



The Commonwealth of Massachusetts

Office of the Commissioner of Banks

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May 16, 2003

Ellen A. Bruce, J.D.
Associate Director
Gerontology Institute
University of Massachusetts, Boston
100 Morrissey Blvd
Boston, MA 02125-3393

Dear Ms. Bruce:

This letter responds to your correspondence dated April 29, 2003 to the Division of Banks ("Division") inquiring whether the activities of the New England Pension Assistance Project of the Gerontology Institute of the University of Massachusetts, Boston would qualify under the provisions of the Community Reinvestment Act. A review of the regulation indicates that support of these activities would qualify as a community development investment under the Commonwealth's Community Reinvestment Act ("CRA") statute, section 14 of chapter 167 of the General Laws and its implementing regulations 209 CMR 46.00 et seq

According to your letter, the New England Pension Assistance Project provides free pension counseling to individuals in the six New England states. The goal of the project is to increase retirement income of older people by insuring that they collect the pension benefits to which they are entitled. Your letter indicates that most of your clients are of low or moderate means who would not have collected their benefits without the Project's help. Your letter further states that volunteer counselors help individuals locate pension plans, obtain plan documents, interpret plan documents, apply for benefits, and appeal denials. By helping people collect the retirement benefits they have earned, the Project increases their standard of living in retirement.

As part of the process of analyzing your request, the Division reviewed the applicable state regulations for evaluation of these activities under the "investment test", so called in CRA. The investment test evaluates an institution's record of helping to meet the credit needs of its assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s) (209 CMR 46.23(1)). A qualified investment is defined as a lawful investment, deposit, membership share, or grant that has as its primary purpose community development (209 CMR 46.12). The definition of community development includes (a) affordable housing (including multi-family rental housing) for low and moderate-income individuals; b) community services targeted to low and moderate-income individuals; (c) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross revenues of \$1 million or less; (d) activities that revitalize or stabilize the fishing industry; or (e) activities that revitalize or stabilize low and

Ellen A. Bruce
Page 2
May 16, 2003

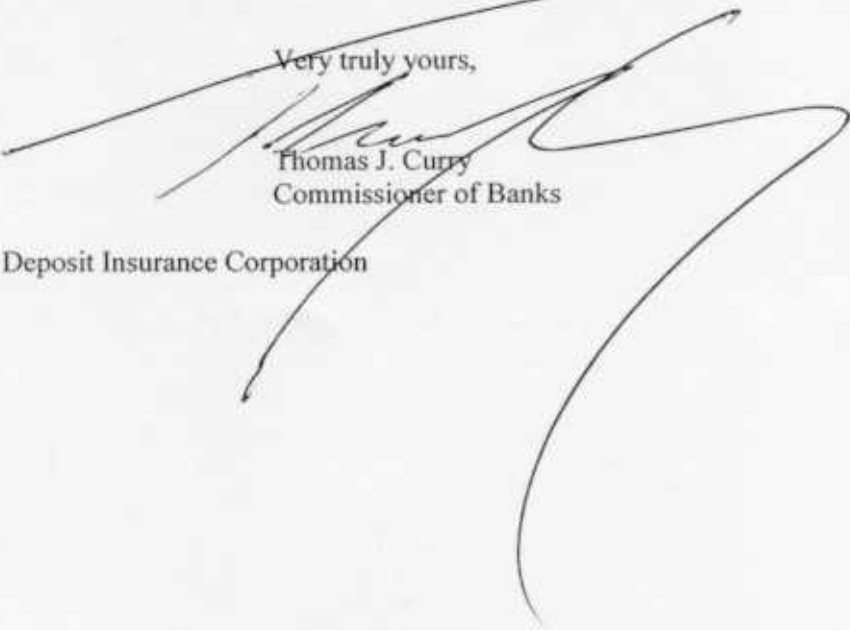
moderate-income geographies (209 CMR 46.12). Services such as those provided by the New England Pension Assistance Project to low- and moderate-income individuals meet the definition of community development service under CRA. A donation would be considered a grant or contribution as authorized under the definition of a "qualified investment" set out in 209 CMR 46.12

Based upon the above state regulatory provisions, the Division would consider a state-chartered institution's financial donation to the New England Pension Assistance Project a qualified investment under the Commonwealth's CRA statute provided the program's activities benefit the institution's assessment area (s) or a broader statewide or regional area that includes the institution's assessment area(s) and provided that the majority of clients are low-to moderate-income.

The analysis of applicable state law and related regulations was made on the basis of your written request and enclosed written materials. It remains the position of the Division that each financial institution is to determine which actions will allow it to comply with CRA within safe and sound banking practices. Accordingly, this letter is not an endorsement of the Project by the Division.

The conclusions reached in this letter are based solely on the fact patterns presented. Fact patterns that vary from those presented may result in a different position statement from the Division.

Very truly yours,



Thomas J. Curry
Commissioner of Banks

Cc: Alice E. Beshara, Federal Deposit Insurance Corporation

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