

PUBLIC DISCLOSURE

November 02, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The State Savings Bank of Manistique
RSSD #259956

101 South Cedar Street
Manistique, MI 49854

Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
P.O. Box 291
Minneapolis, MN 55480

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

Institution’s CRA Rating..... 2

Scope of Examination 2

Description of Institution..... 3

Description of Assessment Area..... 3

Conclusions with Respect to Performance Criteria..... 6

Fair Lending or Other Illegal Credit Practices Review..... 12

Appendix A – Maps of the Assessment Area 13

Appendix B – Demographic Information..... 14

Appendix C – Glossary 15

Definitions for many of the terms used in this performance evaluation can be found in section 228.12 of Regulation BB. For additional convenience, a Glossary of Common CRA Terms is attached as Appendix C at the end of this performance evaluation.

INSTITUTION'S CRA RATING

The State Savings Bank of Manistique (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- An overall reasonable distribution and dispersion of loans occurs throughout the bank's AA.
- Overall, lending reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC) Interagency Examination Procedures for Small Institutions were utilized to evaluate the bank's CRA performance. The evaluation considered the CRA performance context, including the bank's asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics, and credit needs. Lending performance was assessed within the bank's Manistique AA. The following data was reviewed:

- The bank's 18-quarter average NLTD ratio, and
- Statistical samples of 64 residential real estate loans originated between July 1, 2019, and June 30, 2020, as well as 91 consumer and 55 small business loans originated between January 1, 2020, and June 30, 2020.¹

Examiners weighted small business, residential real estate, and consumer loans equally, based on loan portfolio concentration (Table 1) and lending data that the bank provided.² Of the five core performance criteria, examiners placed the greatest weight on geographic and borrower distribution.

¹ In 2020, the bank participated in Paycheck Protection Program (PPP) lending through the Small Business Administration (SBA). These loans are designed to help businesses keep their workforces employed during the Coronavirus (COVID-19) crisis. The small business loan sample included 36 PPP loans, 29 of which were inside the bank's AA.

² Based on 2019 lending data that the bank provided, 58.5% of the bank's loan originations by number were consumer loans.

DESCRIPTION OF INSTITUTION

The State Savings Bank of Manistique is a community bank headquartered in Manistique, Michigan. The bank's characteristics include the following:

- The bank is a wholly owned subsidiary of SSB, Inc.
- The bank has two partially owned subsidiaries: an insurance agency and a technology service corporation.
- The bank has total assets of \$142.5 million as of September 30, 2020.
- In addition to its main office in Manistique, the bank has three branches located in Manistique, Curtis, and Gulliver, Michigan.³
- The bank operates drive-up facilities at all offices and cash-dispensing-only ATMs at its main office and Curtis branch.
- The bank considers its primary business focus to be commercial lending and also provides consumer and residential real estate loans. In addition to offering conventional loan products, the bank offers government-sponsored loan programs through the SBA. The overall composition of the loan portfolio has remained relatively consistent since the previous evaluation and total assets increased by 19.4%.

Loan Type	\$(000s)	%
Agricultural	21	>0.01
Commercial	27,002	44.7
Residential Real Estate	23,936	39.6
Consumer	6,705	11.1
Other	2,784	4.6
Gross Loans	60,448	100.0

Note: Percentages may not total 100.0 due to rounding.

The bank was rated Satisfactory under the CRA at its June 28, 2016, performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA comprises all of Luce and Schoolcraft counties and portions of Alger, Delta, and Mackinac counties, as at the previous evaluation.⁴ See Appendix A for an AA map and Appendix B for additional demographic data.

³ In 2020, the bank temporarily closed the Manistique branch as a result of the COVID-19 pandemic. The branch is near the main office so there was a convenient alternative for customers.

⁴ Tracts 1.00 and 3.00 in Alger County, tract 9701.00 in Delta County, and tracts 9502.00 and 9503.00 in Mackinac County.

- The bank’s AA consists of 13 census tracts: three moderate-income, seven middle-income, and three unknown-income tracts. At the previous evaluation, the bank had no moderate-income tracts in its AA. Since the last evaluation, the income classification of tract 9601.00 in Luce County, tract 9503.00 in Mackinac County, and tract 3.00 in Schoolcraft County changed from middle income to moderate income. The bank's main office and the Manistique branch are in moderate-income tract 3.00, and the Curtis branch is located in moderate income tract 9503.00. Unknown income tracts 9900.00 in both Luce and Schoolcraft counties consist entirely of water (a small portion of Lake Superior and Lake Michigan, respectively). Unknown income tract 9800.00 in Luce County is forested (as is much of the AA) and also includes a lake. Most of the middle-income tracts in the AA are designated as distressed and underserved, or distressed.
- Very small portions of the Sault Ste. Marie Reservation are located in the bank’s AA.
- According to the June 30, 2020, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks six out of 11 FDIC-insured financial institutions with offices in Alger, Delta, Luce, Mackinac, and Schoolcraft counties, with 7.9% of the deposits.
- Examiners conducted two community contact interviews during the evaluation. One contact represented an organization that promotes economic development in the region. The second contact represented an economic development entity that promotes growth in one county in the bank’s AA.

Area	2010 Population	2015 Population	% Change
Alger County	9,601	9,476	(1.3)
Delta County	37,069	36,712	(1.0)
Luce County	6,631	6,477	(2.3)
Mackinac County	11,113	11,044	(0.6)
Schoolcraft County	8,485	8,288	(2.3)
State of Michigan	9,883,640	9,900,571	0.2
<i>Source: 2010 U.S. Census Bureau Decennial Census 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- The population in each of the counties is slightly declining, while the state of Michigan experienced modest growth, based on census data shown in Table 2. Community contacts indicated that younger people are moving to larger cities outside the region for better opportunities and that the population is aging.

Table 3			
Median Family Income Change			
Area	2010 Median Family Income	2015 Median Family Income	% Change
Alger County	47,548	52,243	9.9
Delta County	51,442	54,702	6.3
Luce County	46,510	46,194	(0.7)
Mackinac County	51,376	46,354	(9.8)
Schoolcraft County	48,141	47,816	(0.7)
State of Michigan	60,341	62,247	3.2
<i>Source: 2006-2010 U.S. Census Bureau: American Community Survey 2011-2015 U.S. Census Bureau: American Community Survey</i>			

- The median family income for each county in Table 3 is lower than the state of Michigan; however, Alger and Delta counties experienced an increase at a rate above that of the state.
- Luce, Mackinac, and Schoolcraft counties experienced a decrease in the median family income.
- A community contact indicated that the region has not historically attracted a lot of workers because of the lack of high-paying jobs. Further, the contact indicated that employers find it difficult to attract new employees to the region because of the housing shortage.

Table 4						
Housing Costs Change						
Area	Median Housing Value		% Change	Median Gross Rent		% Change
	2010	2015		2010	2015	
Alger County	111,500	116,400	4.4	522	595	14.0
Delta County	100,600	101,900	1.3	522	537	2.9
Luce County	86,000	74,200	(13.7)	541	606	12.0
Mackinac County	126,100	121,300	(3.8)	558	578	3.6
Schoolcraft County	87,700	89,000	1.5	518	574	10.8
State of Michigan	144,200	122,400	(15.1)	723	783	8.3
<i>Source: 2006-2010 U.S. Census Bureau: American Community Survey 2011-2015 U.S. Census Bureau: American Community Survey</i>						

- As shown in Table 4, the median housing value increased in Alger, Delta, and Schoolcraft counties. The median housing value decreased in Luce and Mackinac counties, as well as for the state, which experienced the largest decline. The median gross rent increased for each county, as well as for the state. The median gross rent in Alger, Luce, and Schoolcraft counties increased at a higher rate than that of the state.
- Contacts indicated that housing stock, especially for middle-income earners, is limited. The housing stock is also older. Higher-priced homes are concentrated in touristic areas along the lake shore; these homes are mostly investment or second homes. A high percentage of the homes in the AA (49.3%) are classified as vacant because they are likely seasonal homes. A contact also noted that home prices in Manistique typically range from \$60,000 to \$150,000 and that there are few rental properties.

Table 5 Unemployment Rates				
Region	2016	2017	2018	2019
Alger County	8.0	8.3	7.8	7.8
Delta County	6.3	6.2	5.3	5.2
Luce County	6.5	6.8	6.2	6.2
Mackinac County	9.4	10.1	9.7	9.3
Schoolcraft County	9.1	8.3	7.1	7.0
State of Michigan	4.9	4.6	4.1	4.1

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Unemployment rates have declined overall since 2017 (see Table 5). Alger, Luce, and Mackinac counties’ rates went up from 2016 to 2017. The unemployment rate for each county, especially Mackinac County, is higher than for the state of Michigan. A contact indicated that Mackinac County is a major tourist destination and that economic activities revolve around the seasonal tourism industry.
- A contact described the regional economy as stable with limited growth.
- According to contacts, major employers in the area include the local hospitals, the school districts, paper mills, a correctional facility, small manufacturers, and casinos. Bank management and a contact indicated that logging and tourism are major economic drivers. The local service industry employs a significant number of individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of the performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and the lending levels of similarly situated FDIC-insured institutions. The similarly situated institution for this evaluation was selected based on asset size, product offerings, and market share in the area. The bank’s NLTD ratio is reasonable.

The bank’s average NLTD for the past 18 quarters is 55.5%. At the previous evaluation, the bank’s 17-quarter average NLTD was 63.7%. Since then, the bank’s NLTD ratio has ranged from 48.6% to 58.9%. Since the previous evaluation, the bank’s deposits increased by a much higher percentage (25.5%) than net loans (2.4%), with much of the deposit growth occurring after first quarter 2020. Bank management indicated that loan demand in recent years has generally been low and declining. In 2020, demand changed for business loans as a result of the pandemic and the bank made numerous PPP loans. Overall, the region’s economy has historically struggled, with some recent signs of improvement.

As of September 30, 2020, the bank’s NLTD ratio was 48.6%, which is below the peer group ratio of 73.8%. The bank’s peer group includes insured commercial banks not located in a metropolitan

statistical area that have assets between \$100 million and \$300 million, with three or more full-service banking offices.

Table 6 Comparative NLTD Ratio			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			18-Quarter Average
The State Savings Bank of Manistique	Manistique, Michigan	\$142,467	55.5
Peoples State Bank of Munising	Munising, Michigan	\$175,479	70.8

As shown in Table 6, the bank’s NLTD ratio was below the similarly situated institution. Numerous financial institutions, including credit unions, operate in the bank’s AA. Competition is high in the area as a result.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA (see Table 7). A majority of the bank’s loans, by number and dollar, are originated inside the AA. While 35.6% of small business loans by dollar are outside the AA, two of these loans are the largest dollar loans in the sample. In addition, most of these loans were to borrowers in counties adjacent to the bank’s AA.

Table 7 Lending Inside and Outside the AA								
Loan Type	Inside				Outside			
	#	#%	\$(000s)	\$\$%	#	#%	\$(000s)	\$\$%
Consumer Loans	80	87.9	1,020	87.8	11	12.1	142	12.2
Residential Mortgage Loans	55	85.9	5,478	86.5	9	14.1	857	13.5
Small Business Loans	47	85.5	2,982	64.4	8	14.5	1,647	35.6
Total Loans	182	86.7	9,480	78.2	28	13.3	2,646	21.8

Note: Percentages may not add to 100.0 due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts with consideration given to the dispersion of loans throughout the AA. Overall, the bank’s geographic distribution of loans reflects reasonable dispersion among the different census tracts within the AA.

Residential Mortgage Lending

The geographic distribution of residential mortgage loans is reasonable. The bank’s geographic distribution of residential mortgage loans is shown in Table 8. The bank made 30.9% of its loans in moderate-income tracts, which is generally consistent with the percentage of owner-occupied units (29.9%) and the percentage of families (31.1%) in these tracts. Of the 17 residential mortgage loans made in moderate-income tracts, 12 were made in the moderate-income tract where the bank’s main office and the Manistique branch are located, while five were made in the moderate-income tract where the Curtis branch is located. The bank did not extend a residential mortgage loan in moderate-income tract 9601.00 in Luce County; the bank does not have a branch in this county. The county is sparsely populated with Newberry, Michigan, the county seat, being approximately 21 miles from the bank’s nearest branch in Curtis. The city limits of Newberry are within this moderate-income tract, and other financial institutions operate in the area.

Table 8						
Geographic Distribution of Residential Mortgage Loans						
Assessment Area: Manistique						
	Tract Income Levels	Bank & Demographic Comparison 2019 & 2020				Owner Occupied % of Units
		Count		Dollar		
		#	%	\$ (000s)	\$ %	
Totals	Low	0	0.0	0	0.0	0.0
	Moderate	17	30.9	1,481	27.0	29.9
	Middle	38	69.1	3,997	73.0	70.1
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	Total	55	100.0	5,478	100.0	100.0
2019 and 2020 FFIEC Census Data						
<i>Note: Percentages may not add to 100.0 due to rounding.</i>						

Small Business Lending

The geographic distribution of small business lending is excellent. The bank made 70.2% of its small business loans in moderate-income tracts (see Table 9).⁵ This lending significantly exceeds demographics, which indicate that 38.5% of businesses in the AA are in moderate-income tracts. Of the 33 small business loans made in moderate-income tracts, 24 were made in the moderate-income tract where the main office and the Manistique branch are located, while nine were originated in the moderate-income tract where the Curtis branch is located.

⁵ All 29 of the bank’s PPP loans within the AA were made to businesses located in either moderate-income or distressed middle-income tracts; examiners considered these loans particularly responsive.

Table 9						
Geographic Distribution of Small Business Loans						
Assessment Area: Manistique						
	Tract Income Levels	Bank & Demographic Comparison				
		2020				
		Count		Dollar		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	0.0
	Moderate	33	70.2	1,971	66.1	38.5
	Middle	14	29.8	1,011	33.9	61.5
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	Total	47	100.0	2,982	100.0	100.0

2020 FFIEC Census Data and 2020 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 due to rounding.

Consumer Lending

The geographic distribution of consumer lending is reasonable. As Table 10 shows, the bank originated 35% of its consumer loans in moderate-income tracts, which is slightly above the percentage of households in moderate-income tracts (33.6%). The bank extended consumer loans in all three moderate-income tracts, with most loans extended in the tract where the bank’s main office and Manistique branch are located.

Table 10						
Geographic Distribution of Consumer Loans						
Assessment Area: Manistique						
	Tract Income Levels	Bank & Demographic Comparison				
		2020				
		Count		Dollar		Households
		#	%	\$ (000s)	\$ %	%
Totals	Low	0	0.0	0	0.0	0.0
	Moderate	28	35.0	263	25.8	33.6
	Middle	52	65.0	757	74.2	66.4
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	Total	80	100.0	1,020	100.0	100.0

2020 FFIEC Census Data
Note: Percentages may not add to 100.0 due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. Overall, the bank’s lending has a reasonable penetration among individuals of different income levels and businesses of different sizes.

Residential Mortgage Lending

The borrower distribution of residential mortgage lending is reasonable. Table 11 shows the bank’s residential mortgage loans by borrower income levels. The bank extended 10.9% and 16.4% of its loans to low- and moderate-income borrowers, respectively. The bank’s lending is below the percentage of low-income families (23.4%) and moderate-income families (21.4%) in the AA. Bank management indicated that competition with financial institutions in the area, especially credit unions, is high. In addition, some of the loans in the bank’s residential mortgage portfolio are second home loans, which may partially explain the percentages of loans to LMI borrowers relative to middle- and upper-income borrowers. The lack of new home construction and the aging population, along with the population decline, are other factors that affect the bank’s residential mortgage lending. Finally, the bank’s focus is primarily commercial lending.

Table 11						
Borrower Distribution of Residential Mortgage Loans						
Assessment Area: Manistique						
	Borrower Income Levels	Bank & Demographic Comparison				Families by Family Income
		2019 & 2020				
		Count		Dollar		
		#	%	\$ (000s)	\$ %	%
Totals	Low	6	10.9	291	5.3	23.4
	Moderate	9	16.4	478	8.7	21.4
	Middle	13	23.6	1,077	19.7	22.1
	Upper	27	49.1	3,633	66.3	33.1
	Unknown	0	0.0	0	0.0	0.0
	Total	55	100.0	5,479	100.0	100.0
2019 and 2020 FFIEC Census Data						
<i>Note: Percentages may not add to 100.0 due to rounding.</i>						

Small Business Lending

The borrower distribution of small business lending is reasonable. Table 12 shows the bank’s small business lending in the AA. The bank extended 72.3% of its small business loans to businesses with gross annual revenues of \$1 million or less, which is below demographics but reasonable.⁶ The bank

⁶ The PPP loans are considered particularly responsive because the bank made a majority of the PPP loans in the AA to businesses with gross annual revenues of \$1 million or less.

extended multiple loans to a few borrowers with gross annual revenues greater than \$1 million, which affects the analysis. Competition for loans is also high. According to Dun & Bradstreet data, 89.2% of businesses in the AA have gross annual revenues of \$1 million or less. The majority (74.5%) of the bank’s small business loans were for \$100,000 or less, which indicates a willingness to serve the needs of small businesses in the AA.

Table 12
Small Business Lending By Revenue & Loan Size
Assessment Area: Manistique

Product Type		Bank & Demographic Comparison					
		Count		Dollar		Total Businesses	
		#	%	\$ 000s	\$ %		
Small Business	Revenue	\$1 Million or Less	34	72.3	1,629	54.6	89.2
		Over \$1 Million or Unknown	13	27.7	1,353	45.4	10.8
		Total	47	100.0	2,982	100.0	100.0
	Loan Size	\$100,000 or Less	35	74.5	1,027	34.4	
		\$100,001 - \$250,000	12	25.5	1,955	65.6	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	47	100.0	2,982	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	28	82.4	678	41.6	
		\$100,001 - \$250,000	6	17.6	951	58.4	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	34	100.0	1,629	100.0	

Originations & Purchases
2020 FFIEC Census Data & 2020 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 due to rounding.

Consumer Lending

The borrower distribution of consumer lending is excellent. The bank originated a majority of its consumer loans (68.8%) to LMI borrowers, which greatly exceeds the percentage of LMI households (47.2%) in the AA, as shown in Table 13. The bank’s lending to moderate-income borrowers is particularly strong at 35.0%, compared to the 19.6% of moderate-income households in the AA.

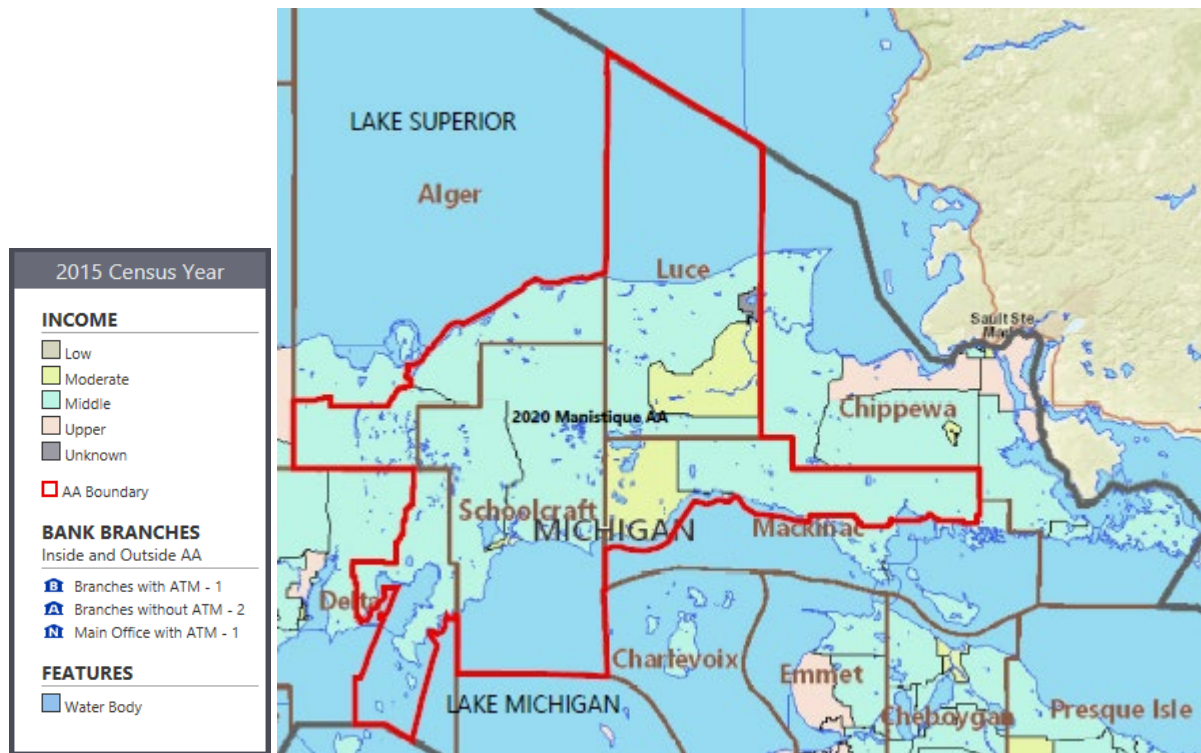
Table 13 Borrower Distribution of Consumer Loans Assessment Area: Manistique						
	Borrower Income Levels	Bank & Demographic Comparison 2020				Households by Household Income %
		Count		Dollar		
		#	%	\$ (000s)	\$ %	
Totals	Low	27	33.8	280	27.5	27.6
	Moderate	28	35.0	308	30.2	19.6
	Middle	18	22.5	323	31.6	18.8
	Upper	7	8.8	109	10.7	34.1
	Unknown	0	0.0	0	0.0	
	Total	80	100.0	1,020	100.0	100.0
2020 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

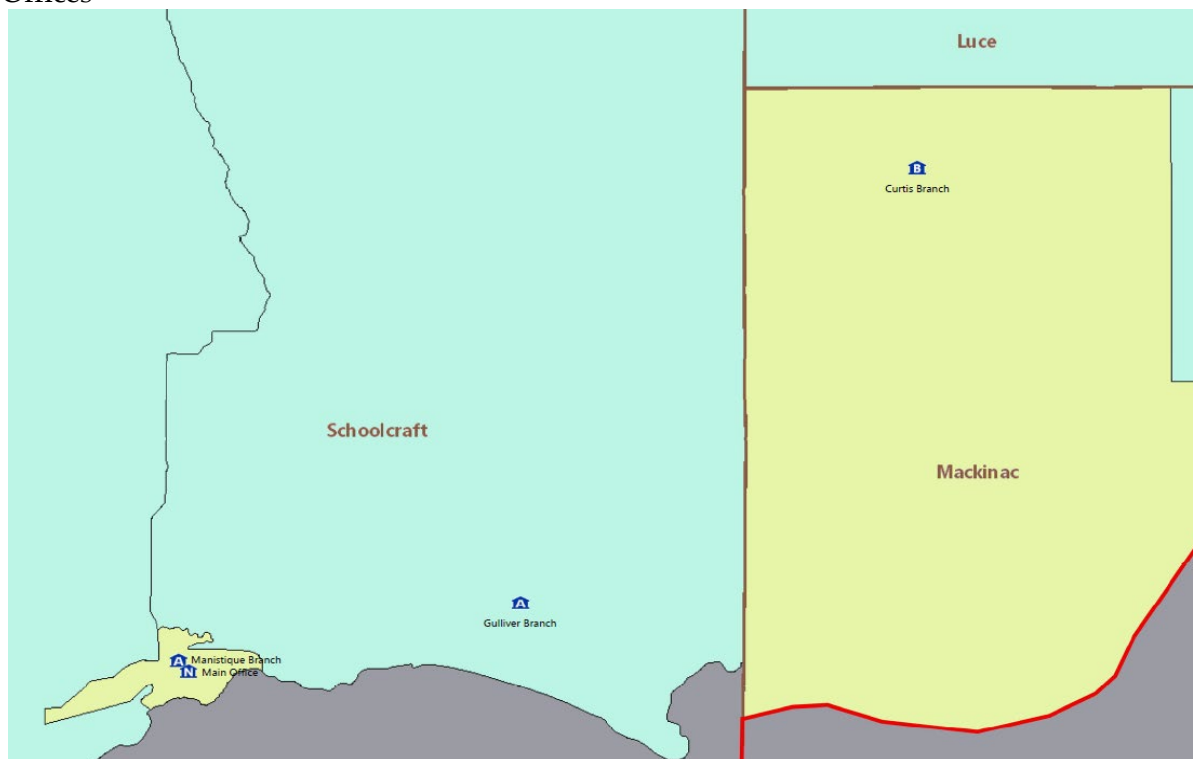
An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAPS OF THE ASSESSMENT AREA

Manistique AA



Offices



APPENDIX B – DEMOGRAPHIC INFORMATION

MANISTIQUE 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	1,634	23.4
Moderate	3	23.1	2,173	31.1	443	20.4	1,497	21.4
Middle	7	53.8	4,810	68.9	462	9.6	1,541	22.1
Upper	0	0.0	0	0.0	0	0.0	2,311	33.1
Unknown	3	23.1	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	6,983	100.0	905	13.0	6,983	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	5,857	2,650	29.9	45.2	1,008	17.2	2,199	37.5
Middle	15,613	6,214	70.1	39.8	1,013	6.5	8,386	53.7
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	21,470	8,864	100.0	41.3	2,021	9.4	10,585	49.3
	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	410	38.5	349	36.8	51	62.2	10	30.3
Middle	654	61.5	600	63.2	31	37.8	23	69.7
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,064	100.0	949	100.0	82	100.0	33	100.0
Percentage of Total Businesses:				89.2		7.7		3.1
	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	20	25.0	19	26.0	1	20.0	0	0.0
Middle	60	75.0	54	74.0	4	80.0	2	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	80	100.0	73	100.0	5	100.0	2	100.0
Percentage of Total Farms:				91.3		6.3		2.5

Source: 2020 FFIEC Census Data & 2020 Dun & Bradstreet data according to 2015 ACS
NOTE: Percentages may not add up to 100.0 due to rounding.

APPENDIX C – 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: 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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 nonrelatives 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 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 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. An 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 an MSA based on specific criteria including commuting patterns. Only an 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) 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 Reports 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.