

PUBLIC DISCLOSURE

May 16, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Tremont Credit Union
Charter Number: 26450

150 Grossman Drive, Suite 400
Braintree, MA

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 or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.

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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 agencies 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 **Tremont Credit Union (or the Credit Union)** prepared by the Division, the institution's supervisory agency, as of **May 16, 2016**. 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 “Satisfactory” by the Division.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Based on the small institution CRA evaluation procedures specified for institution with assets of less than \$304 million as of December 31 of either of the prior two calendar years, adjusted annually, Tremont Credit Union's overall CRA performance is considered “Satisfactory” based on the following:

Lending Test

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

The average loan-to-deposit (LTD) ratio was analyzed over the previous 8 quarters and is considered reasonable at 69.4 percent given the Credit Union's size, financial condition, and assessment area credit needs.

A majority of the Credit Union's home mortgage loans and sampled consumer loans, were within its designated assessment area. During 2014 and 2015, 70.8 percent of the number of home mortgage loans and 80 percent of the consumer loans sampled were inside the assessment area.

The geographic distribution of home mortgage and consumer loans reflects adequate dispersion throughout the assessment area.

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income).

The Credit Union did not receive any CRA-related complaints during the period reviewed.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Small Institution Examination Procedures to evaluate Tremont Credit Union's CRA performance. These procedures utilize the CRA Small Institution Lending Test. The Lending Test considered the institution's performance according to the following criteria.

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

Loan Products Reviewed

Examiners determined that the Credit Union's major product lines are home mortgage loans and consumer loans. While both products are included in the analysis, emphasis is placed on home mortgage lending. This conclusion considered the Credit Union's business strategy and the number and dollar volume of loans originated during the evaluation period.

In addition, this evaluation considered all home mortgage loans reported on the Credit Union's 2014 and 2015 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). For 2014 the Credit Union reported 30 originations totaling \$3.8 million, and for 2015 the Credit Union reported 18 originations totaling \$4.5 million. The trend within HMDA reportable loan volume did decrease in 2015 and is mostly do to the reporting of Home Equity Lines of Credit. While the Credit Union still originated this product, this loan product is optional to report to HMDA and the Credit Union chose to not report it in 2015. This evaluation presents information for 2014, the most recent year for which aggregate data is available.

The Credit Union is not required to report consumer loan information. Examiners selected a sample of consumer loans for review under the Lending Test criteria. The sample included 20 consumer loans in 2014 and another 20 loans in 2015.

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

Tremont Credit Union received a Satisfactory CRA rating at its previous evaluation by the Division of Banks on May 25, 2005.

Tremont Credit Union is approved as a low-income designated credit union by the Commissioner of Banks and in accordance with National Credit Union Administration (NCUA)). Eligibility is based partly on the majority of the Credit Union's membership being low-income.

It should be noted that the NCUA Rules and Regulations Part 701.34 (2) Low-income members are those members whose family income is 80% or less than the median family income for the metropolitan area where they live or national metropolitan area, whichever is greater, or those members who earn 80% or less than the total median earnings for individuals for the metropolitan area where they live or national metropolitan area, whichever is greater. This is different from the Community Reinvestment Act which views low income as less than 50% of the median family income. By The NCUA definition, low-income borrowers captures a larger group of members that fall into the low-income category.

Since the last examination, the Credit Union membership by-laws have expanded and now include all who live or work in Suffolk County, Norfolk County, Middlesex County, and all who worship in Suffolk County, Massachusetts. In addition, over 200 select employer groups throughout Massachusetts. All family members of existing members qualify for membership. The Credit Union currently has 19,458 members

Operations

Tremont Credit Union operates a main office at 350 Longwood Ave in Boston situated in a low income census tract. In addition there are three branch locations in Massachusetts; 10 Corinth Street in Roslindale, 180 Mt Vernon Street in Boston, and 150 Grossman Drive 2nd Floor in Braintree. The operations center is located at 150 Grossman Drive, 4th floor in Braintree.

The Credit Union closed two branches since the previous evaluation. A branch at 41 Warren Street in Roxbury closed in November 2015, and a branch at One Herald Square in Boston closed in 2011. No merger or acquisition activities occurred since the previous evaluation. Banking hours are considered convenient and accessible to the Credit Union's members.

Tremont Credit Union offers first and second home mortgage loans and home equity loans and lines of credit. Consumer loan products include auto loans, personal loans, secured and unsecured credit cards and the Mass Save Energy loan product. The Credit Union provides a variety of personal account services including checking and savings accounts as well as student checking and youth savings accounts. The Credit Union also offers a Second Chance Checking Account. This product is an alternative for those customer who have been unable to establish a bank account due to a negative past account history.

The Credit Union maintains a website at tremontcu.org. The website includes information about products and services, hours, online banking services, and online mortgage and consumer loan applications. Online banking services include bill payment, e-statements, and check orders.

Tremont Credit Union is a member of the Shared branching network and provides members with over 5,000 branches nationwide. Members are able to conveniently conduct transactions such as withdrawals and deposits, loan payments and advances, account inquiries, and more.

Ability and Capacity

Assets totaled approximately \$171 million as of March 31, 2016, including total loans of approximately \$102.6 million. The loan portfolio is illustrated in the following table.

Loan Portfolio Distribution as of 09/30/2015		
Loan Category	\$(000s)	%
Unsecured Credit Card 2,586Loans	2,586,834	2.6
All Other Unsecured Loans/Lines of Credit	8,282,369	8.0
Non-Federally Guaranteed Student Loans	0	0.0
New Vehicle Loans	5,449,961	5.3
Used Vehicle Loans	8,050,181	7.8
1 st Mortgage Real Estate Loans/Lines of Credit	41,814,118	40.7
Other Real Estate Loans/Lines of Credit	36,156,436	35.2
All other Loans/Lines of Credit	339,411	0.4
Total Loans and Leases	102,679,310	100.0

Examiners did not identify any financial, legal, or other impediments that affect the Credit Union’s ability to meet assessment area credit needs

DESCRIPTION OF ASSESSMENT AREA

Economic and Demographic Data

The CRA requires each financial institution to designate one or more assessment area(s) within which it will focus its lending efforts, and its CRA performance will be evaluated. For purposes of this evaluation, the designated assessment area includes all of Middlesex, Suffolk and Norfolk Counties. The following sections discuss demographic and economic information for the assessment area.

Economic and Demographic Data

The Credit Union’s assessment area includes 652 census tracts. As of the date of the evaluation, the assessment area contains 67 low-income, 128 moderate-income, 228 middle-income, and 216 upper-income census tracks and 13 census tracts are designated as N/A . The following table illustrates select demographic characteristics of the assessment area.

Table 2-Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	652	10.3	19.6	34.9	33.2	2.0
Population by Geography	2,895,958	8.6	19.1	37.9	34.3	0.1
Housing Units by Geography	1,187,150	7.8	19.2	39.5	33.4	0.1
Owner-Occupied Units by Geography	649,729	2.7	12.8	41.7	42.7	0.1
Occupied Rental Units by Geography	462,252	14.9	28.1	36.4	20.3	0.1
Vacant Units by Geography	75,169	11.8	24.3	36.0	27.9	0.0
Businesses by Geography	234,677	5.8	13.0	34.6	46.3	0.3
Family Distribution by Income Level	673,691	22.3	15.6	19.8	42.3	0.0
Household Distribution by Income Level	1,111,981	7.8	19.2	39.5	33.4	0.1
Median Family Income (2010 U.S. Census)		\$96,738	Median Housing Value			\$438,051
FFIEC-Estimated Median Family Income for 2015			Median Gross Rent			
Boston MA MD (14454)		\$90,000	Unemployment Rate			\$1,204
Cambridge-Newton-Framingham – MD (15764)		\$101,700	Families Below Poverty Level			4.2%
						11.11%

Source: 2010 U.S. Census, and FFIEC-Estimated Median Family Income; () The NA category consists of geographies that have not been assigned an income classification.*

According to 2014 Dun & Bradstreet (D&B) data, there were 55,017 businesses. Gross annual revenues (GARs) for these businesses are below.

- 75.3 percent have \$1 million or less.
- 6.6 percent have more than \$1 million.
- 18.1 percent have unknown revenues.

Service industries represent the largest portion of businesses at 51.7 percent; followed by retail trade (11.6 percent); finance, insurance, and real estate (9.94 percent). In addition, 67 percent of area businesses have four or fewer employees, and 90 percent operate from a single location.

The 2014 and 2015 FFIEC-updated median family income levels are 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. These categories are based on the 2014 and 2015 FFIEC updated median family income.

Table 3- Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Boston Quincy MD Median Family Income (\$00,000)				
2014 (\$87,200)	<\$43,600	\$43,600 to <\$69,760	\$69,760 to <\$104,640	≥\$104,640
2015 (\$90,000)	<\$45,000	\$45,000 to <\$72,000	\$72,000to <\$118,000	≥\$118,000
Cambridge-Newton-Framingham MD Median Family Income (\$00,00)				
2014 (\$93,300)	<\$46,650	\$46,650 to <\$74,640	\$74,640 to <\$111,960	≥\$111,960
2015 (\$101,700)	<\$50,850	\$50,850 to <\$81,360	\$81,360 to <\$122,040	≥\$122,040
<i>Source: FFIEC</i>				

According to the 2010 U.S. Census, the median housing value for the assessment area was \$453,103. The high median sales price for homes within the assessment area suggests a relatively affluent area and a potential barrier to low-income families obtaining affordable housing

According to the 2010 U.S. Census, the unemployment rate for the assessment area was 4.2 percent. Recent data obtained from the U.S. Bureau of Labor and Statistics Data obtained from that the 2015 year-end unemployment rate for Norfolk County was 3.9 percent, Suffolk County 4.1 percent and Middlesex County was 3.7 percent.

Competition

The Credit Union operates in a highly competitive market for credit and financial services. Aggregate lending data for 2014 shows that a total of 441 lenders originated or purchased home mortgage loans within the assessment area.

Community Contact

As part of the evaluation process, third parties active in community affairs are contacted to assist in assessing the housing and general banking needs of the community. Relevant information obtained from such sources helps to determine whether local financial institutions are responsive to the credit and service needs of their communities and what further opportunities, if any, are available. For purposes of this evaluation, information provided by one such contact was referenced in preparing this evaluation.

An interview was conducted with a community contact that serves the Credit Union's assessment area. This organization is dedicated to helping low and moderate income people improve the quality of their lives and achieve self sufficiency. The programs offered by this organization include: adult education and workforce development, head start, affordable housing, housing counseling, housing stabilization, financial literacy and an emergency food center.

The contact indicated the biggest need in the community is basic banking programs for underbanked and non banked individuals in the community. These groups of individuals have a challenging time obtaining a basic checking account due to a negative banking history and incurred fees.

Credit and Community Development Needs and Opportunities

Examiners considered information gathered from the community contact, the Credit Union, and available economic data to determine the primary credit needs of the assessment area. Positively, both the Credit Union and the community contact indicated generally strong economic conditions within the assessment area; however, a need for basic banking programs and affordable housing was identified. Economic data for the assessment area supports this assessment of credit and community development needs in this region. Median housing values within the assessment area of more than \$438 thousand make home ownership difficult for low and moderate income borrowers

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Tremont Credit Union demonstrated reasonable performance under the Lending Test. Geographic distribution and borrower profile performance primarily support this conclusion.

Loan-to-Share Ratio

The Loan-to-Share (LTS) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The Credit Union's LTS ratio, calculated from Call Report data, averaged 69.4 percent over the past 8 calendar quarters from June 30 2014, to March 31, 2016. The ratio ranged from a high of 76 percent as of March 31, 2014 to a low of 69 percent as of March 31, 2016. The ratio remained generally stable. The Credit Union maintains a moderate ratio when compared to similarly situated institutions, as shown in Table 4. Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. The Credit Union indicated overall loans decreased during the past 8 quarters. This is primarily due to a shrinking of the loan portfolio through a focus on shorter term loans.

Credit Union	Total Assets as of 3/31/2016 \$(000s)	Average Net LTD Ratio (%)
Tremont Credit Union	105,439	69.4
Naveo Credit Union	118,961,556	54.8
Mass Bay Credit Union	\$223,218,956	78.9

Source: Reports of Income and Condition 6/30/2014 through 3/31/2016

Assessment Area Concentration

Tremont Credit Union originated a majority by both number and dollar volume of its home mortgage loans within the assessment area during the evaluation period. In addition, a majority of the sampled consumer loans were made inside the assessment. The following table details the Credit Union’s lending activity inside and outside of the assessment area in 2014 and 2015.

Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home										
2014	23	76.7	7	23.3	30	2,847	75.0	951	25.0	3,798
2015	11	61.1	7	38.9	18	3,392	72.3	1,299	27.7	4,691
Total	34	70.8	14	29.2	48	6,239	73.5	2,250	26.5	8,489
Consumer										
2014	14	70.0%	6	30.0	20					
2015	18	90.0%	2	10.0%	20					
Total	32	80.0%	8	20.0%	40					
Grand Total	66	75.0%	22	25.0%	88					

Source: 2014, 2015 HMDA Reported Data and 2014,2015 Credit Union Loan Records

In 2015, the overall number of home mortgage lending decreased, however the trend in dollar volume of loans increased. This is primarily due to the Credit Union no longer reporting the optional home equity lines of credit which typically contains smaller dollar amounts.

Geographic Distribution

The geographic distribution of home mortgage loans and consumer loans reflects adequate dispersion throughout the assessment area. Examiners focused on the percentage by number of loans in low- and moderate- income census tracts.

Home Mortgage Loans

Tremont Credit Union originated two loans in low income areas in 2014. This figure is above the 2014 aggregate for lending to low income areas. In 2015, Credit Union did not originate any loans to low income areas. The performance in lending to moderate income areas demonstrated a positive trend with originations in both 2014 and 2015. The overall lending volume is so small that a slight increase or decrease in number volume in a particular income category will have a significant impact on the percentage of lending.

Table 6 – Geographic Distribution of Home Mortgage Loans						
Assessment Area: Tremont CU						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2014	2.8	3.4	2	8.7	157	5.5
2015	2.8	--	0	0.0	0	0.0
Moderate						
2014	12.9	13.5	2	8.7	275	9.7
2015	12.9	--	3	27.3	846	24.9
Middle						
2014	41.7	40.9	9	39.1	917	32.2
2015	41.7	--	7	63.6	2,296	67.7
Upper						
2014	42.7	42.2	10	43.5	1,498	52.6
2015	42.7	--	1	9.1	250	7.4
Not Available						
2014	0.0	0.0	0	0.0	0	0.0
2015	0.0	--	0	0.0	0	0.0
Totals						
2014	100.0	100.0	23	100.0	2,847	100.0
2015	100.0	--	11	100.0	3,392	100.0

Source: 2010 U.S. Census; 1/1/2014 - 12/31/2015 Bank Data, 2014 HMDA Aggregate Data, "--" data not available.

Consumer Loans

The Credit Union's consumer lending products include secured and unsecured personal loans, new and used vehicle loans, secured or unsecured Visa Cards, and the Massachusetts Energy Loan.

The Credit Union's lending performance based upon the analysis of consumer loans by income level of the geography for 2014 and 2015. Examiners chose a random sample of 20 consumer loans within each year and determine the distribution of credit based upon the income level of the tract.

The Credit Union made a majority of consumer loans in both low and moderate-income census tracts in both 2014 and 2015. Within the sample selected, the majority of borrowers resided in Boston. Overall, this performance reflects adequate distribution.

Borrower Profile

In 2014, the Credit Union originated one loan to a low income borrower and in 2015 there was one loan to a moderate income borrower. These figures indicate an adequate performance, taking into account the high cost of housing in the assessment area, median family income of borrower designated as low-income, and competitive market. The income of low or moderate income families combined with the high cost of housing is a challenge for members to qualify for a home mortgage financing. As a low income designated credit union, the Credit Union is seeking products to address the needs of its membership.

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2014	22.3	3.8	1	4.4	30	1.0
2015	22.3	--	0	0.0	0	0.0
Moderate						
2014	15.7	13.0	0	0.0	30	1.1
2015	15.7	--	1	9.1	215	6.3
Middle						
2014	19.8	20.9	12	43.5	1,387	48.7
2015	19.8	--	4	36.4	1,001	29.5
Upper						
2014	42.3	44.6	10	52.2	1,430	50.2
2015	42.3	--	6	54.5	2,176	64.2
Not Available						
2014	0.0	17.6	0	0.0	0	0.0
2015	0.0	--	0	0.0	0	0.0
Totals						
2014	100.0	100.0	23	100.0	2,847	100.0
2015	100.0	--	11	100.0	3,392	100.0

Source: 2010 U.S. Census; 1/1/2014 - 12/31/2015 Bank Data, 2014 HMDA Aggregate Data, "--" data not available.

Response to CRA Complaints and Fair Lending Policies and Practices

The Credit Union’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Division’s Regulatory Bulletin 1.3 -106, Fair Housing Act and the Equal Credit Opportunity Act. No evidence of discriminatory or other illegal credit practices was identified.

Tremont Credit Union did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not affect the Lending Test rating.

MINORITY APPLICATION FLOW

The Credit Union’s HMDA LARs for 2014 and 2015 were reviewed to determine if the application flow from different minority groups within the Credit Union’s assessment area was reflective of the assessment area demographics.

The Credit Union’s residential lending in 2014 was compared to the 2014 aggregate lending performance. 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 a comparison to aggregate lending data within the Credit Union’s assessment area.

Table 8 Minority Application Flow					
RACE	Credit Union 2014		2014 Aggregate Data	Credit Union 2015	
	#	%	%	#	%
American Indian/ Alaska Native	0	0.0	0.1	0	0.0
Asian	0	0.0	8.3	0	0.0
Black/ African American	5	13.9	3.5	2	12.5
Hawaiian/Pacific Islander	0	0.0	0.1	0	0.0
2 or more Minority Races	0	0.0	0.1	0	0.0
Joint Race (White/Minority)	0	0.0	1.5	0	0.0
Total Minority	5	13.9	13.6	2	12.5
White	17	47.2	60.9	10	62.5
Race Not Available	14	38.9	25.5	4	25.0
Total	36	100.0	100.0	16	100.0
ETHNICITY					
Hispanic or Latino	0	0.0	3.3	1	6.2
Not Hispanic or Latino	21	58.4	70.5	13	81.3
Joint (Hisp/Lat /Not Hisp/Lat)	0	0.0	1.0	0	0.0
Ethnicity Not Available	15	41.6	25.2	2	12.5
Total	36	100.0	100.0	16	100.0
<i>Source: U.S. Census 2010, HMDA LAR Data 2014 and 2015, HMDA Aggregate Data 2014</i>					

According to the 2010 U.S. Census data, the Credit Union's assessment area has a population of 670,850, of which 19.7 percent are minorities. The assessment area's minority population includes 0.1 percent American Indian, 8.8 percent Asian/Pacific Islander, 8.4 percent Black, 9.1 percent Hispanic, and 3.1 percent other race.

In 2014, the Credit Union received 36 HMDA-reportable loan applications within its assessment area. Of these applications, five were received from racial minority applicants in Boston and in Stoughton. Both Boston and Stoughton have high minority populations. The Credit Union's application flow was in-line with the aggregate performance of 13.6 percent for applications received from minorities. In 2014, the Credit Union did not receive any applications representing the Hispanic or Latino ethnic groups performing below the 2014 aggregate performance.

In 2015, the Credit Union's HMDA reportable application volume decreased to 16 applications while maintaining an application rate from ethnic and racial minority applicants from Boston and Milton. Of these applications, two were received from ethnic minority applicants and one was received from a racial minority applicant of Hispanic origin.

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 institution 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 refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

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, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (150 Grossman Drive, Braintree, MA)."

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

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

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