- 4) 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; 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).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The extent to which the institution provides community development services; and
- 3) The institution's responsiveness through such activities to the area's community development needs considering the amount and combination of these activities, along with their qualitative aspects.

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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.

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.