

PUBLIC DISCLOSURE

January 12, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**PRESSERS UNION LOCAL 12 ILGWU CREDIT UNION
CERTIFICATE: # 61412**

**33 HARRISON AVENUE
BOSTON, MA 02111**

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

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (“Division”) to assess the record of each supervised depository in satisfying its continuing and affirmative obligation to help meet the credit needs of its membership, consistent with the safe and sound operation of such depository institution.

This document is an evaluation of the CRA performance of **Pressers Union Local 12 ILGWU Credit Union (Pressers or the Credit Union)**, prepared by the Division, the institution’s supervisory agency as of **January 12, 2015**. 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 “**Needs to Improve.**”

According to CRA regulations, an institution shall delineate one or more assessment areas by which the institution will serve to meet the credit needs and by which the Division will evaluate the institution’s CRA performance. Credit Unions whose membership by-law provisions are not based upon residence are permitted to designate its membership as its assessment area. The Credit Union designated its membership as the assessment area.

The Credit Union made minimal effort to fulfill the purpose of a credit union “of accumulating and receiving the savings of its members in payment for shares or on deposit, in making loans to them at reasonable rates for provident purposes and investing...” The Credit Union has not made a meaningful effort to provide information on available products and services to all of its potential membership. An institution in this group needs to improve its overall record of helping to meet the credit needs of its membership base, including low-and moderate-income individuals, in a manner consistent with its resources and capabilities.

PERFORMANCE CONTEXT

Description of Institution

Pressers Union Local 12 ILGWU Credit Union is an industrial credit union, incorporated under the laws of the Commonwealth of Massachusetts in 1953. The Credit Union operates in one location at 33 Harrison Avenue in Boston’s Chinatown neighborhood. The Credit Union’s membership (as incorporated in its by-laws under Article 2 - Section 1) is open to all members of the Pressers Union Local 12 International Lady Garment Workers (ILGWU), now known as the New England Joint Board UNITE HERE, members of their immediate families, and any association of such members.

As of September 30, 2014, Pressers Credit Union had 53 total members, a relatively small number when compared to the potential membership base of the New England Joint Board UNITE HERE. The number of employees in this union has grown substantially over the past decades, notably in 1995 when the ILGWU and the Amalgamated Clothing and Textile Workers’ Union (ACTWU) merged to create the Union of Needle Trades, Industrial, and Textile Employees (UNITE), and then in 2004 when UNITE merged with the Hotel Employees and Restaurant Employees (HERE) to form the New England Joint Board UNITE HERE. The Credit Union’s by-laws require the institution to

open membership to all New England Joint Board UNITE HERE employees and their immediate families. By serving 53 members, the institution is thereby not meeting the credit needs of its membership base.

As of September 30, 2014, Pressers Credit Union had total assets of \$103,685. Of these assets, 32.7 percent are held in the form of loans, with the remainder held in the form of cash. The Credit Union's loan portfolio is comprised solely of unsecured consumer loans. The Credit Union offers share accounts and unsecured consumer loans. Hours of operation are 9:00 am to 5:00 pm Monday through Friday. Members may submit applications at 33 Harrison Avenue within the office of the Treasurer.

There are no apparent financial or legal impediments that would limit the Credit Union's ability to help meet the credit needs of its membership.

Description of Assessment Area

In accordance with 209 CMR 46.41, the Credit Union defines its membership as its assessment area. Because the Credit Union's membership is not based on geographic boundaries, this evaluation did not include an analysis of lending by geographic location of the borrower.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Small Institution CRA evaluation procedures were utilized to assess the CRA performance. These procedures utilize a Lending Test. Since the Credit Union defined its assessment area as its membership, this evaluation considered the institution's performance pursuant to the following criteria: loan-to-share (LTS) ratio, lending to borrowers of different incomes, and record of taking action in response to CRA complaints and a fair lending review. Because of the small asset size of the Credit Union and limited lending activity, meaningful analysis based on percentages is not possible. Details are presented here for informational purposes only.

1. LOAN TO SHARE (LTS)

This performance criterion determines what percentage of the Credit Union's share base is reinvested in the form of loans and evaluates its appropriateness. It is calculated by dividing net loans by total shares. As of September 30, 2014, net loans totaled \$32,328 and shares totaled \$89,321.

The LTS data was derived utilizing the last eight quarters of the Credit Union's net loans to total shares data from the NCUA 5300 Quarterly Call Reports. The period reviewed included December 31, 2012 through September 30, 2014. The Credit Union's net loan-to-share ratio was 36.2 percent as of September 30, 2014. The average net loan-to-share ratio was 39.9 percent over the past eight quarters. The ratio ranged from a high of 46.0 percent on December 31, 2012 to a low of 34.1 percent on June 30, 2014.

The Credit Union began a new special loan program in December of 2014 for the holiday season to spur loan demand given lower loan volume over the past several quarters. Given the Credit Union's inability to expand its membership base to attract new members, qualitative analysis of the LTS is not meaningful.

2. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The Credit Union originated a total of 23 loans in 2013 and 2014 with a dollar volume of \$63,847. The Credit Union's entire loan portfolio for 2013 and 2014 is presented illustrating the distribution of credit based on the income level of the borrowers.

Loan originations were categorized by the applicants' reported income using the 2013 and 2014 FFIEC annually adjusted median family incomes of the Boston-Quincy MD, which is part of the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area (MSA). The median family income for the Boston-Quincy MD was \$88,000 for the year 2013 and \$87,200 for the year 2014.

Because the Credit Union only makes loans to its members and only originates consumer loans, the Credit Union typically relies upon the income of only one borrower to make the credit decision. Comparing one member's income with the median family income of the Boston-Quincy MD potentially inflates the level of lending to low- and moderate-income borrowers because the median family income typically includes the income of two individuals.

The following tables show the Credit Union's lending to borrowers of different income levels. The percentage of families residing in the Boston-Quincy Metropolitan Division is also provided.

Table 2- Distribution of Consumer Loans by Borrower Income					
Median Family Income Level	Total Families	2013 Credit Union Data		2014 Credit Union Data	
	%	#	%	#	%
Low	9.9	3	33.3	4	28.6
Moderate	16.3	6	66.7	7	50.0
Middle	42.1	0	0.0	2	14.3
Upper	31.7	0	0.0	1	7.1
Total	100.0	9	100.0	14	100.0

Source: 2010 Census Data; 2013 & 2014 Credit Union Internal Loan Data

Due to the small volume of loans, a slight shift in the number of loans could have a large effect on the percentage of lending in those categories from 2013 to 2014.

3. RESPONSE TO CRA COMPLAINTS AND COMPLIANCE WITH FAIR LENDING LAWS

Pressers Credit Union has not received any complaints related to its CRA performance since the previous examination.

The Credit Union's fair lending data was reviewed to determine how it relates to the guidelines established by the Division's Regulatory Bulletin 1.3-106. The Credit Union does not have formal fair lending procedures; however, appropriate control measures are in place. The Credit Committee reviews all loans before issuing a formal credit decision. Based on the foregoing information, the Credit Union's fair lending performance is adequate.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

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

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

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks at 33 Harrison Avenue, MA 02111"

- 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.