

PUBLIC DISCLOSURE

March 18, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

River Works Credit Union
Certificate Number: 66346

947 Western Ave
Lynn, Massachusetts 01905

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 or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

INSTITUTION RATING.....	1
DESCRIPTION OF INSTITUTION.....	3
DESCRIPTION OF ASSESSMENT AREA	4
CONCLUSIONS ON PERFORMANCE CRITERIA	7
DISCRIMINATORY OR ILLEGAL CREDIT PRACTICES REVIEW.....	Error! Bookmark not defined.
GLOSSARY	13
PERFORMANCE EVALUATION DISCLOSURE GUIDE.....	17

INSTITUTION RATING

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.

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

SCOPE OF EVALUATION

General Information

This evaluation considered activity from January 1, 2022, to the current evaluation dated March 18, 2024. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate CRA performance. These procedures include five criteria within the Lending Test:

- Loan to Share ratio (LTS)
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints and Fair Lending

Loan Products Reviewed

Examiners analyzed home mortgage loan originations from January 1, 2022 through December 31, 2023 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.

River Works Credit Union originated 70 loans totaling \$31.8 million in 2022, and 30 loans totaling \$13.5 million in 2023. Examiners compared the institution's home mortgage lending performance to 2020 American Community Survey (ACS) demographic data as appropriate.

Examiners reviewed the number and dollar volume of home mortgage loans. While number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals served.

Financial data about the credit union was obtained from the December 31, 2023 Call Report issued to the NCUA.

DESCRIPTION OF INSTITUTION

Background

River Works Credit Union is a federally insured, state-chartered credit union headquartered in Lynn, Massachusetts. The credit union was established in 1936, serving the employees of the General Electric River Works plant and its affiliates. The employees and their families who are affiliated with the General Electric Company (GE) continue to be eligible as members within the credit union. Additionally, members could live or work in Essex, Middlesex, and Suffolk Counties; or be employees, regular members, or registered apprentices of the International Brotherhood of Electrical Workers of: Union Local 103, Union Local 223, and Union Local 104. As of March 18, 2024, the credit union maintains 5,388 members.

River Works Credit Union received a “Satisfactory” rating at its previous Division of Banks CRA Performance Evaluation dated October 15, 2019, based on the Interagency Small Institution CRA Examination Procedures and the Division’s CRA Regulation at 209 CMR 46.

Operations

The credit union operates three full-service branches in Essex County (2) and Suffolk County (1), Massachusetts. The main office is located in a moderate-income census tract at 947 Western Avenue in Lynn, MA. Since the previous evaluation, the institution opened a new location located in an upper-income census tract at 24 Broadway in Lynnfield, MA. The remaining 256 Freeport Street Dorchester, MA location is located in a moderate-income census tract.

The credit union offers both personal and business accounts to members. Members can open checking accounts, savings accounts, Money Market accounts, Certificates of Deposits, Individual Retirement Accounts, and Club accounts as well as Business Checking accounts. Services that are offered include Debit Master Cards, Online Banking, Mobile Banking, E-Pay, Credit Cards and four Payroll services. In addition to deposit accounts, credit union members can apply for Mortgage loans, Home Equity Lines of Credit, consumer loans, new and used auto loans, credit cards and Mass Save Heat Loans. The credit union is part of the SUM and Money Pass networks which allows members to perform ATM transactions, surcharge-free, at several thousand participating 24-hour ATMs.

Ability and Capacity

As of December 31, 2023, the credit union had total assets of approximately \$123.6 million, total shares and deposits of approximately \$104.5 million, and total loans of approximately \$102.3 million. Since the previous evaluation, total assets increased by 20.0 percent and total loans increased by 57.0 percent.

The credit union is primarily a residential mortgage lender by dollar volume. Loans secured by first liens and junior liens on 1-4 family residential properties account for 76.4 percent of total loans. The following table illustrates the distribution of the credit union’s loan portfolio.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$	%
Unsecured Loans/Lines of Credit	594,456	0.6
New Vehicle Loans	1,085,947	1.1
Used Vehicle Loans	4,072,137	4.0
Secured Non-Real Estate Loans/Lines of Credit	12,459	0.0
Total Loans/Lines of Credit Secured by 1st Lien 1-4 Family Residential Properties	60,328,809	59.0
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	17,824,193	17.4
Commercial Loans/Lines of Credit Real Estate Secured	14,692,188	14.4
Commercial Loans/Lines of Credit Not Real Estate Secured	3,710,979	3.6
Total Loans	102,321,168	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. River Works Credit Union has designated its assessment area to include the following municipalities:

Assessment Area Description				
Essex County (Cambridge -Newton -Framingham, MA -MD 15764)				
Beverly	Danvers	Lynn	Lynnfield	Marblehead
Middleton	Nahant	Peabody	Salem	Saugus
Swampscott				
Middlesex County (Cambridge -Newton -Framingham, MA -MD 15764)				
Arlington	Belmont	Burlington	Cambridge	Everett
Malden	Medford	Melrose	Reading	Somerville
Stoneham	Wakefield	Watertown	Wilmington	Woburn
Suffolk County (Boston, MA - MD 14454)				
Boston	Chelsea	Revere	Winthrop	

The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The assessment area includes 475 census tracts. These tracts reflect the following income designations according to the 2020 ACS U.S. Census:

- 67 low-income tracts,
- 113 moderate-income tracts,

- 138 middle-income tracts,
- 124 upper income tracts, and
- 33 tracts without an income designation.

Since the previous examination, low-income census tracts decreased from 69 to 67, moderate-income census tracts did not change, middle-income census tracts increased from 136 to 138, upper-income census tracts increased from 78 to 124, and no-income designation tracts increased from 13 to 33.

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)	475	14.1	23.8	29.1	26.1	6.9
Population by Geography	1,838,839	14.4	26.1	31.5	25.7	2.3
Housing Units by Geography	762,934	13.7	25.0	31.5	27.6	2.2
Owner-Occupied Units by Geography	334,077	6.6	22.1	37.1	33.0	1.3
Occupied Rental Units by Geography	379,687	19.7	27.7	27.4	22.3	2.9
Vacant Units by Geography	49,170	15.1	23.2	26.2	32.4	3.1
Businesses by Geography	231,029	9.2	20.7	29.2	37.6	3.3
Farms by Geography	2,518	8.3	25.2	33.6	30.9	2.0
Family Distribution by Income Level	392,540	28.3	17.1	19.1	35.5	0.0
Household Distribution by Income Level	713,764	30.5	14.5	16.9	38.1	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$565,259
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Gross Rent			\$1,692
			Families Below Poverty Level			8.6%

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.

There are 762,934 housing units in the area. Owner-occupied housing units account for 43.8 percent of the housing stock, rental units account for 49.8 percent of the housing stock, and the remaining 6.4 percent of units are vacant. Within the 180 low- and moderate -income tracts, owner-occupied housing units account for 28.7 percent of total units, compared to 71.4 percent in the middle- and upper -income census tracts. This reflects limited owner-occupied housing stock in low- and moderate-income census tracts.

The median housing value in 2020 based on ACS data was roughly \$565,000. HMDA public information reflected the average loan originated for 1-4 family purchase loans was approximately \$653,000 in 2022, which reflects an increase in home prices in recent years.

Data obtained from the U.S. Bureau of Labor Statistics indicates that the 2022 annual average unemployment rate was 3.7 percent statewide, 3.9 percent in Essex County, 3.1 percent in Middlesex County, and 3.6 percent in Suffolk County. The higher unemployment rate in Essex County suggests greater needs in that portion of the assessment area. Similarly, a low-income family earning \$73,100 and a relatively high poverty level of 8.6 percent in the assessment area may suggest challenges for low-income families qualifying for a residential mortgage.

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

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
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2022 (\$138,700)	<\$69,350	\$69,350 to <\$110,960	\$110,960 to <\$166,440	≥\$166,440
2023 (\$146,200)	<\$73,100	\$73,100 to <\$116,960	\$116,960 to <\$175,440	≥\$175,440
<i>Source: FFIEC</i>				

Competition

The assessment area is highly competitive in the deposit market for financial institutions. According to 2023 Deposit Market Share Data there were 111 institutions operating 665 branches in the assessment area. River Works Credit Union ranked 56th among these financial institutions with a nominal deposit market share. The top three institutions were large national banks and accounted for over 36.0 percent of the market share.

There is a high level of competition for home mortgage loans among several banks, credit unions and non-depository lenders in the credit union’s assessment area. In 2022, there were 521 financial institutions that originated or purchased 41,814 home mortgage loans. The top institutions were large banks and mortgage lenders that accounted for over 15.0 percent of the market share.

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 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 86.6 percent over the past eight calendar quarters from March 31, 2022 through December 31, 2023. The ratio ranged from a low of 65.4 percent on March 31, 2022, to a high of 97.7 percent on December 31, 2023, showing an overall increasing trend during the evaluation period. The credit union attributed this 53.0 percent increase in loans to their buyers opting for an adjustable-rate mortgage (ARM) compared to the conventional 30-year fixed mortgage, to take advantage of the lower interest rate. These ARMs were primarily held in portfolio as opposed to sold in the secondary market, which increased total loans.

The credit union's average LTS ratio over the previous eight quarters was compared to that of two similarly situated institutions. The institution selection is based on geographic location and lending focus. River Works Credit Union's average LTS ratio is in between those of the two institutions.

Loan-to-Share (LTS) Ratio Comparison		
Bank	Total Shares as of 12/31/2023 (\$000s)	Average Net LTD Ratio (%)
River Works Credit Union	\$123,557	86.6
Brotherhood Credit Union	\$111,888	89.3
First Priority Credit Union	\$119,115	78.7
<i>Source: Reports of Condition and Income 03/31/2022 – 12/31/2023</i>		

Assessment Area Concentration

The credit union originated a majority of its home mortgage loans within its assessment area. 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 #	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	35	50.0	35	50.0	70	17,589	55.3	14,244	44.7	31,833
2023	16	53.3	14	46.7	30	7,501	55.6	6,001	44.4	13,502
Total	51	51.0	49	49.0	100	25,090	55.3	20,245	44.7	45,335
<i>Source: Bank Data</i>										

Geographic Distribution

Considering the credit union’s assessment area demographics and aggregate data, the distribution of home mortgage 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.

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’s 2023 performance in low-income census tracts fell by number but was commensurate with the overall lending decrease. Performance continued to be above the demographics of owner-occupied housing units in low-income areas.

The credit union’s 2022 performance in moderate- income census tracts was comparable to that of aggregate lenders as well as the demographic of owner-occupied housing units in the same areas. The credit unions 2023 performance in moderate-income census tracts fell by number but represented a larger percentage of the overall originations. The credit union’s originations in moderate-income census tracts were above the percentage of owner-occupied housing units in 2023.

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	6.6	8.5	5	14.3	2,767	15.7
2023	6.6	--	2	12.5	742	9.9
Moderate						
2022	22.1	22.8	7	20.0	2,540	14.4
2023	22.1	--	4	25.0	2,100	28.0
Middle						
2022	37.1	34.9	13	37.1	6,007	34.2
2023	37.1	--	7	43.8	2,922	39.0
Upper						
2022	33.0	32.2	9	25.7	5,885	33.5
2023	33.0	--	3	18.8	1,737	23.2
Not Available						
2022	1.3	1.6	1	2.9	390	2.2
2023	1.3	--	0	0.0	0	0.0
Total						
2022	100.0	100.0	35	100.0	17,589	100.0
2023	100.0	--	16	100.0	7,501	100.0

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

Borrower Profile

Given the demographics of the assessment area, the distribution of borrowers reflects good penetration among individuals of different income levels. Examiners focused on activity among low- and moderate-income borrowers.

The credit union’s activity was above the aggregate performance to low-income borrowers in 2022. The credit union’s performance in 2023 fell when only one low-income borrower originated a loan. Due to low overall lending volume in 2023, even one additional loan would have resulted in comparable performance among low-income borrowers. The credit union’s performance was below the demographics of low-income families for 2022 and 2023. This is reasonable, given the performance context of housing values compared to low-income family wages. HMDA public information reflected the average loan originated for 1-4 family purchase loans was approximately \$653,000 in 2022. A family earning \$73,100 could have difficulties in qualifying for a residential mortgage of that size.

The credit union’s activity for moderate-income families was above the aggregate performance in 2022. Performance exceeded the demographics of moderate-income families by percentage for the same year. The institution’s performance in 2023 for moderate-income families fell by number and dollar amount but remained above the demographics of families.

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	28.3	6.5	5	14.3	1,216	6.9
2023	28.3	--	1	6.3	400	5.3
Moderate						
2022	17.1	17.1	10	28.6	3,447	19.6
2023	17.1	--	3	18.8	1,264	16.8
Middle						
2022	19.1	21.8	8	22.9	4,709	26.8
2023	19.1	--	6	37.5	2,636	35.1
Upper						
2022	35.5	39.4	9	25.7	5,881	33.4
2023	35.5	--	4	25.0	2,034	27.1
Not Available						
2022	0.0	15.2	3	8.6	2,336	13.3
2023	0.0	--	2	12.5	1,168	15.6
Total						
2022	100.0	100.0	35	100.0	17,589	100.0
2023	100.0	--	16	100.0	7,501	100.0

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

Response to Complaints and Fair Lending Policies and Procedures

The credit union did not receive any CRA-related complaints since the previous evaluation period; therefore, this criterion did not affect the Lending Test rating.

The Division of Banks provides comments regarding the institution’s fair lending policies and procedures pursuant to Regulatory Bulletin 1.3-106. The fair lending review was conducted in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, the credit union has adequate fair lending policies and practices. Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with helping meet the community credit needs.

Minority Application Flow

According to the 2020 ACS Census Data, the credit union’s assessment area contained a total population of 1,838,839 individuals of which 43.8 percent are minorities. The assessment area’s minority and ethnic population is 11.6 percent Black/African American, 10.1 percent Asian/Pacific Islander, 0.4 percent American Indian, 16.6 percent Hispanic or Latino and 9.6 percent Other.

The credit union’s level of lending was compared with that of the aggregate’s lending performance level for the most recent year that data was available, the year 2022. The comparison of this data assists in deriving reasonable expectations for the rate of applications the credit union received from minority residential loan applicants.

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

MINORITY APPLICATION FLOW					
RACE	Credit Union 2022 HMDA		2022 Aggregate Data	Credit Union 2023 HMDA	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.4	0	0.0
Asian	1	1.9	9.1	0	0.0
Black/ African American	9	17.0	6.6	1	4.2
Hawaiian/Pacific Islander	0	0.0	0.2	0	0
2 or more Minority	0	0.0	0.2	0	0.0
Joint Race (White/Minority)	1	1.9	2.2	0	0.0
Total Racial Minority	11	20.8	18.7	1	4.2
White	29	54.7	54.1	19	79.2
Race Not Available	13	24.5	27.2	4	16.7
Total	53	100.0	100.0	24	100.0
ETHNICITY					
Hispanic or Latino	2	3.8	8.4	1	4.2
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.5	0	0.0
Total Ethnic Minority	2	3.8	9.9	1	4.2
Not Hispanic or Latino	37	69.8	64.2	17	70.8
Ethnicity Not Available	14	26.4	25.8	6	25.0
Total	53	100.0	100.0	24	100.0
<i>Source: HMDA Aggregate Data 2022, HMDA LAR Data 2022 and 2023</i>					

The credit union received 53 HMDA reportable loan applications within its assessment area. The credit union received eleven applications from a consumer identified as a racial minority approximately 20.8 percent. This was above aggregate performance in the same year regarding applications from racial minority individuals. The credit union’s racial minority application flow fell to one loan in 2023 to 4.2 percent of all applications.

The credit union received two or 3.8 percent of all applications from ethnic groups of Hispanic origin within its assessment area in 2022. This was below an aggregate ethnic minority application

rate of 9.9 percent. In 2023, The credit union's ethnic minority application flow was comparable; they received one application but the overall application activity decrease resulted in an improved ethnic minority application flow to 4.2 percent.

The credit union's minority application flow in 2022 and 2023 reflects an adequate racial minority application flow. Application flow is falling but is attributed to an overall decrease in lending activity due to mortgage rates and increasing prices. The low volume limits conclusions that can be derived from percentages. However, the credit union's marketing strategy reflects efforts to make credit accessible and representative of the demographics of the area.

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

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.

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.

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.

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.

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 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.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 947 Western Ave, Lynn Massachusetts 01905"

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

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

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