

# **PUBLIC DISCLOSURE**

October 15, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

River Works Credit Union  
Certificate Number: 66346  
947 Western Ave  
Lynn, Massachusetts 01905

Division of Banks  
1000 Washington Street, 10<sup>th</sup> 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 .....	2
Scope of Evaluation .....	2
Description of Institution .....	3
Description of Assessment Area .....	4
Conclusions on Performance Criteria .....	7
Discriminatory or Other Illegal Credit Practices Review .....	11
Glossary .....	13

## INSTITUTION RATING

This document is an evaluation of the CRA performance of **River Works Credit Union (credit union)** prepared by the Division of Banks (Division), the institution's supervisory agency as of **October 15, 2019**. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00.

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

- River Works Credit Union's average net loan-to-share ratio (69.0 percent) is reasonable given the institution's size, financial condition, and credit needs of its assessment area.
- A majority (68.1 percent) of the credit union's residential loans are inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, good penetration among individuals of different income levels (including low- and moderate-income).
- The credit union has not received any CRA-related complaints since the last CRA evaluation.

## SCOPE OF EVALUATION

### General Information

The Community Reinvestment Act (CRA) requires the Division 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, including low- and moderate-income neighborhoods, consistent with 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 covers the period from the prior evaluation dated January 1, 2017, to the current evaluation dated October 15, 2019. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Analysis, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrower's Characteristics and Response to CRA Complaints.

The evaluation references demographic and economic information from the 2010 United States (U.S.) Census, and the 2015 American Community Survey (ACS). Credit Union financial data reflects the June 30, 2019, Call Report.

## **Loan Products Reviewed**

Examiners determined that the credit union's major product line is home mortgage loans. This conclusion considered the credit union's business strategy and the number and dollar volume of loans originated during the evaluation period. Credit Union records indicated that the lending focus and product mix changed slightly during the examination period, decreasing slightly in used auto loans.

Home mortgage lending data analyzed included full-year data from January 1, 2017 through December 31, 2018. Information related to home mortgage lending was derived from the Loan Application Registers (LARs) maintained by the credit union, pursuant to HMDA. For 2017, the credit union reported 23 originations totaling \$6.6 million within the assessment area. For 2018, the credit union reported 41 originations totaling \$15.8 million within the assessment area.

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.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Chartered by the Commonwealth of Massachusetts in 1936, River Works Credit Union is a member-owned, not-for-profit organization established as an industrial credit union to serve the employees of General Electric River Works plant in Lynn, Massachusetts and its affiliates. In 2002, River Works Credit Union became a community credit union and expanded its membership. River works Credit Union also received a "low-income credit union" designation in 2012 from the NCUA and Division of Banks. Presently, membership is available to individuals and their families who live or work in Essex, Middlesex, and Suffolk Counties, all employees including family members and relatives of any organization affiliated with the General Electric Company. Employees, regular members and registered apprentices of the International Brotherhood of Electrical Workers, Union Local 103, Union Local 223, and Union Local 104 and their family members and relatives also have the ability to become members. The credit union has 5,895 members as of June 30, 2019.

### **Operations**

The credit union is headquartered at 947 Western Avenue in Lynn, Massachusetts, within a moderate-income census tract. The credit union operates one additional branch located at 256 Freeport Street, Dorchester, Massachusetts, within a middle-income census tract. Since the previous evaluation, the credit union has not opened or closed any branches.

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

Payroll services. In addition to deposit accounts, credit union members can apply for Mortgage loans, Home Equity Loans and 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 June 30, 2019, the credit union had total assets of approximately \$102.5 million, total shares and deposits of approximately \$87.5 million, and total loans of approximately \$65.1 million. Since the previous evaluation, total assets increased by 2.0 percent and total loans decreased by 9.0 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 77.5 percent of total loans. The following table illustrates the distribution of the credit union’s loan portfolio.

<b>Loan Portfolio Distribution as of 6/30/2019</b>		
<b>Loan Category</b>	<b>\$</b>	<b>%</b>
Unsecured Loans/Lines of Credit	829,642	1.3
New Vehicle Loans	673,814	1.0
Used Vehicle Loans	6,147,832	9.4
Secured Non-Real Estate Loans/Lines of Credit	40,067	0.1
Total Loans/Lines of Credit Secured by 1 <sup>st</sup> Lien 1-4 Family Residential	40,348,715	62.0
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	10,084,553	15.5
Commercial Loans/Lines of Credit Real Estate Secured	6,948,328	10.6
Commercial Loans/Lines of Credit Not Real Estate Secured	47,157	0.1
<b>Total Loans</b>	<b>65,120,105</b>	<b>100.0</b>
<i>Source: Reports of Income and Condition</i>		

**DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. River Works Credit Union has designated its assessment area to include the municipalities of Arlington, Belmont, Beverly, Burlington, Cambridge, Danvers, Everett, Lynn, Lynnfield, Malden, Marblehead, Medford, Melrose, Middleton, Nahant, Peabody, Reading, Salem, Saugus, Somerville, Stoneham, Swampscott, Wakefield, Watertown, Wilmington, and Woburn are part of the Cambridge-Newton-Framingham, MA MD. The assessment area also includes Boston, Chelsea, Revere and Winthrop, which are located in the Boston, MA MD. The following sections discuss demographic and economic information for the assessment area.

## **Economic and Demographic Data**

The assessment area includes 409 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 69 low-income tracts,
- 113 moderate-income tracts,
- 136 middle-income tracts,
- 78 upper income tracts, and
- 13 tract without an income designation.

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

<b>Demographic Information of the Assessment Area</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	409	16.9	27.6	33.3	19.1	3.2
Population by Geography	1,739,883	15.3	29.8	37.1	17.4	0.5
Housing Units by Geography	725,616	14.0	29.0	37.5	18.9	0.6
Owner-Occupied Units by Geography	315,044	6.5	23.5	46.1	23.6	0.3
Occupied Rental Units by Geography	362,995	20.3	33.5	30.8	14.6	0.7
Vacant Units by Geography	47,577	15.9	30.7	31.5	21.0	0.9
Businesses by Geography	130,136	11.0	20.4	36.1	31.5	1.0
Farms by Geography	1,453	7.3	18.8	48.6	25.2	0.1
Family Distribution by Income Level	374,952	30.3	17.8	19.1	32.9	0.0
Household Distribution by Income Level	678,039	31.3	15.3	16.5	36.8	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$412,249
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$100,380	Median Gross Rent			\$1,334
			Families Below Poverty Level			10.8%
<i>Source: 2015 ACS Census and 2018 D&amp;B Data            Due to rounding, totals may not equal 100.0            (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

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

<b>Table B – Median Family Income Ranges</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
<b>Boston, MA MD Median Family Income (14454)</b>				
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
2018 (\$99,300)	<\$49,650	\$49,650 to <\$79,440	\$79,440 to <\$119,160	≥\$119,160
<b>Cambridge-Newton-Framingham, MA MD Median Family Income (15764)</b>				
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
2018 (\$110,300)	<\$55,150	\$55,150 to <\$88,240	\$88,240 to <\$132,360	≥\$132,360
<i>Source FFIEC</i>				

**Competition**

The assessment area is located in a highly competitive market for home mortgage loans. There is a high level of competition for home mortgage loans among credit unions, banks, and non-depository lenders. Large national banks, non-depository lenders and several state-chartered community banks and credit unions ranked above River Works Credit Union.

**Community Contact**

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

Examiners contacted a representative of a housing and community service organization that serves the credit union’s assessment area. The organization provides affordable housing for homeless and low-income individuals and families, as well as emergency shelter when needed. The contact discussed the need for affordable housing, and affordable rental units in the assessment area. The contact discussed the need for more involvement from financial institutions to invest in low-income housing projects. The high cost of ownership in the assessment area makes it very difficult for low-income individuals to purchase real estate. This has resulted in the rise of rents in the assessment area.

The contact also noted the need for financial literacy, products designed to repair credit, and credit counseling. In addition, the contact noted the need for financial institutions to increase involvement with community service organizations and fundraising events.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

#### Loan-to-Share (LTS) 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 69.0 percent over the past eight calendar quarters from September 30, 2017 through June 30, 2019. The ratio ranged from a low of 63.2 percent as of March 31, 2018, to a high of 74.4 percent as of June 30, 2019, showing an increasing trend during the evaluation period.

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.

<b>Loan-to-Share Ratio Comparison</b>		
<b>Institution</b>	<b>Total Shares</b>	<b>Average LTS Ratio (%)</b>
River Works Credit Union	\$87,537,945	69.0
Brotherhood Credit Union	\$63,668,685	68.1
First Priority Credit Union	\$92,181,161	77.8
<i>Source: Reports of Income and Condition 09/30/2017 through 6/30/2019</i>		

#### Assessment Area Concentration

A majority of the credit union's lending activity occurs within its assessment area.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollars Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	23	65.7	12	34.3	35	6,627	71.6	2,628	28.4	9,255
2018	41	69.5	18	30.5	59	15,791	71.4	6,311	28.6	22,102
<b>Subtotal</b>	<b>64</b>	<b>68.1</b>	<b>30</b>	<b>31.9</b>	<b>94</b>	<b>22,418</b>	<b>71.5</b>	<b>8,939</b>	<b>28.5</b>	<b>31,357</b>
<b>Total</b>	<b>64</b>	<b>68.1</b>	<b>30</b>	<b>31.9</b>	<b>94</b>	<b>22,418</b>	<b>71.5</b>	<b>8,939</b>	<b>28.5</b>	<b>31,357</b>
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2018 credit union Data</i>										
<i>Due to rounding, totals may not equal 100.0</i>										



## Geographic Distribution

Considering the credit union's assessment area demographics, aggregate data, and performance context factors, the distribution of home mortgage loans reflects reasonable penetration in the low- and moderate-income geographies.

In 2017, the credit union's lending at 13.0 percent was above the aggregate at 8.6 percent and above the percentage of owner occupied housing at 6.5 percent within low-income census tracts. In 2018, the credit union increased the percentage of loans in low-income census tracts to 19.5 percent.

The credit union originated 26.1 percent of its HMDA reportable loans within moderate-income census tracts in 2017. This number is in-line with the aggregate lending at 26.5 percent and above the owner-occupied housing percentage at 23.5 percent within the assessment area. In 2018, the credit union increased its number of HMDA reportable loans to 29.3 percent.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2017	6.5	8.6	3	13.0	498	7.5
2018	6.5	-	8	19.5	3,218	20.4
<b>Moderate</b>						
2017	23.5	26.5	6	26.1	2,293	34.6
2018	23.5	-	12	29.3	5,601	35.5
<b>Middle</b>						
2017	46.1	43.3	11	47.8	2,686	40.5
2018	46.1	-	18	43.9	6,114	38.7
<b>Upper</b>						
2017	23.6	21.0	3	13.0	1,150	17.4
2018	23.6	-	3	7.3	858	5.4
<b>Not Available</b>						
2017	0.3	0.5	0	0.0	0	0.0
2018	0.3	-	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>6,627</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>-</b>	<b>41</b>	<b>100.0</b>	<b>15,791</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 credit union Data, 2017 &amp; 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

## **Borrower Profile**

The distribution of home mortgage loans reflects good penetration to individuals of different income levels.

In 2017, the credit union's lending to low- and moderate-income borrowers at 8.7 and 30.4 percent respectively was above the aggregate. Lending to moderate-income borrowers was also above the percentage of moderate-income family. In 2018, the credit union made 14.6 percent of loans to low-income borrowers and 17.1 percent to moderate-income borrowers.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2017	30.3	4.4	2	8.7	240	3.6
2018	30.3	-	6	14.6	1,269	8.0
<b>Moderate</b>						
2017	17.8	16.2	7	30.4	1,649	24.9
2018	17.8	-	7	17.1	1,685	10.7
<b>Middle</b>						
2017	19.1	24.3	11	47.8	3,685	55.6
2018	19.1	-	10	24.4	3,053	19.3
<b>Upper</b>						
2017	32.9	42.3	3	13.0	1,053	15.9
2018	32.9	-	6	14.6	2,714	17.2
<b>Not Available</b>						
2017	0.0	12.8	0	0.0	0	0.0
2018	0.0	13.1	12	29.3	7,070	44.8
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>6,627</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>41</b>	<b>100.0</b>	<b>15,791</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 credit union Data, 2017 &amp; 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</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 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, no evidence of disparate treatment was noted.

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

### **Minority Application Flow**

According to the 2015 ACS Census Data, the credit union's assessment area contained a total population of 1,739,883 individuals of which 38.5 percent are minorities. The assessment area's minority and ethnic population is 12.2 percent Black/African American, 8.3 percent Asian/Pacific Islander, 0.1 percent American Indian, 14.9 percent Hispanic or Latino and 3.0 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 2017. 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.

<b>Minority Application Flow</b>					
<b>RACE</b>	<b>2017 Credit Union Data</b>		<b>2017 Aggregate Data</b>	<b>2018 Credit Union Data</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	3	8.6	7.6	2	3.8
Black/ African American	4	11.4	6.1	4	7.6
Hawaiian/Pacific Islander	0	0.0	0.1	1	1.9
2 or more Minority	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	0	0.0	1.7	1	1.9
<b>Total Minority</b>	<b>7</b>	<b>20.0</b>	<b>15.8</b>	<b>8</b>	<b>15.2</b>
White	27	77.1	61.1	34	64.1
Race Not Available	1	2.9	23.1	11	20.7
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>
<b>ETHNICITY</b>					
Hispanic or Latino	<b>5</b>	<b>14.3</b>	<b>7.1</b>	<b>11</b>	<b>20.8</b>
Not Hispanic or Latino	26	74.3	69.2	31	58.4
Joint (Hisp/Lat /Not Hisp/Lat)	<b>0</b>	<b>0.0</b>	<b>1.2</b>	<b>0</b>	<b>0.0</b>
Ethnicity Not Available	4	11.4	22.5	11	20.8
<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>

*Source: 2017 & 2018 HMDA Data \*Due to rounding, totals may not equal 100.0 percent.*

In 2017, the credit union received 35 HMDA reportable loan applications from within its assessment area. Of these applications, 20.0 percent were received from minority applicants, of which 57.1 percent resulted in originations. The aggregate received 15.8 percent of applications from minority applicants and 65.2 percent were originated during 2017. For the same time period, the credit union received 14.3 percent of applications from Hispanic/Latino applicants as compared to the aggregate at 8.3 percent.

## 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.

**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 institution 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).

**Family Income:** Includes the income of all members of a family that are age 15 and older.

**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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 Disclosure Loan Application Register (HMDA LAR):** The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

**Home Mortgage Loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Household Income:** Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

**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 (for example, 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.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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

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

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

**Nonmetropolitan Area:** 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.

**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.



## PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (250 Maple St, Lynn MA 01904)."

[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.