

PUBLIC DISCLOSURE

July 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

St. Mary's Credit Union
Charter Number: 67864

46 Lizotte Drive
Marlborough, Massachusetts 01752

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

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

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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 **July 10, 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.**"

The Lending Test is rated "High Satisfactory."

- The loan-to-share (LTS) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The credit union made a majority of its home mortgage loans in the assessment area.
- The geographic distribution of loans reflects good dispersion within the assessment area.
- The distribution of borrowers reflects good penetration among individuals of different income levels.
- The credit union did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated "High Satisfactory."

- The credit union's community development performance demonstrates good responsiveness to community development needs in the assessment area through community development loans, qualified investments, and community development services, as appropriate considering the credit union's capacity and the needs and availability of such opportunities for community development in the credit union's assessment area.

SCOPE OF EVALUATION

General Information

The Community Reinvestment Act (CRA) requires the Massachusetts Division of Banks (“Division”) to use its authority when examining financial institutions subject to its 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 the prior evaluation dated February 18, 2020, to the current evaluation dated July 10, 2023. Intermediate Small Institution CRA procedures were used for the evaluation. These procedures require two performance tests: the Lending Test and the Community Development Test.

The Lending Test considered the credit union’s performance according to the following criteria.

- Loan-to-Share ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints
- Fair lending policies and procedures

The Community Development test considered the following factors.

- Number and dollar amount of community development loans, qualified investments and donations, and community development services
- The responsiveness of such activities to the community development needs of the assessment area

The evaluation references demographic and economic information from the 2015 American Community Survey (ACS). Credit Union financial data reflects the March 31, 2023, 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, 2021, through December 31, 2022. Information related to home mortgage lending was derived from the Loan Application Registers (LARs) maintained by the credit union pursuant to HMDA. For 2021, the credit union reported 372 originations totaling \$90.5 million. For 2022, the credit union reported 512 originations totaling \$95.3 million.

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 53,411 members as of March 31, 2023. St. Mary's Credit Union received a "High 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 middle-income census tract. In addition, St. Mary's Credit Union operates seven branches total in Marlborough (3), Framingham, Hudson, Northborough, and Westborough. The credit union operates one branch in a moderate-income census tract (South Bolton Street in Marlborough).

All branch locations have lobby hours available generally from 8:00 AM to 4:00 PM Monday - Wednesday, 8:00 AM to 6:00 PM Thursday and Friday, and 8:30 AM to 12:30 PM on Saturday. The credit union maintains a total of 24-hour, deposit-taking automatic teller machines (ATMs) at each branch location. ATM availability is expanded globally by the credit union's participation in the SUM (surcharge-free) network.

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.

Ability and Capacity

As of March 31, 2023, assets totaled approximately \$1.0 billion, and shares totaled \$876.3 million. Total loans were \$724.0 million, representing approximately 70.2 percent of total assets. Since the previous CRA evaluation, assets increased 17.5 percent and the lending portfolio increased 1.2 percent.

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

Loan Portfolio Distribution as of 3/31/2023		
Loan Category	\$	%
Unsecured Credit Card Loans	0	0.0
Non-Federally Guaranteed Student Loans	0	0.0
Unsecured Loans/Lines of Credit	17,293,317	2.4
New Vehicle Loans	112,108,481	15.5
Used Vehicle Loans	135,838,115	18.8
Secured Non-Real Estate Loans/Lines of Credit	1,693,306	0.2
Loans/Lines of Credit Secured by 1 st Lien 1-4 Family Residential Properties	332,669,746	46.0
Loans/Lines of Credit Secured by Junior Lien 1-4 Family Residential Properties	65,728,570	9.1
All Other Real Estate Loans/Lines of Credit	0	0.0
Commercial Loans/Lines of Credit Real Estate Secured	48,389,664	6.8
Commercial Loans/Lines of Credit Not Real Estate Secured	9,716,150	1.3
Total Loans	723,986,349	100.0

Source: Reports of Income and Condition

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 AREAS

The Community Reinvestment Act 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 following municipalities: Ashland, Framingham, Holliston, Hopkinton, Hudson, Marlborough, Stow, and Sudbury, included in the Cambridge-Newton-Framingham MD; Bellingham and Franklin, included in the Boston MD; and Berlin, Bolton, Boylston, Clinton, Grafton, Lancaster, Milford, Northborough, Shrewsbury, Southborough, Sterling, Upton, West Boylston, and Westborough, included in the Worcester MA-CT MSA.

Economic and Demographic Data

The credit union’s assessment area consists of 98 census tracts that reflect the following income designations according to the 2020 American Community Survey (ACS):

- 3 low-income tracts,
- 6 moderate-income tracts,
- 42 middle-income tracts,
- 46 upper-income tracts, and
- 1 tract without an income designation.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	98	3.1	6.1	42.9	46.9	1.0
Population by Geography	467,527	2.5	6.6	40.8	50.2	0.0
Housing Units by Geography	178,666	2.5	6.9	42.8	47.8	0.0
Owner-Occupied Units by Geography	124,094	0.6	4.1	39.2	56.0	0.0
Occupied Rental Units by Geography	46,760	7.2	14.5	50.9	27.4	0.0
Vacant Units by Geography	7,812	3.2	6.8	51.6	38.5	0.0
Businesses by Geography	52,552	3.0	7.0	44.3	45.6	0.0
Farms by Geography	1,429	2.4	7.3	37.9	52.3	0.0
Family Distribution by Income Level	120,503	15.6	14.6	19.6	50.2	0.0
Household Distribution by Income Level	170,854	19.3	14.0	15.7	51.0	0.0
Median Family Income MSA - 14454 Boston, MA		\$112,607	Median Housing Value			\$430,191
Median Family Income MSA - 15764 Cambridge-Newton-Framingham, MA		\$121,481	Median Gross Rent			\$1,381
Median Family Income MSA - 49340 Worcester, MA-CT MSA		\$96,860	Families Below Poverty Level			3.5%

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 <\$110,960	\$110,960 to <\$166,440	≥\$166,440
Worcester, MA-CT MSA Median Family Income (49340)				
2021 (\$96,700)	<\$48,350	\$48,350 to <\$77,360	\$77,360 to <\$116,040	≥\$116,040
2022 (\$107,900)	<\$53,950	\$53,950 to <\$86,320	\$86,320 to <\$129,480	≥\$129,480

Source: FFIEC

Competition

The assessment area is located in a competitive market for home mortgage loans. The top ten lenders within the area are all large institutions and collectively account for approximately 34.0 percent of the market. Market share data for 2022 indicates that St. Mary's Credit Union ranked 10th out of 364 lenders in the assessment area, accounting for 2.1% of the market. St. Mary's Credit Union has improved its market share since the previous examination and is the top ranked community credit union in its assessment area.

Community Contact

Examiners referenced a community contact made during a recent CRA evaluation at another financial institution that operates in St. Mary's credit union's assessment area. The contacted agency primarily serves low- and moderate-income individuals and families in the MetroWest area. The contact stated that there is a need for both affordable housing and community services within the assessment area. One community service need that was highlighted was a need for financial literacy education, particularly for youth.

Credit and Community Development Needs and Opportunities

Examiners determined that affordable housing for low- and moderate-income individuals and families and community services for low- and moderate-income individuals represent the assessment area's primary community development needs. Economic, demographic, and community information contributed to this determination.

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 LTS ratio for the last eight quarters is reasonable given the institution’s size, financial condition, and assessment area credit needs. The credit union’s net LTS ratio, calculated from the NCUA 5300 Quarterly Call Report data, averaged 81.1 percent over the past eight calendar quarters from June 30, 2021, through March 31, 2023. This ratio ranged from a high of 85.5 percent as of December 31, 2022, to a low of 77.4 percent as of March 31, 2022. The credit union’s average LTS ratio was compared to that of two similarly situated institutions and was found to be reasonable.

Loan-to-Share Ratio Comparison		
Institution	Total Assets as of 3/31/2023 (\$)	Average LTS Ratio (%)
Liberty Bay Credit Union	749,288,374	90.8
Leominster Credit Union	917,318,560	82.4
St. Mary’s Credit Union	1,031,782,494	81.1
<i>Source: Reports of Income and Condition 6/30/2021 through 3/31/2023</i>		

Assessment Area Concentration

With 63.5 percent by number, and 62.5 percent by dollar amount, the credit union made a majority of its home mortgage loans in its assessment area. See the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Home Mortgage										
2021	226	60.8	146	39.2	372	54,507	60.2	35,985	39.8	90,492
2022	335	65.4	177	34.6	512	61,538	64.6	33,734	35.4	95,271
Total	561	63.5	323	36.5	884	116,045	62.5	69,719	37.5	185,763
<i>Source: 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 good penetration in the low- and moderate-income geographies.

The credit union did not originate any home mortgage loans in the low-income census tracts of its assessment area in either 2021 or 2022. The assessment area offers limited opportunities for lending in low-income census tracts, with only 0.4 percent of owner-occupied housing units being

located in low-income census tracts in 2021 and 0.6 percent in 2022. Aggregate lending in low-income census tracts was very low, with only 0.5 percent of originations in 2021 and 0.7 percent of originations in 2022.

In moderate-income census tracts, the credit union originated 15.0 percent of their home mortgage loans in the assessment area in moderate-income census tracts. This exceeds both aggregate lending, 7.7 percent, and area demographics, 7.6 percent. Lending to moderate-income census tracts within the assessment area declined in 2022, to 6.0 percent. This level of lending continued to exceed both aggregate lending, 3.9 percent, and area demographics, 4.1 percent.

Please refer to the table below for more information.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.4	0.5	0	0.0	0	0.0
2022	0.6	0.7	0	0.0	0	0.0
Moderate						
2021	7.6	7.7	34	15.0	6,934	12.7
2022	4.1	3.9	20	6.0	3,232	5.3
Middle						
2021	31.7	29.2	103	45.6	23,489	43.1
2022	39.2	38.0	163	48.7	29,850	48.5
Upper						
2021	60.2	62.6	89	39.4	24,084	44.2
2022	56.0	57.5	152	45.4	28,455	46.2
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
Total						
2021	100.0	100.0	226	100.0	54,507	100.0
2022	100.0	100.0	335	100.0	61,538	100.0
<i>Source: 2015 ACS; Credit Union Data, 2021 & 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

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

The credit union originated 6.2 percent of home mortgage loans within the assessment area to low-income borrowers in 2021. This exceeded the aggregate lending level of 4.0 percent while

trailing area demographics. The percentage of loans to low-income borrowers is less than the percentage of low-income families (for both the institution and aggregate lenders), reflecting the difficulty for a low-income family to qualify for a mortgage using conventional underwriting standards. In 2022, the credit union originated 9.0 percent of home mortgage loans within the assessment area to low-income borrowers. This exceeded the aggregate lending level of 5.2 percent, while trailing area demographics.

In 2021, the credit union originated 19.9 percent of home mortgage loans in the assessment area to moderate-income borrowers. This exceeded both the aggregate lending level, 14.8 percent, and area demographics, 13.9 percent. In 2022, the credit union originated 22.1 percent of home mortgage loans within the assessment area to moderate-income borrowers. This once again exceeded both aggregate lending, 16.5 percent, and area demographics, 14.6 percent.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	16.2	4.0	14	6.2	2,034	3.7
2022	15.6	5.2	30	9.0	3,172	5.2
Moderate						
2021	13.9	14.8	45	19.9	8,122	14.9
2022	14.6	16.5	74	22.1	10,041	16.3
Middle						
2021	19.0	22.5	54	23.9	10,886	20.0
2022	19.6	23.9	79	23.6	13,999	22.7
Upper						
2021	50.9	45.9	112	49.6	31,764	58.3
2022	50.2	44.2	151	45.1	33,650	54.7
Not Available						
2021	0.0	12.8	1	0.4	1,700	3.1
2022	0.0	10.3	1	0.3	675	1.1
Total						
2021	100.0	100.0	226	100.0	54,507	100.0
2022	100.0	100.0	335	100.0	61,538	100.0
<i>Source: 2015 ACS; Credit Union Data, 2021 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. 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 ACS U.S. census data, the credit union's assessment area contained a total population of 467,527 individuals, of which 29.3 percent are minorities. The assessment area's minority and ethnic population is 8.4 percent Hispanic or Latino, 2.9 percent Black or African American, 9.1 percent Asian, 0.3 percent American Indian, 0.1 percent Pacific Islander, and 6.4 percent other.

The following table demonstrates the credit union's minority application flow compared to aggregate lending data from within the assessment area.

MINORITY APPLICATION FLOW						
RACE	Credit Union 2021		2021 Aggregate Data	Credit Union 2022		2022 Aggregate Data
	#	%	%	#	%	%
American Indian/ Alaska Native	0	0.0	0.2	0	0.0	0.2
Asian	10	3.3	11.2	26	5.8	11.7
Black/ African American	4	1.3	1.7	6	1.3	2.2
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)	10	3.3	1.7	12	2.7	1.8
Total Racial Minority	24	7.9	15.0	44	9.8	16.1
White	257	84.8	60.2	359	80.3	61.4
Race Not Available	22	7.3	24.8	44	9.8	22.5
Total	303	100.0	100.0	447	100.0	100.0
ETHNICITY						
Hispanic or Latino	10	3.3	5.8	18	4.0	7.1
Joint (Hisp/Lat /Not Hisp/Lat)	6	2.0	1.3	12	2.7	1.9
Total Ethnic Minority	16	5.3	7.1	30	6.7	9.0
Not Hispanic or Latino	260	85.8	68.5	370	82.8	69.7
Ethnicity Not Available	27	8.9	24.4	47	10.5	21.2
Total	303	100.0	100.0	447	100.0	100.0

Source: ACS Data 2015, HMDA Aggregate Data 2020 and 2021, HMDA LAR Data 2020 and 2021

The credit union received a total of 303 home mortgage loans from within its assessment area in 2021, receiving 24 applications from racial minority groups, approximately 7.9 percent, trailing aggregate by 7.1 percent. In 2022, the credit union received 44 applications, or 9.8 percent, compared to aggregate performance of 16.1 percent. While the credit union continues to perform below aggregate, there was a 2.5 percent increase in applications from Asian minority groups, increasing the overall percentage of racial minority applications.

The credit union received 16 applications, or 5.3 percent, from ethnic minority groups in 2021, 1.8 percent below aggregate performance. In 2022, the credit union received 30 applications, or 6.7 percent, from ethnic minority groups, compared to the aggregate at 9.0 percent.

The credit union’s minority application flow reflects adequate performance considering aggregate performance and the demographic composition of the assessment area.

COMMUNITY DEVELOPMENT TEST

St. Mary’s Credit Union’s community development performance demonstrates good responsiveness to community development needs in its assessment area through community development services and qualified donations. Examiners considered the credit union’s capacity and the need and availability of such opportunities for community development in the assessment area.

Community Development Loans

The credit union originated 88 qualified community development loans totaling approximately \$14.1 million. Total community development loan activity represents 1.4 percent of average total assets and 2.0 percent of average total loans. St. Mary’s Credit Union’s performance increased from the previous evaluation when the credit union made 57 loans totaling 12.9 million. The credit union’s volume and ratio of community development loans to net loans compared favorably with two similarly situated institutions. The credit union primarily provided credit to small businesses in the area that supported economic development by creating and retaining jobs for low- and moderate-income individuals or in low- or moderate-income areas. The following table illustrates the credit union’s community development lending activity.

Table X - Community Development Loans										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	1	1,435	1	40	38	5,267	0	0	40	6,742
2021	1	1,700	0	0	23	2,102	0	0	24	3,802
2022	2	875	0	0	12	1,782	0	0	14	2,657
YTD 2023	1	400	0	0	9	462	0	0	10	862
Total	5	4,410	1	40	82	9,613	0	0	88	14,063

Source: Credit Union Data

The following are examples of the credit union’s qualified community development loans.

- **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.
- **Paycheck Protection Program (PPP)** – PPP is an SBA-backed loan that helped businesses keep their workforce employed during the COVID-19 pandemic. Loan proceeds covered payroll costs, rent, interest, and utilities.

Qualified Investments

During the evaluation period, St. Mary’s Credit Union made 98 qualified investments totaling \$459,484. This dollar amount is solely comprised of grants and donations that benefited the assessment area. The St. Mary’s Credit Union’s performance increased from the previous evaluation when the credit union made 128 donations totaling \$278,284.

Community Development Donations										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	21	144,472	2	11,000	0	0	23	155,472
2021	0	0	29	114,752	0	0	0	0	29	114,752
2022	0	0	28	124,848	1	5,000	0	0	29	129,848
YTD 2023	0	0	16	54,412	1	5,000	0	0	17	59,412
Total	0	0	94	438,484	4	21,000	0	0	98	459,484

Source: Credit Union Data

The following are notable examples of qualified donations:

- **Worcester Free Tax Service Coalition (United Way)** – The Worcester Free Tax Service Coalition has been operating the Volunteer Income Tax Assistance program, helping low- and moderate-income individuals with free tax preparation services by IRS-certified

volunteers. Accessible tax services help reduce individuals’ personal debt, claim tax credits, and connect people with additional financial health services.

- **Food Assistance** – In 2020, the credit union made several substantial donations to multiple food pantries throughout the institution’s assessment area. Food pantries assist the most vulnerable of low- and moderate-income populations and allow individual funds to be reallocated to other necessities. St. Mary’s Credit Union donated to food pantries in Hudson, Northborough, Westborough, and Berlin.
- **Marlborough Hospital** – The credit union made donations to Marlborough hospital in 2021, 2022, and 2023. Marlborough Hospital is a High Public Payer hospital, receiving more than 63% of its Gross Patient Revenue from government payers and free care. St. Mary’s donation was used to purchase additional materials for pediatric patients, telehealth equipment, and improvements to the facility.
- **Employment Options Inc.** – The credit union donations to Employment Options Inc. in 2020, 2022, and 2023. Employment Options Inc. assists members in developing workforce skills for unemployed and underemployed individuals. Employment Options Inc. focuses on assisting individuals living with mental illnesses and disabilities, who face additional barriers to employment, and assistance is offered at no cost to qualifying individuals.

Community Development Services

During the evaluation period, the credit union employees provided 52 instances of financial expertise or technical assistance to community development organizations within its assessment area. The community development services show the credit union’s commitment to meet the community development needs of the assessment area.

Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	3	1	0	0	4
2021	11	1	0	0	12
2022	18	1	0	0	19
YTD 2023	13	4	1	0	17
Total	45	7	1	0	52

Source: Credit Union Data

The following are examples of community development services provided by the credit union and its staff.

- **Provision Ministry** – During the evaluation period, a senior employee of the credit union served on the board of directors for Provision Ministry. Provision Ministry collects

donations and distributes goods, groceries, and funds to its nonprofit partners to maximize impact to vulnerable populations. Recipients include many food banks and nonprofit organizations serving low- and moderate-income populations within the assessment area.

- ***First Time Homebuyer Seminars and Financial Literacy*** – During the evaluation period, the credit union provided several Home Buyer Seminars and Financial Self Sufficiency seminars. Many of these instructional seminars were held at or in conjunction with community non-profits concerned with affordable housing. Programs offered included virtual presentations of MHP ONE Mortgage and Self-Sufficiency Programs, and both virtual and in-person First Time Home Buyer Seminars.
- ***Boys and Girls Club of MetroWest*** – During the evaluation period, the CEO of St. Mary’s served on the board of the Boys and Girls Club of MetroWest. The Boys and Girls Club is a non-profit organization offering accessible after-school and summer programming with the intent of building leadership skills, career readiness, violence prevention, physical fitness, and social activities for youth in the MetroWest area.
- ***Marlborough Economic Development Corporation*** - The purpose of the Marlborough EDC is to establish, promote, and foster businesses within the city, increasing economic development opportunities. The Marlborough EDC offers free resources to new and existing local businesses and works in tandem with the City of Marlborough and private investors, offering financial incentives to start, expand, and improve business development. The CEO served on the Board of Directors during the evaluation period.
- ***United Way of Tri-County*** – The United Way serves 34 communities in the MetroWest area, working with those both independently, and in conjunction with local service organizations, to better the health, education, and financial stability of low- and moderate-income families and individuals. The CEO of St. Mary’s Credit Union served on the board during the evaluation period.

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, Massachusetts 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.