

PUBLIC DISCLOSURE

December 17, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

REVERE FIREFIGHTERS CREDIT UNION
Certificate Number: 67851

4 FREEMAN STREET
REVERE, MASSACHUSETTS 02151

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

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.

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Revere Firefighters Credit Union (Credit Union) prepared by the Division of Banks, the institution's supervisory agency, as of December 17, 2018. The Division of Banks rates the CRA performance of the Credit Union as per the provisions set forth in 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 members, including low- and moderate-income individuals, in a manner consistent with its resources and capabilities.

The following items summarize the Credit Union's performance.

- The average loan-to-share (LTS) ratio of 28.7 percent is reasonable given the institution's size, financial condition, and credit needs of its assessment area.
- The distribution of consumer loans to borrowers of different income levels is reasonable.
- The institution did not receive any CRA-related complaints during the evaluation period.

The Credit Union was last examined for compliance with CRA on October 24, 2012. The examination resulted in a CRA rating of Satisfactory.

DESCRIPTION OF INSTITUTION

Background

Revere Firefighters Credit Union is a co-operative financial institution chartered by the Commonwealth of Massachusetts in 1957 and is owned by and operated for the benefits of its members. The Credit Union's bylaws state that membership is limited to "those who are permanent and retired members of the Fire Department of the City of Revere, except that persons not so eligible to membership may have joint accounts with members of the Credit Union for the purpose of deposit and withdrawal only." The Credit Union's current membership is 203.

Operations

The Credit Union is located at 4 Freeman Street, in Revere, Massachusetts (inside the firehouse). Business hours are from 9:00 AM to 2:00 PM on Monday, Wednesday, and Friday and is operated by three part-time staff members.

The primary activities of the Credit Union are savings and originating consumer loans. Member shares are deposited using direct-deposit through payroll deduction. All checking and withdrawal activity is performed by the manager of the Credit Union during the hours of operation. All loan payments are automated through payroll deductions.

The Credit Union offers the following products and services to its members: unsecured loans and lines of credit, new and used auto loans, and home equity loans. The home equity loans have been introduced since the last examination dated October 24, 2012.

Ability and Capacity

As of September 30, 2018, the Credit Union had total assets of \$6.8 million, total shares of \$5.9 million, and total loans of \$1.6 million. Total loans represented approximately 22.8 percent of total assets.

The Credit Union is primarily a consumer lender by dollar volume, with a majority of the loan portfolio being unsecured by residential properties. Approximately 30.1 percent of total loans are unsecured loans or lines of credit, followed by new vehicle loans at 22.1 percent and used vehicle loans at 21.8 percent. Real estate secured loans make up 26.0 percent of the loan portfolio.

The following table illustrates the current distribution of the Credit Union’s loan portfolio.

Loan Distribution as of September 30, 2018		
Loan Type	\$	%
Unsecured Loans/Lines of Credit	468,213	30.1
New Vehicle Loans	344,908	22.1
Used Vehicle Loans	339,437	21.8
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residental Properties	405,335	26.0
Total Loans	1,557,893	100.0
<i>Source: NCUA 5300 Report, Statement of Financial Condition as of September 30, 2018</i>		

DESCRIPTION OF ASSESSMENT AREA

In accordance with 209 CMR 46.41, Revere Firefighters Credit Union delinates its membership as its assessment area. According to CRA regulations, an institution shall deliniatate one or more assessment areas within which the institution will meet the credit needs and by which the Division will evaluate the institution’s CRA performance. Credit unions whose membership by-laws provisions are not based upon geography are permitted to designate its membership as its assessment area. Therefore, since the Credit Union has defined its membership as its assessment area, as opposed to a geographic area, an evaluation of credit extended within defined geographic areas was not conducted. This evaluation was based upon an analysis of the Credit Union’s Loan to Share ratio; its performance in providing loans to individuals of various incomes, including low- to moderate-income members; and the Credit Union’s response to CRA complaints and fair lending performance.

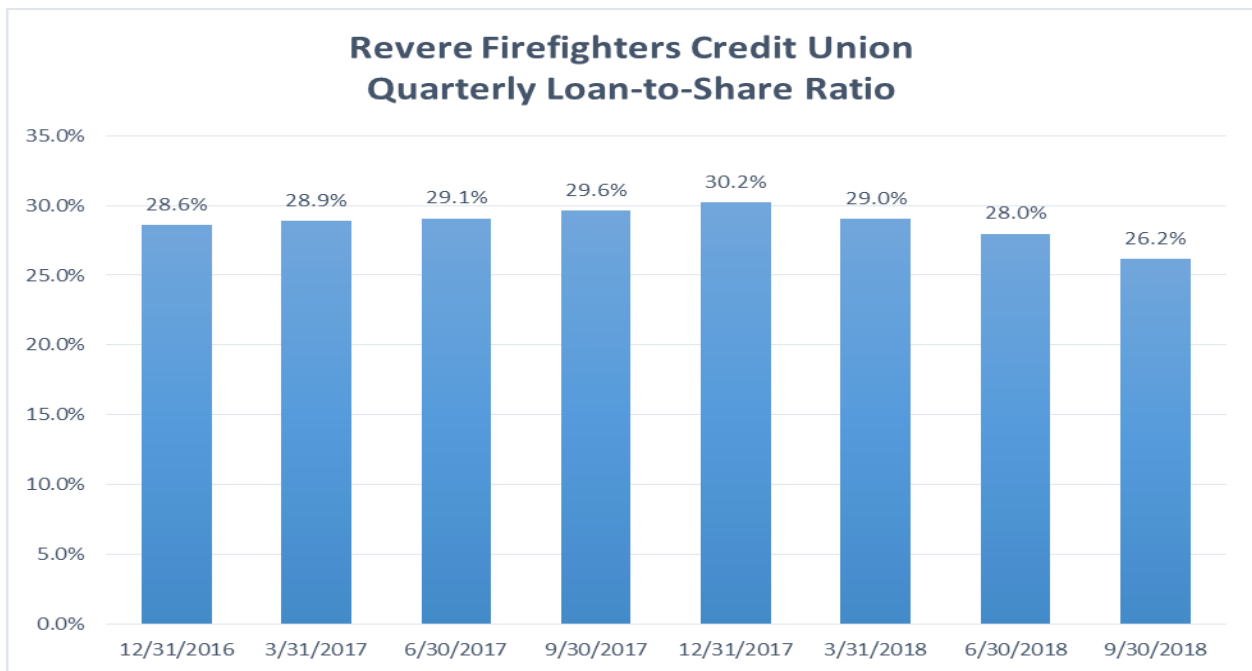
CONCLUSIONS ON PERFORMANCE CRITERIA

Loan-to-Share Ratio

This performance criterion determines what percentage of the Credit Union's share base is reinvested in the form of loans. This ratio is based on total loans as a percentage of total shares. The LTS ratio since the previous evaluation is reasonable given the institution's size, financial condition, and assessment area credit needs.

The Credit Union's LTS ratio, as calculated from NCUA 5300 Quarterly Call Report data, averaged 28.7 percent over the past eight quarters from December 31, 2016 through September 30, 2018. The ratio ranged from a low of 26.2 percent as of September 30, 2018, to a high of 30.2 percent as of December 31, 2017, having remained relatively consistent during the evaluation period. Over the past eight quarters, total loans have decreased 2.2 percent, assets have increased 5.7 percent, and shares have increased 6.8 percent.

The following graph is provided for further analysis.



Source: NCUA 5300 Reports 12/31/2016 through 9/30/2018

Distribution of Credit Among Different Income Levels

The distribution of consumer loans to borrowers of different income levels is reasonable.

Consumer Loans

A sample of the Credit Union's consumer loans was analyzed. Examiners selected a sample of 10 loans from 2017 and 10 loans from 2018. The sample consisted of personal unsecured loans, as well as new and used automobile loans.

A majority of the Credit Union's sampled consumer loans were originated to moderate-income borrowers in 2016. Lending to low- and moderate-income borrowers was relatively consistent at 40.0 percent for 2017 and 50.0 percent for 2018. Refer to the table below for the distribution of consumer loans by borrower income.

Distribution of Consumer Loans by Borrower Income Level				
Borrower Income Level	#	%	\$	%
Low				
2017	0	0.0	0	0.0
2018	1	10.0	2,500	2.8
Moderate				
2017	4	40.0	51,333	26.4
2018	4	40.0	22,000	24.6
Middle				
2017	6	60.0	143,462	73.6
2018	4	40.0	55,000	61.5
Upper				
2017	0	0.0	0	0.0
2018	1	10.0	10,000	11.2
Total				
2017	10	100.0	194,795	100.0
2018	10	100.0	89,500	100.0
<i>Source: Credit Union Records</i>				

Response to Complaints

The Credit Union did not receive any CRA-related complaints during the evaluation period.

Fair Lending Policies and Procedures

The Division of Banks provides comments regarding the institution's fair lending policies and practices pursuant to Regulatory Bulletin 1.3-106. Based on a review of the Credit Union's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 4 Freeman St., Revere, MA 02151."

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

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