

# Community Reinvestment Act

## Public File



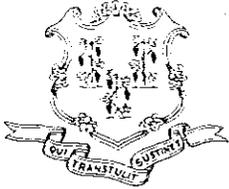


No comments have been received by Sikorsky Credit Union for the calendar years 2023, 2024, or calendar year to date 2025.

**Ken Ferrari**

CRA Officer

June 2025



STATE OF CONNECTICUT  
DEPARTMENT OF BANKING  
FINANCIAL INSTITUTIONS DIVISION  
260 CONSTITUTION PLAZA – HARTFORD, CT 06103



March 19, 2018

Board of Directors  
Sikorsky Financial Credit Union, Inc.  
P.O. Box 305  
1000 Oronoque Lane  
Stratford, CT 06614

Attention: Vincent Ciambriello, Jr., President/CEO

Members of the Board:

This letter is in reference to the Connecticut Department of Banking's offsite Community Reinvestment Act ("CRA") examination program. This program was adopted by the department in its continued efforts to reduce regulatory burden on our institutions. The offsite examination program, as described in the Banking Commissioner's February 28, 2005 memorandum, serves as a revision to the CRA supervisory procedures set pursuant to the provisions of Chapter 664a, Part II of the Connecticut General Statutes.

A review of the credit union's compliance with the requirements of Sections 36a-37 through 36a-37e of Connecticut General Statutes (C.G.S.), Connecticut's Community Reinvestment, was completed on January 23, 2018. The institution's Community Reinvestment performance was evaluated using the FFIEC's Interagency Examination Procedures for Small Banks. These procedures were further expanded to include the additional criteria set forth in C.G.S section 36a-37a which require among other things, the commissioner consider the credit union's efforts to work with unemployed and underemployed delinquent borrowers in an effort to prevent foreclosures, the credit union's record of offering escrow accounts for the purpose of compliance with subsection (h) of section 47a-21 of C.G.S, (Rental Security Deposits) and written comments received by the commissioner.

Sikorsky Financial Credit Union, Inc. was deemed to have a "Satisfactory" record of helping to meet the credit needs of its assessment area. Refer to the enclosed CRA Performance Evaluation for a detailed discussion of the credit union's CRA performance. Within 30 business days of its receipt, the enclosed evaluation must be placed in the credit union's CRA public file. The format and content of the CRA Performance Evaluation may not be altered or abridged in any manner. The credit union may also choose to include in the public file any response to this performance evaluation that the credit union wishes to make. Upon request, a copy of your current evaluation must be provided to the public. A community credit union may charge a reasonable fee not to exceed the cost of copying and mailing, if applicable.

TEL : (860) 240-8299 • FAX: (860) 240-8167

<http://www.ct.gov/dob>

*An Equal Opportunity Employer*

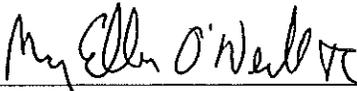
Board of Directors  
Page 2 of 2  
March 19, 2018

Members of the Board of Directors are requested to thoroughly review this evaluation, noting such review in the Board's official minutes. Acknowledgement of this review should be forwarded to the undersigned within 45 days of the receipt of this letter.

Should you have any questions concerning this matter, please contact Assistant Division Director Anthony Conway at (860) 240-8182, or the undersigned at (860) 240-8185.

Very truly yours,

JORGE L. PEREZ  
BANKING COMMISSIONER

By:   
Mary Ellen O'Neill  
Division Director  
Financial Institutions Division

Enclosure

## TABLE OF CONTENTS

General Information.....	1
Institution Rating.....	2
Scope of Evaluation.....	3
Description of Institution.....	4
Description of Assessment Area.....	7
Conclusions on Performance Criteria.....	12
Glossary.....	34

## GENERAL INFORMATION

Connecticut General Statutes (C.G.S.) section 36a-37a(c) Community Credit Union Community Reinvestment (CRA) requires the Banking Commissioner to periodically assess the community credit union's CRA performance consistent with the safe and sound operation of the community credit union. Section 36a-37a(d)(1) further provides that upon the completion of such an assessment, the commissioner shall prepare a written evaluation of the community credit union's CRA performance.

This document is an evaluation of the CRA performance of Sikorsky Financial Credit Union, Inc. (SFCU) prepared by the Connecticut Department of Banking as of November 27, 2017. This agency rates CRA performance of a community credit union, under its supervision, consistent with the provisions set forth in subsection (d) of section 36a-37a of C.G.S.

This evaluation is not, nor should it be construed as, an assessment of the financial condition of this credit union. The rating assigned to this credit union does not represent an analysis, conclusion or opinion of the State of Connecticut Department of Banking concerning the safety and soundness of this credit union.

## INSTITUTION RATING

**COMMUNITY CREDIT UNION'S CRA RATING:** Sikorsky Financial Credit Union, Inc. is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of the assessment area including low- and moderate-income geographies, in a manner consistent with its resources and capabilities. The assigned rating is based on the following:

- The credit union made an adequate level of qualified investments during the evaluation period which consisted of qualified donations. Qualified donations were neither innovative nor complex.
- SFCU's delivery systems are readily accessible to all areas of its assessment area.
- The credit union's hours are reasonable and are comparable to those offered by other financial institutions in the area. Additionally, SFCU offers a variety of alternative delivery systems which provide members with greater accessibility to credit union products and services.
- The credit union provided an adequate level of community development services.
- SFCU's lending activity reflects a reasonable responsiveness to the assessment area's credit needs.
- The total loan to total share (TLTS) ratio is reasonable considering seasonal variations and taking into account lending related activities given the credit union's size, resources, and assessment area credit needs. The credit union's average TLTS ratio over 12 quarters from December 31, 2014 through September 30, 2017 was 57.7% and was consistent with similar institutions.
- A reasonable portion of the credit union's home mortgages were originated within the assessment area during this review period.
- The geographic distribution of home loans reflects a good dispersion throughout the assessment area particularly in low- and moderate-income census tracts.
- The distribution of loans reflects a good penetration among borrowers of different income levels given the demographics of the assessment area.
- Neither the Banking Commissioner nor SFCU has received any complaints related to the credit union's CRA performance.

## SCOPE OF EVALUATION

### General Information

This evaluation assessed Sikorsky Financial Credit Union, Inc.'s (SFCU) CRA performance from the prior evaluation dated November 7, 2014, to the current evaluation dated November 27, 2017. Performance Criteria set forth in subsection (d) of section 36a-37a of the C.G.S. were used to evaluate the credit union's performance.

Examiners evaluated the credit union's CRA performance pursuant to the following nine criteria:

1. The community credit union's record of helping to meet the credit needs of its assessment area or areas through qualified investments that benefit its assessment area or areas or broader state-wide or regional area that includes its assessment area or areas;
2. The community credit union's record of helping to meet the credit needs of its assessment area or areas, by analyzing both the availability and effectiveness of its systems for delivering retail credit union services and the extent and innovativeness of its community development services;
3. Loan-to-share ratio given the community credit union's size and financial condition, credit needs of the assessment area or area, other lending-related activities, considering seasonal variations, as used in 12 CFR 228.26;
4. Percentage of total loans and other lending-related activities within the assessment area or areas;
5. Record of lending and other lending-related activities to borrowers of different income levels, and businesses and farms of different sizes;
6. Geographic distribution of loans;
7. Action taken in response to written complaints with respect to community reinvestment performance;
8. Efforts of the community credit union to work with delinquent residential mortgage customers who are unemployed or underemployed to facilitate a resolution of the delinquency; and
9. Written comments received by the commissioner.

Sikorsky Financial Credit Union, Inc. is primarily a residential lender. It is required to report its lending data pursuant to the Federal Reserve Board's Regulation C Home Mortgage Disclosure Act (HMDA). Examiners reviewed all originated and purchased home mortgage loans reported on the credit union's HMDA Loan Application Registers (LARs) for 2014, 2015 and 2016. The LARs contain data about home purchase and home improvement loans, including refinances of one-to-four family and multi-family (five or more units) properties. Aggregate data includes the lending activity of all institutions subject to HMDA within the credit union's assessment area. The credit union does not offer commercial or farm and agricultural related loans.

Examiners considered both the number and dollar volume of loan originations; however, an emphasis was placed on the number of loans. Examiners emphasized the number of loans because it is not influenced by factors such as applicant income, or housing value, and provides a better overall indicator of the number of individuals served by the institution.

In conducting this evaluation, examiners relied on the credit union's internal records and financial data obtained from the September 30, 2017 Financial Performance Report (FPR). Demographic information referenced in the evaluation was obtained from the 2010 United States (U.S.) Census, Dun & Bradstreet (D&B), and U.S. Bureau of Labor Statistics.

SFCU's CRA performance was further analyzed in relation to its performance context. The performance context includes, but is not limited to, credit union size and structure, financial condition, loan mix, resources and limitations, the assessment area's demographics, economic factors, competition, credit needs, and available opportunities.

## **DESCRIPTION OF INSTITUTION**

### **Background**

SFCU is a \$731,185,676 Connecticut-chartered community credit union with its main office located at 1000 Oronoque Lane in Stratford, CT. The credit union's main office is located in a middle-income census tract.

Sikorsky Financial Credit Union, Inc. (SFCU) was founded in August 1948. The credit union began as a federally chartered credit union formed to serve the financial needs of the employees of Sikorsky Aircraft, Stratford, CT, a division of United Aircraft. Originally operating under the name Sikorsky Aircraft Employees Federal Credit Union, in 1973 the name was shortened to Sikorsky Federal Credit Union. On April 21, 2000, an application was filed for approval to convert from a federal charter to a state charter. The Connecticut Banking Commissioner granted approval for the conversion with an expanded community field of membership on November 28, 2000. This charter conversion necessitated a name change to the institution's current name. Further expansion to the credit union's membership base occurred when Danbury Municipal Federal Credit Union was merged with and into SFCU on March 21, 2001 followed by

the merger of Stratford Municipal Credit Union with and into SFCU effective March 31, 2016. Membership in SFCU is open to all who live, work, worship, or volunteer within the Connecticut counties of Fairfield, Hartford, and New Haven. Membership also extends to immediate family or household members.

The Department of Banking News Bulletin 2801 for the week ending October 27, 2017 contained the notice of intent not to disapprove a full service branch of SFCU on October 25, 2017. The branch is located at 945 White Plains Road, Trumbull, CT in an upper-income census tract.

The Department of Banking News Bulletin 2802 for the week ending November 3, 2017 contained the approval of a full service branch of SFCU on October 30, 2017. The branch is located at 3 Federal Road, Brookfield, CT in a middle-income census tract.

### **Operations**

The credit union offers convenient hours of operation. The credit union has six community branches with nearly identical hours of operation, including extended and weekend hours. These include its main office in Stratford, one each in Danbury (low-income census tract), Milford, Stratford (both middle-income census tracts), Seymour (upper-income census tract) and Shelton (middle-income census tract). Convenience features of most of the branches include drive-up teller windows and deposit-taking 24 hour ATMs.

The credit union has three in-plant branches, or Select Employee Groups (SEGs) with limited access. Two SEGs are located in the state of Connecticut inside Sikorsky Aircraft plant facilities in Bridgeport (moderate-income census tract) and Stratford (middle-income census tract). The third SEG is located in West Palm Beach, Florida in a middle-income census tract. All have limited hours of operation Monday through Friday.

SCFU has four limited branches located within area high schools. Access to these offices is limited to the students and staff of the applicable schools. They include Ansonia, Oxford, Seymour and Stratford High Schools. Ansonia and Stratford are located in middle-income census tracts and Oxford and Seymour are located in upper-income census tracts. These low-cost branches are a way to reach out to younger members of the credit union's community while serving the needs of the schools' students and staff.

The credit union also has a wide range of electronic services to help members obtain services without a branch. These services give account access anywhere, anytime. They include convenient mobile wallet options, online, mobile, telephone banking, bill pay, account opening and remote deposit capture which allows members to deposit checks electronically. All of these services work to provide credit union members convenient access to their accounts 24 hours a day, 7 days a week. All community branches offer the same products and services at the same cost. There is no material difference in the availability or cost of services between branch locations.

## Ability and Capacity

The following table illustrates the composition of the credit union's loan portfolio.

Loan Portfolio Distribution as of September 30, 2017		
Loan Category	\$(000s)	%
First Mortgage Real Estate Loans/Lines of Credit	244,033	53.4
Other Real Estate Loans/Lines of Credit	77,342	16.9
<b>Total Residential Real Estate Loans</b>	<b>321,375</b>	<b>70.3</b>
Unsecured Credit Card Loans	32,103	7.0
All Other Unsecured Loans/Lines of Credit	22,516	4.9
Non-Federally Guaranteed Student Loans	0	0.0
New Vehicle Loans	21,705	4.8
Used Vehicle Loans	57,769	12.6
All Other Loans/Lines of Credit	1,996	0.4
<b>Total Consumer Loans</b>	<b>136,089</b>	<b>29.7</b>
<b>Total Loans</b>	<b>457,464</b>	<b>100.0</b>

Source: *Statement of Financial Condition*

As of September 30, 2017, management reported total assets of \$731,185,676 of which \$457,463,737 or 62.6%, was in loans. SFCU is primarily a mortgage lender with \$321.4 million, or 70.3%, of its portfolio centered in residential real estate loans and home equity lines of credit as of September 30, 2017. Other loan products include used vehicle loans which total approximately 12.6% of the credit union's loan portfolio. The institution's flexible underwriting which includes the offering of small dollar loans benefits low- and moderate-income borrowers. The credit union does not offer or participate in reverse mortgages.

SFCU currently offers a variety of residential and consumer credit products. Consumer lending products include new and used automobile, motorcycle and recreational vehicle loans, unsecured advantage and personal loans, and Visa credit cards. The credit union offers a comprehensive portfolio of mortgage products including residential mortgages, home equity fixed rate loans, and home equity lines of credit. Other consumer loan products include share and certificate secured loans as well as a skip-a-payment option.

SFCU provides a variety of deposit products including checking, savings, early advantage savings, club, money market savings and daily money market accounts, share certificates, and overdraft privilege. Traditional and Roth Individual Retirement Accounts (IRAs), IRA savings accounts and share certificates and Coverdell Education Savings accounts are also offered. The credit union offers a checking account with no minimum balance requirements or monthly service charges or per-check fees, and ATM/debit cards with expanded surcharge-free ATM transactions at Allpoint and SUM Network ATMs.

Examiners did not identify any financial, legal or other impediments that would limit the credit union's ability to meet assessment area credit needs.

## DESCRIPTION OF ASSESSMENT AREA

Section 36a-37a(b) of the Connecticut General Statutes requires each community credit union subject to the Connecticut Banking Commissioner's supervision to delineate one or more assessment areas within which the commissioner shall evaluate the community credit union's community reinvestment performance. An assessment area shall consist of only whole geographies, and may not (1) reflect illegal discrimination, (2) arbitrarily exclude low-income or moderate-income geographies, or (3) extend substantially beyond a consolidated metropolitan statistical area or beyond a state boundary, unless the assessment area is located in a multistate metropolitan statistical area. A community credit union may adjust the boundaries of its assessment areas to include only the portion of a political subdivision that it reasonably can be expected to serve.

SFCU designates two assessment areas. The two areas include portions of Fairfield and New Haven counties. The assessment areas were delineated to include the towns where the credit union has its public offices and certain contiguous municipalities. Fairfield County is located within the Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area (MSA #14860) and New Haven County is part of the New Haven-Milford, CT Metropolitan Statistical Area (MSA #35300). The combination of the two assessment areas is referred to as the "Combined Assessment Area" in this evaluation and will be discussed first followed by a summary of the individual assessment areas.

The FFIEC estimated MSA/MD median family income (MFI) for 2010 for MSA #14860 is \$100,593 and \$77,379 for MSA #35300. The assessment area includes the cities and towns of Bridgeport, Danbury, Fairfield, Monroe, Shelton, Stratford, and Trumbull in Fairfield County. New Haven County cities and towns include Ansonia, Beacon Falls, Bethany, Derby, Milford, Naugatuck, Orange, Oxford, Seymour, West Haven, and Woodbridge. The delineated assessment area is significantly smaller than the geographic area identified in the institution's field of membership. Its field of membership consists of any and all individuals who live, work, attend school, worship or volunteer in Fairfield, Hartford, and New Haven Counties as well as immediate family or household members of such persons.

SFCU's assessment areas, as currently defined, meet the technical requirements of the state statute in that the assessment areas consist of one or more contiguous political subdivisions, includes geographies in which the community credit union has its principal office, subsidiary offices and share-taking automated teller machines, and include the surrounding geographies in which the credit union originates a substantial portion of its loans.

### **Economic and Demographic Data**

The credit union's assessment area is comprised of 144 census tracts. Based on the 2010 Census data, of the 144 census tracts, 27 (18.8%) are low-income, 32 (22.2%) are

moderate-income, 51 (35.4%) are designated middle-income, and 34 (23.6%) are upper-income.

Twenty-four of the low-income tracts are located in Bridgeport and three low-income tracts are located in Danbury. The largest concentration of moderate-income tracts (12) is also located in Bridgeport. The remaining moderate-income tracts include one each in Ansonia, Derby, Naugatuck, and Shelton. Five moderate-income census tracts are located in both Danbury and Stratford and six in West Haven.

The City of Bridgeport encompasses 38 census tracts of which 24 are low-income, 12 are moderate-income, and 2 are middle-income tracts. Data from within the city's low-income census tracts reflect the challenges that residents of these neighborhoods face. Approximately 27.9% of low-income tract households have income below the poverty level. Based on 2010 U.S. Census data, the unemployment rate in these tracts was 9.0%. Further, 16.2% of the housing units located in the low-income tracts are vacant. The high proportion of households with incomes below the poverty level, high unemployment rate, and high volume of vacant housing make it challenging for the credit union to originate loans in low-income census tracts in Bridgeport.

To assess the credit union's lending performance, consideration is given to certain demographic and economic data about the assessment area. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Combined Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	144	18.8	22.2	35.4	23.6	0.0
Population by Geography	662,799	14.8	24.5	36.8	23.9	0.0
Housing Units by Geography	263,187	15.1	25.9	37.2	21.9	0.0
Owner-Occupied Units by Geography	168,567	5.8	20.8	44.4	29.0	0.0
Occupied Rental Units by Geography	74,555	32.0	36.1	24.2	7.7	0.0
Vacant Units by Geography	20,065	30.0	30.0	25.4	14.7	0.0
Businesses by Geography	52,246	12.6	20.3	37.8	29.2	0.0
Farms by Geography	1,436	10.1	21.5	37.6	30.8	0.0
Family Distribution by Income Level	166,560	25.4	18.9	21.3	34.4	0.0
Household Distribution by Income Level	243,122	28.1	16.6	17.9	37.4	0.0
Median Family Income MSA - 14860 Bridgeport-Stamford-Norwalk, CT MSA	\$100,593	Median Housing Value				\$330,302
Median Family Income MSA - 35300 New Haven-Milford, CT MSA	\$77,379	Median Gross Rent				\$1,052
		Families Below Poverty Level				6.6%

Source: 2010 U.S. Census and 2016 D&B Data

(\*) The NA category consists of geographies that have not been assigned an income classification.

### Housing

The 2010 U.S. Census data reports 263,187 housing units in the assessment area, of which 168,567, or 64.1%, are owner-occupied and 28.3% are occupied rentals. The vacancy rate for the area is 7.6%. Approximately 82.5% are one-to-four family properties, and 16.8% are properties with five or more units. The median housing value for the assessment area is \$330,302, while the median gross rent is \$1,052. The

geographic distribution criterion includes a comparison of home mortgage loans to the distribution of owner-occupied housing within the assessment area.

The table below provides a breakdown of housing characteristics by the income category of the credit union's assessment area.

Select Housing Characteristics by Income Category of Census Tracts (2010)							
Census Tract Income Level	Percentage					Median	
	Households	Housing Units	Owner- Occupied	Occupied Rental Units	Vacant Units	Home Value (\$)	Gross Rent (\$)
Low	28.1	15.0	5.8	32.0	29.9	231,352	943
Moderate	16.6	25.9	20.8	36.1	30.0	253,959	1,045
Middle	17.9	37.2	44.4	24.2	25.4	335,453	1,146
Upper	37.4	21.9	29.0	7.7	14.7	480,030	1,274
NA	0.0	0.0	0.0	0.0	0.0	0	0
Total or Median	100.0	100.0	100.0	100.0	100.0	330,302	1,052

Source: 2010 U.S. Census

Housing affordability is an issue in the assessment area. As noted above, the median housing value for the assessment area is \$330,302. This is several times greater than the median household and family incomes for the area, indicating low affordability. An analysis of the affordability of housing was performed during this evaluation. The affordability index is a method used to determine the amount of single-family owner-occupied housing that a dollar of income can purchase, for the median household, within a given geography. The ratio is calculated by dividing the median household income by the median housing value of the area or geography under analysis. Values closer to 1.0 indicate greater affordability.

According to the 2010 U.S. Census data, the median household income of the credit union's assessment area is \$72,161 and the median housing value is \$330,302 resulting in an affordability index of 0.22 (weighted). This ratio is weighted to compensate for median income and housing figures that encompass only portions of counties and metropolitan statistical areas. These figures further support the challenges that low- and moderate-income households and families may have in obtaining and sustaining homeownership, and in turn affects the credit union's opportunity to originate mortgage loans to these groups.

### **Median Family Income**

The analysis under Distribution of Loans by Borrower Income criterion is based in part on the distribution of home mortgage loans to borrowers of different incomes. Each borrower is assigned an income level based on the income of the borrower as compared to the median family income (MFI) established for the Metropolitan Statistical Area (MSA) in which the borrower resides. The four income categories are defined as follows:

- Low-Income: Less than 50% of MFI for the applicable MSA
- Moderate-Income: Equal to 50% but less than 80% of the MFI for the applicable MSA

- Middle-Income: Equal to 80% but less than 120% of the MFI for the applicable MSA
- Upper-Income: Equal to 120% or greater of the MFI for the applicable MSA

The Geographic Distribution of Loans criterion assesses the distribution of loans by census tract income levels. Each tract is assigned an income level based on the MFI of the tract as compared to the MFI established for the applicable MSA in which the tract is located. An analysis of the distribution of mortgage loans based on tract income levels was conducted using the same four income categories defined above.

The median family income (MFI) figures used in this evaluation are based on annual adjustments made by the Federal Financial Institutions Examination Council (FFIEC) for 2014 through 2016. The FFIEC-adjusted MFIs and corresponding income categories for the Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area (MSA #14860) and New Haven-Milford, CT (MSA #35300) are shown below.

Median Family Income Ranges				
Median Family Income	Low < 50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Bridgeport-Stamford-Norwalk, CT MSA Median Family Income (14860)</b>				
2014 (\$106,400)	<\$53,200	\$53,200 to <\$85,120	\$85,120 to <\$127,680	≥\$127,680
2015 (\$107,500)	<\$53,750	\$53,750 to <\$86,000	\$86,000 to <\$129,000	≥\$129,000
2016 (\$104,400)	<\$52,200	\$52,200 to <\$83,520	\$83,520 to <\$125,280	≥\$125,280
<b>New Haven- Milford, CT MSA Median Family Income (35300)</b>				
2014 (\$82,600)	<\$37,450	\$37,450 to <\$59,920	\$59,920 to <\$89,880	≥\$89,880
2015 (\$80,800)	<\$40,400	\$40,400 to <\$64,640	\$64,640 to <\$96,960	≥\$96,960
2016 (\$81,000)	<\$40,500	\$40,500 to <\$64,800	\$64,800 to <\$97,200	≥\$97,200

Source: FFIEC

The table above displays the income ranges used to assess both the distribution of loans by borrower income levels as well as the geographic distribution of loans. These ranges are based on the 2014, 2015, and 2016 FFIEC estimated MFIs.

**Business Demographics**

According to the 2016 Dun & Bradstreet Business Demographic Data, there are 52,246 businesses operating in the assessment area, of which 87.0% report annual gross revenues (GARs) of \$1 million or less, 5.3% have GARs greater than \$1 million, and the remaining 7.7% have unknown revenues. Of the total businesses in the assessment area, 12.7% are located in low-income census tracts, 20.3% are in moderate-income census tracts, 37.8% are in middle-income census tracts and 29.2% in upper-income census tracts. The largest portion of area businesses are engaged in the services industry (48.6%), retail trade (12.3%) followed by construction (12.2%), finance, insurance, and real estate (8.0%) and non-classifiable establishments (5.4%). Of the businesses that reported relevant data, 77.4% have four or fewer employees and 91.3% operate from a single location.

**Population**

According to the 2010 U.S. Census, the assessment area had a total population of 662,799. Of this population, 98,202 or 14.8% reside in low-income census tracts,

162,395 or 24.5% reside in moderate-income census tracts, 243,896 or 36.8% reside in middle-income census tracts, and 158,306 or 23.9% reside in upper-income census tracts.

The U.S. Census Bureau defines households as all persons occupying a housing unit. Income figures are based on the incomes of all contributing members of a household. Based on 2010 U.S. Census data, there were approximately 243,122 households within the assessment area. Of these households, 28.1% are low-income, 16.6% are moderate-income, 17.9% are middle-income, and 37.4% are upper-income. According to 2010 U.S. Census data, 22,691 or 9.3% of the area's households had incomes below the Federal poverty level.

The U.S. Census Bureau defines families as one or more persons living in the same household related by birth, marriage, or adoption. There are 166,560 households that are families residing in the assessment area. Upper-income families comprise the largest portion of area families at 34.4%. The remaining families are somewhat evenly distributed between the remaining income categories with low-income families (25.4%), moderate-income families (18.9%), and middle-income families (21.3%). Of the area's 42,262 low-income families, 10,934 (6.6% of the total number of households that are families) report incomes below the poverty level.

Relatively large portions of the assessment area's households and families, 53.5% and 35.5%, respectively, have low- or moderate-incomes. While this indicates opportunity to originate loans to these segments of the population, these households and families may have difficulty obtaining or maintaining a mortgage loan considering the area's high housing costs.

### **Employment**

The Connecticut unemployment rate remains above the national average rate. As of year-end 2017, the Connecticut unemployment rate of 4.6% was above the national rate of 4.1%. According to the Bureau of Labor Statistics, the unemployment rate for Fairfield County, where the majority of the assessment area's census tracts are located, was 3.7% for 2017. The unemployment rate in Fairfield County ranged from a high of 7.2% in 2013 and dropped to 6.2% in 2014 before reaching its lowest level of 3.7% during this review period. Bridgeport had the highest unemployment rate of the municipalities comprising the assessment area at 5.8% for 2017.

### **Assessment Area Needs and Competition**

The assessment area has no primary credit need. The area's residents need a variety of retail loan products to meet personal needs and an array of home financing programs for the purchase, construction, improvement, or refinance of a residence. Local businesses also require numerous commercial credit options to meet a wide variety of financing needs. As previously noted, SFCU does not offer commercial credit products.

The market for residential mortgages is competitive in the assessment area. The 2016 Market Share Report shows that 376 lenders reported having originated or purchased at least one loan within the assessment area. The top lenders in the area include local

institutions, as well as large national and regional banks and mortgage companies. The top five lenders including Wells Fargo Bank, NA, JPMorgan Chase Bank NA, Quicken Loans, People’s United Bank, N.A., and loanDepot.com, LLC accounted for 25.4% of all the reported market activity. SFCU ranked 8<sup>th</sup> among all residential lenders in the assessment area, with 373 loans and a market share of 2.3% in 2016. In 2014 and 2015, its market share was 1.1% and 2.2%, respectively.

## CONCLUSIONS ON PERFORMANCE CRITERIA

Community Development Donations					
Category	2014	2015	2016	2017 year to date	Total
Community Services	12,455	13,376	15,655	14,295	42,981
Economic Development					
<b>Totals</b>	12,455	13,376	15,655	14,295	42,981

**The community credit union’s record of helping to meet the credit needs of its assessment area or areas through qualified investments that benefit its assessment area or a broader state-wide or regional area that includes its assessment area or areas;**

This criterion evaluates the community credit union’s record of meeting the assessment area credit and community development needs through qualified investments. A qualified investment for the purpose of this CRA evaluation is a lawful investment, deposits, membership or grant that has community development as its primary purpose. Community development includes affordable housing for low- and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low- and moderate-income geographies. In recognition of the many legal limitations on credit union investments and the long term nature and complexity of many community development investments, the CRA statute allows for reasonable consideration for the entire credit union’s portfolio of qualified investments; not just those made since the previous CRA examination.

This evaluation considered (1) investment and grant activity, (2) responsiveness to credit and community development needs, and community development initiatives.

Considering performance context factors such as the credit union resources and the availability of, and opportunity for, making community development investments, the credit union has made a reasonable level of qualified investments during this review period. Qualified investments consist of grants and donations to area organizations. While these are not considered innovative or complex, they are adequate given the credit union’s size, financial resources, and limited appropriate community development opportunities. SFCU regularly makes donations to many worthwhile organizations in its community or which benefit residents of its community.

SFCU is committed to improving the quality of life for the residents in their assessment area. They dedicate money, in-kind support, and volunteer resources. The credit union supports local charitable organizations and initiatives. Its employees further illustrate its community commitment through their individual efforts supporting various organizations with volunteer hours. Examples include:

- The annual awarding of five \$1,000 scholarships to graduating high school seniors based on essays written about what the students learned about finances during their high school years
- Participating in the Leprechaun Leap which benefits the Literacy Center of Milford. The center provides services at no cost to any individual who wishes to learn the English language or enhance their reading, writing, speaking and math skills necessary to lead productive lives in the community.
- Partnering with the Stratford Rotary Club to bring Shred It and Electronics Recycling events to the community. Donations received help provide the neediest Stratford elementary students with backpacks and school supplies.
- SFCU partnering with Sterling House of Stratford on a number of community initiatives: a food drive to help stock their pantry, donating 300 string packs to their Summer Camp Program, donating toys at holiday time and sponsoring youth basketball and soccer teams. Sterling House is dedicated to serving all ages (toddlers to senior adults) and offers affordable social, educational and recreational activities as well as need-based scholarships to low- and moderate-income families in the community.
- Supporting the Town of Stratford Arts Commission's Share a Chair community project which provides art scholarships, school grants and supports local community needs.
- Collecting back-to-school supplies in branches to donate to TEAM Inc. and toys at holiday time for TEAM's Toys 4 Kids community project to be distributed to needy families in the local area. TEAM Inc. strives to strengthen the local community by educating, supporting, and empowering individuals and families by delivering cost-effective, high-impact services to meet the needs of all individuals and families.
- Donating to the Boys and Girls Club of the Lower Naugatuck Valley in Shelton which provides a safe place for programs/services to kids and teens to help them reach their full potential as productive, caring, responsible citizens and to provide need-based scholarships to low- and moderate-income families in the community.
- Hosting the Milford Trick or Trot 5K Run/Walk event to benefit Beth-El Center in Milford. Beth-El Center is a nonprofit in Milford whose mission is to alleviate homelessness and hunger through shelter, support services, advocacy and community education.
- Participating in the Vicki Soto 5K, which raises funds to provide scholarships to college students pursuing a career in the field of education
- Sponsoring the Neon Nightrun which benefits Literacy Volunteers of Southern CT in Milford

- Sponsoring Police Activities League (P.A.L.) of Stratford which promotes partnership between youth and police in their community through education, athletic and recreational programs

Examples of CRA qualifying initiatives undertaken by the credit union during this review period include:

- Facilitating financial literacy programs in local schools
- The awarding of annual scholarships
- Other charitable grants

**The community credit union’s record of helping to meet the credit needs of its assessment area or areas, by analyzing both availability and innovativeness of its community development services;**

This criterion evaluates the community credit union’s record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of the institution’s systems for developing retail financial services and the extent and innovativeness of its community development services. The credit union’s retail financial services were evaluated pursuant to the following criteria: 1) the distribution of the credit union offices particularly branches in low- or moderate-income geographies or that primarily service low- or moderate-income individuals; 2) availability and effectiveness of alternative systems for delivering retail financial services; and 3) the range of services provided to low-, moderate-, middle-, and upper-income geographies and the degree to which services are tailored to meet the needs of those geographies.

In addition the credit union’s community development services were evaluated pursuant to the following criteria: 1) extent of the community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income consumers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

**Accessibility of Products and Services**

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	27	18.8	98,202	14.8	1	16.7	1	16.7
Moderate	32	22.2	162,395	24.5	0	0.0	0	0.0
Middle	51	35.4	243,896	36.8	4	66.6	4	66.6
Upper	34	23.6	158,306	23.9	1	16.7	1	16.7
<b>Totals</b>	<b>144</b>	<b>100.0</b>	<b>662,799</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>

Source: 2010 U.S. Census and Internal Credit Union Records  
Does not include Select Employee Group Offices

### Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all segments of the credit union's assessment area including low- and moderate-income geographies. Considering the make-up of the assessment area, there appears to be a weak presence in low- and moderate-income geographies which may be mitigated in part by the credit union's alternative delivery systems. Five of the ATMs listed above which are associated with branches are deposit taking. Eight ATM machines are located within its Select Employee Group businesses which have small offices for conducting transactions for their employees and visitors who are credit union members. The credit union does not offer shared branching.

SFCU participates in the surcharge-free Allpoint and SUM networks (with Spanish options) to provide members with surcharge-free transactions at over 55,000 ATMs worldwide, including 38,000 ATMs across the United States, and 2,400 ATMs throughout New England.

### Reasonableness of Hours and Services

Services including business hours are convenient and credit union services are sufficient to help meet the financial needs of the assessment area. The credit union offers extended hours during the week and Saturday hours. Additionally, products and services are also accessible through alternative delivery systems such as a transactional internet website and telephone banking.

### Changes in Branch Locations

To the extent that changes have been made, they have not adversely affected the accessibility of the credit union's delivery systems, particularly those serving low- and moderate-income individuals.

On May 16, 2016, the credit union opened its Station House Square branch located at 2505 Main Street in Stratford, CT. This office is located in a middle-income census tract.

### Educational Services and Seminars

SFCU is committed to improving the quality of life for its members and has long-standing roots throughout Fairfield, Hartford, and New Haven counties. The credit union offers educational seminars and workshops and works closely with community leaders and community organizations. Credit union officers and employees are active in the community. Staff share their knowledge and experience by volunteering with area organizations.

The credit union has offered financial literacy and education programs at local schools to better serve its members' needs and improve their financial quality of life. Reality fairs have been held at local high schools which have helped educate thousands of students on financial literacy. Fairs have been held at the following high schools: Ansonia, Bunnell (located in Stratford), Oxford, Seymour, Shelton, Stratford, and Abbott Tech in Danbury.

SFCU is also a sponsor of the BEST (Business Education Support Team) program of the Stratford Board of Education which enriches the education of students and supports innovative projects within Stratford area schools.

The credit union also offers a high school internship program. Although it has high school branches, the students do not actually work in their branch as they cannot guarantee the flexibility in their schedules. Instead, the students work as advocates to raise awareness in their school, in their community (through community events) and in their branches. Students also meet on a monthly basis where they learn about business in general and the credit union movement. Many interns have worked in the branches to assist with marketing promotions and to act as greeters, where they have received a strong foundation on the basics of the credit union and the financial world. This experience helped them learn about SFCU and its products and services. There are 14 interns across the four partner high schools in Ansonia, Oxford, Seymour and Stratford.

SFCU is a 2017 Credit Union National Association (CUNA) Connecticut state-level award winner for first place in its respective asset-size category. The CUNA National Award Program is designed to encourage and recognize distinguished credit unions which demonstrate various attributes, including financial education (the Desjardins Awards).

The Desjardins Youth and Adult Financial Education Award recognizes leadership within the credit union movement on behalf of financial literacy for all ages. The recognition program considers all activities supporting the personal finance education of members and non-members. There are separate categories for youth and adult education. SFCU won in the \$250 million to \$1 billion asset category for its youth education program, Live Large and In Charge.

SFCU was struck by a study from the Center for Financial Literacy that gave Connecticut an “F” grade for financial literacy education. While many towns in their operating area have since initiated programs, SFCU has addressed this need with a “real world” feel to financial literacy through a cohesive initiative.

As a fully developed program, SFCU’s “Live Large and In Charge” Youth Financial Literacy initiative is a fully branded outreach program that is designed to promote financial literacy, awareness and assistance to youth in their operating area. The programs within LIVE LARGE include seven full sponsorships of Financial Reality Fairs, a partnership with four high schools that include in-school branches and interns, five \$1,000 scholarships for graduating seniors, financial contributions to high school programs and accounts for children under the age of 18.

SFCU tries to be as involved in the community as its resources and staff allows them to be. Overall, community development services meet the definition for satisfactory performance given the credit union’s resources and area’s opportunities.

**Loan to Share Ratio given the community credit union’s size and financial condition, credit needs of the assessment area or areas, other lending-related activities, considering seasonal variations, as used in 12 CFR 228.26;**

This performance criterion measures what percentage of the credit union’s share base is reinvested in the form of loans, and evaluates its appropriateness. SFCU maintained an average total loan to total share ratio (TLTS) during this evaluation period that reasonably meets the criteria for satisfactory performance, given the credit union’s lending related activities, resources, financial condition, and assessment area credit needs.

The credit union’s average TLTS ratios were calculated using the 12 quarterly ratios from December 31, 2014 through September 30, 2017. These ratios are calculated using total loans in relation to total shares. For this evaluation period, SFCU’s average TLTS ratio was 57.7% with a current TLTS ratio of 71.4% reported as of September 30, 2017. The credit union’s ratio fluctuated over the 12 quarters ranging from a low of 47.3% as of March 31, 2015, to a high of 71.4% as of December 31, 2013. Average total loan to total share ratios for SFCU as well as three other similarly situated credit unions are reflected in the table below.

Loan-to-Share Ratio (LTS) Comparison			
Credit Union	Total Assets \$(000s) 09/30/2017	Average Loan-to-Share Ratio (%)	Loan-to-Share Ratio (%) 09/30/2017
American Eagle Financial Credit Union	1,573,425	83.2	95.3
Connex Credit Union	541,712	87.7	101.0
Nutmeg State Financial Credit Union	423,790	90.1	94.3
Sikorsky Financial Credit Union, Inc.	731,186	57.7	71.4

*Source: Financial Performance Reports*

Further analysis was conducted to compare SFCU to similarly situated credit unions, which were selected based on total assets, loan composition, and geographic location. The credit unions included one community chartered credit union in a similar geographic market area with total assets between \$100 million and \$500 million as well as two in excess of \$500 million. As of June 30, 2017, the TLTS average of all credit unions in the asset grouping of \$100 million to less than \$500 million was 72.3% and 82.4% for those \$500 million and greater.

Overall, SFCU’s average TLTS ratio is reasonable and is similar to those of comparable institutions. Lending levels reflect a good responsiveness to assessment area credit needs.

**Percentage of total loans and other lending-related activities within the assessment area or areas;**

The credit union’s performance for this criterion is based on the number and dollar amount of home mortgage loans and consumer loans that were originated within the assessment area. Overall, a majority of home mortgage loans and consumer loans by number and dollar volume was originated inside the credit union’s assessment area. The distribution of loans originated inside and outside the credit union’s assessment area during this evaluation period is shown in the table below.

Lending Inside and Outside the Combined Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside Assessment Area		Outside Assessment Area		Total #	Inside Assessment Area		Outside Assessment Area		Total \$(000s)
	#	%	#	%		\$(000s)	%	\$(000s)	%	
<b>2014</b>										
Home Purchase	6	50.0	6	50.0	12	1,008	46.2	1,173	53.8	2,181
Refinance	99	70.7	41	29.3	140	11,962	71.4	4,804	28.6	16,766
Home Improvement	35	77.8	10	22.2	45	3,122	89.3	373	10.7	3,495
<b>Subtotal</b>	<b>140</b>	<b>71.1</b>	<b>57</b>	<b>28.9</b>	<b>197</b>	<b>16,092</b>	<b>71.7</b>	<b>6,350</b>	<b>28.3</b>	<b>22,442</b>
<b>2015</b>										
Home Purchase	37	67.3	18	32.7	55	6,932	60.7	4,490	39.3	11,422
Refinance	251	73.6	90	26.4	341	36,334	73.2	13,315	26.8	49,649
Home Improvement	37	75.5	12	24.5	49	4,854	79.9	1,220	20.1	6,074
<b>Subtotal</b>	<b>325</b>	<b>73.0</b>	<b>120</b>	<b>27.0</b>	<b>445</b>	<b>48,120</b>	<b>71.7</b>	<b>19,025</b>	<b>28.3</b>	<b>67,145</b>
<b>2016</b>										
Home Purchase	54	62.1	33	37.9	87	12,300	61.1	7,819	38.9	20,119
Refinance	293	76.1	92	23.9	385	43,083	72.7	16,180	27.3	59,263
Home Improvement	26	70.3	11	29.7	37	3,360	61.3	2,125	38.7	5,485
<b>Subtotal</b>	<b>373</b>	<b>73.3</b>	<b>136</b>	<b>26.7</b>	<b>509</b>	<b>58,743</b>	<b>69.2</b>	<b>26,124</b>	<b>30.8</b>	<b>84,867</b>
<b>Total</b>	<b>838</b>	<b>72.8</b>	<b>313</b>	<b>27.2</b>	<b>1,151</b>	<b>122,955</b>	<b>70.5</b>	<b>51,499</b>	<b>29.5</b>	<b>174,454</b>

Sources: Credit Union records, 2014, 2015 and 2016 HMDA data

### Home Mortgage Lending

During this review period, 72.8% by number and 70.5% by dollar volume of home mortgage loans originated by SFCU were extended to borrowers residing within the assessment area. In 2014, the credit union originated 71.1% of its residential mortgage loans within the assessment area by number and 71.7% by dollars. In 2015, the volume of lending in the assessment area rose slightly by number and remained the same by dollar volume. Performance in 2016 essentially mirrored the credit union's lending in both 2014 and 2015.

The credit union's origination of home mortgage loans inside its assessment area meets the standard for adequate performance. During the review period, 838 home mortgage loans in the amount of \$122,955,000 were originated inside the assessment area. SFCU's record of lending reflects reasonable responsiveness to the credit needs of its assessment area given the institution's resources and area competition.

### **Record of lending and other lending-related activities to borrowers of different income levels, and businesses and farms of different sizes;**

This performance criterion evaluates the extent to which the credit union has addressed the credit needs of the area's residents with emphasis on low- and moderate-income borrowers. The distribution of borrowers demonstrates a reasonable penetration of loans among individuals of different income levels including those with low- and moderate-incomes.

### Home Mortgage Lending

SFCU has achieved a good penetration among borrowers of different income levels including those with low-and moderate-incomes. The distribution of home mortgage lending is reasonable, considering assessment area demographics, the institution's business focus and resources, and area competition. The credit union's performance is compared to the percentage of area families within each income category. The table below shows the distribution of reportable home mortgages by income level of the borrower. The distribution of area families by income category and aggregate market performance are also provided for purposes of comparison. Aggregate market data is used as an indication of lending opportunities in the market area.

Distribution of Home Mortgage Loans by Borrower Income Level (Combined Assessment Area)										
Borrower Income Level	% of Families	Aggregate Performance (% of #) 2014	Aggregate Performance (% of #) 2015	Aggregate Performance (% of #) 2016	Credit Union 2014		Credit Union 2015		Credit Union 2016	
					#	%	#	%	#	%
Low	25.4	9.6	8.8	8.4	16	11.4	23	18.3	21	5.6
Moderate	18.9	20.0	20.2	20.3	28	20.0	57	15.0	73	19.6
Middle	21.3	20.9	20.2	22.4	36	25.7	92	16.7	95	25.5
Upper	34.4	31.2	31.0	33.6	60	42.9	152	50.0	184	49.3
N/A	0.0	18.3	19.8	15.3	0	0.0	1	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>140</b>	<b>100.0</b>	<b>325</b>	<b>100.0</b>	<b>373</b>	<b>100.0</b>

Sources: 2010 U.S. Census, 2014, 2015 and 2016 HMDA data

In 2014, the credit union originated 16 home loans to low-income borrowers, representing 11.4% of total originations in the assessment area. In 2015 and 2016, the number of home loans extended to low-income borrowers rose to 23 and dropped to 21 and represented 18.3% and 5.6% of total in area originations, respectively. While these lending levels may appear low in comparison to the representative volume of low-income families and aggregate market performance within the assessment area in 2016, it is important to note that 6.6% of the assessment area's families report having incomes below the poverty line based on 2010 U.S. Census data. These families would likely have a difficult time qualifying for mortgage loans and sustaining the cost of homeownership even with flexible underwriting.

During 2014, 28 home loans or 20.0% of total home loan originations within the assessment area, were to moderate-income borrowers. This level exceeded the 18.9% of moderate-income families residing in the assessment area and mirrored aggregate market performance. Fifty-seven loans were extended to moderate-income families in 2015, representing 15.0% of the credit union's in assessment area originations. This level lagged the percentage of moderate-income families residing in the area as well as aggregate market performance. During 2016, the level of lending to moderate-income families rose to 19.6% of total in area home loans, exceeding or approximating both measures used for comparison.

Overall, the credit union originated 7.2% of home mortgage loans to low-income borrowers and 18.9% to moderate-income borrowers. Considering the high percentage of area families with income below the poverty threshold and the area's high median housing value, the dispersion of home loans meets the level for satisfactory performance.

As reflected in the table above, SFCU is effective in the origination of loans to borrowers of all income groups including those with low- and moderate-incomes. Lending policies and programs reflect flexible guidelines making credit more accessible to all income groups. The credit union has also achieved satisfactory penetration among members of different income levels.

### Geographic Distribution of Loans

This performance criterion considers the geographic distribution of the credit union's lending activities based on loan location, including the dispersion of lending in low- and moderate-income geographies within the assessment area. The geographic distribution of home mortgage loans was reviewed to assess how well the credit union is addressing the credit needs throughout the assessment area including in low- and moderate-income geographies. Based on the credit union's performance context and principal product offerings, SFCU achieved a reasonable dispersion of home loans throughout the assessment area. Refer to the table below for the distribution of home loans by census tract income level.

Geographic Distribution of Home Mortgage Loans (Combined Assessment Area)					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
<b>Low</b>					
2014	7.9	1	0.7	54	0.4
2015	7.9	4	1.2	581	1.2
2016	7.9	5	1.3	637	1.1
<b>Moderate</b>					
2014	20.9	11	7.9	856	5.3
2015	20.9	27	8.3	2,831	5.9
2016	20.9	34	9.1	3,707	6.3
<b>Middle</b>					
2014	32.4	86	61.4	9,661	60.0
2015	32.4	164	50.5	21,703	45.1
2016	32.4	189	50.7	26,420	45.0
<b>Upper</b>					
2014	38.8	42	30.0	5,521	34.3
2015	38.8	130	40.0	23,005	47.8
2016	38.8	145	38.9	27,979	47.6
<b>Total</b>					
2014	100.0	140	100.0	16,092	100.0
2015	100.0	325	100.0	48,120	100.0
2016	100.0	373	100.0	58,743	100.0

Sources: 2010 U.S. Census, 2014, 2015 and 2016 HMDA data

### Home Mortgage Lending

The geographic distribution of the credit union's home mortgage loans reflects a reasonable dispersion. The distribution of the credit union's residential mortgage originations was compared to the percentage of owner-occupied housing units within each census tract income category and aggregate market performance. The credit union made one and four home mortgage loans to borrowers residing in low-income census tracts during 2014 and 2015. In 2016, the credit union originated five or 1.3% of total mortgage loans in low-income census tracts which lagged the percentage of owner-occupied housing units as well as aggregate market performance.

As previously mentioned, 24 of the area's 27 low-income census tracts are located in the city of Bridgeport where the credit union does not have a community branch. Additionally, there is intense competition for loans in such areas. In 2015, 121 lenders reported originating or purchasing home mortgage loans in the area's low-income census tracts. Most of the top lenders reporting activity in these geographies are substantially larger than SFCU and are large regional and national lenders. The top five accounted for nearly 30% of all originations in these geographies.

The credit union's lending in low-income geographies is somewhat mitigated by its lending performance in moderate-income census tracts. However, the level of lending in moderate-income census tracts was consistently below the percentage of owner occupied housing units located in those geographies as well as aggregate market performance. During this review period, the credit union originated 72 loans in moderate-income census tracts. Overall, SFCU's performance is considered reasonable.

The geographic distribution of home mortgages was reviewed to determine how well SFCU is addressing the credit needs throughout the assessment area. This performance criterion focuses on the distribution of lending in the area's low- and moderate-income census tracts. Considering assessment area demographics, aggregate market data, and performance context factors, the distribution of home mortgage loans reflects adequate penetration in the low- and moderate-income geographies.

### **Action taken in response to written complaints with respect to community reinvestment performance;**

During this evaluation period, the credit union did not receive any written complaints related to its CRA performance.

### **Efforts of the community credit union to work with delinquent residential mortgage customers who are unemployed and underemployed to facilitate a resolution of the delinquency; and**

"We're Here to Help" and "Financial Analysis" forms are automatically sent out with each late notice that every borrower with a past due loan receives. In addition, the credit union conducts extensive skip tracing and outreach via phone, mail and email to its members. Once contact is made with the member, depending on their needs and the type of loan that is past due, the various workout options are discussed: reinstatement,

negotiated settlement, repayment/forbearance plan, loan modification, re-age plan (Visa only), deed in lieu of foreclosure and short sale.

SFCU collects documentary income verification from all parties related to the loan (borrowers & guarantors), as well as a completed financial analysis form itemizing their monthly household expenses and an updated credit report. When the underlying loan product is a mortgage, the collector is also required to collect an updated appraisal, title search and real estate tax account statement.

The member's net monthly household income and expenses are then analyzed. If their expenses exceed their income, the credit union will not move forward with a loan modification because they have essentially proven that they do not have the ability to repay. However, in a case like this SFCU may be able to work with the member on a different type of workout, such as a negotiated settlement, temporary forbearance plan, short sale or deed in lieu of foreclosure.

If the member's income exceeds their expenses and they have shown that they are experiencing a true hardship (death in family, divorce, illness, income reduction, etc.) the loan will be evaluated for either a repayment plan or a modification. When a loan is modified, the interest rate may be reduced, the term extended, or both. On a rare occasion SFCU may even be able to forgive a portion of the principal balance and modify the remainder.

**Written comments received by the commissioner.**

The Banking Commissioner has not received any written complaints concerning SFCU's CRA performance during this review period.

**PERFORMANCE WITH RESPECT TO STRATFORD ASSESSMENT AREA**

**Scope of the Examination**

The scope of the evaluation was detailed previously, the products and time period indicated with the previously provided scope are applicable, with the exception that only loans, qualified investments, and community development services originated, made, or provided within the Stratford Assessment Area are considered.

**Description of Credit Union Operations**

SFCU operates all but one of its Connecticut offices in the Stratford Assessment Area. The Stratford Assessment Area includes 17 cities and towns within Fairfield and New Haven Counties. This area includes the municipalities of Bridgeport, Fairfield, Monroe, Shelton, Stratford, and Trumbull in Fairfield County as well as the cities and towns of Ansonia, Beacon Falls, Bethany, Derby, Milford, Naugatuck, Orange, Oxford, Seymour, West Haven, and Woodbridge in New Haven County. Fairfield County is part of the Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area (MSA #14860). New

Haven County is part of the New Haven-Milford, CT Metropolitan Statistical Area (MSA #35300). The following table illustrates relevant demographic data for the area.

Stratford Assessment Area Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	129	18.6	20.9	34.9	25.6	0.0
Population by Geography	581,906	13.9	22.5	36.6	27.0	0.0
Households by Geography	213,570	13.0	23.6	37.9	25.5	0.0
Owner-Occupied Housing by Geography	150,023	5.3	18.9	43.2	32.6	0.0
Family Distribution by Income Level	147,179	24.7	18.3	21.2	35.8	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	63,343	23.3	30.5	32.6	13.6	0.0
Households Below Poverty Level by Geographies	20,281	38.2	32.1	20.2	9.5	0.0
Households Receiving Public Assistance	5,036	41.4	28.6	22.4	7.6	0.0
Unemployment Rate (2010) Census	5.6					

Source: 2010 U.S. Census

(\*) The NA category consists of geographies that have not been assigned an income classification.

Considering nearly all of SFCU's branches and lending activity occur in the Stratford Assessment Area, lending performance in this area is weighed more heavily in arriving at the overall performance rating.

### Accessibility of Delivery Systems

SFCU's delivery systems are readily accessible to all portions of the assessment area. The credit union operates five of its public offices within the Stratford Assessment Area. Since the previous evaluation, the credit union opened one branch which is located within this assessment area. No offices have been closed since the previous evaluation.

The following table reflects the distribution of branches and ATMs by census tract income level, which is compared with the tract distribution of the area. As depicted in the table, one of the five offices is located in an upper-income census tract, and four are located in middle-income census tracts, and no branches are located in low- or moderate-income tracts.

Stratford Assessment Area Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	24	18.6	81,160	13.9	0	0.0	0	0.0
Moderate	27	20.9	130,982	22.5	0	0.0	0	0.0
Middle	45	34.9	212,833	36.6	4	80.0	4	80.0
Upper	33	25.6	156,931	27.0	1	20.0	1	20.0
<b>Totals</b>	<b>129</b>	<b>100.0</b>	<b>581,906</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>

Source: 2010 U.S. Census and Internal Credit Union Records

Does not include Select Employee Group Offices

The credit union office hours and services are generally convenient to the membership. Hours and services do not vary in a way that inconveniences any portion of the assessment area or any group of individuals. The credit union services and hours appear reasonable and consistent with other area institutions.

SFCU operates ATMs at all of its public offices. The credit union also offers electronic services which include online banking, mobile banking, and telephone banking. This allows members 24 hour access to their accounts. Additionally, members can apply for mortgages online.

### **Community Development Investments**

SFCU has made a reasonable level of qualified community development investments in the form of donations within the Stratford Assessment Area. The investments have taken the form of donations to local community organizations whose core missions are providing community development services to local residents. While these donations are neither innovative nor complex, they are what can be reasonably expected considering the credit union's current business lines, resources, and expertise.

### **Community Development Services**

SFCU employees and officers regularly participate in programs which promote financial literacy throughout the assessment area. These programs are conducted both within area schools as well as in conjunction with area community organizations. A substantial majority of the credit union's main office, four public branches, four limited branches, and two Select Employee Group offices are located within the area.

### **Lending Within the Stratford Assessment Area**

Lending levels reflect a strong responsiveness to the credit needs of the Stratford Assessment Area. Similar to the Combined Assessment Area, 71.5% by number of home mortgages was extended within the Stratford Assessment Area during this evaluation period. This reflects satisfactory performance given the proportion of branches, census tracts, housing units, and families located in the area. Refer to the table below for details of residential mortgage activity year by year.

Lending Inside and Outside of the Stratford Assessment Area											
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)					
	Inside		Outside		Total #	Inside		Outside		Total \$(000s)	
	#	%	#	%		\$(000s)	%	\$(000s)	%		
<b>2014</b>											
Home Purchase	6	50.0	6	50.0	12	1,008	46.2	1,173	53.8	2,181	
Refinance	98	70.0	42	30.0	140	11,762	70.2	5,004	29.8	16,766	
Home Improvement	35	77.8	10	22.2	45	3,122	89.3	373	10.7	3,495	
<b>Subtotal</b>	<b>139</b>	<b>70.6</b>	<b>58</b>	<b>29.4</b>	<b>197</b>	<b>15,892</b>	<b>70.8</b>	<b>6,550</b>	<b>29.2</b>	<b>22,442</b>	
<b>2015</b>											
Home Purchase	36	65.4	19	34.5	55	6,708	58.7	4,714	41.3	11,422	
Refinance	248	72.7	93	27.3	341	35,804	72.1	13,845	27.9	49,649	
Home Improvement	36	73.5	13	26.5	49	4,709	77.5	1,365	22.5	6,074	
<b>Subtotal</b>	<b>320</b>	<b>71.9</b>	<b>125</b>	<b>28.1</b>	<b>445</b>	<b>47,221</b>	<b>70.3</b>	<b>19,924</b>	<b>29.7</b>	<b>67,145</b>	
<b>2016</b>											
Home Purchase	54	62.1	33	37.9	87	12,300	61.1	7,819	38.9	20,119	
Refinance	284	73.8	101	26.2	385	41,988	70.9	17,275	29.1	59,263	
Home Improvement	26	70.3	11	29.7	37	3,360	61.3	2,125	38.7	5,485	
<b>Subtotal</b>	<b>364</b>	<b>71.5</b>	<b>145</b>	<b>28.5</b>	<b>509</b>	<b>57,648</b>	<b>67.9</b>	<b>27,219</b>	<b>32.1</b>	<b>84,867</b>	
<b>Total Home Loans</b>	<b>823</b>	<b>71.5</b>	<b>328</b>	<b>28.5</b>	<b>1,151</b>	<b>120,761</b>	<b>69.2</b>	<b>53,693</b>	<b>30.8</b>	<b>174,454</b>	

Sources: Credit union records, 2014, 2015 and 2016 HMDA data

### Lending to Borrowers of Different Income Levels

The distribution of home mortgage loans reflects a good penetration to borrowers of different income levels particularly those of low- and moderate-income. The table below show the distribution of residential mortgages by borrower income level within the Stratford Assessment Area and includes aggregate lending for years 2014 through 2016 and the distribution of families by income level based on 2010 U.S. Census data for comparison purposes.

Distribution of Home Mortgage Loans by Borrower Income Level Stratford Assessment Area										
Borrower Income Level	% of Families	Aggregate Performance (% of #) 2014	Aggregate Performance (% of #) 2015	Aggregate Performance (% of #) 2016	Credit Union 2014		Credit Union 2015		Credit Union 2016	
					#	%	#	%	#	%
Low	24.7	8.8	8.2	7.8	16	11.5	23	7.2	20	5.5
Moderate	18.3	19.4	19.7	19.6	28	20.1	55	17.2	71	19.5
Middle	21.1	20.8	20.6	22.3	35	25.2	91	28.4	92	25.3
Upper	35.9	32.4	32.5	34.9	60	43.2	150	46.9	181	49.7
N/A	0.0	18.6	19.0	15.4	0	0.0	1	0.3	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>139</b>	<b>100.0</b>	<b>320</b>	<b>100.0</b>	<b>364</b>	<b>100.0</b>

Sources: 2010 U.S. Census, 2014, 2015 and 2016 HMDA data

As reflected in the table, SFCU's level of lending to low-income borrowers exceeded aggregate market performance in 2014 and lagged in 2015 and 2016. Lending to moderate-income borrowers generally matched aggregate data. In both cases, lending to low- and moderate-income residents remained substantially below demographic representation of these groups within the assessment area. This is expected, particularly as it relates to low-income residents, as 6.7% of the low-income families in the assessment area are reported to have incomes below the poverty level based on 2010 U.S. Census data. This level of income would make it nearly impossible for such families to afford to purchase a home within the assessment area. Additionally, the high cost of housing in the area also challenges moderate-income families' ability to purchase homes within the area.

The median home value in the assessment area was \$373,699 based on 2010 U.S. Census data resulting in an affordability ratio of 19.5%. Values closer to 100 indicate greater affordability. The affordability ratio is a method used to determine the amount of single family owner-occupied housing that a dollar of income can purchase, for the median household, within a given geography. The ratio is calculated by dividing the median household income for the Stratford Assessment Area which was \$72,695 based on 2010 U.S. Census data by the median home value.

### **Geographic Distribution of Loans**

Overall, the credit union's geographic distribution of home loans reflects an adequate penetration throughout the assessment area. Although the credit union's performance lags both aggregate market performance and the proportion of low- and moderate-income census tracts within the Stratford Assessment Area it appears reasonable in light of the limited number of offices located within these geographies. As previously mentioned, the majority of low- and moderate-income census tracts within the Stratford Assessment Area are located within the city of Bridgeport. While SFCU has an office in Bridgeport; the branch is a Select Employee Group facility which limits access to employees of Sikorsky Aircraft. These employees do not necessarily reside within Bridgeport. The following table shows the distribution of home loans within the assessment area based on census tract income designation.

Geographic Distribution of Home Mortgage Loans Stratford Assessment Area					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$ (000s)	%
<b>Low</b>					
2014	5.3	1	0.7	54	0.4
2015	5.3	2	0.6	76	0.2
2016	5.3	2	0.6	205	0.4
<b>Moderate</b>					
2014	18.9	11	7.9	856	5.4
2015	18.9	26	8.1	2,751	5.8
2016	18.9	30	8.2	3,224	5.6
<b>Middle</b>					
2014	43.2	85	61.2	9,461	59.5
2015	43.2	162	50.6	21,389	45.3
2016	43.2	187	51.4	26,240	45.5
<b>Upper</b>					
2014	32.6	42	30.2	5,521	34.7
2015	32.6	130	40.6	23,005	48.7
2016	32.6	145	39.8	27,979	48.5
<b>Total</b>					
2014	100.0	139	100.0	15,892	100.0
2015	100.0	320	100.0	47,221	100.0
2016	100.0	364	100.0	57,648	100.0

Sources: 2010 U.S. Census, 2014, 2015 and 2016 HMDA data

## PERFORMANCE WITH RESPECT TO DANBURY ASSESSMENT AREA

### Scope of Examination

A detailed explanation of the Scope of the Examination was provided earlier within the evaluation. The products and time period indicated within the previously provided scope are applicable, with the exception that only community development services and loans provided or originated within the Danbury Assessment Area are considered.

### Description of Credit Union Operations

The Danbury Assessment Area consists solely of the City of Danbury where the credit union acquired an office through the merger of Danbury Municipal Federal Credit Union, with and into Sikorsky Financial Credit Union, Inc. on March 21, 2001. Danbury is located in Fairfield County and within the Bridgeport-Stamford-Norwalk, CT MSA (#14860). The median family income for MSA 14860 was \$78,869 based on 2010 U.S. Census data.

The table below details the demographics of the Danbury Assessment Area based on 2010 U.S. Census data.

Danbury Assessment Area Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	15	20.0	33.3	40.0	6.7	0.0
Population by Geography	80,893	21.1	38.8	38.4	1.7	0.0
Households by Geography	29,552	19.9	39.4	40.6	0.1	0.0
Owner-Occupied Housing by Geography	18,544	9.8	36.2	53.9	0.1	0.0
Family Distribution by Income Level	19,381	30.4	23.5	22.3	23.8	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	10,440	27.8	42.7	29.5	0.0	0.0
Households Below Poverty Level by Geographies	2,410	31.9	47.1	21.0	0.0	0.0
Households Receiving Public Assistance	622	24.0	65.9	10.1	0.0	0.0
Unemployment Rate (2010) Census	4.8					

Source: 2010 U.S. Census

(\*) The NA category consists of geographies that have not been assigned an income classification.

SFCU has not made any changes to the Danbury Assessment Area since the November 7, 2014 CRA evaluation. Of the 15 tracts in this assessment area, three tracts are designated low-income, five moderate-income, six middle-income and one upper-income. The Danbury Assessment Area represents only a small portion of the credit union's overall assessment area and its physical presence is limited, as such the credit union's performance in Danbury is given lesser weight when arriving at the overall performance rating.

### Community Development Services

Sikorsky Financial Credit Union's community development services for the Danbury Assessment Area are generally consistent with its overall performance. The credit union's delivery systems are accessible to essentially all portions of the assessment area. The credit union operates one public office in Danbury. The branch is located within a low-

income census tract. No offices were opened or closed within this assessment area since the previous evaluation.

Products and services available throughout the Danbury Assessment Area are similar to those offered in the combined assessment area. The bank's services and business hours do not vary in a way that inconveniences any portion of the assessment area, particularly low- and moderate-income individuals or residents of low- and moderate-income tracts.

The credit union provides an adequate level of community development services within the Danbury Assessment Area.

### Lending Within the Danbury Assessment Area

As reflected in the following table, the volume of lending in the Danbury Area has been minimal. Although this is somewhat expected given the limited physical presence the credit union has within this area, the volume reflects a weak responsiveness to this area's credit needs given the institution's size, financial condition, and assessment area credit needs.

Lending Inside and Outside of the Danbury Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total #	Inside		Outside		Total \$(000s)
	#	%	#	%		\$(000s)	%	\$(000s)	%	
<b>2014</b>										
Home Purchase	0	0.0	12	100.0	12	0	0.0	2,181	100.0	2,181
Refinance	1	0.7	139	99.3	140	200	1.2	16,566	98.8	16,766
Home Improvement	0	0.0	45	22.2	45	0	0.0	3,495	10.7	3,495
<b>Subtotal</b>	<b>1</b>	<b>0.5</b>	<b>196</b>	<b>99.5</b>	<b>197</b>	<b>200</b>	<b>0.9</b>	<b>22,242</b>	<b>99.1</b>	<b>22,442</b>
<b>2015</b>										
Home Purchase	1	1.8	54	98.2	55	224	2.0	11,198	98.0	11,422
Refinance	3	0.9	338	99.1	341	530	1.1	49,119	98.9	49,649
Home Improvement	1	2.0	48	98.0	49	145	2.4	5,929	20.1	6,074
<b>Subtotal</b>	<b>5</b>	<b>1.1</b>	<b>440</b>	<b>98.9</b>	<b>445</b>	<b>899</b>	<b>1.3</b>	<b>66,246</b>	<b>98.7</b>	<b>67,145</b>
<b>2016</b>										
Home Purchase	0	0.0	87	100.0	87	0	0.0	20,119	100.0	20,119
Refinance	9	2.3	376	97.7	385	1,095	1.9	58,168	98.1	59,263
Home Improvement	0	0.0	37	100.0	37	0	0.0	5,485	100.0	5,485
<b>Subtotal</b>	<b>9</b>	<b>73.3</b>	<b>500</b>	<b>26.7</b>	<b>509</b>	<b>1,095</b>	<b>1.3</b>	<b>83,772</b>	<b>98.7</b>	<b>84,867</b>
<b>Total Home Loans</b>	<b>15</b>	<b>1.3</b>	<b>1,136</b>	<b>98.7</b>	<b>1,151</b>	<b>2,194</b>	<b>1.3</b>	<b>172,260</b>	<b>98.7</b>	<b>174,454</b>

Sources: Credit Union records, 2014, 2015 and 2016 HMDA data

A recommendation was made at the previous evaluation that additional efforts were needed to increase lending within the Danbury Assessment Area. Management indicated its hope that greater momentum in the area would be generated with the opening of its new Brookfield office. A home loan consultant is assigned to the office on a rotating basis. Recent initiatives including a paper shredding and electronics recycling event

benefitting the Danbury Police Activities League have served to raise the public's awareness of the credit union's Danbury office.

### Lending to Borrowers of Different Income Levels

The distribution of borrowers reflects a weak penetration among customers of different income levels. While the distribution of the credit union's home loans among borrowers of different incomes at times compares favorably to demographic and aggregate market lending data, no meaningful conclusions can be derived from this analysis given the overall low number of loan originations within this assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level Danbury Assessment Area										
Borrower Income Level	% of Families	Aggregate Performance (% of #) 2014	Aggregate Performance (% of #) 2015	Aggregate Performance (% of #) 2016	Credit Union 2014		Credit Union 2015		Credit Union 2016	
					#	%	#	%	#	%
Low	25.4	15.2	14.0	13.6	0	0.0	0	0.0	1	11.1
Moderate	18.9	25.1	24.3	25.7	0	0.0	2	40.0	2	22.2
Middle	21.3	21.9	18.2	22.9	1	100.0	1	20.0	3	33.3
Upper	34.4	21.1	21.2	23.2	0	0.0	2	40.0	3	33.3
N/A	0.0	16.7	22.3	14.6	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>

Sources: 2010 U.S. Census, 2014, 2015 and 2016 HMDA data

The credit union's performance during 2014 through 2016 was compared to the aggregate lending data of all other institutions that reported the origination of a home mortgage loan in the Danbury Assessment Area. The table depicts the institution's distribution of home mortgage lending to low-, moderate-, middle-, and upper-income borrowers for calendar years 2014-2016 as well as relevant demographic and aggregate lending data.

The distribution of home loans by borrower income level is compared to the demographics of the area based on 2010 census data and aggregate market performance for the applicable period. Consistent with the credit union's previous performance the overall loan volume remained low. Lending to low- and moderate income borrowers was all but nonexistent.

The recommendation was made at the previous evaluation that additional effort is needed to increase the overall volume of home loans extended within this assessment area as well as extensions of credit to low- and moderate-income residents.

### Geographic Distribution of Loans

The opportunity for SFCU to originate loans in the low- and moderate-income census tracts is reflected in the number of owner-occupied housing units, as the owners of these

units are believed to provide the available pool of potential borrowers. SFCU's performance for 2014 through 2016 was compared to demographic data derived from the 2010 U.S. Census. Based on the 2010 Census data, owner-occupied housing units stood at 57.9% of the area housing, 9.9% were located in low-income tracts and 36.2% were located in moderate-income tracts.

The lending performance was also compared to aggregate market performance for the applicable time frame. Aggregate market performance reflects the residential mortgages reported to be originated by other lenders in the assessment area. This performance level is believed to reflect available lending opportunities with the market area given economic conditions at the time. From 2014 through 2016, SFCU originated only five residential mortgages in the moderate-income tracts within Danbury. This is reflective of the credit union's overall weak performance within this area.

The credit union advertises in the local newspaper, Danbury News-Times, direct mail and email marketing to communicate its Advantage Mortgage product as well as free mortgage consultation. Joint sales calls are also made between the Danbury branch manager and home loan consultant.

Geographic Distribution of Home Mortgage Loans Danbury Assessment Area					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2014	7.9	0	0.0	0	0.0
2015	7.9	2	40.0	505	56.2
2016	7.9	3	33.3	432	39.4
Moderate					
2014	20.9	0	0.0	0	0.0
2015	20.9	1	20.0	80	8.9
2016	20.9	4	44.5	483	44.1
Middle					
2014	32.4	1	100.0	200	100.0
2015	32.4	2	40.0	314	34.9
2016	32.4	2	22.2	180	16.4
Upper					
2014	38.8	0	0.0	0	0.0
2015	38.8	0	0.0	0	0.0
2016	38.8	0	0.0	0	0.0
Total					
2014	100.0	1	100.0	200	100.0
2015	100.0	5	100.0	899	100.0
2016	100.0	9	100.0	1,095	100.0

Sources: 2010 U.S. Census, 2014, 2015 and 2016 HMDA data

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**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 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.

**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 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.

*Confidential*

**Examination Time**

Janice Zlotnick – 92 hours

**Rental Security Deposits**

The credit union does not offer escrow accounts for the purposes of compliance with subsection (h) of section 47a-21 of C.G.S., (Rental Security Deposits).

**Principal Contact**

Janette M. Cicale, Compliance Officer

(203) 383-7451

[jcicale@sikorskyfcu.org](mailto:jcicale@sikorskyfcu.org)

**Revised Assessment Area**

Discussions were held with management in regard to revising the credit union's assessment area based on the newly approved offices in Brookfield and Trumbull. The Trumbull office opened on February 12, 2018. The Brookfield branch is scheduled to open in June 2018. A commitment was received that the assessment area would be expanded to at least include the town of Brookfield and perhaps other towns contiguous to it. The only town contiguous to Trumbull which is not included currently is Easton. The new assessment area will be delineated after a thorough evaluation. Preference will be given to where the credit union's public access branches are located, as well as areas with significant lending activity which are geographically compatible, and where SFCU can reasonably be expected to serve its members and meet CRA needs. The credit union's revised assessment area will be approved by its Board of Directors.

**Charitable Donation Account (CDA)**

Pending DOB approval, the credit union has requested to hold investments in debt mutual funds. An investment of \$2.5 million would be invested in the Clark-Capital-Navigator Taxable Fixed Income Fund. The investment is expected to generate additional investment income which will help support Sikorsky's charitable contributions to qualified charities, without undue exposure to risk. Sikorsky's policy requires that at a minimum, 51% of the return on the investment will be distributed to qualified charities. Per management's analysis, a 3% return on the investment would provide \$38,500 to be distributed to charities, almost double the current amount of annual contributions made by Sikorsky. The Board of Directors approved this investment program at its February 22, 2018 meeting.

On December 11, 2017 a meeting was held at the credit union with Janice Zlotnick and Compliance Officer Janette Cicale representing the credit union. The meeting was held to offer the credit union an overview of the CRA evaluation process and some general thoughts on their CRA program and self-assessment.

A phone exit meeting was held on March 19, 2018 with Assistant Division Director Anthony Conway and Janice Zlotnick. President/CEO Vincent Ciambriello, Internal Auditor Carmen Alvarado, Senior Vice President and Chief Retail Officer Ken Ferrari and Compliance Officer Janette Cicale represented the credit union. All findings of the examination were discussed.

## **Full-Service Branches**

Main Office/ Oronoque: 1000 Oronoque Lane, Stratford, CT 06614  
Lobby Hours: Monday – Friday: 9:00 – 4:00, Saturday: 9:00 – 12:00  
Drive-Up Hours: Monday – Friday: 8:30 – 4:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract #0813.00

Bridgeport City Hall: 45 Lyon Terrace, Room 225, Bridgeport, CT 06604  
Lobby Hours: Monday – Friday: 8:30 – 4:00  
Census Tract #0706.00

Brookfield: 3 Federal Road, Brookfield, CT 06804  
Lobby Hours: Monday – Friday: 9:00 – 5:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract# 2053.00

Derby - Griffin Hospital: 130 Division Street, 1st Floor, Derby, CT 06418  
Lobby Hours: Monday, Wednesday, Thursday, Friday: 9:30 – 4:00  
(ATM at location) | Census Tract #1202.00

Milford: 15 Turnpike Square (Post Road) Milford, CT 06460  
Lobby Hours: Monday – Friday: 9:00 – 5:00, Saturday: 9:00 – 12:00  
Drive-Up Hours: Monday – Friday: 8:30 – 5:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract #1508.00

Seymour: 253 West Street/Route 67, Seymour, CT 06483  
Lobby Hours: Monday – Friday: 9:00 – 5:00, Saturday: 9:00 – 12:00  
Drive-Up Hours: Monday – Friday: 8:30 – 5:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract #1302.02

Shelton: 711 Bridgeport Avenue, Shelton, CT 06484  
Lobby Hours: Monday – Friday: 9:00 – 5:00, Saturday: 9:00 – 12:00  
Drive-Up Hours: Monday – Friday: 8:30 – 5:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract #1103.02

Stationhouse Square: 2505 Main Street, Stratford, CT 06615  
Lobby Hours: Monday – Friday: 9:00 – 5:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract #0807.00

Trumbull: 945 White Plains Road, Trumbull, CT 06611  
Lobby Hours: Monday – Friday: 9:00 – 5:00, Saturday: 9:00 – 12:00  
(ATM at location) | Census Tract #0904.00

## **Limited Access Branches**

Sikorsky Aircraft Stratford Plant Branch: 6900 Main Street, Stratford, CT 06614

Lobby Hours: Monday – Friday: 7:00 – 4:00

(ATM at location) | Census Tract #0813.00

Sikorsky Aircraft Bridgeport Plant Branch: 1201 South Avenue, Bridgeport, CT 06604

Lobby Hours: Monday, Thursday, Friday: 8:00 – 3:00

(ATM at location) | Census Tract #0704.00

**Sikorsky Credit Union Branches Opened or Closed in the Last Two  
Calendar Years and YTD 2025****Branches Opened**

- 5/1/2023: Bridgeport City Hall, 45 Lyon Terrace, Room 225, Bridgeport, CT 06604\*
- 10/2/2023: Griffin Hospital: 130 Division Street, 1st Floor, Derby, CT 06418\*
- Coming Soon: 1643 Post Road, Fairfield, CT 06824 | Census Tract #0616.00

**Branches Closed**

No branches closed.

*\*Branch established as Sikorsky Credit Union location following the completion of a merger.*

**Sikorsky Credit Union Products & Services**

*Sikorsky Credit Union offers all members access to high-quality products and services, with no variation in cost or availability across its branch locations.*

**Personal**

## Deposit

- Checking Accounts
- Savings Accounts
- Money Market Accounts
- Health Savings Accounts
- Individual Retirement Accounts
- Certificates of Deposit

## Lending

- Mortgage/Refinance
  - Fixed Rate
  - Adjustable Rate
- Home Equity Loans
- Home Equity Line of Credit
- Vehicle Loans (New & Used)
- Credit Cards
- Personal Loans - Secured
- Personal Loans – Unsecured
- Personal Lines of Credit

**Business**

## Deposit

- Checking Accounts
- Savings Accounts
- Money Market Accounts
- Certificates of Deposit

### Lending

- Commercial Real Estate Loans
- Real Estate Secured Line of Credit

### Services

- Merchant Services
- Payroll & HR Services

### Digital Banking

- Online Banking
- Mobile Banking App
- Mobile Wallet
- Mobile Check Deposit
- Bill Pay
- Stop Payments
- Account Alerts
- eStatements
- Zelle®
- BudgetIQ (Personal Financial Money Management)
- Secure Messaging
- Live Chat

### Convenience Services

- Chatbot
- Automated Telephone Banking
- ATMs
  - Including SUM & Allpoint Network ATMs
- ATM cards
- Visa® Debit Cards
- Direct Deposit
- Official Checks & Money Orders
- Online Check Reorder
- Overdraft Services
- Wire Transfers
- Accounts Statements
- Night Deposit

## Share Fees

### Check, Electronic Bill Pay, ATM, VISA Debit Card or ACH (Electronic Debit) Returns\*

NSF (Non-Sufficient Funds) – Per Attempt*	\$33.00
UCF (Uncollected Funds) – Per Attempt*	\$33.00
Overdraft Transfer from Savings – Per Transfer	\$5.00

\*These fees do not apply to the Simple Checking Account product.

### Overdraft Privilege Fees\*

Paid NSF (Non-Sufficient Funds) – Per Attempt**	\$33.00
Returned NSF (Non-Sufficient Funds) – Per Attempt**	\$33.00

\*These fees do not apply to the Simple Checking Account product.

\*\*You may be assessed more than one fee as indicated in the Account Opening Disclosure. The maximum number of paid and/or returned NSF fees charged daily is three per account.

### Expedited Online Bill Pay

Electronic Payment	\$5.00
Check Payment (Includes overnight shipping charges)	\$25.00

### Other Share Fees

Stop Payment and Cancellation Charge – Per Check (Includes checks, ACH/Electronic Payments, Online Bill Payment Checks, Online External Transfers).	\$30.00
Daily Money Market Processing Charge – Per Check (For checks below minimum transaction limit. Checks honored solely at the Credit Union's discretion).	\$20.00
Scanned e-Bills – Per Item	\$1.00
Online External Funds Transfer Fee- Per Transfer	\$2.00
Printed Check Charges	Varies
Retirement Plan Transfer Fee	\$35.00
ACH Origination Fee	\$15.00
Inactive Account Fee- Per Month* (After one year balance of \$100 or less; excludes members 18 and under).	\$5.00
Simple Checking Account Service Charge – Per Month	\$5.00
Early Account Closure Fee* (Within 6 months of opening).	\$5.00
Wire Transfer Fee – Domestic Outgoing	\$25.00
Wire Transfer Fee – International Outgoing	\$40.00
Wire Transfer Fee - Incoming	\$10.00

\*These fees do not apply to the Simple Checking Account product.

## ATM, Debit and Credit Card Fees

Replacement Card Fee	\$10.00
Credit/Debit Card Expedited Delivery Rush Fee (Additional Postage or Shipping Costs will also apply).	\$20.00
Preauthorized Recurring Payment Cancellation Fee (VISA Credit and Debit Card Purchases)	\$25.00
International Transaction Fee (Applies to ATM, Debit and Credit Card transactions. 2% of the U.S. dollar amount of the transactions, whether originally made in U.S. dollars or converted from a foreign currency).	2%

### ATM Fees Using Your ATM and VISA® Debit Cards

At Sikorsky Credit Union ATMs	FREE
At Allpoint® and SUM® ATMs*	FREE
At non-Sikorsky Credit Union ATMs – Per Transaction (ATM owner's fee/surcharge may also apply).	\$1.00

\*Sikorsky CU ATM only (non-debit) cards are not part of the Allpoint or SUM networks and may have fees associated with those specific, non-Sikorsky CU ATMs.

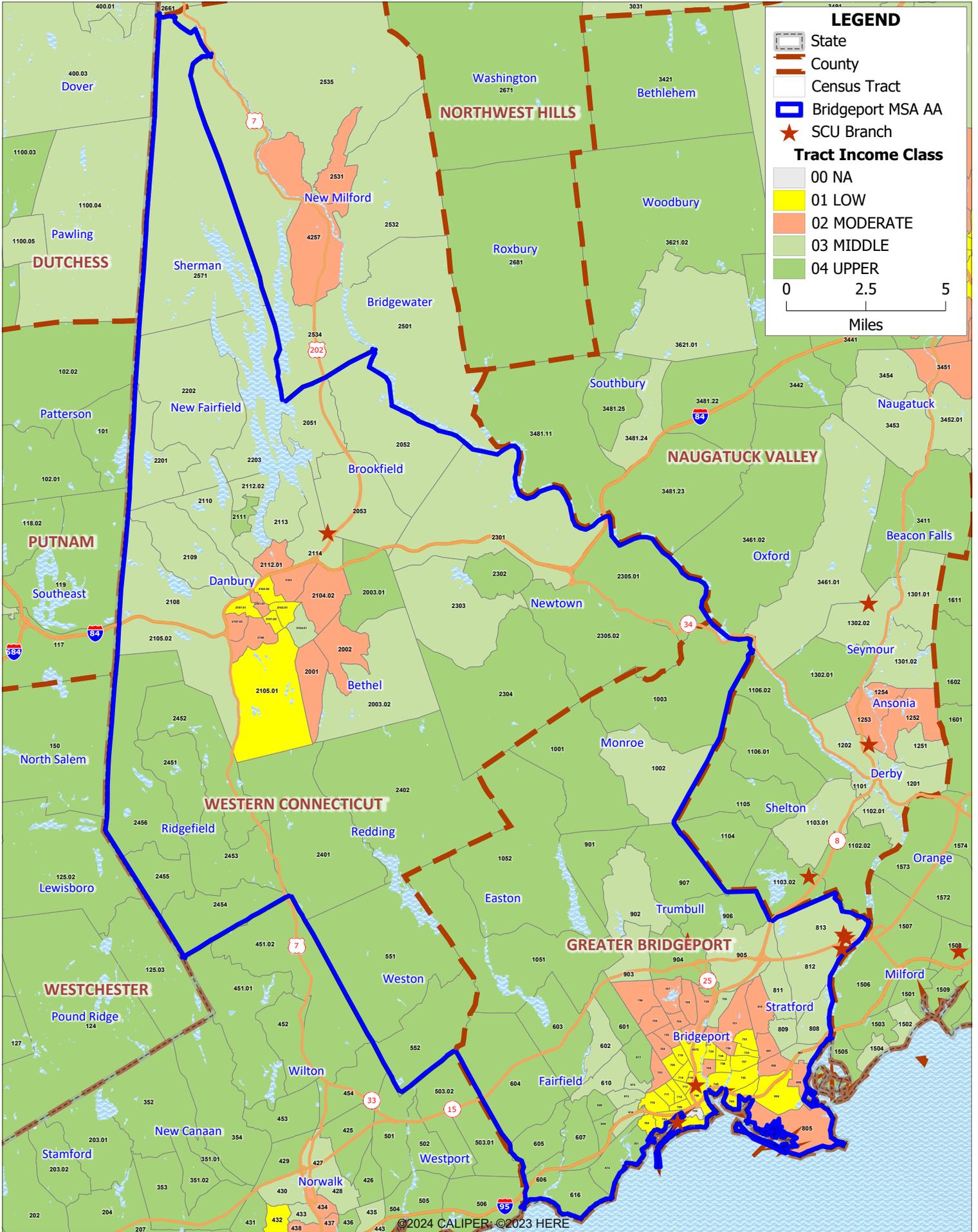
### VISA® Credit Card Fees

Returned Check Fee for a VISA Payment (Or the amount of the minimum payment, whichever is less).	Up to \$25.00
VISA Cash Advance Fee (per amount)	3%
VISA Late Payment Fee (\$25 or the amount of the required minimum payment, whichever is less).	Up to \$25.00

### Miscellaneous Fees

<i>Telephone Transfers – Between Sikorsky Credit Union Accounts</i>	
Using Smart Teller	FREE
Not Using Smart Teller – Per Transfer	\$5.00
Money Orders - Each	\$5.00
Official Checks - Each	\$5.00
Copies – Each (Checks, official checks, account statements, interim statements, VISA credit card statements, VISA charge/debit slip, transaction records, deposited items, etc.)	\$5.00
Coin Handling Charge (per amount) (Only wrapped coins accepted).	7%
Research Fee (Minimum charge \$5.00. This includes research regarding check clearing, deposits, withdrawals, dividends earned/paid).	\$25.00/ Hour & \$20/ copy
Legal Processing Fee	\$75.00
Signature Guarantee Fee	\$10.00
Paper Statement Fee (\$3.00 per statement. Ages 19 and under and 60 and older are exempt. Does not include home loan statements. This fee can be avoided if enrolled in electronic statements by close of business on the last business day of the month).	\$3.00

# SIKORSKY CREDIT UNION- BRIDGEPORT MSA ASSESSMENT AREA 2025



**LEGEND**

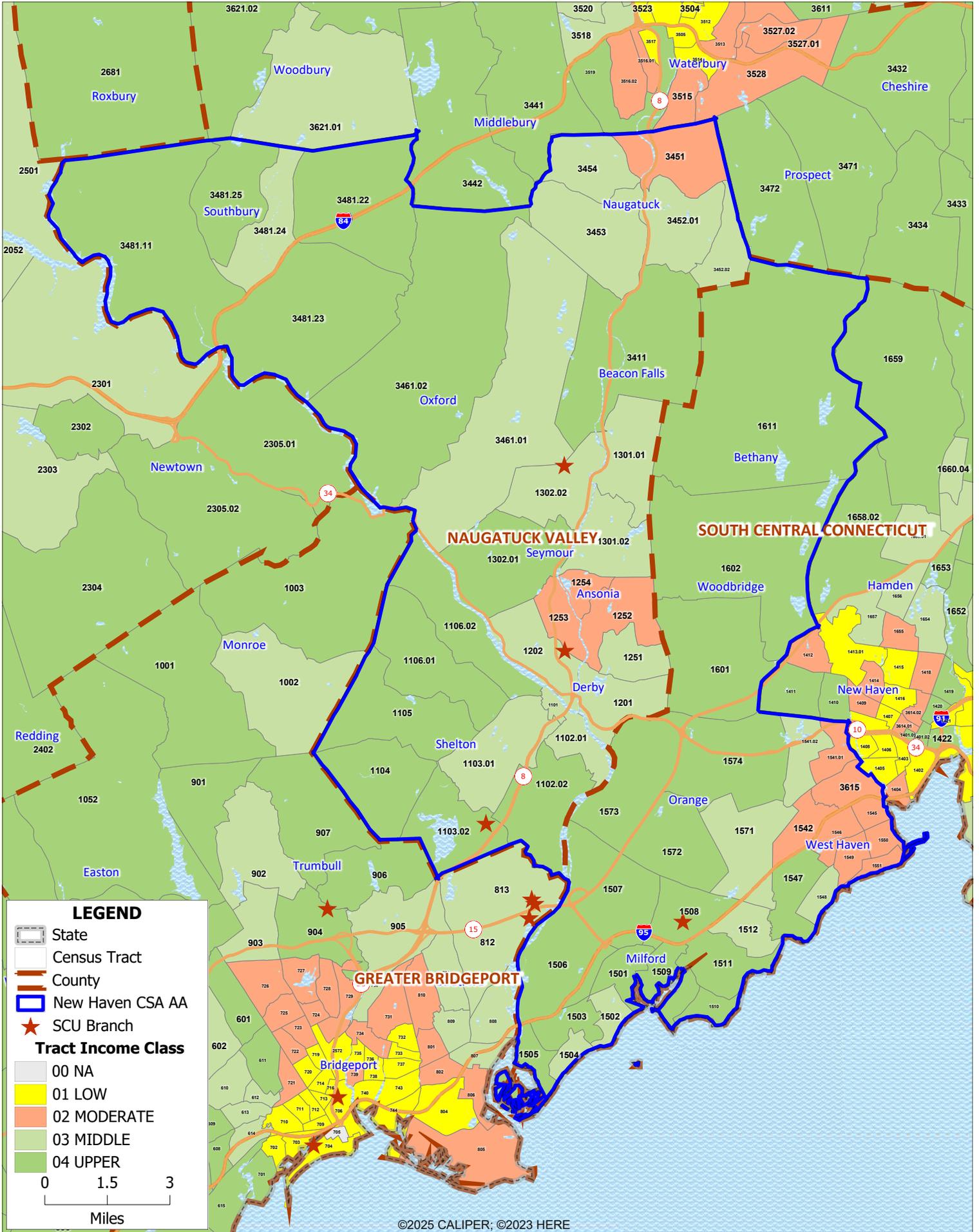
- State
- County
- Census Tract
- Bridgeport MSA AA
- SCU Branch

**Tract Income Class**

- 00 NA
- 01 LOW
- 02 MODERATE
- 03 MIDDLE
- 04 UPPER

0 2.5 5  
Miles

# SIKORSKY CREDIT UNION- NEW HAVEN CSA ASSESSMENT AREA 2025



**LEGEND**

- State
- Census Tract
- County
- New Haven CSA AA
- SCU Branch

**Tract Income Class**

- 00 NA
- 01 LOW
- 02 MODERATE
- 03 MIDDLE
- 04 UPPER

0 1.5 3  
Miles

The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials. HMDA data for many other financial institutions are also available online. For more information, visit the Consumer Financial Protection Bureau's Web site ([www.consumerfinance.gov/hmda](http://www.consumerfinance.gov/hmda)).

For the HMDA data about our residential mortgage lending for the 3 years prior to 2025, inquire at this office regarding the locations where HMDA data may be inspected.

To receive a copy of this data, send a written request to:

Sikorsky Credit Union  
ATTN: HMDA Data Request (Marketing)  
1000 Oronoque Lane  
Stratford, CT 06614

Contact Marketing with any questions or comments at the address above or by phone (203) 377-2252.