

PUBLIC DISCLOSURE

October 16, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Blissfield State Bank
RSSD# 937843

204 E. Jefferson Street
Blissfield, Michigan 49228

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

| | |
|---|----|
| PERFORMANCE EVALUATION | 2 |
| SCOPE OF EXAMINATION | 2 |
| DESCRIPTION OF INSTITUTION..... | 3 |
| DESCRIPTION OF ASSESSMENT AREA | 4 |
| CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA..... | 10 |
| LENDING TEST | 10 |
| FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW | 15 |
| APPENDIX A - MAP OF ASSESSMENT AREA..... | 16 |
| APPENDIX B – DEMOGRAPHIC AND LENDING CHARTS | 17 |
| APPENDIX C - SCOPE OF EXAMINATION | 29 |
| APPENDIX D – GLOSSARY..... | 30 |

BLISSFIELD STATE BANK'S CRA RATING

Blissfield State Bank is rated Satisfactory.

Blissfield State Bank is meeting the credit needs of its community based on an analysis of its lending activities and information obtained from community representatives. The bank's average loan-to-deposit (LTD) ratio is reasonable given the bank's asset size, financial condition, and assessment area credit needs. A majority of the loans were made within the assessment. The geographic distribution reflects reasonable dispersion throughout the assessment area. Loan distribution reflects reasonable penetration among businesses and farms of different sizes. Neither Blissfield State Bank nor this Reserve Bank have received any Community Reinvestment Act (CRA) related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Blissfield State Bank's performance was evaluated using the Small Institution CRA Examination Procedures issued by the Federal Financial Institutions Examinations Council's (FFIEC). The evaluation was performed within the context of information about the institution and its assessment area including the bank's asset size, financial condition, competition, and economic and demographic characteristics.

The evaluation included a full review of the bank's single assessment area located in the Michigan Non-Metropolitan Statistical Area (Michigan Non-MSA). The bank's assessment area consists of five census tracts in Lenawee County, which is part of the Michigan Non-MSA, and two census tracts within the Monroe Michigan MSA #33780 (Monroe MI MSA). For purposes of the evaluation, the two census tracts within the Monroe MI MSA will be combined with the five census tracts in Lenawee County and evaluated as part of the Michigan Non-MSA assessment area.

Loan products reviewed include a sample of small business and small farm loans originated from August 27, 2019, through December 31, 2022. These products are considered the bank's primary products based on volume by number and dollar amount. Both products received equal weight in the evaluation. For purpose of this evaluation, the bank's 2022 figures were used to assess the bank's performance while figures from prior years were used for comparison purposes. Figures from 2021, 2020, and 2019 are located in Appendix B.

Performance in the assessment area was evaluated using streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 17 quarter average loan-to-deposit ratio from June 30, 2019, to June 30, 2023, was calculated for the bank and a sample of local competitors.
- ***Lending in the Assessment Area*** – A sample of the bank’s small business and small farm loans originated from August 27, 2019, through December 31, 2022, were reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of the bank’s small business and small farm loans originated in the assessment area, from August 27, 2019, through December 31, 2022, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels.
- ***Lending to Businesses and Farms of Different Sizes*** – A sample of the bank’s small business and small farm loans originated in the assessment area, from August 27, 2019, through December 31, 2022, were reviewed to determine the bank’s loan distribution among businesses and farms with different revenue sizes.
- ***Response to Substantiated Complaints*** – Neither Blissfield State Bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

Two community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: economic development.

DESCRIPTION OF INSTITUTION

Blissfield State Bank is wholly owned subsidiary of the Blissfield Bank Corporation, a one-bank holding company located in the town of Blissfield, Michigan. The bank has one location in the city of Blissfield, Michigan with a full-service automated teller machine (ATM) and a stand-alone cash only dispensing ATM. In March 2021, the bank closed its Coach-light branch; however, the associated cash-only ATM remains in operation.

According to the Uniform Bank Performance Report (UBPR), the bank reported total assets of approximately \$113.8 million as of June 30, 2023. Blissfield State Bank offers traditional loan products and services. The loan portfolio consists primarily of agricultural loans at 34.2 percent, residential real estate loans at 31.0 percent, and commercial loans at 28.4 percent. Traditional deposit products include checking and savings accounts, individual retirement accounts (IRAs), certificates of deposit (CDs), and money market accounts (MMDA). Checking and savings accounts are also available for business customers.

As of June 30, 2023, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report, Blissfield State Bank ranked 9th out of 12 financial institutions operating within the bank’s assessment area. The bank maintains a 2.9 percent deposit market share. The financial institutions with the largest percentage of market share include First Merchants Bank, Muncie, Indiana and The Huntington National Bank, Columbus, OH, with market shares of 27.8 percent and 16.8 percent, respectively.

Details of the allocation of the bank’s portfolio are provided in the following table:

| Composition of Loan Portfolio as of June 30, 2023 (\$ are in 000s) | | |
|---|---------------|--------------|
| Category | \$ | % |
| Residential Real Estate | 17,572 | 31.0 |
| Commercial | 16,063 | 28.4 |
| Agriculture | 19,357 | 34.2 |
| Consumer | 3,321 | 5.9 |
| Other | 340 | 0.6 |
| Total Loans | 56,653 | 100.0 |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | |

There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

The bank was rated satisfactory under the CRA at its previous evaluation conducted on August 26, 2019.

DESCRIPTION OF ASSESSMENT AREA¹

Blissfield State Bank maintains one assessment area consisting of portions of Lenawee and Monroe counties in the state of Michigan. The assessment area consists of seven census tracts which include five middle-income and two upper-income census tracts. There are no low or moderate-income census tract within the bank’s assessment area. The bank’s entire assessment area is considered rural and does not contain distressed or underserved census tracts. For purposes of this evaluation, the Monroe County census tracts are included in the Michigan Non-MSA assessment area, which also includes part of the Lenawee County census tracts. Although the Monroe County tracts are in an MSA, they are economically similar to the Michigan Non-MSA census tracts in Lenawee County. The bank’s office and ATMs are located within Lenawee County. The assessment area has not changed since the previous evaluation. A map of the combined assessment area is available in Appendix A of this performance evaluation. Please refer to the table below for information relative

¹ Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes

to income designation changes.

| Census Tract Designation Changes American Community Survey Data (ACS) | | | |
|--|------------------------------|------------------------------|-----------------------|
| Tract Income Designation | 2021 Designations (#) | 2022 Designations (#) | Net Change (#) |
| Low | 0 | 0 | 0 |
| Moderate | 0 | 0 | 0 |
| Middle | 5 | 5 | 0 |
| Upper | 2 | 2 | 0 |
| Unknown | 0 | 0 | 0 |
| Total | 7 | 7 | 0 |

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*

Assessment area demographic information for 2022 is provided in the following table, while 2021, 2020 and 2019 demographic tables are located in Appendix B of this report.

| 2022 MI Non MSA AA Demographics | | | | | | | | |
|--|---------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 957 | 14.1 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,288 | 19.0 |
| Middle | 5 | 71.4 | 4,422 | 65.2 | 305 | 6.9 | 1,539 | 22.7 |
| Upper | 2 | 28.6 | 2,359 | 34.8 | 127 | 5.4 | 2,997 | 44.2 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 7 | 100.0 | 6,781 | 100.0 | 432 | 6.4 | 6,781 | 100.0 |
| | Housing Units by Tract | Housing Type by Tract | | | | | | |
| | | Owner-occupied | | | Rental | | Vacant | |
| | | # | % by tract | % by unit | # | % by unit | # | % by unit |
| Low | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 6,519 | 5,139 | 65.5 | 78.8 | 920 | 14.1 | 460 | 7.1 |
| Upper | 3,267 | 2,707 | 34.5 | 82.9 | 329 | 10.1 | 231 | 7.1 |
| Unknown | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 9,786 | 7,846 | 100.0 | 80.2 | 1,249 | 12.8 | 691 | 7.1 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 608 | 67.6 | 549 | 67.3 | 50 | 79.4 | 9 | 42.9 |
| Upper | 292 | 32.4 | 267 | 32.7 | 13 | 20.6 | 12 | 57.1 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 900 | 100.0 | 816 | 100.0 | 63 | 100.0 | 21 | 100.0 |
| Percentage of Total Businesses: | | | | 90.7 | | 7.0 | | 2.3 |
| | Total Farms by Tract | Farms by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 105 | 58.0 | 102 | 58.3 | 3 | 50.0 | 0 | 0.0 |
| Upper | 76 | 42.0 | 73 | 41.7 | 3 | 50.0 | 0 | 0.0 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 181 | 100.0 | 175 | 100.0 | 6 | 100.0 | 0 | 0.0 |
| Percentage of Total Farms: | | | | 96.7 | | 3.3 | | 0.0 |
| Source: 2022 FFIEC Census Data | | | | | | | | |
| 2022 Dun & Bradstreet Data | | | | | | | | |
| 2016-2020 U.S. Census Bureau: American Community Survey | | | | | | | | |
| Note: Percentages may not total 100.0 percent due to rounding. | | | | | | | | |

Population Characteristics

According to the American Community Survey (ACS) demographic data, the assessment area's population is 23,807, a slight decrease of 0.5 percent since 2015. As indicated in the following table, the populations in Lenawee and Monroe Counties both increased modestly at 0.5 and 2.9 percent; respectively, from the years 2015 to 2020. The growth in both counties is comparable to state of Michigan, which experienced a growth rate of 1.8 percent between over the same period.

According to community representatives, the stability in population was attributed to the county being more affordable than surrounding counties, along with the assessment areas proximity to larger cities such as Detroit and Toledo which offer higher paying jobs.

| Population Change | | | |
|-------------------|-----------------|-----------------|-----------------------|
| Area | 2015 Population | 2020 Population | Percentage Change (%) |
| Assessment Area | 23,941 | 23,807 | -0.5 |
| Lenawee County | 98,902 | 99,423 | 0.5 |
| Monroe County | 150,436 | 154,809 | 2.9 |
| Non MSA Michigan | 1,806,007 | 1,807,574 | 0.1 |
| Michigan | 9,900,571 | 10,077,331 | 1.8 |

Source: 2011-2015 U.S. Census Bureau American Community Survey and 2020 U.S. Census Bureau Decennial Census

Income Characteristics

According to FFIEC Census Data, the assessment area is comprised of 6,781 families, of which 14.1 percent are designated as low-income and 19.0 percent are designated as moderate-income. Families living below the poverty level is 6.4 percent, which is below the state of Michigan's poverty rate of 9.2 percent. The table below presents median family income (MFI) for families living within the assessment area. Between 2015 and 2020, the MFI in the Michigan Non-MSA increased 10.9 percent while the state of Michigan grew at 11.0 percent. Amongst the two counties, Monroe County experienced an increase of 8.7 percent while Lenawee County was slightly lower at 5.2 percent. According to community representatives, the assessment area is experiencing an abundance of jobs in the area due to the proximity to urban centers. Surrounding areas has seen manufacturing and health care wages continue to increase in recent years. The increase in job opportunities has also attracted higher-income families who prefer living outside of larger urban centers. The representative also noted that the assessment area has continued to recover from the COVID-19 pandemic and many restaurants are offering modest wages ranging from \$15-\$20 per hour.

The following table presents median family incomes for families living in Lenawee and Monroe Counties, the Michigan Non-MSA, and the state of Michigan.

| Median Family Income Change 2015 and 2020 | | | |
|---|------------------------------|------------------------------|--------------------------|
| Area | 2015 Median Family Income | 2020 Median Family Income | Percentage Change (%) |
| Lenawee County, MI | 65,020 | 68,381 | 5.2 |
| Monroe County, MI | 74,089 | 80,507 | 8.7 |
| Michigan Non-MSA | 58,593 | 64,965 | 10.9 |
| Michigan | 68,010 | 75,470 | 11.0 |
| <i>Source: 2011 – 2015 and 2016-2020 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.</i> | | | |

Housing Characteristics

According to the FFIEC Census Data, a total of 9,786 housing units exists in the assessment area. The majority of housing units are owner-occupied at 80.2 percent, while 12.8 percent are rental units, and 7.1 percent are vacant.

A method in understanding poverty and housing outcomes is calculating housing cost burden, which is outlined in the table below. The cost burden is a ratio of household gross monthly costs to household's gross monthly income. Housing cost, burden, as defined by the Department of Housing and Urban Development (HUD), takes these quantitative ratios, and assigns qualitative values to them. If a household's housing cost is above 30.0 percent of its income, then that household is considered housing cost burden. Across the assessment area, 38.6 percent of all renters are considered housing cost burdened. Of the cost burdened renters, 77.4 percent are low-income, and 31.4 percent are moderate-income. For homeowners, only 19.0 percent are experiencing housing cost burden within the assessment area, but similar to renters, the majority are low- and moderate-income owners at 69.2 percent and 31.6 percent, respectively.

According to community representatives, both Lenawee and Monroe Counties have experienced a housing shortage along with increasing land and construction prices. Representatives noted a lack of new affordable housing options and high rental prices. The representatives indicated that the areas of Lenawee and Monroe Counties are considered underdeveloped and mostly agriculture, contributing to higher cost to build new housing. Lastly, representatives noted that portions of the assessment area are mostly agriculture land with little infrastructure contributing to the lack of housing options in the area.

| 2022 MI Non MSA Housing Cost Burden | | | | | | |
|---|---------------------------|-----------------|-------------|--------------------------|-----------------|------------|
| Area | Cost Burden – Renters (%) | | | Cost Burden – Owners (%) | | |
| | Low Income | Moderate Income | All Renters | Low Income | Moderate Income | All Owners |
| Lenawee County, MI | 77.4 | 31.4 | 38.6 | 69.2 | 31.6 | 19.0 |
| Monroe County, MI | 77.7 | 31.3 | 46.6 | 63.0 | 24.0 | 17.6 |
| Michigan Non-MSA | 67.0 | 27.2 | 39.3 | 58.8 | 25.4 | 18.3 |
| Michigan | 74.2 | 31.3 | 43.2 | 61.7 | 26.5 | 18.2 |
| <i>Cost Burden is housing cost that equals 30 percent or more of household income</i> | | | | | | |
| <i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i> | | | | | | |

Employment Conditions

According to the Bureau of Labor Statistics, after increasing to 9.2 percent in 2020 during the COVID-19 pandemic, the average unemployment rate through August 2022 in assessment area declined to 4.9 percent, similar to the state of Michigan rate of 4.6 percent. Both Lenawee and Monroe Counties have unemployment rates of 4.8 and 5.0 respectively. According to community representatives, the assessment area has a very competitive job market making it easy for workers to find employment in the area. Community representatives noted that most businesses have recovered from the COVID-19 pandemic and a relatively few local businesses went out of business.

The following table shows unemployment statistics for Lenawee and Monroe Counties, and the Michigan Non-MSA, and the state of Michigan.

| Unemployment Rates (%) | | | | |
|---|------|------|------|-----------------------------|
| Region | 2019 | 2020 | 2021 | Average through August 2022 |
| Assessment Area | 4.0 | 9.2 | 5.8 | 4.9 |
| Lenawee County, MI | 4.0 | 9.3 | 5.5 | 4.8 |
| Monroe County, MI | 4.0 | 9.2 | 6.0 | 5.0 |
| Michigan Non-MSA | 4.8 | 9.4 | 5.9 | 5.5 |
| Michigan | 4.1 | 10.0 | 5.9 | 4.6 |
| <i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i> | | | | |

Industry Characteristics

According to the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base which is heavily impacted by the manufacturing, health care, retail, and the food service industry. Community representatives noted an increase in healthcare and manufacturing jobs in the assessment area, citing a ProMedica and Wacker Chemical, respectively, as major employers in the area. Ultimately, representatives noted a competitive job market, allowing for individuals to find work.

Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on population, income, housing, employment, and economic development needs within the assessment area, as well as how the COVID-19 pandemic effected the local economy. Overall, representatives highlighted a need for more affordable housing options in both Lenawee and Monroe Counties. Community representatives also mentioned a need for more small business banking options within the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN THE MICHIGAN NON-MSA

LENDING TEST

Blissfield State Bank's performance relative to the lending test is rated Satisfactory. The bank is meeting the credit needs of its assessment area based on an analysis of the bank's lending activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans were originated inside the bank's assessment area; the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Additionally, the bank's loan distribution reflects reasonable penetration among businesses and farms of different sizes. No CRA-related complaints were received by the institution or the Reserve Bank since the previous evaluation.

Loan-to-Deposit Ratio

Blissfield State Bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. As of June 30, 2023, the bank's average LTD ratio for the 17-quarter period beginning June 30, 2019 was 52.2 percent. Similarly situated competitors were selected based on their asset size, branching locations, and market share within or near the bank's assessment area. While the bank's 17-quarter average is lower than its competitors, the increased competition from local credit unions and regional banks, specifically within residential real estate mortgages, continues to place downward pressure on the bank's loan-to-deposit ratio. In response,

the bank began offering 30-year fixed rate mortgages during the exam period in order to be more competitive with credit unions in the area. The LTD ratio has remained stable since the previous evaluation with an average LTD ratio of 54.6 percent over a 15-quarter period ending March 31, 2019. The following table compares the bank's LTD ratio to its local competitors.

| Comparative Loan-to-Deposit Ratios | |
|---|----------------------------------|
| Institution | Loan-to-Deposit Ratio (%) |
| | 17 – Quarter Average |
| Blissfield State Bank | 52.5 |
| Competitors | |
| Citizens State Bank | 70.2 |
| Bank Michigan | 90.1 |
| Huron Valley State Bank | 78.0 |
| Michigan Bank | 87.0 |

Assessment Area Concentration

Blissfield State Bank originated a majority of loans in the assessment area. During the evaluation period, the bank originated 59.1 percent of its total loans by volume inside the assessment area. Of those loans, the bank originated 50.7 percent and 71.7 percent (by number) of its small business and small farm loans, respectively, inside its assessment area. Overall, the percentage of small business and small farm loan originations within the assessment area indicates the bank's responsiveness to assessment area credit needs.

Since the previous examination, the bank's assessment area concentration of small business and small farm loans decreased from 77.2 percent. The decrease in the bank's assessment area concentration is attributed to a temporary shift in the bank's lending strategy to account for the impact felt by the COVID-19 pandemic. Specifically, in 2020 and 2021 the bank began extending lending efforts outside of the assessment area in an effort to increase revenue and lending volumes. The bank began originating USDA loans and working with various groups to originate and purchase loans outside the assessment area. The bank has since stopped the practice and shifted back to focus on lending efforts inside the assessment area.

The following table summarizes the bank's lending inside and outside its assessment area for small business and small farm lending from August 27, 2019 – December 31, 2022.

| Loan Types | Inside | | | | Outside | | | |
|---------------------------------|-----------|-------------|----------------|-------------|-----------|-------------|----------------|-------------|
| | # | % | \$(000s) | % | # | % | \$(000s) | % |
| Small Business | 35 | 50.7 | \$2,993 | 30.5 | 34 | 49.3 | \$6,824 | 69.5 |
| Total Small Bus. related | 35 | 50.7 | \$2,993 | 30.5 | 34 | 49.3 | \$6,824 | 69.5 |
| Small Farm | 33 | 71.7 | \$3,277 | 72.9 | 13 | 28.3 | \$1,220 | 27.1 |
| Total Small Farm related | 33 | 71.7 | \$3,277 | 72.9 | 13 | 28.3 | \$1,220 | 27.1 |
| TOTAL LOANS | 68 | 59.1 | \$6,269 | 43.8 | 47 | 40.9 | \$8,044 | 56.2 |

Geographic Distribution of Loans

The assessment area is comprised only of middle- or upper-income census tracts and therefore a meaningful analysis could not be performed. The dispersion of the loans in the assessment area was reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. Examiners determined that there were no conspicuous unexplained gaps in contiguous census tracts. Figures for 2022 data are highlighted in the following tables, while data tables for 2019 through 2021, are located in Appendix B.

| Distribution of 2022 Small Business Lending By Income Level of Geography | | | | | |
|--|------------|--------------|--------------|--------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Businesses % |
| | # | % | \$(000) | \$% | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 12 | 70.6 | 1,225 | 65.5 | 67.6 |
| Upper | 5 | 29.4 | 646 | 34.5 | 32.4 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 17 | 100.0 | 1,870 | 100.0 | 100.0 |

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2022 Small Farm Lending By Income Level of Geography | | | | | |
|--|------------|--------------|--------------|--------------|---------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Farms % |
| | # | % | \$(000) | \$% | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 9 | 64.3 | 1,302 | 80.0 | 58.0 |
| Upper | 5 | 35.7 | 324 | 19.9 | 42.0 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 14 | 100.0 | 1,627 | 100.0 | 100.0 |

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Businesses and Farms of Different Sizes

Overall, loan distribution reflects reasonable penetration to businesses and farms of different sizes.

Small Business Loans

The distribution of small business loans reflects a reasonable penetration among businesses of different revenue sizes. A sample of small business loans originated in 2022 were reviewed, of which 64.7 percent of loans were originated to businesses with gross revenues equal to or less than \$1.0 million. The bank's performance was below the total percentage of businesses operating in the assessment area at 90.7 percent. While the bank's performance was below the percentage of total businesses, of the 11 loans originated to small businesses with revenues of \$1 million or less, 81.8 percent were in amounts of \$100,000 or less. These smaller dollar loans are considered most beneficial to small businesses, indicating the bank's willingness to meet the credit needs of small businesses.

In 2020 and 2021, the bank participated in the Small Business Administration (SBA) Paycheck Protection Program (PPP) which assisted small businesses by originating 29 PPP loans with a value of \$1.5 million. The PPP loans are considered particularly responsive based on the challenges small businesses faced as a result of the COVID-19 pandemic and were extremely beneficial to the community as they were exclusively for payroll or income replacement. Additionally, community representatives stated that local businesses were able to access PPP funds in a timely manner and that the program was successful due to the responsiveness of local institutions. Overall, the bank's performance demonstrates its responsiveness to the credit needs of small businesses within the assessment area.

The following table presents the bank’s 2022 distribution of small business loans. Data tables for 2019 through 2021 are located in Appendix B.

| Distribution of 2022 Small Business Lending By Revenue Size of Businesses | | | | | |
|--|------------|-------|---------|-------|--------------------------|
| Assessment Area: MI Non MSA | | | | | |
| | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000) | % | |
| By Revenue | | | | | |
| \$1 Million or Less | 11 | 64.7 | 732 | 39.1 | 90.7 |
| Over \$1 Million | 5 | 29.4 | 607 | 32.5 | 7.0 |
| Revenue Unknown | 1 | 5.9 | 532 | 28.4 | 2.3 |
| Total | 17 | 100.0 | 1,870 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 13 | 76.5 | 663 | 35.5 | |
| \$100,001 - \$250,000 | 2 | 11.8 | 360 | 19.3 | |
| \$250,001 - \$1 Million | 2 | 11.8 | 848 | 45.3 | |
| Total | 17 | 100.0 | 1,870 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 9 | 81.8 | 372 | 50.8 | |
| \$100,001 - \$250,000 | 2 | 18.2 | 360 | 49.2 | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | |
| Total | 11 | 100.0 | 732 | 100.0 | |
| <i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

Small Farm Lending

The distribution of small farm loans reflects a reasonable penetration among farms of different revenue sizes. In 2022, the bank originated 100.0 percent of its loans to farms with gross revenues equal to or less than \$1 million. The bank’s performance exceeded the percentage of small farms operating in the assessment area at 96.7 percent. Of the 14 loans originated to small farms with revenues of \$1 million or less, 64.3 percent were in amounts of \$100,000 or less which is considered most beneficial to small farms, indicating the bank’s willingness to meet the credit needs of small farms. The following table presents the bank’s 2022 borrower distribution of small farm loans. Data tables for 2019 through 2021 are located in Appendix B.

| Distribution of 2022 Small Farm Lending By Revenue Size of Farms Assessment Area: MI Non MSA | | | | | |
|--|------------|-------|---------|-------|-------------|
| | Bank Loans | | | | Total Farms |
| | # | #% | \$(000) | % | % |
| By Revenue | | | | | |
| \$1 Million or Less | 14 | 100.0 | 1,627 | 100.0 | 96.7 |
| Over \$1 Million | 0 | 0.0 | 0 | 0.0 | 3.3 |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Total | 14 | 100.0 | 1,627 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 9 | 64.3 | 435 | 26.7 | |
| \$100,001 - \$250,000 | 3 | 21.4 | 391 | 24.0 | |
| \$250,001 - \$500,000 | 2 | 14.3 | 801 | 49.2 | |
| Total | 14 | 100.0 | 1,627 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 9 | 64.3 | 435 | 26.7 | |
| \$100,001 - \$250,000 | 3 | 21.4 | 391 | 24.0 | |
| \$250,001 - \$500,000 | 2 | 14.3 | 801 | 49.2 | |
| Total | 14 | 100.0 | 1,627 | 100.0 | |
| <i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

Response to Complaints

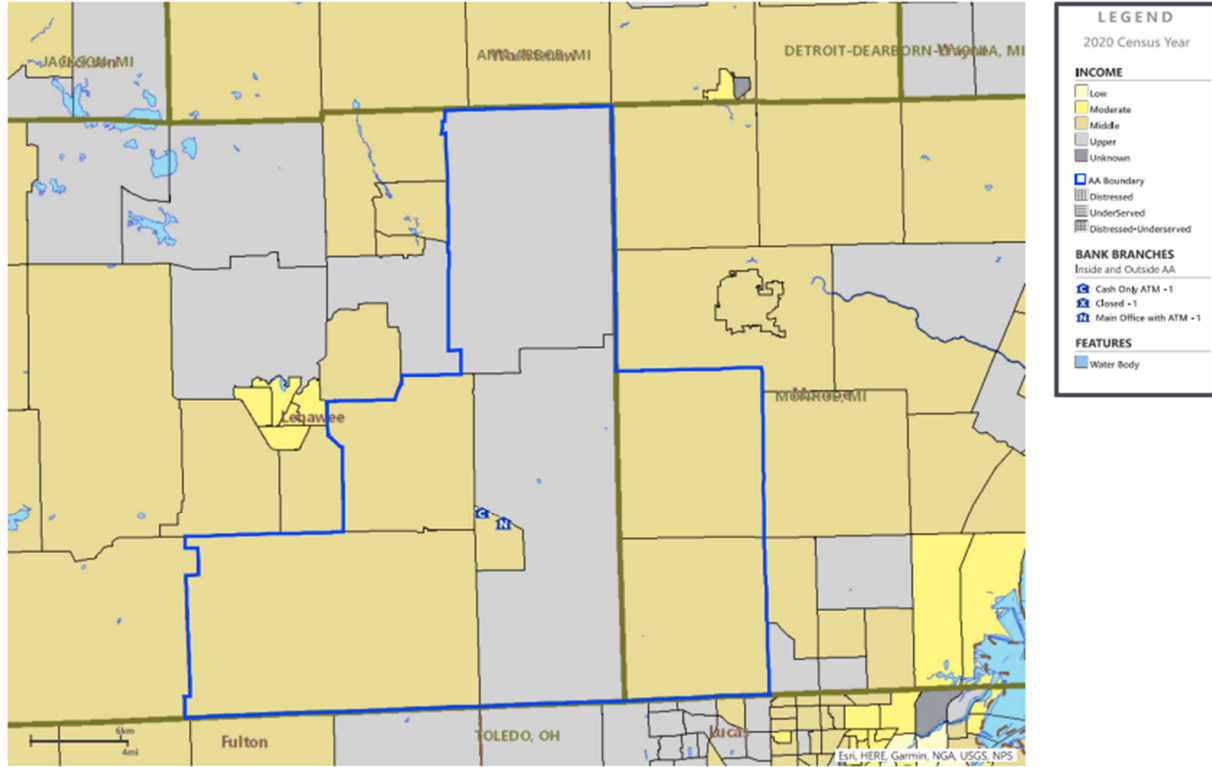
Neither the bank nor this Reserve Bank have received any CRA-related complaints since the previous evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Map of Assessment Area

Blissfield State Bank 937843
MI Non MSA



APPENDIX B – DEMOGRAPHIC AND LENDING CHARTS 2019 THROUGH 2021

| 2021 MI Non MSA AA Demographics | | | | | | | | |
|--|------------------------------------|--------------|--------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,005 | 15.4 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,002 | 15.3 |
| Middle | 5 | 71.4 | 4,405 | 67.4 | 292 | 6.6 | 1,364 | 20.9 |
| Upper | 2 | 28.6 | 2,128 | 32.6 | 130 | 6.1 | 3,162 | 48.4 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 7 | 100.0 | 6,533 | 100.0 | 422 | 6.5 | 6,533 | 100.0 |
| Housing Units by Tract | Housing Type by Tract | | | | | | | |
| | Owner-occupied | | | | Rental | | Vacant | |
| | # | % by tract | % by unit | # | % by unit | # | % by unit | |
| Low | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Moderate | 0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | |
| Middle | 6,819 | 5,174 | 66.9 | 75.9 | 1,067 | 15.6 | 578 | 8.5 |
| Upper | 3,302 | 2,559 | 33.1 | 77.5 | 482 | 14.6 | 261 | 7.9 |
| Unknown | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 10,121 | 7,733 | 100.0 | 76.4 | 1,549 | 15.3 | 839 | 8.3 |
| Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | | |
| | Less Than or = \$1 Million | | | | Over \$1 Million | | Revenue Not Reported | |
| | # | % | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 625 | 67.5 | 562 | 67.1 | 54 | 80.6 | 9 | 40.9 |
| Upper | 301 | 32.5 | 275 | 32.9 | 13 | 19.4 | 13 | 59.1 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 926 | 100.0 | 837 | 100.0 | 67 | 100.0 | 22 | 100.0 |
| Percentage of Total Businesses: | | | | 90.4 | | 7.2 | | 2.4 |
| Total Farms by Tract | Farms by Tract & Revenue Size | | | | | | | |
| | Less Than or = \$1 Million | | | | Over \$1 Million | | Revenue Not Reported | |
| | # | % | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 106 | 57.9 | 103 | 58.2 | 3 | 50.0 | 0 | 0.0 |
| Upper | 77 | 42.1 | 74 | 41.8 | 3 | 50.0 | 0 | 0.0 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 183 | 100.0 | 177 | 100.0 | 6 | 100.0 | 0 | 0.0 |
| Percentage of Total Farms: | | | | 96.7 | | 3.3 | | 0.0 |
| Source: 2021 FFIEC Census Data | | | | | | | | |
| 2021 Data & Bradstreet Data | | | | | | | | |
| 2011-2015 U.S. Census Bureau: American Community Survey | | | | | | | | |
| Note: Percentages may not total 100.0 percent due to rounding. | | | | | | | | |

| 2020 MI Non MSA AA Demographics | | | | | | | | |
|--|---------------------------|-----------------------|------------------------------------|--------------|--|--------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,005 | 15.4 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,002 | 15.3 |
| Middle | 5 | 71.4 | 4,405 | 67.4 | 292 | 6.6 | 1,364 | 20.9 |
| Upper | 2 | 28.6 | 2,128 | 32.6 | 130 | 6.1 | 3,162 | 48.4 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 7 | 100.0 | 6,533 | 100.0 | 422 | 6.5 | 6,533 | 100.0 |
| | Housing Units by Tract | Housing Type by Tract | | | | | | |
| | | Owner-occupied | | | Rental | | Vacant | |
| | | # | % by tract | % by unit | # | % by unit | # | % by unit |
| Low | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 6,819 | 5,174 | 66.9 | 75.9 | 1,067 | 15.6 | 578 | 8.5 |
| Upper | 3,302 | 2,559 | 33.1 | 77.5 | 482 | 14.6 | 261 | 7.9 |
| Unknown | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 10,121 | 7,733 | 100.0 | 76.4 | 1,549 | 15.3 | 839 | 8.3 |
| | Total Businesses by Tract | | Businesses by Tract & Revenue Size | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | |
| | | | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 634 | 66.4 | 570 | 66.2 | 55 | 77.5 | 9 | 39.1 |
| Upper | 321 | 33.6 | 291 | 33.8 | 16 | 22.5 | 14 | 60.9 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 955 | 100.0 | 861 | 100.0 | 71 | 100.0 | 23 | 100.0 |
| Percentage of Total Businesses: | | | | 90.2 | | 7.4 | | 2.4 |
| | Total Farms by Tract | | Farms by Tract & Revenue Size | | | | | |
| | | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | |
| | | | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 105 | 57.7 | 102 | 58.3 | 3 | 50.0 | 0 | 0.0 |
| Upper | 77 | 42.3 | 73 | 41.7 | 3 | 50.0 | 1 | 100.0 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 182 | 100.0 | 175 | 100.0 | 6 | 100.0 | 1 | 100.0 |
| Percentage of Total Farms: | | | | 96.2 | | 3.3 | | 0.5 |
| <i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | | | | |

| 2019 MI Non MSA AA Demographics | | | | | | | | |
|--|---------------------------|------------------------------------|--------------------------|------------------|--|----------------------|---------------------------|--------------|
| Income Categories | Tract Distribution | | Families by Tract Income | | Families < Poverty Level as % of Families by Tract | | Families by Family Income | |
| | # | % | # | % | # | % | # | % |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,005 | 15.4 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1,002 | 15.3 |
| Middle | 5 | 71.4 | 4,405 | 67.4 | 292 | 6.6 | 1,364 | 20.9 |
| Upper | 2 | 28.6 | 2,128 | 32.6 | 130 | 6.1 | 3,162 | 48.4 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 7 | 100.0 | 6,533 | 100.0 | 422 | 6.5 | 6,533 | 100.0 |
| | Housing Units by Tract | Housing Type by Tract | | | | | | |
| | | Owner-occupied | | | Rental | | Vacant | |
| | | # | % by tract | % by unit | # | % by unit | # | % by unit |
| Low | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 6,819 | 5,174 | 66.9 | 75.9 | 1,067 | 15.6 | 578 | 8.5 |
| Upper | 3,302 | 2,559 | 33.1 | 77.5 | 482 | 14.6 | 261 | 7.9 |
| Unknown | 0 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 10,121 | 7,733 | 100.0 | 76.4 | 1,549 | 15.3 | 839 | 8.3 |
| | Total Businesses by Tract | Businesses by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 617 | 67.4 | 549 | 67.1 | 57 | 76.0 | 11 | 47.8 |
| Upper | 299 | 32.6 | 269 | 32.9 | 18 | 24.0 | 12 | 52.2 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 916 | 100.0 | 818 | 100.0 | 75 | 100.0 | 23 | 100.0 |
| Percentage of Total Businesses: | | | | 89.3 | | 8.2 | | 2.5 |
| | Total Farms by Tract | Farms by Tract & Revenue Size | | | | | | |
| | | Less Than or = \$1 Million | | Over \$1 Million | | Revenue Not Reported | | |
| | | # | % | # | % | # | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Middle | 109 | 57.7 | 106 | 58.2 | 3 | 50.0 | 0 | 0.0 |
| Upper | 80 | 42.3 | 76 | 41.8 | 3 | 50.0 | 1 | 100.0 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total AA | 189 | 100.0 | 182 | 100.0 | 6 | 100.0 | 1 | 100.0 |
| Percentage of Total Farms: | | | | 96.3 | | 3.2 | | 0.5 |
| <i>Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | | | | |

| Distribution of 2021 Small Business Lending By Income Level of Geography | | | | | |
|--|------------|--------------|------------|--------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000) | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 8 | 66.7 | 304 | 50.2 | 67.5 |
| Upper | 4 | 33.3 | 301 | 49.8 | 32.5 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 12 | 100.0 | 605 | 100.0 | 100.0 |

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2020 Small Business Lending By Income Level of Geography | | | | | |
|--|------------|--------------|------------|--------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000) | % | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 5 | 100.0 | 454 | 100.0 | 66.4 |
| Upper | 0 | 0.0 | 0 | 0.0 | 33.6 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 5 | 100.0 | 454 | 100.0 | 100.0 |

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2019 Small Business Lending By Income Level of Geography | | | | | |
|--|------------|--------------|-----------|--------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000) | \$% | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 1 | 100.0 | 63 | 100.0 | 67.4 |
| Upper | 0 | 0.0 | 0 | 0.0 | 32.6 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 1 | 100.0 | 63 | 100.0 | 100.0 |

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2021 Small Farm Lending By Income Level of Geography | | | | | |
|--|------------|--------------|--------------|--------------|---------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Farms % |
| | # | #% | \$(000) | \$% | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 2 | 15.4 | 28 | 2.7 | 57.9 |
| Upper | 11 | 84.6 | 992 | 97.3 | 42.1 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 13 | 100.0 | 1,020 | 100.0 | 100.0 |

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2020 Small Farm Lending By Income Level of Geography | | | | | |
|--|------------|--------------|------------|--------------|---------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Farms % |
| | # | #% | \$(000) | \$% | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 1 | 20.0 | 176 | 29.3 | 57.7 |
| Upper | 4 | 80.0 | 424 | 70.7 | 42.3 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 5 | 100.0 | 600 | 100.0 | 100.0 |

Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2019 Small Farm Lending By Income Level of Geography | | | | | |
|--|------------|--------------|-----------|--------------|---------------|
| Assessment Area: MI Non MSA | | | | | |
| Geographic Income Level | Bank Loans | | | | Total Farms % |
| | # | #% | \$(000) | \$% | |
| Low | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Moderate | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Middle | 0 | 0.0 | 0 | 0.0 | 57.7 |
| Upper | 1 | 100.0 | 30 | 100.0 | 42.3 |
| Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Tract-Unk | 0 | 0.0 | 0 | 0.0 | |
| Total | 1 | 100.0 | 30 | 100.0 | 100.0 |

Source: 2019 FFIEC Census Data
2019 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

| Distribution of 2021 Small Business Lending By Revenue Size of Businesses | | | | | | |
|--|-------------------|-----------|----------------|------------|-----------------------------------|--|
| Assessment Area: MI Non MSA | | | | | | |
| | Bank Loans | | | | Total Businesses % | |
| | # | #% | \$(000) | \$% | | |
| By Revenue | | | | | | |
| \$1 Million or Less | 8 | 66.7 | 407 | 67.3 | 90.4 | |
| Over \$1 Million | 4 | 33.3 | 198 | 32.7 | 7.2 | |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 2.4 | |
| Total | 12 | 100.0 | 605 | 100.0 | 100.0 | |
| By Loan Size | | | | | | |
| \$100,000 or Less | 10 | 83.3 | 373 | 61.7 | | |
| \$100,001 - \$250,000 | 2 | 16.7 | 232 | 38.3 | | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | | |
| Total | 12 | 100.0 | 605 | 100.0 | | |
| By Loan Size and Revenues \$1 Million or Less | | | | | | |
| \$100,000 or Less | 6 | 75.0 | 175 | 43.0 | | |
| \$100,001 - \$250,000 | 2 | 25.0 | 232 | 57.0 | | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | | |
| Total | 8 | 100.0 | 407 | 100.0 | | |
| <i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | | |

| Distribution of 2020 Small Business Lending By Revenue Size of Businesses | | | | | |
|--|-------------------|-----------|----------------|------------|-----------------------------------|
| Assessment Area: MI Non MSA | | | | | |
| | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000) | \$% | |
| By Revenue | | | | | |
| \$1 Million or Less | 4 | 80.0 | 322 | 70.9 | 90.2 |
| Over \$1 Million | 1 | 20.0 | 132 | 29.1 | 7.4 |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 2.4 |
| Total | 5 | 100.0 | 454 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 3 | 60.0 | 72 | 15.9 | |
| \$100,001 - \$250,000 | 2 | 40.0 | 382 | 84.1 | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | |
| Total | 5 | 100.0 | 454 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 3 | 75.0 | 72 | 22.4 | |
| \$100,001 - \$250,000 | 1 | 25.0 | 250 | 77.6 | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | |
| Total | 4 | 100.0 | 322 | 100.0 | |
| <i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

| Distribution of 2019 Small Business Lending By Revenue Size of Businesses | | | | | |
|--|------------|-------|---------|-------|--------------------------|
| Assessment Area: MI Non MSA | | | | | |
| | Bank Loans | | | | Total Businesses % |
| | # | #% | \$(000) | % | |
| By Revenue | | | | | |
| \$1 Million or Less | 1 | 100.0 | 63 | 100.0 | 89.3 |
| Over \$1 Million | 0 | 0.0 | 0 | 0.0 | 8.2 |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 2.5 |
| Total | 1 | 100.0 | 63 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 1 | 100.0 | 63 | 100.0 | |
| \$100,001 - \$250,000 | 0 | 0.0 | 0 | 0.0 | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | |
| Total | 1 | 100.0 | 63 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 1 | 100.0 | 63 | 100.0 | |
| \$100,001 - \$250,000 | 0 | 0.0 | 0 | 0.0 | |
| \$250,001 - \$1 Million | 0 | 0.0 | 0 | 0.0 | |
| Total | 1 | 100.0 | 63 | 100.0 | |
| <i>Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

| Distribution of 2021 Small Farm Lending By Revenue Size of Farms | | | | | |
|--|-------------------|-----------|----------------|------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| | Bank Loans | | | | Total Farms |
| | # | #% | \$(000) | \$% | |
| By Revenue | | | | | |
| \$1 Million or Less | 13 | 100.0 | 1,020 | 100.0 | 96.7 |
| Over \$1 Million | 0 | 0.0 | 0 | 0.0 | 3.3 |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 0.0 |
| Total | 13 | 100.0 | 1,020 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 9 | 69.2 | 259 | 25.4 | |
| \$100,001 - \$250,000 | 3 | 23.1 | 483 | 47.4 | |
| \$250,001 - \$500,000 | 1 | 7.7 | 278 | 27.3 | |
| Total | 13 | 100.0 | 1,020 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 9 | 69.2 | 259 | 25.4 | |
| \$100,001 - \$250,000 | 3 | 23.1 | 483 | 47.4 | |
| \$250,001 - \$500,000 | 1 | 7.7 | 278 | 27.3 | |
| Total | 13 | 100.0 | 1,020 | 100.0 | |
| <i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

| Distribution of 2020 Small Farm Lending By Revenue Size of Farms | | | | | |
|--|-------------------|-----------|----------------|------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| | Bank Loans | | | | Total Farms |
| | # | #% | \$(000) | \$% | |
| By Revenue | | | | | |
| \$1 Million or Less | 5 | 100.0 | 600 | 100.0 | 96.2 |
| Over \$1 Million | 0 | 0.0 | 0 | 0.0 | 3.3 |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 0.5 |
| Total | 5 | 100.0 | 600 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 3 | 60.0 | 74 | 12.3 | |
| \$100,001 - \$250,000 | 1 | 20.0 | 176 | 29.3 | |
| \$250,001 - \$500,000 | 1 | 20.0 | 350 | 58.3 | |
| Total | 5 | 100.0 | 600 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 3 | 60.0 | 74 | 12.3 | |
| \$100,001 - \$250,000 | 1 | 20.0 | 176 | 29.3 | |
| \$250,001 - \$500,000 | 1 | 20.0 | 350 | 58.3 | |
| Total | 5 | 100.0 | 600 | 100.0 | |
| <i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

| Distribution of 2019 Small Farm Lending By Revenue Size of Farms | | | | | |
|--|-------------------|-----------|----------------|------------|--------------------|
| Assessment Area: MI Non MSA | | | | | |
| | Bank Loans | | | | Total Farms |
| | # | #% | \$(000) | \$% | |
| By Revenue | | | | | |
| \$1 Million or Less | 1 | 100.0 | 30 | 100.0 | 96.3 |
| Over \$1 Million | 0 | 0.0 | 0 | 0.0 | 3.2 |
| Revenue Unknown | 0 | 0.0 | 0 | 0.0 | 0.5 |
| Total | 1 | 100.0 | 30 | 100.0 | 100.0 |
| By Loan Size | | | | | |
| \$100,000 or Less | 1 | 100.0 | 30 | 100.0 | |
| \$100,001 - \$250,000 | 0 | 0.0 | 0 | 0.0 | |
| \$250,001 - \$500,000 | 0 | 0.0 | 0 | 0.0 | |
| Total | 1 | 100.0 | 30 | 100.0 | |
| By Loan Size and Revenues \$1 Million or Less | | | | | |
| \$100,000 or Less | 1 | 100.0 | 30 | 100.0 | |
| \$100,001 - \$250,000 | 0 | 0.0 | 0 | 0.0 | |
| \$250,001 - \$500,000 | 0 | 0.0 | 0 | 0.0 | |
| Total | 1 | 100.0 | 30 | 100.0 | |
| <i>Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i> | | | | | |
| <i>Note: Percentages may not total 100.0 percent due to rounding.</i> | | | | | |

APPENDIX C – Scope of Examination

| SCOPE OF EXAMINATION | | | |
|---|--|-------------------------|--|
| TIME PERIOD REVIEWED | Loan-to-Deposit: June 30, 2019, to June 30, 2023 Small Business Loans: August 27, 2019, to December 31, 2022 Small Farm Loans: August 27, 2019, to December 31, 2022 | | |
| FINANCIAL INSTITUTION Blissfield State Bank | | | PRODUCTS REVIEWED Small Business Loans Small Farm Loans |
| AFFILIATE(S) | AFFILIATE RELATIONSHIP | | PRODUCTS REVIEWED |
| None | N/A | | N/A |
| LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION | | | |
| ASSESSMENT AREA | TYPE OF EXAMINATION | BRANCHES VISITED | OTHER INFORMATION |
| Michigan Non-MSA | Full scope Review | N/A | N/A |

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.²

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

² Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions 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. They 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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. 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
4. 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 definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) 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 or 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 services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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 single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand 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.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).