

# **PUBLIC DISCLOSURE**

September 23, 2019

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Southern Mass Credit Union  
Certificate Number: 67481

123 Alden Road  
Fairhaven, Massachusetts 02719

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 .....	1
Scope of Evaluation .....	1
Description of Institution .....	2
Description of Assessment Area.....	3
Conclusions on Performance Criteria .....	5
Glossary .....	10

## INSTITUTION RATING

This document is an evaluation of the CRA performance of **Southern Mass Credit Union (credit union)** prepared by the Division of Banks, the institution's supervisory agency as of **September 23, 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 "**High Satisfactory.**" An institution in this group has a good 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 credit union's performance under this test is summarized below:

- Southern Mass Credit Union's average loan-to-share (LTS) ratio is reasonable given the institution's size, financial condition, and credit needs of its assessment area.
- A substantial majority of the credit union's residential loans are inside the assessment area.
- The geographic distribution of loans reflects good dispersion throughout the assessment area.
- The distribution of borrowers reflects 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.
- Fair lending policies and procedures are adequate.

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated January 1, 2017 to the current evaluation dated September 23, 2019. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Analysis, Assessment Area Concentration, Geographic Distribution, Borrower Profile, and Response to CRA-related 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 remained consistent throughout the evaluation period.

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. In 2017, the credit union reported

120 originations totaling \$17.1 million within the assessment area, and in 2018, the credit union reported 205 originations totaling \$42.5 million in 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**

Southern Mass Credit Union is a state-chartered community credit union chartered in 1922. Credit union membership is open to all who live, work, or attend school in Bristol, Barnstable, Dukes, Nantucket and Plymouth counties in Massachusetts; Bristol and Newport counties in Rhode Island; the Providence County Rhode Island cities and towns of Central Falls, Cranston, Cumberland, East Providence, Johnston, Lincoln, North Providence, North Smithfield, Pawtucket, Providence, Smithfield and Woonsocket. In addition, all family members of existing members qualify for membership. The credit union had 15,147 members as of June 30, 2019.

Since the last evaluation, the credit union merged with SJB Federal Credit Union in Fall River, MA. The date of the merger was July 1, 2014.

### **Operations**

The credit union's main office is located at 123 Alden Road, Fairhaven, Massachusetts. The main office is located in a middle-income census tract. In addition to the main office, the credit union operates one full-service branch located in a moderate-income census tract in Fall River and one full-service branch located in a middle-income census tract in New Bedford.

During the evaluation period, the credit union opened one branch located in Fall River through its merger with SJB Federal Credit Union in July 2014. In September 2018, the credit union closed its branch located in the Fairhaven High School. In September 2019, the credit union closed its branch located in the Plymouth North High School and its branch located in the Plymouth South High School.

Business hours are consistent between the credit union's three branch locations. All branch locations offer a 24-hour ATM. In addition, the credit union operates a stand-alone ATM located in Taunton, MA.

The credit union offers a variety of products and services to its members. These include share deposit accounts, savings accounts, checking accounts, debit cards, credit cards, mortgages, home equities, consumer loans, student loans, Mass Save HEAT loans, E-services including online bill pay, mobile banking, remote deposit capture, and safe deposit box services.

## **Ability and Capacity**

As of June 30, 2019, the credit union had total assets of \$231.7 million and total shares of \$196.2 million. Loans totaled \$173.3 million and represent 74.8 percent of total assets.

The credit union is primarily a residential lender. As noted in the table below, approximately 57.1 percent of the loans are secured by first lien 1-4 family residential properties, followed by all other real estate loans/lines of credit at 25.8 percent. The following table illustrates the current distribution of the credit union's loan portfolio.

<b>Loan Distribution as of June 30, 2019</b>		
<b>Loan Type</b>	<b>Dollar Amount (\$)</b>	<b>Percent of Total Loans (%)</b>
Unsecured Credit Card Loans	\$1,680,597	1.0
Non-Federally Guaranteed Student Loans	\$1,825,291	1.1
All Other Unsecured Loans/Lines of Credit	\$2,481,888	1.4
New Vehicle Loans	\$2,906,956	1.7
Used Vehicle Loans	\$13,218,628	7.6
All Other Secured Non-Real Estate Loans/Lines of Credit	\$6,053,055	3.5
Loans/Lines of Credit Secured by 1 <sup>st</sup> Lien 1-4 Family Residential Properties	\$99,006,725	57.1
Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	\$0	0.0
All Other Real Estate Loans/Lines of Credit	\$44,692,574	25.8
Commercial Loans/Lines of Credit Real Estate Secured	\$453,835	0.3
Commercial Loans/Lines of Credit Not Real Estate Secured	\$941,242	0.5
<b>Total Loans</b>	<b>\$173,260,791</b>	<b>100.0</b>

*Source: NCUA 5300 Report, Statement of Financial Condition as of June 30, 2019*

## **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. Southern Mass Credit Union has designated its assessment area to include the following counties in Massachusetts: Bristol County, Plymouth County, and Barnstable County. The assessment area has not changed since the last examination. The assessment area is part of the Boston-Worcester-Providence Combined Statistical Area (CSA).

## **Economic and Demographic Data**

The assessment area includes 284 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 27 low-income tracts
- 56 moderate-income tracts
- 124 middle-income tracts
- 72 upper-income tracts
- 5 tracts 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)	284	9.4	19.7	43.7	25.4	1.8
Population by Geography	1,271,210	6.6	17.1	44.7	31.2	0.4
Housing Units by Geography	594,227	6.9	18.8	48.1	26.2	0.0
Owner-Occupied Units by Geography	343,960	2.0	13.0	51.0	34.0	0.0
Occupied Rental Units by Geography	143,911	19.5	31.0	34.1	15.3	0.1
Vacant Units by Geography	106,356	5.4	20.9	57.7	16.0	0.0
Businesses by Geography	86,827	7.6	13.8	46.8	31.7	0.1
Farms by Geography	2,883	2.8	10.2	51.7	35.3	0.0
Family Distribution by Income Level	326,116	21.7	17.3	20.5	40.5	0.0
Household Distribution by Income Level	487,871	24.9	14.8	17.0	43.3	0.0
Median Family Income MSA - 12700 Barnstable Town, MA MSA		\$80,751	Median Housing Value			\$325,130
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Gross Rent			\$967
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Families Below Poverty Level			7.4%
<i>Source: 2015 ACS Census and 2018 D&amp;B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) 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>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>Barnstable Town, MA MSA Median Family Income (12700)</b>				
2017 (\$90,200)	<\$45,100	\$45,100 to <\$72,160	\$72,160 to <\$108,240	≥\$108,240
2018 (\$86,200)	<\$43,100	\$43,100 to <\$68,960	\$68,960 to <\$103,440	≥\$103,440
<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>Providence-Warwick, RI-MA MSA Median Family Income (39300)</b>				
2017 (\$74,500)	<\$37,250	\$37,250 to <\$59,600	\$59,600 to <\$89,400	≥\$89,400
2018 (\$80,600)	<\$40,300	\$40,300 to <\$64,480	\$64,480 to <\$96,720	≥\$96,720
<i>Source FFIEC</i>				

## Competition

The assessment area is located in a highly competitive market for home mortgage loans. Entities with the highest market share in the area are mostly national banks and mortgage lenders such as Wells Fargo Bank, Residential Mortgage Services, and Quicken Loans.

## 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 social services organization that serves New Bedford, Fall River, and the surrounding communities. The contact noted that financial institutions are involved in the community in the form of community development services and financial contributions. Overall, the contact indicated that financial institutions have been responsive to area needs.

# CONCLUSIONS ON PERFORMANCE CRITERIA

## Loan-to-Share Ratio

This performance criterion determines what percentage of the credit union's share base is reinvested in the form of loans and evaluates its appropriateness. The average LTS ratio since the previous evaluation is reasonable given the institution's size, financial condition, and assessment area credit needs.

The credit union's LTS ratio averaged 80.7 percent over the past eight calendar quarters from September 30, 2017, to June 30, 2019. The ratio ranged from a low of 66.7 percent on September 30, 2017, to a high of 89.4 percent on December 31, 2018. The LTS ratio has trended upwards during the evaluation period, which can be attributed to the growth of the residential mortgage portfolio.

To further evaluate the credit union's performance under this criterion, examiners selected comparable institutions based on their asset size, geographic location, and lending focus. Please refer to the following table.

<b>Loan-to-Share Ratio Comparison</b>		
<b>Institution</b>	<b>Total Assets as of 6/30/19 (\$)</b>	<b>Average LTS Ratio (%)</b>
<b>Southern Mass Credit Union</b>	<b>231,711,477</b>	<b>80.7</b>
Fall River Municipal Credit Union	213,789,853	81.4
New Bedford Credit Union	127,374,482	68.5

*Source: NCUA Form 5300 Call Report Data*

**Assessment Area Concentration**

The credit union made a substantial majority of home mortgage loans by number and dollar volume within its assessment area. Please refer to the following table.

<b>Lending Inside and Outside of the Assessment Area</b>										
<b>Loan Category</b>	<b>Number of Loans</b>				<b>Total #</b>	<b>Dollar Amount of Loans \$(000s)</b>				<b>Total \$(000s)</b>
	<b>Inside</b>		<b>Outside</b>			<b>Inside</b>		<b>Outside</b>		
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Home Mortgage										
2017	120	95.2	6	4.8	126	17,083	95.2	869	4.8	17,952
2018	205	91.9	18	8.1	223	42,516	91.8	3,785	8.2	46,301
<b>Total</b>	<b>325</b>	<b>93.1</b>	<b>24</b>	<b>6.9</b>	<b>349</b>	<b>59,599</b>	<b>92.8</b>	<b>4,654</b>	<b>7.2</b>	<b>64,253</b>
<i>Source: Evaluation Period: 1/1/2017 - 12/31/2018 Credit Union Data Due to rounding, totals may not equal 100.0</i>										

**Geographic Distribution**

The geographic distribution of loans reflects good dispersion throughout the assessment area. The credit union’s dispersion of home mortgage loans supports this conclusion. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

The analysis compared the credit union’s 2017 performance to 2017 aggregate data and 2018 performance to demographic data, the percentage of owner-occupied housing units.

The credit union’s 2017 performance in lending to borrowers in low-income census tracts was 3.0 percentage points above the aggregate. The credit union originated 23.3 percent of its home mortgage loans to borrowers located in moderate-income census tracts, 8.8 percentage points above aggregate performance of 14.5 percent.

The credit union’s lending during 2018 in low- and moderate-income census tracts was above comparable demographic data.



The following table shows the credit union's geographic distribution of home mortgage loans.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2017	2.0	2.8	7	5.8	889	5.2
2018	2.0	--	5	2.4	526	1.2
Moderate						
2017	13.0	14.5	28	23.3	2,390	14.0
2018	13.0	--	39	19.0	6,983	16.4
Middle						
2017	51.0	50.1	59	49.2	10,290	60.2
2018	51.0	--	111	54.1	23,071	54.3
Upper						
2017	34.0	32.5	26	21.7	3,514	20.6
2018	34.0	--	50	24.4	11,936	28.1
Not Available						
2017	0.0	0.1	0	0.0	0	0.0
2018	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>120</b>	<b>100.0</b>	<b>17,083</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>205</b>	<b>100.0</b>	<b>42,516</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 HMDA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0</i>						

### **Borrower Profile**

The distribution of borrowers reflects good penetration among borrowers of different income levels in the assessment area. The following table details the distribution of home mortgage loans by borrower income level.

In 2017, the credit union's home mortgage loans to low-income borrowers in the assessment area was above aggregate performance. Also in 2017, home mortgage loans to moderate-income borrowers in the assessment area was slightly below the aggregate.

In 2018, the credit union's home mortgage loans to low-income borrowers in the assessment area at 9.8 percent was below demographic data. Examiners noted that a low-income borrower in the assessment area would likely not qualify for a home mortgage using traditional underwriting standards, considering the median housing value in the assessment area is \$325,130. In contrast, 19.5 percent of home

mortgage loans were made to moderate-income borrowers in the assessment area, 2.2 percentage points above demographic data.

<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	21.7	4.9	9	7.5	740	4.3
2018	21.7	--	20	9.8	2,140	5.0
<b>Moderate</b>						
2017	17.3	18.2	20	16.7	2,034	11.9
2018	17.3	--	40	19.5	7,114	16.7
<b>Middle</b>						
2017	20.5	24.2	42	35.0	5,505	32.2
2018	20.5	--	56	27.3	10,415	24.5
<b>Upper</b>						
2017	40.5	39.1	45	37.5	8,219	48.1
2018	40.5	--	89	43.4	22,847	53.7
<b>Not Available</b>						
2017	0.0	13.5	4	3.3	585	3.4
2018	0.0	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>120</b>	<b>100.0</b>	<b>17,083</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>--</b>	<b>205</b>	<b>100.0</b>	<b>42,516</b>	<b>100.0</b>

*Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*

### **Response to Complaints**

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

### **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 and fair lending policies and procedures are considered adequate.

### Minority Application Flow

According to the 2015 ACS Census Data, the credit union’s assessment area contained a total population of 1,271,210 individuals, of which 15.1 percent are minorities. The assessment area’s minority and ethnic population is 5.3 percent Black/African American, 1.6 percent Asian, 0.1 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 4.8 percent Hispanic or Latino and 3.3 percent Other.

The credit union’s rate of applications received was compared with that of the aggregate 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.

In 2017, the credit union received 156 HMDA reportable loan applications from within its assessment area. Of these applications, 3.9 percent were received from minority applicants. The aggregate received 7.5 percent of applications from minorities during 2017. For the same time period, the credit union received no applications from Hispanic/Latino applicants as compared to the aggregate at 3.6 percent.

For 2018, the credit union received at 254 applications from within its assessment area; 4.4 percent of applications from minorities and 2.8 percent of applicants from Hispanic/Latino applicants.

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

MINORITY APPLICATION FLOW					
RACE	Credit Union 2017 HMDA		2017	Credit Union 2018 HMDA	
			Aggregate Data		
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0
Asian	2	1.3	1.2	1	0.4
Black/ African American	4	2.6	4.8	7	2.8
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority	0	0.0	0.0	0	0.0
Joint Race (White/Minority)	0	0.0	1.2	3	1.2
<b>Total Minority</b>	<b>6</b>	<b>3.9</b>	<b>7.5</b>	<b>11</b>	<b>4.4</b>
White	149	95.5	71.7	241	94.9
Race Not Available	1	0.6	20.8	2	0.8
<b>Total</b>	<b>156</b>	<b>100.0</b>	<b>100.0</b>	<b>254</b>	<b>100.0</b>
ETHNICITY					
Hispanic or Latino	<b>0</b>	<b>0.0</b>	<b>2.7</b>	<b>4</b>	<b>1.6</b>
Not Hispanic or Latino	155	99.4	75.7	244	96.1
Joint (Hisp/Lat /Not Hisp/Lat)	<b>0</b>	<b>0.0</b>	<b>0.9</b>	<b>3</b>	<b>1.2</b>
Ethnicity Not Available	1	0.6	20.7	3	1.2
<b>Total</b>	<b>156</b>	<b>100.0</b>	<b>100.00</b>	<b>254</b>	<b>100.0</b>

Source: ACS Census 2015, HMDA Aggregate Data 2017, HMDA LAR Data 2017 and 2018

\*Due to rounding, totals may not equal 100.0 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 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.

**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 (123 Alden Rd, Fairhaven, MA 02719)."

[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.