PUBLIC DISCLOSURE

May 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

St. Jean's Credit Union
Certificate Number: 67959

250 Maple Street
Lynn, Massachusetts 01904

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 federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

This document is an evaluation of the CRA performance of St. Jean's Credit Union (credit union) prepared by the Massachusetts Division of Banks (Division), the institution's supervisory agency as of May 30, 2023. 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 (AA), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. St. Jean's Credit Union's performance under this test is summarized below:

- The average loan-to-share ratio is reasonable given the institution's size, financial condition, and AA credit needs.

- The credit union made a majority of its home mortgage loans inside the AA.

- The geographic distribution of loans reflects more than reasonable dispersion throughout the AA.

- The distribution of borrowers reflects excellent penetration of loans among individuals of different income levels.

- The credit union has not received any CRA-related complaints during the evaluation period; therefore, this factor did not affect the Lending Test rating.

- The credit union has an adequate record relative to its fair lending policies and procedures.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks ("Division") to use their authority when examining financial institutions subject to their supervision, to access the institution's record of meeting the needs of its assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership.

This evaluation covers the periods from the prior evaluation dated May 30, 2021, to the current evaluation dated May 30, 2023. Small Institution CRA procedures were used for the evaluation. The following criteria were considered: Loan-to-Share Analysis, Lending Inside and Outside of the Assessment Area, Geographic Distribution, Borrower's Characteristics and Response to CRA Complaints and Fair Lending policies and procedures.

The evaluation references demographic and economic information from the 2020 United States (U.S.) Census, and the 2015 American Community Survey (ACS). Credit union financial data reflects the March 31, 2023, Call Report.

Loan Products Reviewed

St. Jean's Credit Union's major product line is home mortgage loans, considering 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.

Examiners analyzed home mortgage loan originations from January 1, 2021, through December 31, 2022, reported on the institution's 2021 and 2022 HMDA Loan Application Registers (LARs). St. Jean's Credit Union originated 107 home mortgage loans totaling $30.2 million in 2021 and originated 88 home mortgage loans totaling $20.8 million in 2022. Examiners compared credit union lending in 2021 and 2022 to aggregate HMDA data for the relevant year and to applicable demographic data.

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While the tables within this evaluation include both the number and dollar volume of loans, examiners emphasized credit union performance by number of loans, rather than the dollar volume, when assessing the institution's performance, as the number of loans better indicates the number of individuals served.

DESCRIPTION OF INSTITUTION

Background

St. Jean's Credit Union, established in 1910, offers membership to those who live or work in the Essex, Middlesex, or Suffolk Counties of Massachusetts, are a retiree of the City of Revere or the Town of Winthrop, Massachusetts; or are an immediate family member defined as a spouse, son, daughter, mother, father, sister, or brother; or an employee of H.P. Hood; and members' immediate family members. As of March 31, 2023, the credit union has 18,961 members.

The credit union is a designated low-income credit union by the Commissioner of Banks and the National Credit Union Administration (NCUA), indicating that 50% or more of its membership earn 80% or less than the median family income for the metropolitan area where they live, or the national metropolitan area, whichever is greater.

During the evaluation period, the credit union acquired through merger Revere Municipal Employees Federal Credit Union (March 2022) and Lynn Municipal Credit Union (August 2022.). The fields of membership of both acquired credit unions overlapped with St. Jean's Credit Union therefore the CRA assessment area was unchanged. Main offices of the two acquired credit unions were closed as St. Jean's Credit Union had closely located pre-existing branches.

St. Jean's Credit Union received a "Satisfactory" rating from the Massachusetts Division of Banks during its prior evaluation using the Small Institution Examination Procedures published at the conclusion of its previous examination, February 19, 2019.

Operations

St. Jean's Credit Union's main office is located at 250 Maple Street, Lynn within a moderate-income census tract. Additionally, the credit union operates four full-service branches located in Newburyport, Salem (two), and Revere. During the evaluation period, the credit union acquired a full-service high school branch located within Revere High School, 101 School Street resulting from the merger with Revere Municipal Employees Federal Credit Union.

The credit union offers a variety of banking products and services, including personal and business checking, savings, money market, individual retirement accounts (IRAs), and certificate accounts; mortgage, home equity, construction, and vehicle lending; and 24-hour online and mobile banking services, including mobile check deposit, card management, and bill pay capabilities.

Ability and Capacity

The credit union's assets totaled approximately $346.2 million as of March 31, 2023, including total loans of approximately $300.5 million and total shares and deposits of $221.8 million. The credit union is primarily a residential lender, with residential loans making up 71.7 percent of the loan portfolio.

The following table details the credit union's loan portfolio as of March 31, 2023.

Loan Portfolio Distribution as of March 31, 2023		
Loan Type	**Dollar Amount ($)**	**Percent of Total Loans (%)**
Unsecured Loans/Lines of Credit	5,029,539	2.3
Unsecured Credit Card Loans	0	0.0
Non-Federally Guaranteed Student Loans	3,611,975	1.6
New Vehicle Loans	14,815,534	6.9
Used Vehicle Loans	33,899,783	15.3
Secured Non-Real Estate Loans/Lines of Credit	778,647	0.4
Total Loans/LOC Secured by 1st Lien 1-4 Family Residential	115,221,727	51.9
Total Loans/LOC Secured by Junior Lien 1-4 Family Residential	43,809,327	19.8
Commercial Loan/LOC Real Estate Secured	3,281,519	1.5
Commercial Loan/LOC Not Real Estate Secured	1,411,268	0.6
Total Loans & Leases	221,859,319	100.0
Source: Reports of Income and Condition		

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. St. Jean's Credit Union has designated its assessment area to include the following sixteen municipalities: Amesbury, Georgetown, Groveland, Lynn, Lynnfield, Nahant, Newbury, Newburyport, Peabody, Revere, Rowley, Salem, Salisbury, Saugus, Swampscott, and West Newbury.

Economic and Demographic Data

The credit union's assessment area consists of 86 census tracts that reflect the following income designations according to the 2020 U.S. Census:

- 13 low-income tracts,
- 30 moderate-income tracts,
- 35 middle-income tracts,
- 7 upper-income tracts, and
- 1 tract without an income designation.

The 2020 U.S. Census adjusted the income designation and number of several census tracts within the assessment area when compared with the 2015 U.S. Census data. The total of low-income tracts decreased by two, moderate-income tracts increased by five, middle-income tracts increased by six, upper-income tracts decreased by one, and tracts without an income designation did not change. The total number of census tracts increased from 78 to 86.

Demographic Information of the Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	86	15.1	34.9	40.7	8.1	1.2
Population by Geography	399,947	14.3	34.7	41.2	9.4	0.4
Housing Units by Geography	155,311	13.9	33.3	42.9	9.5	0.4
Owner-Occupied Units by Geography	90,616	6.3	30.3	49.4	13.6	0.5
Occupied Rental Units by Geography	56,002	26.7	39.5	30.6	3.0	0.3
Vacant Units by Geography	8,693	10.9	25.1	53.8	9.2	1.0
Businesses by Geography	36,673	13.7	26.7	46.8	12.4	0.3
Farms by Geography	870	10.0	30.3	42.5	16.3	0.8
Family Distribution by Income Level	94,308	29.0	20.4	21.8	28.8	0.0
Household Distribution by Income Level	146,618	32.6	16.9	18.8	31.8	0.0
Median Family Income MSA - 14454 Boston, MA		$112,607	Median Housing Value			$418,358
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		$121,481	Median Gross Rent			$1,329
			Families Below Poverty Level			7.8%
Source: 2020 ACS, 2022 D&B Data, and FFIEC Estimated Median Family Income; (*) The NA category consists of geographies that have not been assigned an income classification.						

The Federal Financial Institution's Examination Council (FFIEC) updated median family income level is used to analyze home mortgage loans under the Borrower Profile criterion. The following table displays the low-, moderate-, middle-, and upper-income categories for each year during the review period.

Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
Boston, MA Median Family Income (14454)				
2021 ($113,700)	<$56,850	$56,850 to <$90,960	$90,960 to <$136,440	≥$136,440
2022 ($129,500)	<$64,750	$64,750 to <$103,600	$103,600 to <$155,400	≥$155,400
Cambridge-Newton-Framingham, MA Median Family Income (15764)				
2021 ($120,200)	<$60,100	$60,100 to <$96,160	$96,160 to <$144,240	≥$144,240
2022 ($138,700)	<$69,350	$69,350 to <$100,960	$100,960 to <$166,440	≥$166,440
Source: FFIEC				

The assessment area's lending trends reflect an increase in housing prices, with the median housing value increasing since the previous exam. As housing in the assessment area becomes more expensive it becomes more difficult for low- and moderate-income families to qualify for traditional home mortgage loans. Additionally, approximately 7.8 percent of families are below the poverty level, a subset of the low-income category.

Competition

The assessment area is located in a highly competitive market for home mortgage loans. The top ten lenders within the area are all large institutions and collectively account for approximately 37.6 percent of the market. Market share data for 2022 indicates that St. Jean's Credit Union ranked 48th out of 411 lenders in the assessment area.

Community Contact

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

Examiners contacted a housing and community service organization serving the credit union's assessment area. The contact stated that the primary need within the area is affordable housing. The contact referred to rapidly rising housing costs, especially rental costs, as a challenge leading to an increase in evictions and limited options for residents who ultimately relocate out of their communities. Additional needs include "fresh start" deposit accounts for those individuals with impaired account histories, financial literacy training, and credit counseling.

CONCLUSIONS ON PERFORMANCE CRITERIA

Lending Test

St. Jean's Credit Union demonstrated more than reasonable performance under the Lending Test. The credit union's strong performances under the Loan-to-Share ratio, Geographic Distribution and Borrower Profile criteria support this conclusion.

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 net LTS ratio for the last eight quarters is reasonable given the institution's size, financial condition, and assessment area credit needs.

Loan-to-Share Ratio Comparison		
Institution	**Total Assets as of 3/31/2023 ($)**	**Average LTS Ratio (%)**
St. Jean's Credit Union	**346,272,452**	**74.3**
Member's Plus Credit Union	342,263,685	54.7
Naveo Credit Union	173,499,878	47.9
Source: Reports of Income and Condition: 6/30/2021 through 3/31/2023		

The credit union's net LTS ratio, as calculated from the last eight cycles of the credit union's quarterly call report data, averaged 74.3 percent from June 30, 2021 to March 31, 2023. The ratio ranged from a low of 72.1 percent as of March 31, 2022 to a high of 77.4 percent, reported June 30, 2021. The credit union's LTS ratio was stable during the evaluation period.

The credit union's net LTS ratio was compared to that of two similarly situated institutions. The institution selection is based on geographic location, asset size, and lending focus. St. Jean's Credit Union's average net LTS ratio compared favorably as it was above the two institutions used in this comparison.

Assessment Area Concentration

The credit union made a majority of home mortgage loans, by number and dollar volume, within its assessment areas. The following table illustrates the credit union's lending inside and outside of the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans $(000s)**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$**	**%**	**$**	**%**	**$(000s)**
Home Mortgage										
2021	73	68.2	34	31.8	107	19,450	64.4	10,759	35.6	30,209
2022	60	68.2	28	31.8	88	12,474	59.7	8,423	40.3	20,897
Total	**133**	**68.2**	**62**	**31.8**	**195**	**31,924**	**62.5**	**19,182**	**37.5**	**51,106**
Source: Credit Union Data; Due to rounding, totals may not equal 100.0										

Geographic Distribution

The geographic distribution of loans reflects more than reasonable dispersion throughout the assessment areas. Examiners focused on activity within low- and moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	6.5	7.8	12	16.4	2,958	15.2
2022	6.3	8.3	4	6.7	450	3.6
Moderate						
2021	29.7	29.4	23	31.5	5,311	27.3
2022	30.3	31.2	33	55.0	5,796	46.5
Middle						
2021	49.9	48.6	33	45.2	8,132	41.8
2022	49.4	47.7	21	35.0	6,113	49.0
Upper						
2021	13.8	14.2	5	6.8	3,049	15.7
2022	13.6	12.2	2	3.3	115	0.9
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.5	0.5	0	0.0	0	0.0
Total						
2021	**100.0**	**100.0**	**73**	**100.0**	**19,450**	**100.0**
2022	**100.0**	**100.0**	**60**	**100.0**	**12,474**	**100.0**
Source: 2015 ACS; Credit Union Data, 2021 & 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

Home mortgage lending performance in low- and moderate-income census tracts compared favorably to aggregate lending trends in both 2021 and 2022. In 2021, the credit union out-performed aggregate and the demographic of percentage of owner-occupied housing units in low-income census tracts. In moderate-income census tracts the credit union's performance was also above aggregate and demographic comparisons.

In 2022, home mortgage lending performance was above demographic data. In moderate-income census tracts, the credit union's performance exceeded both aggregate and the demographic.

<u>Borrower Profile</u>

The distribution of borrowers reflects, given the demographics of the assessment area, excellent penetration among individuals of different income levels. Examiners focused on activity among low- and moderate-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low						
2021	29.4	7.5	12	16.4	1,654	8.5
2022	29.0	9.6	16	26.7	1,201	9.6
Moderate						
2021	19.4	24.4	23	31.5	5,393	27.7
2022	20.4	23.8	19	31.7	4,723	37.9
Middle						
2021	21.5	25.1	24	32.9	6,478	33.3
2022	21.8	24.9	17	28.3	3,369	27.0
Upper						
2021	29.6	27.1	14	19.2	5,926	30.5
2022	28.8	26.5	8	13.3	3,182	25.5
Not Available						
2021	0.0	15.9	0	0.0	0	0.0
2022	0.0	15.2	0	0.0	0	0.0
Total						
2021	**100.0**	**100.0**	**73**	**100.0**	**19,450**	**100.0**
2022	**100.0**	**100.0**	**60**	**100.0**	**12,474**	**100.0**
Source: 2015 ACS; Credit Union Data, 2021 & 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

Home mortgage lending to low-income borrowers was consistently above aggregate for both 2021 and 2022. The credit union's lending to low-income borrowers was more than double the aggregate in 2021. In 2022, the credit union's performance again was more than double that of aggregate performance.

The credit union's lending to low-income borrowers in 2021 was above the aggregate for both years and was below the percentage of families. It should be noted that low-income families in the Boston Metropolitan Division (MD) have annual incomes of less than $56,850 while low-income families in the Cambridge–Newton–Framingham MD have annual incomes of less than $60,100. Low-income families from both areas are unlikely to qualify for a conventional mortgage, given that the median housing value is $418,358. Lending opportunities to low-income families are further limited as 7.8 percent of families in the assessment area live below the poverty level. Though the credit union's performance is just below the demographic data in 2022, these factors help explain the difference between the credit union's performance and the percentage of low-income families.

The credit union's 2021 performance among moderate-income borrowers was well above the aggregate and the demographic of percentage of families. In 2022, the credit union's lending was also well above aggregate and demographic data.

Response to Complaints

The credit union did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not impact the CRA rating.

Discriminatory or Other Illegal Credit Practices

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

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. A review of the credit union's public comment file indicated the credit union received no complaints pertaining to the institution's CRA performance since the previous examination. Examiners conducted the fair lending review in accordance with the Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, examiners did not identify any evidence of disparate treatment.

Minority Application Flow

Examiners reviewed the credit union's 2021 and 2022 HMDA LARs to determine if the credit union's application flow from different racial and ethnic groups reflected the assessment area's demographics.

According to 2020 U.S. census data, the credit union's assessment area contained a total population of 399,947 individuals of which 36.4 percent are minorities. The assessment area's minority and ethnic population is 22.1 percent Hispanic or Latino, 5.5 percent Black or African American, 7.4 percent Asian, 0.6 percent American Indian, 0.1 percent Pacific Islander, and 0.8 percent other.

The credit union's minority application flow reflects reasonable performance. The credit union's consistent performance above aggregate in both racial and ethnic minority application flow during both 2021 and 2022 support this conclusion.

The following table exhibits the credit union's minority application flow compared to aggregate lenders in the assessment area.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2021		2021 Aggregate Data	Credit Union 2022		2022 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	3	2.7	0.3	1	1.3	0.4
Asian	5	4.5	3.6	5	6.7	3.9
Black/ African American	11	9.8	3.6	6	8.0	4.1
Hawaiian/Pacific Islander	1	0.9	0.1	0	0.0	0.2
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	2	1.8	1.2	0	0.0	1.4
Total Racial Minority	**22**	**19.6**	**8.9**	**12**	**16.0**	**10.1**
White	83	74.1	64.9	55	73.3	63.4
Race Not Available	7	6.3	26.3	8	10.7	26.6
Total	**112**	**100.0**	**100.0**	**75**	**100.0**	**100.0**
ETHNICITY						
Hispanic or Latino	18	16.1	12.4	15	20.0	14.1
Joint (Hisp/Lat /Not Hisp/Lat)	2	1.8	1.2	0	0.0	1.4
Total Ethnic Minority	**20**	**17.9**	**13.6**	**15**	**20.0**	**15.5**
Not Hispanic or Latino	87	77.7	61.5	57	76.0	60.2
Ethnicity Not Available	5	4.5	24.9	3	4.0	24.3
Total	**112**	**100.0**	**100.0**	**75**	**100.0**	**100.0**
Source: ACS Census 2020, HMDA Aggregate Data 2021 and 2022, HMDA LAR Data 2021 and 2022						

In 2021, the credit union received 112 HMDA-reportable loan applications from within its assessment area. Of these applications, the credit union received 22, or 19.6 percent, from minority applicants; 13, or 59.1 percent, of which were originated. Compared to aggregate data, which indicates 8.9 percent of applications received were from minority applicants, of which, 57.9 percent were originated. For the same period, 20 applications, representing 17.9 percent of total applications, were received from ethnic groups of Hispanic origin within the assessment area, nine, or 45.0 percent, of which were originated. The aggregate data indicates 13.6 percent of total applications were received from this ethnic group in the assessment area, of which 58.7 percent were originated.

In 2022, the credit union received 75 HMDA-reportable loan applications from within its assessment area. Of these applications, the credit union received 12, or 16.0 percent, from minority applicants; 10, or 83.3 percent, of which were originated. Compared to aggregate data, which indicates 10.1 percent of applications received were from minority applicants, of which 53.3 percent were originated. For the same period, 15 applications, representing 20.0 percent of total applications, were received from ethnic groups of Hispanic origin within the assessment area, of which 10, or 66.7 percent, were originated. The aggregate data indicates 15.5 percent of total applications were received from this ethnic group in the assessment area, of which 53.8 percent were originated.

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 bank 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.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

1. Support affordable housing for low- and moderate-income individuals;
2. Target community services toward low- and moderate-income individuals;
3. Promote economic development by financing small businesses or farms; or
4. Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

(1) Has as its primary purpose community development; and

(2) Except in the case of a wholesale or limited purpose institution:

(i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and

(ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

(1) Has as its primary purpose community development;

(2) Is related to the provision of financial services; and

(3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

(1) An unemployment rate of at least 1.5 times the national average;

(2) A poverty rate of 20 percent or more; or

(3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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).

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 (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, 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 Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

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 (e.g, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

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 (also known as **non-MSA):** 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.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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 Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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, requires 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 250 Maple Street, Lynn, Massachusetts 01904."

   [Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered, or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.