

PUBLIC DISCLOSURE

December 3, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sharon Credit Union
Charter Number: 67836

30 Pond Street
Sharon, MA02067

**Division of Banks
1000 Washington Street
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.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: "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 assigned rating is based on the results of two performance tests: the Lending Test and the Community Development Test. The Credit Union's performance under each of these two tests is summarized below.

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 home mortgage loans in the assessment area.
- The distribution of borrowers reflects good penetration of loans among individuals of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The Credit Union's number and amount of loans does not show an undue concentration or a systematic pattern of lending resulting in the loss of affordable housing.
- Response to CRA Complaints and Fair Lending Policies is adequate. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The Credit Union did not receive any CRA-related complaints during the period reviewed; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

- The institution demonstrated adequate responsiveness to the community development needs of its assessment area through qualified development loan, donations and services, as appropriate. 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

This document is an evaluation of the CRA performance of **Sharon Credit Union (Credit Union)** prepared by the Division, the institution's supervisory agency, as of **December 3, 2018**. The Division rates the CRA performance of an institution consistent with the provisions set forth in the Division's regulation 209 CMR 46.00. This evaluation assesses the Credit Union's CRA performance utilizing the Interagency Intermediate Small Institution Credit Union Examination Procedures. These procedures require two performance tests: the Lending Test and the Community Development Test. The Lending Test analyzes an institution's applicable home mortgage during a certain review period. The Community Development Test is an analysis of service related activities that an institution has completed to meet the needs of the community since the previous evaluation.

Loan Products Reviewed

The Lending Test considered the Credit Union's home mortgage lending. The Credit Union's most recent Report of Condition and Income (Call Report), dated September 30, 2018, indicated that residential lending, including all loans secured by 1 to 4 family and multi-family (five or more units) residential properties, represented 64.3 percent of the loan portfolio and consisted of a significant majority of loan volume generated during the current review period. Based on the information in the call report, the overall conclusions were primarily based on the Credit Union's performance in home mortgage lending, as this product carried a greater weight in the overall lending test analysis.

Data reviewed includes all originated home mortgage loans reported on the Credit Union's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for 2016 and 2017. The LARs contain data about home purchase and home improvement loans, including refinances, of one to four family and multifamily properties. The evaluation focused on the Credit Union's lending performance in 2016 and 2017. The Credit Union's 2017 home mortgage lending performance was compared against 2017 aggregate lending data. Aggregate data includes the lending activity of all institutions subject to HMDA reporting within the same defined assessment area.

While the total dollar amounts of loans are discussed under the Lending Test, the evaluation is primarily based on the Credit Union's lending performance by the number of loans originated or purchased during the review period. Demographic information referenced in this evaluation was obtained from the 2010 United States (US) Census, unless otherwise noted. Financial data about the Credit Union was obtained from the September 30, 2018 Call Report.

The Community Development Test considered the number of community development services from February 11, 2013 through December 3, 2018.

DESCRIPTION OF INSTITUTION

Background

Sharon Credit Union is designated as a community Credit Union, and chartered by the Commonwealth of Massachusetts in 1956. Its membership includes individuals who reside, or work in the Massachusetts counties of Bristol, Barnstable, Middlesex, Norfolk, Suffolk, Plymouth, and the Rhode Island counties of Bristol, Newport, and Providence. Also eligible for membership are family members of such persons. As of September 30, 2018 the Credit Union's membership was 35,910. The Credit Union received a Satisfactory rating at its previous evaluation by the Division of Banks on February 11, 2013.

Operations

The Credit Union's Corporate office is located at 30 Pond Street in Sharon. The Credit Union operates five full-service branches. In addition to the Corporate Office, there are branches in Sharon, Foxboro, Mansfield, East Walpole and North Attleboro. All branches have the same hours, being open from 8:30 to 4:30 on Monday, Tuesday, and Wednesday, 8:30 to 7:00 on Thursday and Friday, and 8:30 to 1:00 on Saturday. Every branch is equipped with an ATM. The Credit Union is a member of the SUM network, which is comprised of an alliance of financial institutions that waive ATM surcharge fees.

The Credit Union offers the following products and services to its members: checking accounts, savings accounts, money market accounts, holiday accounts, certificates of deposit, and retirement accounts. It also provides its members with mortgage loans, home equity loans and lines of credit, auto loans, home improvement loans, personal loans, student loans, RV, boat, and motorcycle loans, insurance services, investment services, overdraft protection, ATM/Debit cards, online banking with bill pay, and mobile banking.

Ability and Capacity

Assets totaled approximately \$583 million as of the September 30, 2018 quarterly call report, including total loans of approximately \$474 million. Total loans and assets have increased since the last examination on September 25, 2012. Total loans have increased by \$232 million or 95.9 percent and total assets have increased by \$129 million or 28.4 percent.

Loan Portfolio Distribution as of September 30, 2018		
Loan Type	Dollar Amount (\$)	Percent of Total Loans
All Other Unsecured Loans/LOCs	22,217,472	4.7
New Vehicle Loans	23,691,619	5.0
Used Vehicle Loans	49,196,253	10.4
All Other Secured Non-Real Estate Loans/LOCs	1,247,962	0.3
Total Loans/LOCs Secured by 1 st Lien 1-4 Family Residential Properties	304,645,702	64.3
Total Loans/LOCs Secured by Junior Lien 1-4 Family Residential Properties	47,853,651	10.1
All Other Real Estate Loans/LOCs	94,175	0.0
Commercial Loans/LOCs Real Estate Secured	22,773,015	4.8
Commercial Loans/LOCs Not Real Estate Secured	1,966,799	0.4
Total	473,686,648	100.0

DESCRIPTION OF ASSESSMENT AREA

The Credit Union's assessment area, as currently defined, meets the technical requirements of the CRA regulation.

Economic and Demographic Data

The assessment area includes 65 census tracts in the following cities and towns of Norfolk and Bristol counties: Attleboro, Canton Dover, Easton, Foxboro, Mansfield, Medfield, North Attleboro, Norfolk, Norton, Norwood, Plainville, Sharon, Stoughton, Walpole, Westwood and Wrentham. These census tracts reflect the following income designations according to the 2015 ACS Census: 0 low-income census tracts; 5 moderate-income census tracts; 13 middle-income census tracts; and 47 upper-income census tracts.

The moderate-income census tracts are located in Attleboro (3), North Attleboro, and Stoughton. The 2015 ACS Census adjusted the income designation of some census tracts within the assessment area when compared to the 2010 U.S. Census data. Specifically, there is one more moderate-income census tracts, nine less middle-income tracts, and eight more upper-income census tracts in 2017 than 2016.

The following table provides additional assessment area economic and demographic information.

Demographic Information of the Assessment Area						
Assessment Area: Sharon Credit Union						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	65	0.0	7.7	20.0	72.3	0.0
Population by Geography	343,583	0.0	4.0	20.3	75.7	0.0
Housing Units by Geography	130,506	0.0	4.9	22.7	72.4	0.0
Owner-Occupied Units by Geography	93,151	0.0	2.3	19.4	78.3	0.0
Occupied Rental Units by Geography	30,770	0.0	11.0	32.3	56.7	0.0
Vacant Units by Geography	6,585	0.0	13.0	25.6	61.4	0.0
Businesses by Geography	26,091	0.0	3.8	24.8	71.4	0.0
Farms by Geography	633	0.0	3.0	17.1	79.9	0.0
Family Distribution by Income Level	87,965	12.6	12.3	18.4	56.7	0.0
Household Distribution by Income Level	123,921	16.5	11.5	14.7	57.4	0.0
Median Family Income MSA - 14454 Boston, MA MD	\$90,699		Median Housing Value			\$385,979
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA	\$73,950		Median Gross Rent			\$1,159
			Families Below Poverty Level			3.8%

Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&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.*

Housing units within the assessment area totaled 130,506, of which 93,151 or 71.4 percent are owner-occupied, 23.6 percent are occupied rental units, and 5.0 percent are vacant. The assessment area's median housing value is \$385,979 and the median family income (MFI) for 2017 is \$90,699 in the Boston, MA-MD and \$73,950 in the Providence-Warwick, RI-MA MSA, which makes housing affordability a challenge in the assessment area for low- and moderate-income borrowers

Examiners used the 2016 and 2017 FFIEC-updated median family income levels to analyze home mortgage loans under the Borrower Profile criterion. The following table presents low-, moderate, middle-, and upper-income categories based on the FFIEC updated median family income for both years.

Table B – Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston, MA MD Median Family Income (14454)				
2016 (\$90,800)	<\$45,400	\$45,400 to <\$72,640	\$72,640 to <\$108,960	≥\$108,960
2017 (\$94,300)	<\$47,150	\$47,150 to <\$75,440	\$75,440 to <\$113,160	≥\$113,160
Providence-Warwick, RI-MA MSA Median Family Income (39300)				
2016 (\$73,100)	<\$36,550	\$36,550 to <\$58,480	\$58,480 to <\$87,720	≥\$87,720
2017 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
<i>Source: FFIEC</i>				
<i>Due to rounding, totals may not equal 100.0</i>				

The Credit Union's assessment area consists of 343,583 individuals. Of these, 4.0 percent are considered to be moderate-income individuals. In addition, approximately 25 percent of families are designated as low- or moderate-income. These percentages demonstrate the need for affordable housing to low and moderate-income individuals in the assessment area when taking into account the high cost of housing. The median housing value is \$385,979.

Competition

Competition in the assessment area is robust. The Credit Union competes directly with other local credit unions, community banks small and large, as well as larger national banks and mortgage companies. Aggregate data for 2017 shows that out of 421 lenders originating at least one home mortgage loan in the assessment area, the Credit Union ranked 8th. Among the top lenders in the assessment area include Wells Fargo Bank, NA, Quicken Loans, JP Morgan Chase Bank, NA, Residential Mortgage Services and LoanDepot.com.

Community Contact

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

Examiners contacted an organization that assists low- and moderate-income individuals in south eastern Massachusetts. The contact identified affordable housing as the primary need within the area. The contact noted a significant increase in housing expenses and a shortfall of affordable housing stock contribute to this need. Further, the contact discussed recent studies on housing costs in the area, which found that many low- and moderate-income individuals pay a disproportionately high percentage of their income on housing-related expenses.

In addition to affordable housing needs, the contact also noted a need for affordable financing for non-profit organizations that provide community services within the assessment area. Such financing enables these organizations to serve the needs of low- and moderate-income individuals. Overall, the contact indicated that many local financial institutions have been responsive to assessment area credit and community development needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, demographic data, and economic data, examiners determined that affordable housing represents the primary community development need for the assessment area. Lack of available affordable housing is an obstacle and may prevent low- and moderate-income families from utilizing the various flexible lending programs offered by local financial institutions.

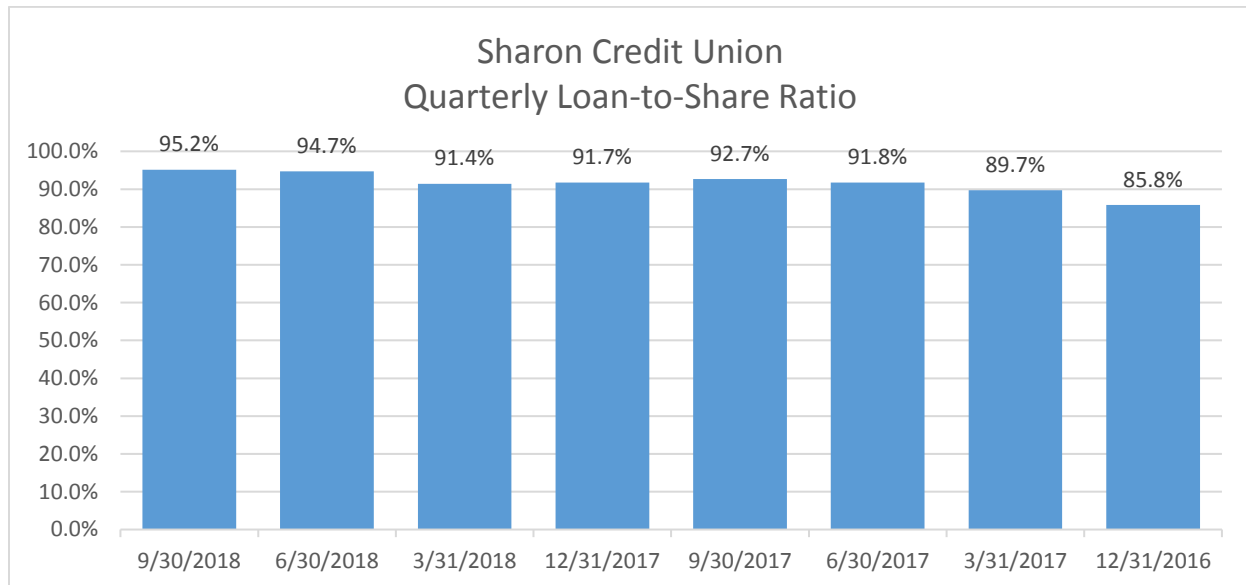
CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Sharon Credit Union demonstrated an adequate performance under the Lending Test. Geographic Distribution and Borrower Profile primarily support this conclusion.

Loan-to-Share Analysis

The average LTS ratio is reasonable given the Credit Union's size, financial condition, and the credit needs of its assessment area. The average LTS ratio is calculated from Call Report data over the past 8 quarters, from December 31, 2016 to September 30, 2018. The average LTS ratio is 91.6 percent, ranging from a low of 85.8 percent on December 31, 2016 to 95.2 percent on September 30, 2018. The LTS ratio has remained stable over the last several years. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus.



Loan-to-Share Ratio Comparison		
Institution	Total Assets as of September 30, 2018	Average Net LTS Ratio (%)
Sharon Credit Union	\$ 582,719,399	91.6
Liberty Bay Credit Union	\$ 674,758,555	99.2
Quincy Credit Union	\$ 526,724,457	76.8
Crescent Credit Union	\$ 438,149,574	107.8
Source: Reports of Income and Condition 12/31/16 through 9/30/18		

Assessment Area Concentration

The Credit Union made a majority of home mortgage loans, by number and dollar volume, within its assessment area. The following table details the Credit Union's home mortgage lending activity inside and outside of the assessment area in 2016 and 2017.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2016	348	70.0	156	30.0	504	66,337	62.2	40,238	37.8	106,575
2017	258	64.3	143	35.7	401	46,944	56.3	36,465	43.7	83,409
Total	606	67.0	299	33.0	905	113,281	59.6	76,703	40.4	189,984
Source: Evaluation Period: 1/1/2016 - 12/31/2017 Credit Union Data Due to rounding, totals may not equal 100.0										

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, good penetration among individuals of different income levels. Examiners emphasized the percentage by number of home mortgage lending to low- and moderate-income borrowers.

In 2016, the Credit Union originated 2.9 percent of home mortgage loans to low-income borrowers. The Credit Union decreased this percentage slightly in 2017 to 2.7 percent, while above the aggregate at 2.4 percent. In addition, 3.8 percent of all families in the assessment area have incomes below the poverty level. A low-income family in the assessment area, with an income of \$36,550 in the Providence-Warwick-RI-MA MSA to \$45,400 in the Boston, MA-MD or less in 2016 and \$37,250 an \$47,150 or less in 2017, would likely experience difficulty in qualifying for a mortgage under conventional underwriting standards, especially considering the median housing values in the assessment area of \$385,979, as noted in the Description of the Assessment Area section. Therefore, the demand and opportunity for lending to low-income families is limited.

Market share data further supports the Credit Union's performance. In 2017, the Credit Union ranked eighth in lending to low-and moderate-income borrowers with a 2.4 percent market share.

The Credit Union offers the Mass Housing down payment assistance program aimed to assist low and moderate-income borrowers. To be eligible for a Mass Housing loan, a borrower must meet minimum income and loan limits.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Sharon Credit Union						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	12.4	1.9	10	2.9	709	1.0
2017	12.6	2.4	7	2.7	848	1.8
Moderate						
2016	13.3	9.6	36	10.3	5,203	7.8
2017	12.3	11.5	32	12.4	4,243	9.0
Middle						
2016	19.2	20.1	88	25.3	14,604	22.0
2017	18.4	22.1	63	24.4	11,110	23.7
Upper						
2016	55.1	56.0	210	60.3	44,252	66.7
2017	56.7	52.0	153	59.3	30,220	64.4
Not Available						
2016	0.0	12.4	4	1.1	1,569	2.4
2017	0.0	11.9	3	1.2	523	1.1
Totals						
2016	100.0	100.0	348	100.0	66,337	100.0
2017	100.0	100.0	258	100.0	46,994	100.0
Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 12/31/2017 Bank Data, 2016 & 2017 HMDA Aggregate Data, 2016 & 2017						
Due to rounding, totals may not equal 100.0						

Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners emphasized the percentage by number of home mortgage loans in moderate-income geographies as the assessment area did not include any low-income geographies. As detailed in the following table, the Credit Union's lending in moderate-income census tracts was below both aggregate lending performance and owner-occupied housing units in 2016 and 2017.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Sharon Credit Union						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.0	0.0	0	0.0	0	0.0
Moderate						
2016	2.5	2.0	5	1.4	648	0.9
2017	2.3	3.3	4	1.6	637	1.4
Middle						
2016	33.0	32.2	89	25.6	14,990	22.6
2017	19.4	20.3	37	14.3	5,129	10.9
Upper						
2016	64.5	65.8	254	73.0	50,699	76.4
2017	78.3	76.4	217	84.1	41,178	87.7
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.0	0.0	0	0.0	0	0.0
Totals						
2016	100.0	100.0	348	100.0	66,337	100.0
2017	100.0	100.0	258	100.0	46,944	100.0
Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Bank Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Loss of Affordable Housing

The review concentrated on the suitability and sustainability of mortgage loans originated by Sharon Credit Union by taking into account delinquency and default rates of the Credit Union and those of the overall marketplace. Information provided by the Credit Union was reviewed, as were statistics available on delinquency and default rates for mortgage loans. Additionally other available sources, including public records of foreclosure filings and individual meeting minutes, were examined. A review of information and documentation, from both internal and external sources as partially described above, did not reveal lending practices or products that showed an undue concentration of a systematic pattern of lending, including a pattern of early payment defaults resulting in the loss of affordable housing units. Furthermore, delinquency rates were found to be consistent with industry averages.

Response to CRA Complaints and Fair Lending Policies

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 Bank's public comment file indicated the Bank 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

The Credit Union's HMDA LARs for 2016 and 2017 were 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 and comparisons to aggregate data in 2017, the Credit Union's minority application flow is reasonable.

According to the 2015 American Consumer Survey, in 2017 the Credit Union's assessment area contained a total population of 343,583 individuals of which 13.7 percent are minorities. The assessment area's minority and ethnic population is 3.9 percent Black/African American, 4.4 percent Asian, 0.1 percent American Indian, 3.5 percent Hispanic or Latino and 1.8 percent other.

In 2016, the Credit Union received 428 HMDA reportable loan applications from within its assessment area. Of these applications, 23 or 5.4 percent were received from racial minority applicants, of which 17 or 73.9 percent resulted in originations. For the same time period, the Bank also received 9 or 2.1 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 7 or 77.8 percent were originated.

In 2017, the Credit Union received 320 HMDA reportable loan applications from within its assessment area. Of these applications, 23 or 7.2 percent were received from racial minority applicants, of which 20 or 87.0 percent resulted in originations. There were 15 or 4.7 percent of applications received from Hispanic applicants and 13 or 87.0 percent were originated.

The 2017 aggregate received 15,633 HMDA reportable loan applications of which 1,612 or 10.3 percent were received from minority applicants and 1,157 or 71.8 percent were originated. For the same time period, the aggregate received 528 applications or 3.4 percent from Hispanic applicants of which 345 or 65.3 percent were originated.

The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to the table below for information on the Bank's minority application flow as well as the aggregate lenders in the Bank's assessment area.

MINORITY APPLICATION FLOW					
RACE	HMDA 2016		HMDA 2017		Aggregate Data 2017
	#	%	#	%	%
American Indian/ Alaska Native	1	0.2	3	0.9	0.2
Asian	12	2.8	8	2.5	4.8
Black/ African American	2	0.5	5	1.6	3.7
Hawaiian/Pacific Islander	0	0.0	0	0.0	0.1
2 or more Minority	0	0.0	0	0.0	0.1
Joint Race (White/Minority)	8	1.9	7	2.2	1.5
Total Minority	23	5.4	23	7.2	10.4
White	374	87.4	274	85.6	68.7
Race Not Available	31	7.2	23	7.2	20.9
Total	428	100.0	320	100.0	100.0
ETHNICITY					
Hispanic or Latino	3	0.7	6	1.9	2.3
Not Hispanic or Latino	387	90.4	272	85.0	75.8
Joint (Hisp/Lat /Not Hisp/Lat)	6	1.4	9	2.8	1.1
Ethnicity Not Available	32	7.5	33	10.3	20.8
Total	428	100.0	320	100.0	100.0

Source: US Census 2010, HMDA Aggregate Data 2016 & 2017, HMDA LAR Data 2016 and 2017

COMMUNITY DEVELOPMENT TEST

Sharon Credit Union demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, donations and services. Examiners considered the institution's capacity and the need and availability of such opportunities. Community development activities were evaluated from the previous evaluation dated February 11, 2013 through December 3, 2018, the start date of the current examination

Community Development Loans

During the exam period, the Credit Union originated two SBA 504 Loans within the assessment area totaling \$937,324. The two loans benefited an economic development purpose.

Community Development Donations

The Credit Union presented \$9,955 in qualified CRA donations to organizations that met the definition of community development.

Old Colony Habitat for Humanity

Old Colony Habitat for Humanity is dedicated to providing decent, affordable housing in partnership with families in need. The Credit Union's donations assisted affordable housing.

Adopt a Family

The Adopt a Family program provides families with assistance to regain both financial and everyday stability by providing clothing, food, and gifts during the holiday season. The Credit Union's contribution assisted a low-income family in need.

Gifts of Hope

The Credit Union participates in an annual fundraising event for Gifts of Hope. The Credit Union's contribution purchases food, winter clothing and toys to Sharon residents in need during the holidays.

HESSCO Elder Services

HESSCO's mission is to help older adults and individuals living with a disability remain safe and independent at home for as long as possible in the communities of Dedham, Westwood, Norwood, Canton, Sharon, Walpole, Foxborough, Medfield, Millis, Norfolk, Wrentham, and Plainville. On yearly basis, the Credit Union contributed to a number of HESSCO fundraisers.

Community Development Services and Financial Literacy

The Credit Union participated in 12 various financial literacy education events and seminars.

The Credit Union promoted financial education to the community by hosting 10 first time homebuyer seminars. These classes were held at the Credit Union's corporate office in Sharon and at the Credit Union's North Attleboro branch. The Credit Union hosted a Mass Housing seminar for low-to-moderate income seeking financing. A Fair lending training to realtors was also provided through the New England Real Estate Academy Inc.

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 Credit Union 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 refinancings 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.

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, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, 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 (30 Pond Street Sharon, MA)."

[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.