

PUBLIC DISCLOSURE

October 22, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

St. Anne's Credit Union of Fall River
Certificate Number: 67605

286 Oliver Street
Fall River, Massachusetts 02724

Division of Banks
1000 Washington Street, 10th Floor
Boston, Massachusetts 02118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Institution Rating	1
Scope of Evaluation	2
Description of Institution	3
Description of Assessment Area	5
Conclusions on Performance Criteria	8
Discriminatory or Other Illegal Credit Practices Review	13
Glossary	15

INSTITUTION RATING

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (Division) 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 agency must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **St. Anne's Credit Union of Fall River (Credit Union)** prepared by the Division, the institution's supervisory agency, as of **October 22, 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.

INSTITUTION'S CRA RATING:

This institution is rated “High Satisfactory.”

An institution in this group has a high 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.

Lending Test

The institution is rated “**High Satisfactory**” under the Lending Test. This rating is supported by the following summary of results.

- 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 substantial majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects good dispersion throughout the assessment area.
- The distribution of borrowers reflects good penetration of loans among individuals of different income levels and businesses of different sizes.
- Response to CRA Complaints and Fair Lending Policies. The Credit Union did not receive any CRA-related complaints during the period reviewed; therefore, this factor did not affect the Lending Test rating.

Community Development Test

The institution is rated “**Satisfactory**” under the Community Development Test.

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

SCOPE OF EVALUATION

General Information

This evaluation assesses the Credit Union's CRA performance using the Interagency Intermediate Small Institution Credit Union Examination Procedures. An institution with this designation has assets of at least \$313 million as of December 31 of both of the prior two calendar years, and less than \$1.252 billion as of December 31 (adjusted annually) of either of the prior two calendar years. These procedures require two performance tests: the Lending Test and the Community Development Test. The Lending Test analyzes an institution's applicable home mortgage lending during the review period. The Community Development Test is an analysis of activities (investments and services) that an institution has completed during the review period to meet the needs of the community.

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 June 30, 2018, indicated that residential lending, including all loans secured by one to four family and multi-family (five or more units) residential properties, represented 65.7 percent of the loan portfolio and made up the majority of loan volume generated during the current review period.

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 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 and 2015 American Community Survey (ACS) Data, unless otherwise noted. Financial data about the Credit Union was obtained from the June 30, 2018 Call Report.

The Community Development Test considered the number and dollar amount of qualified investments and community development services from September 25, 2012 through October 22, 2018.

DESCRIPTION OF INSTITUTION

Background

St. Anne's Credit Union of Fall River is a community credit union chartered by the Commonwealth of Massachusetts in 1936. Its membership includes individuals who reside, work, attend school, or have a place of business in the Massachusetts counties of Bristol, Barnstable, or Plymouth; the Rhode Island counties of Bristol, Newport, or Providence; and the Rhode Island municipalities of Coventry, East Greenwich, Warwick, West Warwick, and North Kingston. Also eligible for membership are family members of such persons and organizational members. As of June 30, 2018 the Credit Union's membership was 56,240.

The Credit Union received a "Satisfactory" rating during the previous evaluation by the Division of Banks dated September 25, 2012.

Operations

The Credit Union's main branch is located at 286 Oliver Street in Fall River. The Credit Union operates eight full-service branches. In addition to the main branch, there are branches in the north end of Fall River, the south end of Fall River, and in the municipalities of Dartmouth, Fairhaven, New Bedford, Somerset, and Swansea. The Dartmouth branch has been added since the previous exam. All branches have the same hours, being open from 9am to 4pm on Monday, Tuesday, and Wednesday, 9am to 6pm on Thursday, 9am to 7pm on Friday, and 9am to 1pm 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 following are examples of products and services the Credit Union offers to its members: checking accounts, savings accounts, money market accounts, Christmas and vacation club 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, RV, boat, and trailer loans, insurance services, automatic overdraft transfer, ATM/Debit cards, online banking with bill pay, and mobile & text message banking.

Ability and Capacity

Assets totaled approximately \$954.6 million as of the June 30, 2018 quarterly call report, including total loans of approximately \$789.0 million. Total loans and assets have increased since the last examination dated September 25, 2012. Total loans have increased by 60.3 percent and total assets have increased by 18.0 percent.

The following table shows the loan portfolio distribution as of June 30, 2018.

Loan Portfolio Distribution as of June 30, 2018		
Loan Type	Dollar Amount (\$)	Percent of Total Loans
All Other Unsecured Loans/LOCs	3,451,689	0.4
New Vehicle Loans	36,342,266	4.6
Used Vehicle Loans	60,488,460	7.7
All Other Secured Non-Real Estate Loans/LOCs	2,545,631	0.3
Total Loans/LOCs Secured by 1 st Lien 1-4 Family Residential Properties	405,645,233	51.4
Total Loans/LOCs Secured by Junior Lien 1-4 Family Residential Properties	112,643,706	14.3
All Other Real Estate Loans/LOCs	1,042,242	0.1
Commercial Loans/LOCs Real Estate Secured	165,397,301	21.0
Commercial Loans/LOCs Not Real Estate Secured	1,428,040	0.2
Total	788,984,568	100.0

Source: NCUA Call Report June 30, 2018

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

Economic and Demographic Data

The Credit Union's designated assessment area has changed since the previous examination. During the previous evaluation, the Credit Union's assessment area consisted of 10 cities and towns located in Bristol and Newport Counties. Including Acushnet, Dartmouth, Fairhaven, Fall River, New Bedford, Seekonk, Somerset, Swansea and Westport, Massachusetts in Bristol County. Also includes Tiverton, Rhode Island in Newport County. At that time, the assessment area was composed of 81 census tracts.

The assessment area now encompasses all of Bristol County MA, Newport County RI, and Bristol County RI. Census tract income designations have since changed from 2016 to 2017 due to the 2015 American Community Survey (ACS). For 2017, the census tracts represent the following income designations according to the 2015 ACS:

- 22 low-income census tracts
- 35 moderate-income census tracts
- 44 middle-income census tracts
- 57 upper-income census tracts
- 2 census tracts with no income designation

Specifically, there are three more moderate-income census tracts, thirteen less middle-income tracts, 10 more upper-income census tracts, and two census tracts with no designation in 2017 than 2016.

There are no underserved or distressed nonmetropolitan middle-income geographies within the Credit Union's assessment area, nor is there a designated disaster area. There are several opportunity zones within the assessment area. The zones are recommended by the Governor and approved by the U.S. Department of Treasury and identified as areas of economic need, with many opportunity zones having the lowest median family income within the State. Within the Credit Union's assessment area there are a total of eight opportunity zones throughout Fairhaven, Fall River and New Bedford.

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

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	160	13.8	21.9	27.5	35.6	1.3
Population by Geography	684,602	9.4	17.4	28.4	44.9	0.0
Housing Units by Geography	293,643	10.7	19.4	28.6	41.3	0.0
Owner-Occupied Units by Geography	166,861	3.0	11.9	32.3	52.8	0.0
Occupied Rental Units by Geography	99,306	22.3	31.7	23.6	22.4	0.0
Vacant Units by Geography	27,476	15.8	20.8	24.0	39.4	0.0
Businesses by Geography	41,927	9.8	13.0	29.4	47.8	0.0
Farms by Geography	1,289	4.7	8.4	24.0	62.9	0.0
Family Distribution by Income Level	172,613	21.8	16.3	18.7	43.1	0.0
Household Distribution by Income Level	266,167	25.2	14.3	15.8	44.7	0.0
Median Family Income MSA - 39300 Providence-Warwick, RI-MA MSA		\$73,950	Median Housing Value			\$285,201
Median Gross Rent		\$882	Families Below Poverty Level			9.0%

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 293,643, of which 56.8 percent are owner-occupied, 33.8 percent are occupied rental units, and 9.4 percent are vacant. The assessment area's median housing value is \$285,201 and the median family income (MFI) for 2017 is \$73,950, 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.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
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

Source: FFIEC

Due to rounding, totals may not equal 100.0

The Credit Union's assessment area consists of 684,602 individuals. Approximately 38.1 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 \$285,201.

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 409 lenders originating at least one home mortgage loan in the assessment area, the Credit Union ranked 6th in market share. Among the top lenders in the assessment area include Residential Mortgage Services, Wells Fargo Bank, NA, Quicken Loans, JP Morgan Chase Bank, NA and Baycoast Bank.

Community Contact

As part of the evaluation process, examiners contact third parties who are active in community affairs to assist in assessing the credit and community development needs of the assessment area. Information collected from these community organizations aids in determining how well local institutions respond to the needs of the community.

Examiners contacted a representative of a social services organization that serves New Bedford and surrounding communities. The contact explained the needs of the community surrounded around the opioid epidemic, mental health, and educational attainment. The contact noted the existence of assistance from financial institutions is in the form of volunteer work and financial contributions. The level of assistance was explained as being invaluable. Overall, the contact indicated that financial institutions have been responsive to area needs.

A second community contact was conducted with an economic development corporation that serves the assessment area's minority-owned and women-owned businesses and small businesses. The organization relies on a portfolio of lending products to assist businesses. The contact indicated the need for small dollar loans, lines of credit, and SBA micro loans to assist small businesses. Additionally, the contact noted a need for financial literacy for small businesses.

Credit and Community Development Needs and Opportunities

Examiners identified the primary credit needs of the assessment area based on demographic and economic information, discussions with management, and the conversation with the community contact. Although numerous health related needs are important, examiners determined the primary credit needs of the community include financial education and small dollar loan programs. St. Anne's Credit Union is responsive to both these needs. The Credit Union is involved with numerous financial education seminars with a focus on Credit for Life Fairs, first time homebuyer seminars and identity theft protection. Additionally, the Credit Union has a small dollar loan program which offers flexible terms and loan amounts as low as \$1,500.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

St. Anne's Credit Union demonstrated good performance under the Lending Test. Geographic Distribution and Borrower Profile primarily support this conclusion. In particular, the Credit Union is a leader in providing home purchase loans in low- and moderate-income census tracts and to low- and moderate-income borrowers based on market share data.

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 September 30, 2016 to June 30, 2018. The average LTS ratio is 99.4 percent, ranging from a low of 97.0 percent on March 31, 2017 to 101.8 percent on December 31, 2017. 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. The Credit Union's average LTS Ratio is similar to that of comparable institutions. Please refer to the table below.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of June 30, 2018	Average LTS Ratio (%)
St. Anne's CU of Fall River	954,585,067	99.4
Sharon Credit Union	583,320,030	87.7
Liberty Bay Credit Union	684,963,013	98.4
Crescent Credit Union	431,878,488	111.4
<i>Source: Reports of Income and Condition 9/30/16 through 6/30/18</i>		

Assessment Area Concentration

The Credit Union made a substantial 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	849	93.2	62	6.8	911	134,891	90.7	13,813	9.3	148,704
2017	517	93.0	39	7.0	556	93,501	88.9	11,657	11.1	105,158
Total	1,366	93.0	101	7.0	1,467	228,392	90.0	25,470	10.0	253,862

*Source: Evaluation Period: 1/1/2016 - 12/31/2017 Credit Union Data
Due to rounding, totals may not equal 100.0*

Geographic Distribution

The geographic distribution of home mortgage loans reflects good dispersion throughout the assessment area. Examiners emphasized the percentage by number of home mortgage loans in low and moderate-income geographies. As detailed in the following table, the Credit Union's lending in low and moderate-income census tracts exceeded both aggregate lending performance and owner-occupied housing units.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	4.3		45	5.3	7,097	5.3
2017	3.0	3.8	30	5.8	6,032	6.7
Moderate						
2016	11.4		130	15.3	17,060	12.7
2017	11.9	12.7	89	17.3	13,159	14.1
Middle						
2016	41.4		469	55.2	72,239	53.5
2017	32.3	31.9	256	49.5	47,489	50.8
Upper						
2016	42.9		205	24.2	38,495	28.5
2017	52.8	51.6	142	27.4	26,551	28.4
Totals						
2016	100.0		849	100.0	134,891	100.0
2017	100.0	100.0	517	100.0	93,501	100.0

Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 12/31/2017 Credit Union Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available.

Market share data compiled in 2017 shows that 159 lenders originated 1,190 loans in the low-income census tracts of the assessment area, and St. Anne's Credit Union ranked second with a 3.8 percent market share. In the moderate-income census tracts, St. Anne's Credit Union ranked third with a 3.5 percent market share out of 238 lenders.

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.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	21.5	–	69	8.1	6,598	4.9
2017	21.8	3.4	36	7.0	3,325	3.6
Moderate						
2016	16.2	–	167	19.8	19,879	14.7
2017	16.3	14.9	105	20.3	12,702	13.6
Middle						
2016	20.0	–	221	26.0	33,203	24.6
2017	18.7	24.2	145	28.0	21,850	23.4
Upper						
2016	42.3	–	375	44.1	71,718	53.1
2017	43.1	42.7	207	40.4	37,937	40.6
Not Available						
2016	0.0	–	17	2.0	3,493	2.7
2017	0.0	14.8	24	4.6	17,687	18.8
Totals						
2016	100.0	–	849	100.0	134,891	100.0
2017	100.0	100.0	517	100.0	93,501	100.0

Source: 2010 U.S. Census & 2015 ACS Census ; 1/1/2016 - 12/31/2017 Credit Union Data, 2016 & 2017 HMDA Aggregate Data, "--" data not available.

In 2016, the Credit Union originated 8.1 percent of home mortgage loans to low-income borrowers. The Credit Union decreased this percentage slightly in 2017 to 7.0 percent, while still exceeding the aggregate at 3.4 percent. In addition, 9.0 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 or less in 2016 and \$37,250 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 \$285,201, as noted in the Description of the Assessment Area section.

Market share data further supports the Credit Union's performance. In 2017, the Credit Union ranked third in lending to low-and moderate-income borrowers.

The Credit Union offers a number of loan products to assist borrowers and meet the needs of the

assessment area such as Mass Housing loans and the FHLB Equity Builder Program. 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.

The Credit Union offers the FHLB Equity Builder Program. The Equity Builder Program offers members grants to provide to households with incomes at or below 80.0 percent of the area median-income, with down-payment, closing-cost, homebuyer counseling, and rehabilitation assistance.

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 institution's public comment file indicated the Credit Union 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.

According to the 2015 ACS Data, in 2017 the Credit Union's assessment area contained a total population of 684,602 individuals of which 14.9 percent are minorities. The assessment area's minority and ethnic population is 3.1 percent Black/African American, 2.0 percent Asian, 0.1 percent American Indian, 0.1 percent Hawaiian/Pacific Islander, 6.2 percent Hispanic or Latino and 3.4 percent other.

In 2016, the Credit Union received 1,082 HMDA reportable loan applications from within its assessment area. Of these applications, 27 or 2.5 percent were received from racial minority applicants, of which 22 or 84.0 percent resulted in originations. For the same time period, the Credit Union also received 25 or 2.4 percent of applications from ethnic groups of Hispanic origin within its assessment area of which 18 or 72.0 percent were originated.

In 2017, the Credit Union received 728 HMDA reportable loan applications from within its assessment area. Of these applications, 32 or 4.4 percent were received from racial minority applicants, of which 20 or 62.5 percent resulted in originations. There were 10 or 1.4 percent of applications received from Hispanic applicants and 7 or 70.0 percent were originated.

The 2017 aggregate received 28,180 HMDA reportable loan applications of which 1,781 or 6.6 percent were received from minority applicants and 96 or 62.3 percent were originated. For the same time period, the aggregate received 1,019 applications or 3.6 percent from Hispanic applicants of which 638 or 62.6 percent were originated.

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 lenders in the Credit Union's assessment area.

MINORITY APPLICATION FLOW					
RACE	Credit Union 2016		Credit Union 2017		2017 Aggregate Data
	#	%	#	%	%
American Indian/ Alaska Native	0	0.0	0	0.0	0.2
Asian	5	0.5	11	1.5	1.5
Black/ African American	11	1.0	17	2.3	3.0
Hawaiian/Pacific Islander	5	0.5	0	0.0	0.1
2 or more Minority	0	0.0	0	0.0	0.6
Joint Race (White/Minority)	6	0.5	4	0.5	1.2
Total Minority	27	2.5	32	4.4	6.6
White	1,020	94.3	645	88.6	72.5
Race Not Available	35	3.2	51	7.0	21.2
Total	1,082	100.0	728	100.0	100.0
ETHNICITY					
Hispanic or Latino	16	1.6	7	1.0	2.8
Not Hispanic or Latino	1,022	94.4	664	91.2	75.3
Joint (Hisp/Lat /Not Hisp/Lat)	9	0.8	3	0.4	0.8
Ethnicity Not Available	35	3.2	54	7.4	21.1
Total	1,082	100.0	728	100.0	100.0

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

Considering the demographic composition of the assessment area and comparisons to aggregate data in 2017, the Credit Union's minority application flow is reasonable.

Discriminatory or Illegal Credit Practices

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs were identified.

COMMUNITY DEVELOPMENT TEST

St. Anne's Credit Union demonstrated adequate responsiveness to the community development needs of its assessment area through qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities. Community development investments and services were evaluated from the previous evaluation dated September 25, 2012 through October 22, 2018, the start date of the current examination

Qualified Investments

St. Anne's Credit Union of Fall River made approximately \$500,000 in qualified investments. This includes one prior period equity investment with a current book value of \$250,000, and 211 donations totaling approximately \$250,000. Donations have increased since the last examination. At the last examination, 71 donations for a total of \$63,621 were considered qualified for CRA purposes. Highlights of organizations where the Credit Union was responsive to the community are listed below.

Community Development Donations by Category										
Activity Year	Affordable Housing		Community Services		Revitalize and Stabilize		Economic Development		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
2013	0	0	28	14	11	16	0	0	39	30
2014	0	0	24	16	8	16	0	0	32	32
2015	0	0	25	21	7	18	0	0	32	40
2016	2	2	19	42	9	16	0	0	30	61
2017	0	0	37	38	8	13	1	1	46	52
2018	0	0	25	27	7	8	0	0	32	35
Total	2	2	158	159	50	88	1	1	211	250

Source: Bank records

Jobs for Fall River: The Credit Union continues to hold a \$250,000 equity investment in this economic development corporation that promotes the prosperity and general welfare of all the citizens of the City of Fall River by stimulating economic and industrial growth and expansion in the area. This activity helps revitalize and stabilize the area.

Steppingstone Inc.: Steppingstone is a non-profit offering a variety of services designed to combat drug addiction and homelessness.

Boys & Girls Club of Fall River: The Boys & Girls Club of Fall River works to enable youth to reach their full potential as caring, responsible, and productive citizens.

St. Vincent's: St. Vincent's provides in-home and community-based services, and outpatient behavioral health for children, youth, and families.

Star Kids: The Star Kids Scholarship Program provides financial aid for high-risk, low-income children who have a parent with a history of incarceration and/or substance abuse.

Community Development Services

During the evaluation period, 16 Credit Union representatives provided financial expertise or technical assistance to 16 community development organizations within the assessment area for the purpose of community development and affordable housing.

Listed below are examples of community development services provided by the Credit Union:

New Bedford Economic Development Council (NBEDC): The NBEDC's approach is to support existing business, attract emerging industries, workforce readiness, and capture opportunities for growth in New Bedford. NBEDC has a portfolio of lending products to assist business needs. Financing programs include but are not limited to: Entrepreneurial Loan Fund, Fishing Assistance Loan Fund, and a Community Loan Fund. Additionally, NBEDC is a Micro-Loan lender for the U.S. Small Business Administration. A Commercial Vice President serves on the Loan Committee of the New Bedford Economic Development Council. Representation on the Loan Committee is responsive to the community as small business administration loans and micro loans were determined to be a primary need by the community contact.

Steppingstone Incorporated: Steppingstone Incorporated is a multi-service nonprofit organization that focuses on behavioral health and homeless services. The organization strengthens the quality of life among individuals and families or the community through comprehensive client-center programs and services that enhance well-being and promote independence. A commercial loan officer serves as a Director of Steppingstone.

United Way of Greater Fall River: The United Way of Greater Fall River serves the Massachusetts communities of Fall River, Somerset, Swansea, Assonet, Westport and Rhode Island communities of Tiverton and Little Compton. The United Way is a fundraising organization and also a community partner with a focus to target impact areas of health and human services, hunger and homelessness. Credit Union Management and Staff participate on the Board and Executive Committees of the United Way.

Financial Literacy and Outreach

The Credit Union participated in 23 various financial literacy education events and seminars.

Employees participated as Credit Councilors at Credit for Life Fairs held within two high schools in New Bedford. At these fairs student enhance their financial skills and create a positive banking relation.

The Credit Union also promoted financial education to the community by hosting Identity Theft Prevention classes and First Time Homebuyer seminars. These classes were held at the Credit Union's corporate branch in Fall River. Additional First Time Homebuyer seminars were done in conjunction with Fall River Affordable Housing Corporation.

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 non-metropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but they may follow governmental unit boundaries and other non-visible features in some instances. They always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogenous for population characteristics, economic status, and living conditions to allow for statistical comparisons.

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.

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 non-metropolitan 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.

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.

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.

Non-metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan 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 non-metropolitan 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory,

persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

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

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 286 Oliver Street Fall River, Massachusetts 02724."

- 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.