

PUBLIC DISCLOSURE

May 21, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Warren Bank
RSSD# 2685504

30068 Schoenherr Road
Warren, Michigan 48093

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604

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

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INSTITUTION'S CRA RATING: Satisfactory

The following table indicates the performance level of Warren Bank with respect to the lending, investment, and service tests.

| PERFORMANCE LEVELS | WARREN BANK | | |
|--|-------------------|-----------------|--------------|
| | PERFORMANCE TESTS | | |
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | | |
| High Satisfactory | | X | |
| Low Satisfactory | X | | X |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |
| *The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating. | | | |

The major factors supporting the bank's rating include:

- A low percentage of HMDA- and CRA-reportable lending originated within the assessment area mitigated by a deteriorating local economy, and the bank's strategy to generate revenue through third party residential lending in various geographical sectors of the state of Michigan.
- A good geographic distribution of HMDA- and CRA-reportable lending activity, especially in low- and moderate-income census tracts

- A good borrower distribution of HMDA-reportable lending activity to low- and moderate-income borrowers; and a good distribution of CRA-reportable lending activity to different size businesses
- An adequate level of community development lending within the assessment area
- A good level of community development investments within the assessment area
- An adequate level of community development services within the assessment area

DESCRIPTION OF INSTITUTION

Headquartered in Warren, Michigan, Warren Bank's assets totaled \$638 million as of December 31, 2006, which is a 23.6% increase from \$516 million as of December 31, 2004. The bank is a subsidiary of Warren Bancorp, a financial holding company, also based in Warren, Michigan. The bank has one subsidiary, the Warren Mortgage Company LLC.

The bank has six offices, all of which are located within Macomb County. Of the offices, five are full service and one is a limited service branch that is located within a senior citizens housing and care facility. Five of the offices have automated teller machines (ATMs) on the premise or within close proximity. Telephone and internet banking are also available to bank customers. In addition, the bank has opened three new offices since the prior evaluation on May 16, 2005.

The bank offers a full range of retail and commercial deposit and lending products in order to meet the financial service needs of its customers. Based on data from the FDIC dated June 30, 2006, the bank ranks ninth in deposit market share of 25 insured depository institutions within Macomb County.

Historically, the bank's lending niche has been primarily commercial real estate and construction and land development. More recently, the bank has also increased its focus on residential real estate lending. Residential mortgage loans are generated primarily through brokers who are located both within and outside of the bank's assessment area.

The bank's loan portfolio is apportioned in the following manner:

| LOAN MIX December 31, 2006 | | |
|-----------------------------------|--------------------------------|----------------|
| Loan Category | Dollar Volume (\$ in 000's) | % of Portfolio |
| Construction and Land Development | 175,920 | 41.1 |
| 1-4 Family Residential | 29,550 | 7.0 |
| Home Equity Loans | 34,953 | 8.2 |
| Farmland | 5,328 | 1.3 |
| Multi-family | 1,090 | 0.2 |
| Nonfarm, Nonresidential | 169,463 | 39.5 |
| Total Real Estate | 416,304 | 97.3 |
| Commercial & Industrial | 9,954 | 2.3 |
| Loans to Individuals | 1,229 | 0.3 |
| Credit Cards | 0 | 0.0 |
| Municipal | 0 | 0.0 |
| All Other | 305 | 0.1 |
| TOTAL LOANS | 427,792 | 100.0 |

As shown in the preceding exhibit, the products representing the largest dollar percentage of the loan portfolio at year-end 2006 were real estate loans including construction and land development (41.1 percent), non-farm, non-residential loans (39.5 percent), home equity (8.2 percent), and 1-4 family residential real estate (7.0 percent). The bank's primary focus is originating loans to land developers (i.e., construction and land development). However, from December 2005 to December 2006, the bank experienced a decrease in the dollar volume of loans overall, including key loan product categories. The lower volume is attributable to the decline in the residential real estate market stemming from an economic downturn, spurred by the restructuring of the automobile industry within the state of Michigan. The unemployment rate for Macomb County remains consistent with the unemployment rate for the state of Michigan, both of which are substantially higher than that of the United States.

A review of the bank's HMDA and CRA data reported for 2005 and 2006 combined shows that the bank's HMDA-reportable loan originations and purchases totaled 692 and CRA-reportable loans totaled 353. As the bank is also an active participant in lending to land developers, optional consumer data is also collected by the bank. The bank collects data for small business loans secured by residential real estate for CRA evaluation purposes. Approximately 390 optional consumer-reportable loans were reported during the two-year period.

No legal or financial impediments were noted that would affect the bank's ability to effectively meet community credit needs in its assessment area. The bank received a satisfactory performance rating at its previous CRA evaluation, conducted as of May 16, 2005.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area in 2005 and 2006 consisted of Macomb County which is part of the Warren-Farmington Hills-Troy Metropolitan Division (Warren MD) and is comprised of Lapeer, Livingston, Macomb, Oakland and St. Clair counties in Michigan. It is a political subdivision that incorporates only whole geographies or census tracts. It does not arbitrarily exclude any low- or moderate-income census tracts, nor does it reflect illegal discrimination and, therefore, is consistent with regulatory requirements.

There are 212 census tracts within Macomb County, of which two or 0.9 percent are low income, 68 or 32.1 percent are moderate income, 120 or 56.6 percent are middle income, 21 or 9.9 percent are upper income, and one tract does not have an income designation.

In March 2007, bank management expanded its assessment area to include Oakland County, which is also part of the Warren MD. The new assessment area is comprised of 543 census tracts including 331 tracts in Oakland County. However, the Macomb County assessment area was used as the basis for this evaluation, as it was in effect for the period covered by this review.

Population Trends

Based on 2000 census data, the population trend in Macomb County indicated a stable and slightly increasing trend. The total population within Macomb County was 788,149 compared with 821,000 in 2005, which is an increase of approximately 4.2 percent.

Income Levels and Households/Families

Macomb County is home to 309,502 households. A total of 212,101 families reside in the county. The following exhibits present data about the households and families within Macomb County by income designation and the income categories of the census tracts where residents reside.

| HOUSEHOLDS BY INCOME AND TRACT INCOME CATEGORY Macomb County, Michigan | | | | | | | | | | | | |
|---|------------|-------|---------------|-------|--------------------|-------|------------------|-------|-----------------|-------|------------------|-------|
| Tract Income | Households | | | | | | | | | | | |
| | Total | | Low Income | | Moderate Income | | Middle Income | | Upper Income | | Poverty Level | |
| | # | % | # | % | # | % | # | % | # | % | # | % |
| Low | 1,856 | 0.6 | 1,059 | 1.3 | 350 | 0.5 | 222 | 0.3 | 225 | 0.2 | 453 | 2.5 |
| Moderate | 95,631 | 31.0 | 31,126 | 41.0 | 22,422 | 39.0 | 21,176 | 32.0 | 20,907 | 19.3 | 8,368 | 45.6 |
| Middle | 177,565 | 57.3 | 40,225 | 52.7 | 31,700 | 54.5 | 39,146 | 59.0 | 66,494 | 61.0 | 8,726 | 47.6 |
| Upper | 34,436 | 11.1 | 3,852 | 5.0 | 3,491 | 6.0 | 5,882 | 8.7 | 21,211 | 19.5 | 794 | 4.3 |
| Unknown | 14 | 0.0 | 0 | 0.0 | 3 | 0.0 | 11 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 309,502 | 100.0 | 76,262 | 100.0 | 57,966 | 100.0 | 66,437 | 100.0 | 108,837 | 100.0 | 18,341 | 100.0 |

Source: 2000 Census

| FAMILIES BY INCOME LEVEL AND TRACT INCOME LEVEL Macomb County, Michigan | | | | | | | | | | | | |
|--|----------|-------|---------------|-------|--------------------|-------|------------------|-------|-----------------|-------|------------------|-------|
| Tract Income | Families | | | | | | | | | | | |
| | Total | | Low Income | | Moderate Income | | Middle Income | | Upper Income | | Poverty Level | |
| | # | % | # | % | # | % | # | % | # | % | # | % |
| Low | 871 | 0.4 | 450 | 1.1 | 177 | 0.4 | 118 | 0.2 | 126 | 0.2 | 185 | 2.2 |
| Moderate | 59,214 | 27.9 | 17,907 | 41.9 | 16,009 | 36.7 | 14,215 | 26.0 | 11,083 | 15.6 | 4,020 | 47.1 |
| Middle | 123,276 | 58.1 | 21,960 | 51.4 | 24,206 | 55.5 | 33,760 | 61.9 | 43,350 | 60.8 | 3,925 | 46.0 |
| Upper | 28,740 | 13.6 | 2,373 | 5.6 | 3,242 | 7.4 | 6,490 | 11.9 | 16,635 | 23.4 | 402 | 4.7 |
| Total | 212,101 | 100.0 | 42,690 | 100.0 | 43,634 | 100.0 | 54,583 | 100.0 | 71,194 | 100.0 | 8,532 | 100.0 |

Source: 2000 Census

Based on data presented within the preceding exhibits, few households are located within the low-income tracts, and of those that are, more than half are families. Larger numbers of families with low or moderate incomes reside within the moderate- and middle-income census tracts.

Of the low-income households and families living within the assessment area, there are 18,341 and 8,532, respectively, who live on incomes that fall below the poverty level. The largest concentrations of these households and families may be found within the moderate- and middle-income tracts; for example, 4,020 or 47.1 percent of these families reside in the moderate-income tracts; and 3,925 or 46.0 percent reside in the middle-income tracts. Few of the households and families (453 and 185, respectively) that live on incomes below the poverty level live within the low-income tracts.

| HOUSEHOLDS/FAMILIES AND MEDIAN INCOME | | | | |
|---------------------------------------|-------------------------|-------------------------------|---------------------------------|----------------------------|
| Location | Number of Households | Median Household Income | Households that are Families | Median Family Income |
| Assessment Area | 309,502 | \$52,432 | 212,101 | \$62,735 |

| | | | | |
|-----------|-----------|----------|-----------|----------|
| Michigan | 3,788,780 | \$44,667 | 2,591,312 | \$53,457 |
| Warren MD | 929,190 | \$57,443 | 641,505 | \$67,923 |

Source: 2000 Census Data

The households and families of the bank’s assessment area have slightly lower median incomes than the Warren MD which includes Macomb County but significantly higher median incomes than the state of Michigan.

Type and Condition of Housing Stock

Over 76.0 percent of the housing units within the assessment area are owner-occupied housing while 20.4 percent are rental units and 3.5 percent are vacant as is noted in the following exhibit.

| HOUSING UNITS | | | | | | |
|-----------------|-----------|----------------|---------|---------|----------------------|-------------------|
| Location | Total | Owner-occupied | Rental | Vacant | Median Housing Value | Median Gross Rent |
| Assessment Area | 320,276 | 243,887 | 65,316 | 11,073 | \$134,889 | \$603 |
| Michigan | 4,234,279 | 2,793,346 | 992,315 | 448,618 | \$110,300 | \$546 |
| Warren MD | 971,040 | 720,445 | 208,058 | 42,537 | 153,130 | \$655 |

Source: 2000 Census

The assessment area median housing value and median gross rents are higher than state medians but lower than the medians for the metropolitan division which includes Macomb County. Based on census data, 20,386 renters pay rent that exceeds 30.0 percent of their income. The data in the following exhibit provides information about housing values by each census tract category within the assessment area. These data provide the median housing values and rental costs by income level of the tract and reveal the affordability of housing options within the assessment area. The data demonstrate that housing units for a range of costs are available within the assessment area, including lower cost options. Overall, the oldest housing is located within the moderate-income tracts while the newest housing is located within the upper-income tracts. Median rent levels are also stratified, indicating that lower rent levels are available to residents living on limited incomes.

| AGE, RENT AND VALUE OF HOUSING | | | |
|--------------------------------|-----------------------------|-------------------|----------------------|
| Tract Income | Median Age of Housing Stock | Median Gross Rent | Median Housing Value |
| Low | 32 | \$421 | \$67,936 |
| Moderate | 38 | \$604 | \$95,310 |
| Middle | 32 | \$605 | \$141,360 |
| Upper | 10 | \$665 | \$228,988 |
| Unknown | 56 | \$573 | 0 |
| Total | 32 | \$603 | \$134,889 |

Source: 2000 Census

The following exhibit provides details about the housing stock that is available within the assessment area by the income level of the tract. Low-income tracts account for less than one percent of the units found within the assessment area.

Of these units, 1,062 or 52.0 percent are single-family (1-4) housing units. Overall, owner-occupied units represent 34.0 percent of the units within the low-income tracts. Within the moderate-income tracts, single-family housing units total 81,022 and represent 81.0 percent of total units.

| HOUSING BY TRACT INCOME | | | | | |
|-------------------------|-------------|----------------|--------|--------|------------|
| Tract Income | Total Units | Owner-Occupied | Rental | Vacant | 1-4 Family |
| Low | 2,022 | 689 | 1,199 | 134 | 1,062 |
| Moderate | 99,838 | 68,044 | 27,644 | 4,150 | 81,022 |
| Middle | 182,672 | 143,253 | 34,012 | 5,407 | 155,309 |
| Upper | 35,728 | 31,901 | 2,446 | 1,381 | 33,756 |
| Unknown | 16 | 0 | 15 | 1 | 15 |
| Total | 320,276 | 243,887 | 65,316 | 11,073 | 271,164 |

Source: 2000 Census

Employment/Labor Force

Based on FDIC Regional Economic Condition data for Macomb County, approximately 73,000 or one-third of the workforce is employed within the manufacturing sector while another third is employed in service-related positions, and the remaining one third is a combination of unemployed and those employed in private non-manufacturing positions. The following exhibits also provide data on the employment environment within the identified geographic areas.

| UNEMPLOYMENT DATA Fourth Q 2005 to Third Q 2006 | | | | |
|--|------|------|------|------|
| Location | 05Q4 | 06Q1 | 06Q2 | 06Q3 |
| United States | 4.7 | 5.0 | 4.6 | 4.7 |
| Michigan | 6.0 | 7.3 | 6.4 | 7.0 |
| Macomb County | 6.2 | 7.1 | 6.4 | 7.3 |
| City of Warren | 8.0 | 7.3 | 7.8 | 7.5 |

Not seasonally adjusted.
 Source: Bureau of Labor Statistics, CPS Household Survey

| PERSONAL BANKRUPTCY FILING RATES (per 1,000 population) | | | | |
|--|------|------|------|---------------|
| Location | 2003 | 2004 | 2005 | Rank in State |
| United States | 5.57 | 5.31 | 6.88 | N/A |
| Michigan | 6.14 | 6.27 | 8.74 | N/A |
| Macomb County | 6.62 | 6.64 | 9.05 | 11 |

Source: Administrative Office of the U.S. Courts. Includes Chapter 7 and Chapter 13 filings

Michigan, Macomb County and the city of Warren have consistently higher unemployment rates compared to that of the nation. The most severe unemployment is within the city of Warren.

The preceding exhibit provides information regarding personal bankruptcies within the community. The data indicates that residents within Michigan generally and Macomb County specifically saw a significant increase in personal bankruptcies between 2004 and 2005. This data indicates that the state of Michigan and Macomb County (the assessment area) continue to struggle economically.

In addition, data obtained from the Census Bureau and the National Association of Realtors for the period of the fourth quarter of 2004 to the third quarter of 2006 shows that housing permit activity overall declined in the state of Michigan and Macomb County at rates significantly higher than the rate of increase in the nation. From 2004 to 2005, the rate of issuance of new housing permits increased nationally at 6.1 percent; while those of the state of Michigan and Macomb County, declined by 11.0 percent and 20.2 percent, respectively. Housing permit activity for single-family and multi-family housing units declined nationally by 10.8 percent between the third quarter of 2005 and third quarter of 2006; year-end 2006 data was not available. For the state of Michigan and Macomb County, the rates of decline over the same period were 32.3 percent and 34.0 percent, respectively, indicating weaknesses within the assessment area housing market.

Competition

The assessment area is highly competitive for both lending and deposit products and the bank competes with national and local financial institutions. According to FDIC data dated June 30, 2006, the three insured depository institutions with the highest deposit market share in the bank's assessment area were Comerica Bank with a 21.6 percent market share, LaSalle Bank Midwest NA with a 15.6 percent market share, and Charter One Bank NA with a 10.1 percent market share. There are 25 insured depository institutions with offices within Macomb County. Further, in 2006 there were 687 lenders who were HMDA reporters within Macomb County. This represents a significant level of competition within the home loan market. Also in 2006, there were 123 lenders who reported data on loans made to small businesses as required under the Community Reinvestment Act's implementing Regulation BB.

Community Representatives

Seven community representatives were contacted during the examination to determine the credit needs of the assessment area. Despite the economic downturn in the bank's

assessment area, the community representatives indicated that local financial institutions are actively involved in the community and are adequately meeting the credit needs of the community.

They also stated that local organizations are receiving support from local financial institutions to provide affordable housing and small business programs. It should be noted that Warren Bank was specifically mentioned as a one of the contributors to its community.

SCOPE OF EXAMINATION

Large bank CRA examination procedures were used to analyze Warren Bank's performance under the lending, investment, and service tests. The scope of the bank's performance under the lending test specifically encompassed an analysis of HMDA- and CRA-reportable lending from January 1, 2005 to December 31, 2006; as well as a comparison of the bank's performance against that of the aggregate of all lenders (the aggregate) within the assessment area. The bank also submitted consumer loan data for CRA review for the same time period. The bank reports this data since it is a significant originator of small business loans secured by residential real estate. Data for two categories, specifically "other loan data" and "small business loans secured by residential real estate", are currently collected. However, since the bank reported limited consumer loans defined as other loan data, and reported a significant number of small business loans secured by residential real estate for the two-year period, discussion will focus on the latter category. This approach is further supported by the fact that the small business loan category is a primary strategic focus for the bank as noted earlier.

The scope of the bank's performance under the investment test focused on the number, dollar volume, and complexity of qualified community development investments made during the evaluation period (January 1, 2005 to December 31, 2006). The scope of performance under the service test focused on the level of retail services and community development services provided by the bank during the evaluation period. Lastly, information provided by seven community representatives within the assessment area was considered in the overall evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The CRA Performance Evaluation assesses Warren Bank's responsiveness and effectiveness in meeting the credit and community development needs of its assessment area, based on its asset size, financial condition, and strategic focus as well as the competitive factors and economic and demographic characteristics of the assessment

area.

The bank's overall CRA performance is rated Satisfactory. This rating was based on the bank's performance within the lending, investment, and service tests. In addition, the bank's performance was compared to peer data as well as aggregate data. At the time of this examination, aggregate data was only available for 2005.

Lending Test

Warren Bank's performance in this category is low satisfactory. This conclusion is primarily based on the fact that lending within the assessment area represents less than a majority of the bank's loans during the years reviewed in addition to a declining trend from 2005 to 2006.

Lending Activity

The following exhibits show the total number and dollar volume of HMDA-reportable originations and purchases for both the bank and its subsidiary, Warren Mortgage Company LLC (WMC); CRA-reportable small business loans; and optional Consumer-reportable loans.

| SUMMARY OF LENDING ACTIVITY | | | | |
|---|------------|--------------|----------------|--------------|
| 2005 | | | | |
| Loan Type | # | % | \$ (000s) | % |
| Total HMDA-reportable | 175 | 32.2 | 30,157 | 22.7 |
| Total Small Business reportable | 171 | 31.4 | 45,650 | 34.3 |
| Total Optional Consumer-reportable | 198 | 36.4 | 57,253 | 43.0 |
| TOTAL LOANS | 544 | 100.0 | 133,060 | 100.0 |
| Note: Affiliate loans include only loans originated or purchased within the bank's assessment area. | | | | |

| SUMMARY OF LENDING ACTIVITY | | | | |
|--|------------|--------------|----------------|--------------|
| 2006 | | | | |
| Loan Type | # | % | \$ (000s) | % |
| Total HMDA-reportable | 517 | 58.0 | 57,845 | 33.9 |
| Total Small Business reportable | 182 | 20.4 | 52,852 | 31.0 |
| Total Optional Consumer-reportable | 192 | 21.6 | 59,905 | 35.1 |
| TOTAL LOANS | 891 | 100.0 | 170,602 | 100.0 |
| Note: Affiliate loans include only loans originated or purchased within the bank's assessment area | | | | |

The total volume of loan originations increased by approximately 65.0 percent from 2005 to 2006 primarily due to a significant increase in the number of HMDA-reportable loans reported during the period. The increase in the number of HMDA-reportable

loans in 2006 can be attributed to the establishment of new business relationships with brokers located throughout the state of Michigan, which formally began in April of 2005.

These new relationships, through the bank's Correspondent Lending Unit, have substantially increased the bank's mortgage lending activity both in terms of volume of originations and associated loan dollars. Alternatively, the bank's affiliate WMC did not originate a significant volume of HMDA-reportable loans during 2005 or 2006. In 2005, WMC originated 16 mortgage loans of which five were in the bank's assessment area. In 2006, WMC originated 36 mortgage loans of which twelve were in the bank's assessment area.

Lending in the Assessment Area

Although a small percentage of the loans originated were in the bank's assessment area, the bank's performance was impacted by a number of significant challenges, which are discussed later in this section. The following two exhibits reflect the total number and dollar volume of HMDA-reportable originations and purchases; CRA-reportable small business loans; and optional consumer-reportable loans for the evaluation period.

| LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA | | | | | | | | |
|--|------------|-------------|---------------|-------------|------------|-------------|---------------|-------------|
| 2005 | | | | | | | | |
| Loan Type | Inside | | | | Outside | | | |
| | # | % | \$ (000s) | % | # | % | \$ (000s) | % |
| SB Secured by Residential RE | 108 | 62.8 | 35,577 | 64.5 | 64 | 37.2 | 19,602 | 35.5 |
| Other Loan Data | 12 | 46.2 | 1,619 | 78.1 | 14 | 53.8 | 455 | 21.9 |
| Total Optional Consumer | 120 | 60.6 | 37,196 | 65.0 | 78 | 39.4 | 20,057 | 35.0 |
| Home Improvement | 4 | 100.0 | 130 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| Home Purchase – Conv | 21 | 44.7 | 3,586 | 38.1 | 26 | 55.3 | 5,831 | 61.9 |
| Home Purchase – FHA | 15 | 60.0 | 1,894 | 55.7 | 10 | 40.0 | 1,508 | 44.3 |
| Home Purchase – VA | 4 | 80.0 | 681 | 85.9 | 1 | 20.0 | 112 | 14.1 |
| Multi-Family Housing | 0 | 0.0 | 0 | 0.0 | 1 | 100.0 | 328 | 100.0 |
| Refinancing | 38 | 43.2 | 7,404 | 47.9 | 50 | 56.8 | 8,052 | 52.1 |
| Total HMDA-reportable | 82 | 48.2 | 13,695 | 46.4 | 88 | 51.8 | 15,831 | 53.6 |
| Total Small Business reportable | 84 | 49.1 | 20,838 | 45.6 | 87 | 50.9 | 24,812 | 54.4 |
| TOTAL LOANS | 286 | 53.1 | 71,729 | 54.2 | 253 | 46.9 | 60,700 | 45.8 |

Note: Affiliate loans are not included in data above

HMDA-reportable and CRA-reportable lending within the assessment area is less than a majority by number and dollar volume. However, the bank is also a significant originator of small business loans secured by residential real estate as discussed above. In this category, the largest by both number and dollar volume, the bank originated more than 60.0 percent in its assessment area.

| LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREA | | | | | | | | |
|--|------------|-------------|---------------|-------------|------------|-------------|---------------|-------------|
| 2006 | | | | | | | | |
| Loan Type | Inside | | | | Outside | | | |
| | # | % | \$ (000s) | % | # | % | \$ (000s) | % |
| SB Secured by Residential RE | 92 | 57.9 | 32,534 | 57.3 | 67 | 42.1 | 24,260 | 42.7 |
| Other Loan Data | 16 | 48.5 | 2,464 | 58.4 | 17 | 51.5 | 647 | 20.8 |
| Total Optional Consumer | 108 | 56.3 | 34,998 | 58.4 | 84 | 43.8 | 24,907 | 41.6 |
| Home Improvement | 6 | 66.7 | 224 | 47.3 | 3 | 33.3 | 250 | 52.7 |
| Home Purchase – Conv | 34 | 21.5 | 3,419 | 23.3 | 124 | 78.5 | 11,269 | 76.7 |
| Home Purchase – FHA | 18 | 16.2 | 2,228 | 20.2 | 93 | 83.8 | 8,821 | 79.8 |
| Home Purchase – VA | 3 | 60.0 | 461 | 59.0 | 2 | 40.0 | 321 | 41.0 |
| Multi-Family Housing | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Refinancing | 61 | 30.2 | 8,782 | 30.2 | 161 | 72.5 | 20,281 | 69.8 |
| Total HMDA-reportable | 122 | 24.2 | 15,114 | 27.0 | 383 | 75.8 | 40,942 | 73.0 |
| Total Small Business reportable | 85 | 46.7 | 20,272 | 38.4 | 97 | 53.3 | 32,580 | 61.6 |
| TOTAL LOANS | 315 | 35.8 | 70,384 | 41.7 | 564 | 64.2 | 98,429 | 58.3 |

Note: Affiliate loans are not included in data above

The level of HMDA- and CRA-reportable lending within the assessment area during 2006 is also less than majority. More significantly, lending within the assessment area declined from 2005 for all three categories, but especially in the bank’s mortgage category. The bank originated approximately 25.0 percent of the HMDA-reportable loan volume by both number and dollar volume within the assessment area in 2006. However, the bank’s percentage of small business loans secured by residential real estate (the largest by both number and dollar volume) continues above 50.0 percent.

On a combined two-year basis, the bank originated approximately 30.2 percent of its HMDA-reportable lending, 47.9 percent of CRA-reportable lending, and 60.4 percent of optional Consumer-reportable lending within the assessment area.

The low penetration of HMDA and CRA reportable loan levels within the assessment area over the two-year period can be attributed to a number of factors.

One of the primary reasons for the low ratio in the HMDA-reportable lending category is the impact of the establishment of the correspondent lending unit. Specifically, there are approximately 30 brokers of which 19 produce application volume, including nine within the assessment area. However, the four brokers outside of the assessment area generate a significant portion of the total lending volume.

An estimate of the volume of HMDA-reportable loans excluding correspondent lending indicates that in 2006 the bank originated 23 HMDA-reportable loans of which 19 (or 82.6 percent) were within the assessment area. There were 21 HMDA-reportable loans originated during the previous examination period indicating that the bank's mortgage lending activity has not declined in the assessment area.

Another significant reason for the low penetration levels is the economic environment in Macomb County. The weak economy is driven by the downturn in the automotive industry. Delphi and Ford Motor Company are significant employers in Macomb County, and both experienced financial difficulties resulting in a reduction in manufacturing jobs in Macomb County. The unemployment rate for the state of Michigan and Macomb County at 7.2% is significantly higher than the national unemployment rate of 4.5% as of June 30, 2007. In addition, the reduction in hourly wages reduces discretionary spending. Residential housing construction permits have declined by 50 percent, from 2004 to 2006. Home sales and condominium sales also decreased by 20.0 percent, and 11.0 percent, respectively.

A third factor is local competition in the assessment area. There are approximately 90 competitors in the market, including credit unions affiliated with the auto industry, which typically enjoy strong brand loyalty.

The bank is a significant lender to land and residential real estate developers and this business line has been impacted by the weaknesses in the housing market as well as small business and optional consumer lending. Consequently, the bank's commercial lending has increased in areas outside of Macomb County, specifically in Oakland County directly to the west. Bank management proactively expanded the assessment area to include all of Oakland County in March of 2007.

Geographic Distribution of Loans

The bank's geographic distribution of HMDA- and CRA-reportable loans, especially in low- and moderate-income tracts, is good.

In 2005, the percentage of HMDA-reportable lending in low- and moderate-income census tracts, whether evaluated by the number of loans or dollar amount, was generally comparable to both the aggregate as well as the percentage of owner-occupied housing units in these tracts (see exhibit below). Owner-occupied housing statistics were used in the comparison since they provide a reasonable estimate of potential mortgage funding needs in a particular area.

| GEOGRAPHIC DISTRIBUTION OF WARREN BANK'S HMDA-REPORTABLE LENDING | | | | | | | | | |
|---|--|-------|-----------------|-------|------------------------|-------|-----------------|-------|---|
| Income Level of Tract | Percentage of 2005 HMDA-reportable loans | | | | | | | | % of Owner-Occupied Units by census tract |
| | Bank | | | | Aggregate ¹ | | | | |
| | # | % | \$ ² | % | # | % | \$ ² | % | |
| Low-income | 0 | 0.0 | 0.0 | 0.0 | 242 | 0.3 | 22,451 | 0.2 | 0.3 |
| Moderate-income | 26 | 29.9 | 2,892 | 20.2 | 18,161 | 26.1 | 1,803,265 | 19.1 | 27.9 |
| Middle-income | 43 | 49.4 | 6,461 | 45.1 | 39,975 | 57.4 | 5,373,641 | 56.8 | 58.7 |
| Upper-income | 18 | 20.7 | 4,973 | 34.7 | 11,249 | 16.2 | 2,266,584 | 23.9 | 13.1 |
| Unknown | --- | --- | --- | --- | --- | --- | --- | --- | 0.0 |
| TOTAL | 87 | 100.0 | 14,326 | 100.0 | 69,627 | 100.0 | 9,465,941 | 100.0 | 100.0 |

¹Note: Aggregate data includes the bank's lending activity.
²In thousands.

The bank's HMDA-reportable origination activity was primarily within the home purchase and home refinance categories. While the percentage of the bank's home purchase activity is higher than both the aggregate level and the percentage of owner-occupied homes in low- and moderate-income census tracts, the percentage of the bank's refinance activity, was below these levels.

The percentage of CRA-reportable small business loans in 2005 in low- and moderate-income census tracts is comparable to that of the aggregate of all lenders within the assessment area as well as to the percentage of small businesses located in low- and moderate-income census tracts. On a dollar basis, however, the bank's combined small business lending in low- and moderate-income census tracts (30.6 percent) is below the aggregate lending percentage (41.8 percent). Although the percent on a dollar basis is below aggregate, the assessment area's credit needs are being met. Approximately 8.3 percent of Warren Bank's small business loans by number and 11.2 percent by dollar volume were secured by residential real estate in moderate-income census tracts in 2005. Finally, an analysis of the CRA optional lending data reported by the bank indicates that the bank's geographic dispersion of optionally reported loans is adequate.

In 2006, the percentages of HMDA-reportable lending in low- and moderate-income census tracts, whether evaluated by the number of loans or dollar amount, was slightly below the percentage of owner-occupied housing units in these tracts (see exhibit below). The percentages also represent a decline from 2005 levels in these census tract categories. As noted previously, 2006 aggregate data is not currently available.

| GEOGRAPHIC DISTRIBUTION OF WARREN BANK'S HMDA-REPORTABLE LENDING | | | | | |
|---|--|-------|-----------------|-------|---|
| Income Level of Tract | Percentage of 2006 HMDA-reportable loans | | | | % of Owner-Occupied Units by census tract |
| | BANK | | | | |
| | # | % | \$ ¹ | % | |
| Low-income | 1 | 0.7 | 61 | 0.4 | 0.3 |
| Moderate-income | 29 | 21.6 | 2,653 | 15.7 | 27.9 |
| Middle-income | 82 | 61.2 | 9,479 | 56.1 | 58.7 |
| Upper-income | 22 | 16.4 | 4,710 | 27.9 | 13.1 |
| Unknown | --- | --- | --- | --- | 0.0 |
| TOTAL | 134 | 100.0 | 16,903 | 100.0 | 100.0 |
| ¹ In thousands. | | | | | |

The bank's HMDA-reportable origination activity was primarily within the home purchase and home refinance categories for 2006.

The percentage of CRA-reportable small business loans in 2006 in low- and moderate-income census tracts (0.0 percent and 31.8 percent respectively, by number) is comparable to the 2005 levels as well as the percentage of small businesses located in low- and moderate-income census tracts (2.1 percent and 30.1 percent, respectively). On a dollar basis, the bank's combined small business lending in low- and moderate-income census tracts (26.8 percent) is slightly below the 2005 level.

Finally, an analysis of the optional lending data reported by the bank indicates that the bank's geographic dispersion of optionally reported loans is adequate.

Borrower Distribution of Loans

The bank's distribution of HMDA-reportable loans, especially to low- and moderate-income borrowers is good; and CRA-reportable loans to businesses of different sizes is also good.

In 2005, the combined percentage of HMDA-reportable lending to low- and moderate-income borrowers, whether evaluated by the number of loans or dollar amount, was generally comparable to both the aggregate of all lenders as well as the percentage of families that are low- or moderate-income within the assessment area.

| INCOME DISTRIBUTION OF WARREN BANK'S HMDA-REPORTABLE LENDING | | | | | | | | | |
|---|--|-------|-----------------|-------|------------------------|-------|-----------------|-------|---|
| Income Level of Borrower | Percentage of 2005 HMDA-reportable loans | | | | | | | | Percentage of Families Within Assessment Area |
| | BANK | | | | Aggregate ¹ | | | | |
| | # | % | \$ ² | % | # | % | \$ ² | % | |
| Low-income | 12 | 13.8 | 1,047 | 7.3 | 9,824 | 14.1 | 868,817 | 9.2 | 20.1 |
| Moderate-income | 24 | 27.6 | 3,297 | 23.0 | 19,422 | 27.9 | 2,231,074 | 23.6 | 20.6 |
| Middle-income | 24 | 27.6 | 4,159 | 29.0 | 17,139 | 24.6 | 2,432,608 | 25.7 | 25.7 |
| Upper-income | 18 | 20.7 | 4,574 | 31.9 | 11,540 | 16.6 | 2,212,385 | 23.4 | 33.6 |
| Unknown | 9 | 10.3 | 1,249 | 8.7 | 11,702 | 16.8 | 1,721,057 | 18.2 | 0.0 |
| TOTAL | 87 | 100.0 | 14,326 | 100.0 | 69,627 | 100.0 | 9,465,941 | 100.0 | 100.0 |

¹Note: Aggregate data includes the bank's lending activity.
²In thousands.

As previously noted, the bank's HMDA-reportable origination activity was primarily within the home purchase and home refinance categories. The bank and aggregate levels are comparable in these two loan product lines with respect to lending to both low-income and moderate-income borrowers.

Commercial loans in an original amount of \$1 million or less are considered to be small business loans. Furthermore, small businesses, as a rule, typically seek loans in smaller amounts than larger businesses due to their limited capacity to repay and relatively smaller credit needs. The resulting correlation is that a higher volume of loans in smaller loan sizes is indicative of a stronger performance in meeting the credit needs of small businesses.

The bank originated 84 CRA-reportable small business loans during 2005. Approximately 35.7 percent of these small business loans by number were in original amounts of \$100,000 or less, amounts typically needed by small businesses. The aggregate, alternatively, originated approximately 91.0 percent of all small business loans in original amounts of \$100,000 or less. This disparity in percentages can be attributed to the fact the aggregate has banks that also originate small business credit cards with credit limits of \$100,000 or less that may have a impact on the percentages.

Small business lending can also be analyzed by comparing the percentage of CRA-reportable small business loans originated to businesses with revenues of \$1 million or less. In 2005, 70.2 percent of the bank's small business loans were originated to businesses with revenues of \$1 million or less. This is less than the percentage of businesses with revenues of \$1 million or less within the assessment area (86.9 percent),

but higher than the aggregate of such lending (42.0 percent). This can be attributed to the competition within the assessment area as well as economic conditions.

The bank originated approximately 17.1 percent of its small business loans secured by residential real estate in original amounts of \$100,000 or less in 2005. In addition, approximately 59.3 percent of these loans were to businesses with revenues of \$1 million or less.

An analysis of the optional consumer lending data reported by the bank indicates that the bank's dispersion of these loans to borrowers of different income levels is also adequate.

In 2006, the percentage of HMDA-reportable lending to low- and moderate-income borrowers, whether evaluated by the number of loans or dollar amount, was slightly above both the percentage of families with low- or moderate-income levels within the assessment area and the bank's 2005 lending levels.

| INCOME DISTRIBUTION OF WARREN BANK'S HMDA-REPORTABLE LENDING | | | | | |
|---|--|-------|-----------------|-------|---|
| Income Level of Borrower | Percentage of 2006 HMDA-reportable loans | | | | Percentage of Families Within Assessment Area |
| | BANK | | | | |
| | # | % | \$ ¹ | % | |
| Low-income | 19 | 14.2 | 1,558 | 9.2 | 20.1 |
| Moderate-income | 39 | 29.1 | 4,184 | 24.8 | 20.6 |
| Middle-income | 33 | 24.6 | 3,937 | 23.3 | 25.7 |
| Upper-income | 31 | 23.1 | 5,367 | 31.8 | 33.6 |
| Unknown | 12 | 9.0 | 1,857 | 11.0 | 0.0 |
| TOTAL | 134 | 100.0 | 16,903 | 100.0 | 100.0 |
| ¹ In thousands. | | | | | |

The bank's HMDA-reportable origination activity in 2006 continued to focus primarily within the home purchase and home refinance categories as well. However, the bank increased the percentage of loans to low- and moderate-income borrowers from the prior year.

The bank originated 85 CRA-reportable small business loans during 2006. Approximately 38.8 percent of these small business loans by number were in original amounts of \$100,000 or less. In addition, 71.8 percent of the bank's small business loans were originated to businesses with revenues of \$1 million or less. This continues to be less than the percentage of businesses with revenues of \$1 million or less within the

assessment area (86.9 percent), but is comparable to the 2005 level.

The bank originated approximately 15.0 percent of its small business loans secured by residential real estate in original amounts of \$100,000 or less in 2006. In addition, approximately 54.3 percent of these loans were to businesses with revenues of \$1 million or less. An analysis of the CRA optional reportable lending data reported by the bank indicates that the bank's dispersion of consumer loans to borrower of different income is adequate.

Community Development Lending

Warren Bank made an adequate number of community development loans in its assessment area. Overall, two loans totaling \$2,608,800 qualified as community development. One loan was to a hospital located in an area that provides medical services to residents of Macomb County, including a large segment of the low- and moderate-income population. The second loan was to an agency that provides affordable housing in the county.

Investment Test

Warren Bank's performance is high satisfactory in this category. Investments have increased by approximately 400.0 percent since the previous examination; however, none of the investments were considered to be particularly innovative or flexible. A total of \$10,305,615 in funds has been invested targeting community development. All of the new investments (\$8,135,248) were in mortgage-backed securities in which the underlying mortgages were originated either to low- or moderate-income borrowers or in low- or moderate-income census tracts within the assessment area. One ongoing investment (\$2,170,367) is in a CRA targeted mutual fund that benefits the entire country.

In addition, the bank donated \$42,808 to 15 organizations during the evaluation period. The majority of donations were provided to organizations that are involved in providing affordable housing and other community development services to individuals in the assessment area.

Service Test

Warren Bank's performance is considered low satisfactory overall for the reasons described below.

Retail Services

The level of retail services in the assessment area is adequate. The bank's products and services are reasonably accessible to all portions of its assessment area and individuals of different income levels. As of December 31, 2006, the bank operated six branches, including five full-service branches with automated teller machines (ATMs) and one limited-service branch.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. Warren Bank has opened three branches since the previous examination; however, none are located in low- or moderate-income census tracts. As of December 31, 2006, there were no branches located in a low- or moderate-income census tract. In addition to its branch and ATM network, the bank also serves its customer base through:

- Telephone Banking – through access to bank customer representatives available during banking hours; and
- Internet Banking – through the bank's website which provides account information and limited transactional capability (stop payments, transfer funds, pay bills, view account activity, etc.).

Hours of operation are considered reasonable and do not vary in a way that inconveniences certain portions of the assessment area, particularly residents in low- and moderate-income census tracts. Typical lobby hours on Monday through Thursday are 9:00 a.m. to 5:00 p.m., and 9:00 a.m. to 6:00 p.m. on Friday (with drive-thru locations generally open until 7:00 p.m. on Friday). Lobbies that maintain Saturday hours are typically open from 9:00 a.m. to 1:00 p.m.

Community Development Services

Warren Bank provides an adequate level of community development services within its assessment area. The bank has increased the level of community development services since the previous evaluation; however, the level of increase and the extent to which community development services are provided to each organization is limited. Bank employees provide ad hoc services in most instances. During the evaluation period, bank staff spent approximately 200 hours performing community development services.

The following list highlights the most significant services bank staff provided during the evaluation period:

- **CDC Warren:** This is a charitable non-profit housing corporation whose primary mission is providing affordable housing in the city of Warren. The bank's CRA Officer was on the organization's advisory board for a portion of the current evaluation period.
- **Housing Opportunity for Macomb:** This is a non-profit CDC which purchases housing and oversees the renovation and resale to low- and moderate-income families. The CRA Officer is currently a member of the board of directors.
- **Money Smart Week:** Two bank staff participated in the Chicago Federal Reserve Bank's Money Smart Week during the examination period.

Additional Programs

The bank has introduced one new checking account that can be utilized by low- or moderate-income individuals. The bank has also introduced a new program called the Closing Cost Assistance Program for borrowers in low- or moderate-income census tracts within the assessment area. The Closing Cost Assistance Program provides up to a \$500 subsidy on closing costs for home purchase loans originated in low- and moderate-income census tracts within Macomb County. Warren Bank has allotted \$10,000 towards this program; however, no borrowers utilized this program during the examination period.

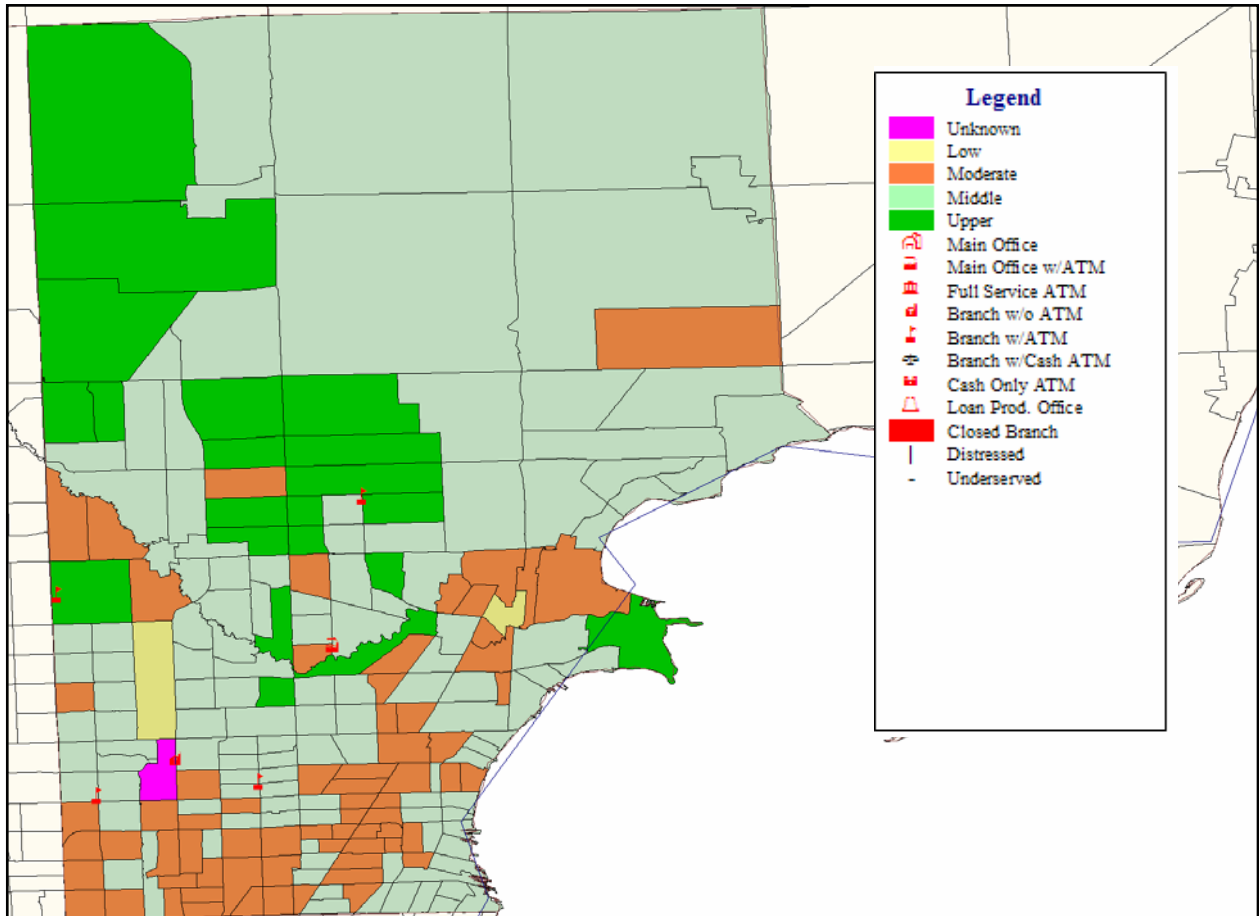
A new checking account called Select Checking includes a feature where the monthly maintenance fee is waived if a personal line of credit, safe deposit box, or other deposit account at the bank is maintained

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Warren Bank is in compliance with the substantive provisions of anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. Policies, procedures, and practices have been developed in accordance with the regulations and have been applied in a consistent manner. Interviews with community representatives revealed no evidence of prohibited discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

APPENDIX A

Warren Bank Assessment Area Map
From January 1, 2005 through December 31, 2006



APPENDIX B

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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of 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.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): 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, 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.