

# **PUBLIC DISCLOSURE**

February 18, 2020

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

St. Mary's Credit Union  
Certificate Number: 67864  
46 Lizotte Drive  
Marlborough, Massachusetts 01752

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.

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## INSTITUTION RATING

This document is an evaluation of the CRA performance of **St. Mary's Credit Union (credit union)** prepared by the Division, the institution's supervisory agency as of **February 18, 2020**. 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:** St. Mary's Credit Union 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.

Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the credit union's Lending Test and Community Development Test performance.

### **The Lending Test is rated High Satisfactory.**

- St. Mary's Credit Union's average net loan-to-share ratio is excellent given the institution's size, financial condition, and credit needs of its assessment area.
- A majority of the credit union's loans are inside the assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessment area, excellent 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.

### **The Community Development Test is rated High Satisfactory.**

- The Credit Union demonstrated good responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity, and the need and availability of such opportunities throughout the assessment area.

## **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 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 Division must prepare a written evaluation of the institution's record of meeting the credit needs of its membership.

This evaluation covers the period from January 1, 2017, to the current evaluation dated February 18, 2020. Examiners used the Interagency Intermediate Small Institution (ISI) Examination Procedures to evaluate St. Mary’s Credit Union’s performance. These procedures include two tests: the Lending Test and the Community Development Test.

The evaluation references demographic and economic information from the 2015 American Community Survey (ACS) and the U.S. Bureau of Labor Statistics (BLS). Credit Union financial data reflects the December 31, 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.

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. For 2017, the credit union reported 334 originations totaling \$66.8 million within the assessment area. For 2018, the credit union reported 305 originations totaling \$43.6 million within 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**

Chartered by the Commonwealth of Massachusetts in 1913, St. Mary's Credit Union is a member-owned, not-for-profit organization established in Marlborough, Massachusetts. Membership at St. Mary's Credit Union is open to anyone who lives, works, has a place of business, or attends school in Middlesex, Worcester, Norfolk and Suffolk County, and family members of such persons. The credit union has 59,384 members as of December 31, 2019.

St. Mary's Credit Union received a Satisfactory rating from the Massachusetts Division of Banks during its prior evaluation using the ISI Examination Procedures.

### **Operations**

The credit union is headquartered at 46 Lizotte Drive, Marlborough MA, which is located in a moderate-income census tract. In addition, St. Mary's Credit Union operates seven branches total in Marlborough (3), Hudson, Northborough, Westborough and the credit union's newest location in Framingham, which was opened in 2018. The credit union operates two branches in moderate-income census tracts (Marlborough), three in middle-income census tracts (Framingham, Hudson, Marlborough) and two in upper-income census tracts (Northborough and Westborough).

The credit union offers both personal and business accounts to members. Members can open checking accounts, savings accounts, Money Market accounts, Certificates of Deposits, Individual Retirement Accounts, and Club accounts as well as Business Checking accounts. Services that are offered include Debit Master Cards, Online Banking, Mobile Wallet, and Mobile Banking with Bill Pay. In addition to deposit accounts, credit union members can apply for mortgage loans, home equity loans and lines of credit, consumer loans, new and used auto loans, credit cards and home energy loans.

The credit union is part of the SUM and CO-OP ATM networks, which allows members to perform ATM transactions, surcharge-free, at over 30,000 participating ATMs.

### **Ability and Capacity**

As of December 31, 2019, the credit union had total assets of approximately \$877.8 million, total shares and deposits of approximately \$685.9 million, and total loans of approximately \$715.2 million. The credit union is primarily a residential mortgage lender by dollar volume. Loans secured by first liens and junior liens on 1-4 family residential properties account for 53.6 percent of total loans.

The following table illustrates the distribution of the credit union’s loan portfolio.

<b>Loan Portfolio Distribution as of 12/31/2019</b>		
<b>Loan Category</b>	<b>\$</b>	<b>%</b>
Unsecured Loans/Lines of Credit	9,333,543	1.3
New Vehicle Loans	118,619,747	16.6
Used Vehicle Loans	159,034,690	22.2
Secured Non-Real Estate Loans/Lines of Credit	1,310,925	0.2
Total Loans/Lines of Credit Secured by 1 <sup>st</sup> Lien 1-4 Family Residential Properties	315,236,406	44.1
Total Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	67,850,228	9.5
Commercial Loans/Lines of Credit Real Estate Secured	33,938,857	4.7
Commercial Loans/Lines of Credit Not Real Estate Secured	9,910,968	1.4
<b>Total Loans</b>	<b>715,235,364</b>	<b>100.0</b>
<i>Source: Reports of Income and Condition</i>		

## **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. St. Mary’s Credit Union has designated its assessment area to include the municipalities of Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Stow and Sudbury, which are part of the Cambridge-Newton-Framingham, MA MD. The assessment area includes Bellingham and Franklin, which are located in the Boston, MA MD. The assessment area also includes Berlin, Bolton, Boylston, Clinton, Grafton, Lancaster, Milford, Northborough, Shrewsbury, Southborough, Sterling, Upton, West Boylston, and Westborough, which are part of the Worcester MA-CT MSA. The following sections discuss demographic and economic information for the assessment area.

### **Economic and Demographic Data**

The assessment area includes 79 census tracts. These tracts reflect the following income designations according to the 2015 ACS U.S. Census:

- 2 low-income tracts,
- 10 moderate-income tracts,
- 25 middle-income tracts,
- 41 upper income tracts, and
- 1 tract 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)	79	2.5	12.7	31.6	51.9	1.3
Population by Geography	435,395	2.0	11.4	31.0	55.6	0.0
Housing Units by Geography	166,812	2.0	12.5	32.4	53.1	0.0
Owner-Occupied Units by Geography	113,640	0.4	7.6	31.7	60.2	0.0
Occupied Rental Units by Geography	45,420	6.0	24.1	34.5	35.4	0.0
Vacant Units by Geography	7,752	0.8	16.0	31.0	52.2	0.0
Businesses by Geography	33,991	1.4	14.4	28.3	55.9	0.0
Farms by Geography	966	1.3	10.4	24.6	63.7	0.0
Family Distribution by Income Level	112,939	16.2	13.9	19.0	50.9	0.0
Household Distribution by Income Level	159,060	19.8	12.5	15.9	51.8	0.0
Median Family Income MSA - 14454 Boston, MA MD		\$90,699	Median Housing Value			\$359,290
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA MD		\$100,380	Median Gross Rent			\$1,150
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$81,137	Families Below Poverty Level			4.3%
<i>Source: 2015 ACS Census and 2018 D&amp;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.</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>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>Cambridge-Newton-Framingham, MA MD Median Family Income (15764)</b>				
2017 (\$104,800)	<\$52,400	\$52,400 to <\$83,840	\$83,840 to <\$125,760	≥\$125,760
2018 (\$110,300)	<\$55,150	\$55,150 to <\$88,240	\$88,240 to <\$132,360	≥\$132,360
<b>Worcester, MA-CT MSA Median Family Income (49340)</b>				
2017 (\$84,000)	<\$42,000	\$42,000 to <\$67,200	\$67,200 to <\$100,800	≥\$100,800
2018 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
<i>Source FFIEC</i>				

**Competition**

The assessment area is located in a competitive market for home mortgage loans. In 2018, St. Mary’s Credit Union ranked 16<sup>th</sup> out of 432 lenders within the assessment area with a 1.3 market share. Large national banks, non-depository lenders and several state-chartered community banks and federal credit unions ranked above St. Mary’s Credit Union. The lenders with the biggest market share included Digital Federal Credit Union, Citizens Bank NA, and Wells Fargo Bank NA.

**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 met with a representative of a non-profit affordable housing and neighborhood revitalization organization that is active in the credit union’s assessment area. The organization serves low- and moderate-income individuals and families in Worcester County by developing affordable housing, providing flexible financing and offering affordable rental units. The contact stated that Worcester County’s economic condition overall has steadily improved. The contact also noted that local government funding has slowed in recent years, which has substantially curbed the development of affordable housing. Additionally, the contact cited a need for home



improvement loans that would help contribute to the availability and quality of affordable housing units.

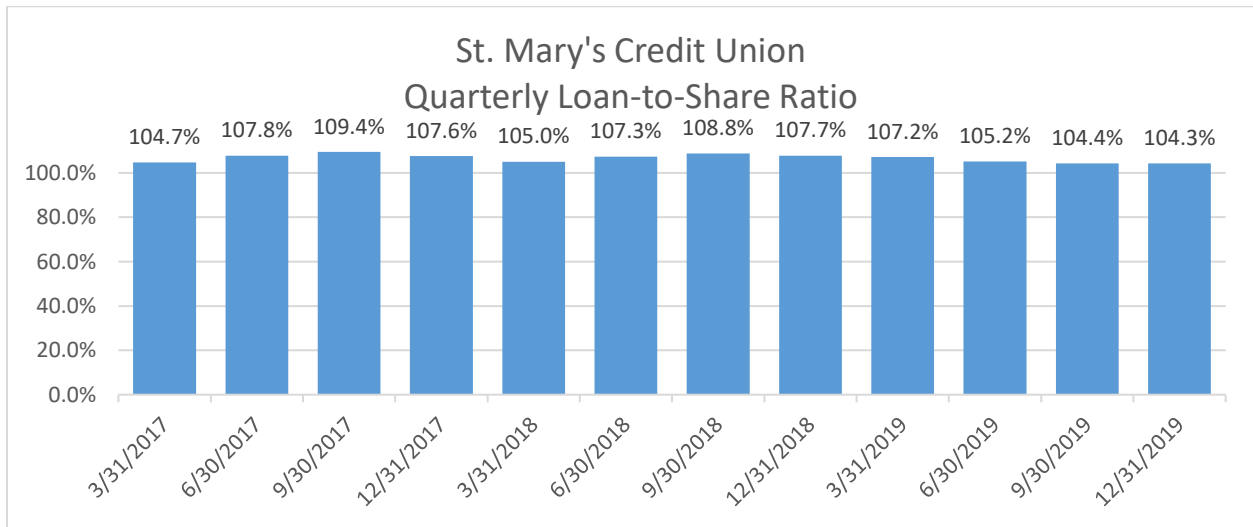
## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

#### 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 loan-to-share ratio for the last 12 quarters is excellent given the institution's size, financial condition, and assessment area credit needs.

The credit union's net LTS ratio, as calculated from the NCUA 5300 Quarterly Call Report data, averaged 106.6 percent over the past 12 calendar quarters from March 30, 2017 through December 31, 2019. The ratio ranged from a high of 109.4 percent as of September 30, 2017, to a low of 104.3 percent as of December 31, 2019.



The credit union's average LTS ratio over the previous 12 quarters was compared to that of two similarly situated institutions. The institution selection is based on geographic location and lending focus. St. Mary's Credit Union's average LTS ratio is above the two institutions used in this comparison.

<b>Loan-to-Share Ratio Comparison</b>		
Institution	Total Shares	Average LTS Ratio (%)
St. Mary's Credit Union	685,915,339	106.6
Leominster Credit Union	536,966,257	105.7
Jeanne D'Arc Credit Union	542,754,287	92.3
<i>Source: Reports of Income and Condition 03/31/2017 through 12/31/2019</i>		

### **Assessment Area Concentration**

A majority of the credit union's lending activity occurs within its assessment area.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2017	212	63.5	122	36.5	334	40,535	60.6	26,304	39.4	66,839
2018	201	65.9	104	34.1	305	26,553	60.9	17,076	39.1	43,629
<b>Subtotal</b>	<b>413</b>	<b>64.6</b>	<b>226</b>	<b>35.4</b>	<b>639</b>	<b>67,088</b>	<b>60.7</b>	<b>43,380</b>	<b>39.3</b>	<b>110,468</b>
<b>Total</b>	<b>413</b>	<b>64.6</b>	<b>226</b>	<b>35.4</b>	<b>639</b>	<b>67,088</b>	<b>60.7</b>	<b>43,380</b>	<b>39.3</b>	<b>110,468</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**

Considering the credit union's assessment area demographics, aggregate data, and performance context factors, the distribution of home mortgage loans reflects reasonable penetration in the low- and moderate-income geographies.

In 2017, the credit union's lending at 12.3 percent was above the aggregate at 8.7 percent and above the percentage of owner occupied housing at 7.6 percent within moderate-income census tracts. In 2018, the credit union increased the percentage of loans in moderate-income census tracts to 12.9 percent.

Market share data from 2018 show that the credit union ranked 15<sup>th</sup> out of 185 lenders with a 2.1 percent market share in lending to moderate-income tracts in the assessment area.

The credit union did not originate any loans in low-income areas in 2017 and 2018. However, only 0.4 percent of owner-occupied housing units are located in these tracts, reflecting limited lending opportunities.

Please refer to the table below for more information.

<b>Geographic Distribution of Home Mortgage Loans</b>						
<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2017	0.4	0.5	0	0.0	0	0.0
2018	0.4	0.5	0	0.0	0	0.0
<b>Moderate</b>						
2017	7.6	8.7	26	12.3	4,467	11.0
2018	7.6	8.4	26	12.9	3,115	11.7
<b>Middle</b>						
2017	31.7	31.7	92	43.4	15,387	38.0
2018	31.7	30.7	97	48.3	10,993	41.4
<b>Upper</b>						
2017	60.2	59.0	94	44.3	20,681	51.0
2018	60.2	60.3	78	38.8	12,445	46.9
<b>Not Available</b>						
2017	0.0	0.0	0	0.0	0	0.0
2018	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>212</b>	<b>100.0</b>	<b>40,535</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>201</b>	<b>100.0</b>	<b>26,553</b>	<b>100.0</b>

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

### **Borrower Profile**

The distribution of home mortgage loans reflects excellent penetration to individuals of different income levels.

In 2017, the credit union originated 8.5 percent of loans to low-income borrowers, which was above the aggregate at 3.9 percent. For the same year, the credit union originated 18.4 percent to moderate-income borrowers, which was above the aggregate at 15.4 percent.

In 2018, the credit union made 7.5 percent of loans to low-income borrowers and 17.9 percent to moderate-income borrowers. The credit union exceeded aggregate for both low- and moderate-income level borrowers for 2018.

Market share data from 2018 further supports the credit union's excellent performance. St. Mary's Credit Union ranked 14<sup>th</sup> of 128 lenders with a 2.1 percent market share in lending to low-income borrowers, and ranked 18<sup>th</sup> of 217 lenders with a 1.6 percent market share in lending to moderate-income borrowers.

Please refer to the table below for more information.

<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	16.2	3.9	18	8.5	1,728	4.3
2018	16.2	4.7	15	7.5	1,249	4.7
<b>Moderate</b>						
2017	13.9	15.4	39	18.4	5,870	14.5
2018	13.9	15.4	36	17.9	3,900	14.7
<b>Middle</b>						
2017	19.0	23.0	40	18.9	9,021	22.3
2018	19.0	22.7	46	22.9	6,045	22.8
<b>Upper</b>						
2017	50.9	47.9	111	52.4	22,963	56.7
2018	50.9	46.2	104	51.7	15,360	57.8
<b>Not Available</b>						
2017	0.0	9.9	4	1.9	953	2.4
2018	0.0	11.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2017</b>	<b>100.0</b>	<b>100.0</b>	<b>212</b>	<b>100.0</b>	<b>40,535</b>	<b>100.0</b>
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>201</b>	<b>100.0</b>	<b>26,553</b>	<b>100.0</b>
<i>Source: 2015 ACS Census; 1/1/2017 - 12/31/2018 Credit Union Data, 2017 &amp; 2018 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

### **Response to Complaints**

The credit union did not receive any CRA-related complaints during the evaluation period.

### **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. 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 discriminatory practices were noted.

### ***Minority Application Flow***

According to the 2015 ACS Census Data, the credit union's assessment area contained a total population of 435,395 individuals, of which 19.4 percent are minorities. The assessment area's minority and ethnic population is 2.5 percent Black/African American, 6.8 percent Asian/Pacific Islander, 0.1 percent American Indian, 7.0 percent Hispanic or Latino and 3.0 percent Other.

The credit union's level of lending was compared with that of the aggregate's lending performance level for the most recent year that data was available, the years 2017 and 2018. 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 295 HMDA reportable loan applications from within its assessment area. Of these applications, 5.8 percent were received from minority applicants, of which 70.6 percent resulted in originations. The aggregate received 12.3 percent of applications from minority applicants and 72.3 percent were originated during 2017. For the same time period, the credit union received 4.0 percent of applications from Hispanic/Latino applicants as compared to the aggregate at 6.3 percent.

In 2018, the credit union received 293 HMDA reportable loan applications from within its assessment area. Of these applications, 6.9 percent were received from minority applicants, of which 55.0 percent resulted in originations. The aggregate received 12.7 percent of applications from minority applicants and 46.0 percent were originated during 2018. For the same time period, the credit union received 6.5 percent of applications from Hispanic/Latino applicants as compared to the aggregate at 7.5 percent.

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

<b>Minority Application Flow</b>						
<b>RACE</b>	<b>2017 Credit Union Data</b>		<b>2017 Aggregate Data</b>	<b>2018 Credit Union Data</b>		<b>2018 Aggregate Data</b>
	#	%	%	#	%	%
American Indian/ Alaska Native	1	0.3	0.2	0	0	0.3
Asian	9	3.1	9.1	10	3.4	9.2
Black/ African American	4	1.4	1.4	6	2.1	1.5
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0	0.1
2 or more Minority	0	0.0	0.1	0	0.0	0.1
Joint Race (White/Minority)	3	1.0	1.4	4	1.4	1.5
<b>Total Minority</b>	<b>17</b>	<b>5.8</b>	<b>12.3</b>	<b>20</b>	<b>6.9</b>	<b>12.7</b>
White	263	89.2	67.7	251	85.6	67.0
Race Not Available	15	5.0	20.0	22	7.5	20.3
<b>Total</b>	<b>295</b>	<b>100.0</b>	<b>100.0</b>	<b>293</b>	<b>100.0</b>	<b>100.0</b>
<b>ETHNICITY</b>						
Hispanic or Latino	<b>6</b>	<b>2.0</b>	<b>5.1</b>	<b>13</b>	<b>4.4</b>	<b>6.2</b>
Not Hispanic or Latino	266	90.2	74.1	250	85.3	71.8
Joint (Hisp/Lat /Not Hisp/Lat)	<b>6</b>	<b>2.0</b>	<b>1.2</b>	<b>6</b>	<b>2.1</b>	<b>1.3</b>
Ethnicity Not Available	17	5.8	19.6	24	8.2	20.7
<b>Total</b>	<b>295</b>	<b>100.0</b>	<b>100.0</b>	<b>293</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: 2017 &amp; 2018 HMDA Data *Due to rounding, totals may not equal 100.0 percent.</i>						

Considering the demographic composition of the assessment area and comparisons to aggregate data, the credit union’s minority application flow is adequate.

## **COMMUNITY DEVELOPMENT TEST**

St. Mary's Credit Union demonstrated good responsiveness to the assessment area's community development needs through qualified community development loans, qualified investments and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment area.

### **Community Development Loans**

The credit union originated 57 community development loans totaling approximately \$12.9 million during the evaluation period. The majority of community development loans promoted economic development within the assessment area.

St. Mary's Credit Union provided loans through the following programs:

- ***SBA 504 Loan program*** – The SBA 504 Loan program is an economic development loan program that offers small businesses an avenue for business financing, while promoting business growth, and job creation. The 504 Loan program provides small businesses with long-term fixed financing used to acquire fixed assets for expansion and modernization.
- ***SBA 7(a) Loan program*** – The 7(a) loan program is the SBA's primary program for providing financial assistance to small businesses. The terms and conditions, like the guaranty percentage and loan amount, may vary by the type of loan.
- ***Jobs for New England*** - Jobs for New England has offered Federal Home Loan Bank Boston members below market-rate financing for small business loans that create or preserve jobs, expand woman-, minority-, or veteran-owned businesses, or otherwise stimulate the economy in New England Communities.

### **Qualified Investments**

St. Mary's Credit Union made 128 qualified investments totaling \$278,284. This dollar amount is solely comprised of grants and donations that benefitted the assessment area. These qualified investments demonstrate the credit union's responsiveness to the needs of the low- and moderate-income community within the assessment area. The following table illustrates community development investments by year and purpose.

Qualified Community Development Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$	#	\$	#	\$	#	\$	#	\$
2017	1	200	58	91,006	1	1,000	0	0	60	92,206
2018	1	200	38	93,276	0	0	0	0	39	93,476
2019	2	1,250	27	91,352	0	0	0	0	29	92,602
<b>Total</b>	<b>4</b>	<b>1,650</b>	<b>123</b>	<b>275,634</b>	<b>1</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>128</b>	<b>278,284</b>

Source: Credit Union Records

Below are notable examples of the credit union’s qualified investment activities:

- **Metrowest Legal Services** – During the evaluation period, the credit union made multiple donations to Metrowest Legal Services. Metrowest Legal Services provides legal advocacy to protect and advance the rights of the poor, elderly, disabled and other disenfranchised people and to assist them in obtaining legal, social and economic justice.
- **Roland’s House** – During the evaluation period, the credit union made multiple donations to Roland’s House. Roland’s House is a temporary emergency shelter serving up to 18 unaccompanied adult males. Roland’s House is linked to South Middlesex Opportunity Council. Guests at Roland’s House are eligible for employment and housing search services as well as mental health and substance abuse services.
- **Pearl Street Cupboard and Café** – the credit union made a donation to Pearl Street Cupboard and Café through the United Way of Tri-County. The mission of Pearl Street Cupboard and Café is to give support to individuals and families who find themselves experiencing economic and personal challenges by providing food assistance and programs that promote self-sufficiency.

### **Community Development Services**

During the evaluation period, credit union employees provided financial expertise or technical assistance to 12 different community development-related organizations in the assessment area. The following are examples of the credit union’s community development services.

- **United Way** – During the evaluation period, the CEO and COO served on the Board of Directors of the United Way. The United Way advances the common good as MetroWest’s largest community-based investor in Health, Education, Financial Stability, and Basic Human needs. The United Way serves 34 local communities.
- **Boys and Girls Club** – During the evaluation period, the CEO served on the Board of Directors of the Girls and Boys Club. The Boys & Girls Club of MetroWest provides social, educational, physical and cultural programming for boys and girls in the MetroWest area with the intent to enhance the development of children and prepare young adults to be responsible and productive members of the community.



- ***Marlborough Economic Development Corporation (MEDC)*** - A Senior Vice President sits on the Board of Directors of the Marlborough Economic Development Corporation. MEDC is a state chartered economic development of the City of Marlborough and represents a public-private partnership for planning. MEDC works with municipal and private investors to foster economic development, job growth and community revitalization and expansion in the city.
- ***Metro Community Development Corporation (MCDC)*** - During the evaluation, a Vice President served on the Board of Directors of the Metro Community Development Corporation. The MCDC is a non-profit that serves the MetroWest and Nashoba Valley areas and builds a stronger community by organizing and mobilizing community resources to enable residents to live better. The MCDC programs enable low- and moderate-income families to develop skills, adopt new behaviors and to increase economic stability.
- ***Bay Path Elder Services***- An employee of St. Mary's Credit Union serves on the Advisory Board of the Financial Management Program at Bay Path Elder Services. Bay Path Elders Services provides much needed support for elders who have difficulty managing their day-to-day finances. Through the Money Management Program, clients benefit from free assistance with bill-paying, budgeting, reading mail, advocating with service providers and more.
- ***First Time Homebuyer Seminars and Financial Literacy***- During the evaluation period, credit union employees provided various seminars for first time homebuyers and financial literacy. Programs included the Vita Tax Program, First time Home Buyers programs, Retirement Planning, and Youth Money Management workshops.

## 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 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.

**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 (46 Lizotte Drive, Marlborough, MA 01752)."

[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.