

# **PUBLIC DISCLOSURE**

January 25, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Thumb Bank & Trust  
RSSD# 698649

7254 Michigan Avenue  
Pigeon, Michigan 48755

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.

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## BANK'S CRA RATING

Thumb Bank & Trust is rated **Satisfactory**.

Thumb Bank & Trust (TBT) provides credit consistent with its size and the economic conditions within the assessment area. The bank's average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. A majority of loans were originated in the assessment area, and while loan volume is low, it is reflective of the bank's market share. The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Loan distribution reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes. The bank's lending activity during the evaluation period within the Non MSA Michigan Assessment Area was weighted more heavily the analysis. Neither Thumb Bank & Trust nor this Reserve Bank has received any Community Reinvestment Act (CRA) – related complaints since the previous evaluation.

## SCOPE OF EXAMINATION

The Federal Financial Institutions Examinations Council's (FFIEC) Interagency Small Institutions Examination Procedures were utilized to evaluate Thumb Bank & Trust's Community Reinvestment Act (CRA) performance. Information about the institution and its assessment area, such as asset size, financial condition, competition, and economic and demographic characteristics were used to evaluate the bank's CRA performance.

Thumb Bank & Trust operates in two designated assessment areas in the northeastern part of Michigan's Lower Peninsula. TBT delineates 22 of the 26 total census tracts in the Bay City, MI Metropolitan Statistical Area (Bay City, MI MSA) #13020. TBT also delineates 13 census tracts in the Non-MSA Michigan assessment area, which includes portions of Huron, Sanilac, and Tuscola Counties. Both assessment areas received full-scope reviews. Ultimately, loan origination volume was relatively low within the assessment area during the evaluation period. Major products reviewed included small business loans, small farm loans and Home Mortgage Disclosure Act (HMDA)-reportable loans.

Performance within the designated assessment areas was evaluated using small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 23-quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's small business and small farm loans originated from January 1, 2018-December 31, 2018 and HMDA-reportable loans originated from January 1, 2017-December 31, 2019 were reviewed to determine the percentage of loans originated within the assessment area.

- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s small business and small farm loans originated within the assessment area from January 1, 2018 - December 31, 2018 and HMDA-reportable loans originated between January 1, 2017- December 31, 2019 were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – The bank’s small business and small farm loans originated within the assessment area from January 1, 2018 to December 31, 2018 and HMDA-reportable loans originated between January 1, 2017 – December 31, 2019 were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses and farms with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness. Neither TBT nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

In addition, four community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area. Organizations representing economic development and affordable housing were contacted.

## DESCRIPTION OF INSTITUTION

Thumb Bank & Trust is a subsidiary of Thumb Bancorp, Inc., a one bank holding company also headquartered in Pigeon, Michigan. According to the Uniform Bank Performance Report (UBPR) as of September 30, 2020, the bank held \$322.1 million in assets. TBT maintains six full-service branch locations including its main office and operates seven full service automated teller machines (ATMs) throughout the Non MSA Michigan Assessment Area (partial Huron, Sanilac, and Tuscola Counties) and the partial Bay City, MI MSA. The bank’s main office is located in Pigeon, Michigan; other bank locations include branches in the neighboring communities of Cass City, Caseville, Bay City, and Bad Axe, Michigan. The branch in Bad Axe and its full-service ATM were opened in 2016. A list of the bank’s branches is provided in the table below.

Thumb Bank & Trust Branch Listing			
Branch Name	Assessment Area	County	City & State
Pigeon (Main Office)	Non-MSA Michigan	Huron	Pigeon, Michigan
Bad Axe	Non-MSA Michigan	Huron	Bad Axe, Michigan
Caseville	Non-MSA Michigan	Huron	Caseville, Michigan
Cass City	Non-MSA Michigan	Tuscola	Cass City, Michigan
Bay City Center Avenue	Bay City MI MSA	Bay	Bay City, Michigan
Bay City Wilder	Bay City MI MSA	Bay	Bay City, Michigan

TBT offers a full range of traditional deposit and loan products to help meet the banking needs of consumers, businesses, and farms operating in its assessment area. Commercial loans comprise the largest portion of the bank’s loan portfolio at 48.0 percent of total loans, followed by agricultural loans at 38.1 percent and loans secured by residential real estate at 11.0 percent. The table below provides a detailed distribution of the bank’s loan portfolio.

Loan Portfolio Composition as of September 30, 2020		
Loan Type	Dollar Volume (\$ in 000s)	% of Portfolio
Commercial	105,561	48.0
Agricultural	83,746	38.1
Residential Real Estate	24,202	11.0
Consumer	3,589	1.6
Other	2,906	1.3
Total	<b>220,004</b>	<b>100.0</b>

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

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 by the Office of the Comptroller of the Currency (OCC) on July 23, 2015.

## DESCRIPTION OF ASSESSMENT AREA

The bank delineates two individual assessment areas in the thumb region of eastern Michigan, located in the Lower Peninsula. TBT delineates both a partial Bay City, MI (MSA) and a Non MSA MI assessment area comprised of portions of Huron, Sanilac, and Tuscola Counties. The partial Bay City, MI MSA assessment area primarily consists of Bay City, MI, and includes 22 of 26 total possible census tracts. Conversely, the Non MSA MI assessment area consists of 13 total census tracts, primarily including tract codes 9505.00 in Caseville MI, tract codes 9505.0 and 9507.0 in Pigeon, MI, and tract code 9702.0 of Cass City, MI.

TBT's main office is located in the western portion of Huron County, along with three additional branches. One branch is located in Sanilac County. There are no branches in Tuscola County; however, given the significant number of loans made in this county, it is reasonable that the bank includes it in its assessment area. In the Bay City MI, MSA assessment area the bank operates two branches, both in Bay City, located within Bay County.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio is reasonable given its size, financial condition, and the credit needs of the community. The LTD ratio was averaged over 23 quarters spanning March 31, 2015 through September 30, 2020. The average LTD ratio was evaluated relative to local and regional competitors which operate within the same counties as TBT.

The most recently evaluated LTD ratio (September 30, 2020) was 76.9 percent, with a 23-quarter average of 73.6. Overall, the bank's LTD ratio has remained stable during the 23-quarter time frame. At the previous evaluation, the bank's average quarterly LTD over the 20 quarters ending December 31, 2014 was higher at 77.8 percent. The bank's LTD ratio is within the range of its local competitors, particularly those of similar size and complexity. The following table compares the bank's LTD ratio to its local competitors which range significantly in terms of asset size.

Institution	Loan-to-Deposit Ratio (%)
	23 – Quarter Average
Thumb Bank & Trust	73.6
<b>Competitors</b>	
Bay Port State Bank	95.2
Eastern Michigan Bank	54.6
Exchange State Bank	62.1
Mayville State Bank	46.2
Northstar Bank	90.3
Port Austin State Bank	90.5
Tri-County Bank	76.3

### Assessment Area Concentration

During the evaluation period, a majority of loans were originated in the bank's assessment area. TBT originated 64.2 percent of total loans by number and 63.6 percent by dollar inside the assessment area during the evaluation period. The bank originated 66.7 percent of HMDA-reportable loans inside the assessment area and 66.0 percent by dollar amount. The bank originated 59.0 percent of both its small business and small farm loans, by number, inside the assessment area. Overall, lending inside of the assessment area indicates TBT is actively serving the needs of its community and responds appropriately to assessment area credit needs.

Beginning in 2018, institutions were required to adjust their home mortgage data collection and reporting to comply with definitional changes adopted by the Consumer Financial Protection Bureau (CFPB). Accordingly, the data reported for 2017 and prior years cannot be combined with data reported for 2018 and following years. Therefore, two tables are presented: one pre-definitional changes and one post-definitional changes. Each represents the bank's loan types under the definitions that applied at the time of the loan's origination or purchase.

The following tables summarize TBT's lending inside and outside its assessment area for HMDA-reportable loans from January 1, 2017 to December 31, 2019 and small business and small farm loans from January 1, 2018 to December 31, 2018.

Assessment Area Concentration – Pre 2018								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase – Conventional	44	67.7	4,578	65.8	21	32.3	2,377	34.2
Home Improvement	7	77.8	612	85.4	2	22.2	105	14.6
Multi-Family Housing	2	100.0	370	100.0	0	0.0	0	0.0
Refinancing	26	63.4	2,549	56.2	15	36.6	1,988	43.8
Total HMDA Related	79	67.5	8,109	64.5	38	32.5	4,470	35.5
<b>Total Loans</b>	<b>79</b>	<b>67.5</b>	<b>8,109</b>	<b>64.5</b>	<b>38</b>	<b>32.5</b>	<b>4,470</b>	<b>35.5</b>

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

Assessment Area Concentration – Post 2018								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase – Conventional	93	66.9	11,169	68.6	46	33.1	5,109	31.4
Home Improvement	23	67.6	1,409	59.1	11	32.4	976	40.9
Multi-Family Housing	1	100.0	383	100.0	0	0.0	0	0.0
Refinancing	36	63.2	3,473	62.5	21	36.8	2,083	37.5
Total HMDA Related	153	66.2	16,434	66.8	78	33.8	8,168	33.2
Small Business related	46	59.0	4,097	53.5	32	41.0	3,568	46.5
Small Farm Related	49	59.0	5,184	62.3	34	41.0	3,136	37.7
<b>Total Loans</b>	<b>248</b>	<b>63.3</b>	<b>25,715</b>	<b>63.4</b>	<b>144</b>	<b>36.7</b>	<b>14,872</b>	<b>36.6</b>

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

### **Geographic and Borrower Distribution**

The bank's geographic distribution of loans reflects reasonable dispersion throughout the assessment areas, including low- and moderate-income geographies. In addition, the borrower distribution reflects a reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses and farms of different sizes. The bank's lending in each assessment area and relevant demographics are discussed in the individual assessment area sections for the Bay City, MI MSA and Non-MSA Michigan.

### **Response to Complaints**

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

### **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.



## BAY CITY, MI MSA (#13020) – FULL REVIEW

### SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Bay City, MI MSA assessment area. The scope is consistent with the scope of the examination described within the institution summary. For further information, refer to the "Scope of Examination" section for details.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN BAY CITY, MI MSA<sup>1</sup>

The bank maintains a partial Bay City, MI MSA assessment area that delineates 22 of the 26 total census tracts in the MSA. Based on 2019 FFIEC Census data, the assessment area comprises one low-income, seven moderate-income, ten middle-income, and four upper-income census tracts. The assessment area remains unchanged since the previous CRA examination.

TBT maintains operations in the Bay City MSA assessment area through two branch locations and two full-service ATMs. There have been no openings or closing of branches or ATMs in the assessment area since the previous evaluation.

According to the June 30, 2020 Federal Deposit Insurance (FDIC) Market Share Report, TBT ranked sixth among seven FDIC-insured financial institutions operating in the assessment area with 3.8 percent of the deposit market share. Leaders in deposit market share include TCF Bank (36.2 percent), PNC Bank (19.9 percent), and Independent Bank (17.6 percent). The seven banks competing for deposits and loans with TBT have 24 offices in the assessment area. Additionally, according to the 2019 Home Mortgage Market Peer Report, TBT ranked 30<sup>th</sup> out of 43 positions, originating 17 HMDA-reportable loans in 2019. Leaders for the 2019 Home Mortgage Market Peer Report include Academy Mortgage Corporation, Huntington National, Quicken Loans, and Independent Bank.

#### *Sample Tract Designation Change Data*

*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). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.*

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<sup>1</sup> Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

<b>Census Tract Designation Changes American Community Survey Data (ACS)</b>			
<b>Tract Income Designation</b>	<b>2016 Designations (#)</b>	<b>2019 Designations (#)</b>	<b>Net Change (#)</b>
<b>Low</b>	1	1	0
<b>Moderate</b>	5	7	+2
<b>Middle</b>	15	10	-5
<b>Upper</b>	1	4	+3
<b>Unknown</b>	0	0	0
<b>Total</b>	22	22	0

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010  
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015*

Additional assessment area demographic information is provided in the following table. Please refer to Appendix B for 2017 and 2018 demographic information.

Assessment Area: 2019 Bay City, MI MSA 13020								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	4.5	272	1.2	118	43.4	4,612	20.1
Moderate-income	7	31.8	5,623	24.5	1,060	18.9	4,311	18.8
Middle-income	10	45.5	12,055	52.6	1,212	10.1	5,091	22.2
Upper-income	4	18.2	4,970	21.7	212	4.3	8,906	38.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>22</b>	<b>100.0</b>	<b>22,920</b>	<b>100.0</b>	<b>2,602</b>	<b>11.4</b>	<b>22,920</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	%	#	%	#	%
Low-income	640	220	0.8	34.4	360	56.3	60	9.4
Moderate-income	11,179	6,729	23.7	60.2	3,112	27.8	1,338	12.0
Middle-income	19,836	14,958	52.7	75.4	3,222	16.2	1,656	8.3
Upper-income	8,925	6,462	22.8	72.4	1,801	20.2	662	7.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>40,580</b>	<b>28,369</b>	<b>100.0</b>	<b>69.9</b>	<b>8,495</b>	<b>20.9</b>	<b>3,716</b>	<b>9.2</b>
	<b>Total Businesses Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	%
Low-income	68	2.2	59	2.2	9	3.2	0	0.0
Moderate-income	986	32.5	885	32.4	92	33.1	9	33.3
Middle-income	1,387	45.7	1,247	45.7	126	45.3	14	51.9
Upper-income	595	19.6	540	19.8	51	18.3	4	14.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>3,036</b>	<b>100.0</b>	<b>2,731</b>	<b>100.0</b>	<b>278</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>		<b>90.0</b>		<b>9.2</b>		<b>0.9</b>	
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	%
Low-income	1	0.6	1	0.7	0	0.0	0	0.0
Moderate-income	4	2.6	4	2.6	0	0.0	0	0.0
Middle-income	123	79.4	121	79.1	1	100.0	1	100.0
Upper-income	27	17.4	27	17.6	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>155</b>	<b>100.0</b>	<b>153</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
	<b>Percentage of Total Farms:</b>		<b>98.7</b>		<b>0.6</b>		<b>0.6</b>	
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

## Population Characteristics

The table below presents the population trends for, the Bay City, MI MSA, and the state of Michigan from 2010 to 2015. The entirety of Bay County, with 26 total tracts, comprises the Bay City, MI MSA; however, the bank only takes a total of 22 census tracts within its assessment area. According to the 2015 U.S. Census Bureau demographic data, the Bay City, MI MSA population is 106,698, a decrease of 1.0 percent from 2010. Comparatively, the state of Michigan experienced a minimal increase of 0.2 percent. According to community representatives, the population decrease within the Bay City, MI MSA is widely attributed to its aging population and college graduates not returning to the area after completing their education.

<b>Population Change 2010 and 2011-2015</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2011-2015 Population</b>	<b>Percentage Change</b>
<b>Assessment Area</b>	-	89,505	-
<b>Bay City, MI MSA</b>	107,771	106,698	-1.0
<b>State of Michigan</b>	9,883,640	9,900,571	0.2

Source: 2006-2010—U.S. Census Bureau: Decennial Census

2011-2015—U.S. Census Bureau: Annual Population Estimates OR 2010—U.S. Census Bureau: Decennial Census

## Income Characteristics

According to the 2019 FFIEC Census data, the assessment area is comprised of 22,920 families, of which 1.2 percent were designated as low-income and 24.5 percent moderate-income. Of the families residing within the assessment area, 11.4 percent live below the poverty line, which is comparable to the state of Michigan poverty rate at 11.9 percent.

As aforementioned, the bank’s assessment area comprises of 22 of 26 total census tracts within the Bay City, MI MSA. According to the 2011-2015 Census Bureau data, median family income (MFI) in the Bay City, MI MSA is slightly lower than the MFI for the state of Michigan. However, the MFI for the Bay City, MI MSA experienced a larger percentage change, at 7.4 percent, than the State of Michigan, at 3.2 percent. The table below compares the median family income for the Bay City, MI MSA, and the state of Michigan.

According to a community representative in Bay County, median family income has increased over the years due to growing wages amongst the largest employers in the region. The majority of jobs within Bay County are in the manufacturing sector, and these employers are offering higher wages to attract a quality workforce.

<b>Median Family Income Change 2006-2010 and 2011-2015</b>			
<b>Area</b>	<b>2006-2010 Median Family Income</b>	<b>2011-2015 Median Family Income</b>	<b>Percentage Change</b>
<b>Assessment Area</b>	-	56,222	-
<b>Bay City, MI MSA</b>	53,824	57,819	7.4
<b>State of Michigan</b>	60,341	62,247	3.2
<i>Source: U.S. Census Bureau: American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey: 2011-2015</i>			

### Housing Characteristics

According to the 2011-2015 American Community Survey, the median housing value declined in the Bay City, MI MSA, and the state of Michigan between 2010 and 2015. In 2015, the median housing value in the MSA was \$92,762, which represents a 14.0 percent decrease from 2010. This is in line with the rate observed by the state of Michigan as whole, where housing values decreased by 15.1 percent. Community representatives discussed the old age of the local housing stock and the 2008 recession, which likely contributed to decreased housing values between 2010 and 2015.

While housing values declined throughout the MSA and the state, median gross rents increased. Median gross rents increased in the Bay City, MI MSA by 18.2 percent. This percentage increase is substantially greater than the median gross rent for the State of Michigan, which increased 8.3 percent within the same time period.

A common method to compare affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 American Community Survey data, the Bay City, MI MSA affordability ratio of 0.49 is higher than the state of Michigan at 0.41. This shows that the assessment area is generally more affordable than the state of Michigan. The higher affordability in the assessment area can be attributed to its relatively rural location, and the lack of larger surrounding cities that provide significant employment opportunities.

The table below presents recent trends in housing costs within the assessment area and the state of Michigan.

<b>Trends in Housing Costs 2006-2010 and 2011-2015</b>				
<b>Location</b>	<b>2006-2010 Median Housing Value</b>	<b>2011-2015 Median Housing Value</b>	<b>2006-2010 Median Gross Rent</b>	<b>2011-2015 Median Gross Rent</b>
<b>Assessment Area</b>	-	89,873	-	638
<b>Bay City, MI MSA</b>	107,845	92,762	556	657
<b>State of Michigan</b>	144,200	122,400	723	783
<i>Source: U.S. Census Bureau: American Community Survey Data: 2006-2010 U.S. Census Bureau: 2011-2015 American Community Survey: 2011-2015</i>				

### Employment Conditions

The following table presents the unemployment trends for the Bay City, MI MSA, and the state of Michigan from 2013 to 2016. Much like the state of Michigan, the MSA saw declining unemployment rates year-over-year from 2013 to 2016. Unemployment rates in the MSA are closely aligned with the state of Michigan's. Community representatives stated that recovery from the 2008 recession has been slow but steady as it gave the region an opportunity to focus on bringing different businesses and industries to the area. However, since the onset of the COVID-19 pandemic, construction and economic growth in the area has slowed considerably.

<b>Unemployment Rates (%)</b>				
<b>Region</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Bay City, MI MSA</b>	9.1	7.1	5.7	5.2
<b>State of Michigan</b>	8.8	7.3	5.4	4.9
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

### Industry Characteristics

The following table presents the largest employers operating within the assessment area. The employment base covers multiple industries with the largest being in manufacturing and academia. A community representative noted that businesses within the area have seen moderate growth in recent years, largely due to its proximity to Interstate 69.

<b>Largest Employers in the Assessment Area</b>		
<b>Company</b>	<b>Number of Employees</b>	<b>Industry</b>
Dow Corning Corporation	5,000	Silicones
Mclaren Bay Regional Medical Center	1,834	Hospitals
Saginaw Valley State University	1,000	Schools – Universities & Colleges
Delta College	1,000	Schools – Universities & Colleges
Meijer	704	Grocers – Retail
Meijer Pharmacy	400	Pharmacies
Walmart Supercenter	350	Department Stores
Dow Chemical Company	350	Plastics – Raw Materials
<i>Source: Business information provided by Infogroup®, Omaha, NE</i>		

### **Community Representatives**

Two community representatives with a focus on economic development and affordable housing were contacted to increase the understanding of the credit needs and market conditions within the Bay City, MI MSA assessment area. Both representatives indicated that demand for affordable housing is high in the area and houses sell immediately after going on the market. The area, much like the rest of Michigan, was negatively impacted by the 2008 recession and although recovery has been steady, these contacts indicated the pace is slow. Nonetheless, representatives provided that the area is rebounding more quickly from the COVID-19 pandemic than it did following the 2008 recession. Representatives also indicated that the relationship between local financial institutions and the community is positive and there are active and collaborative engagements to provide funding to small businesses and solve other needs of the community. Per the representative, one area of improvement for local banks would be to provide more gap financing for entrepreneurs.

### **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BAY CITY, MI MSA**

#### **LENDING TEST**

##### **Geographic Distribution of Loans**

In the Bay City, MI MSA assessment area, the bank’s geographic distribution of small business, and small farm loans in addition to HMDA reportable loans reflects reasonable dispersion throughout the bank’s assessment area. Small business and small farm lending received greater weighting for this evaluation as they are the primary business lines of the bank.

Due to low loan volumes, the analysis of lending percentages is significantly impacted. Overall, the bank’s lack of lending in the assessment area does not reflect a lack of willingness to lend and is reasonable considering the bank’s deposit market share and physical presence in the assessment area.

A gap analysis was conducted as a part of the evaluation. Overall, no substantial disparities were noted. The gap analysis indicates that although volume is low, the bank is lending in the census tracts within its assessment area.

### Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The 2018 data includes five small business loans within the assessment area. The bank did not originate any loans in low-income census tracts; however, this performance is similar to the percentage of small businesses in low-income census tracts at 2.1 percent. The bank's lending volume in moderate-income census tracts of 20.0 percent is significantly below the percentage of total businesses located in moderate-income census tracts at 32.3 percent. While this is below the total businesses by percentage in the moderate-income census tracts (32.3 percent), strong competition in the Bay City, MI MSA has contributed to the lack of small business lending in moderate-income tracts. The following table presents the geographic distribution of small business loans in 2018.

Geographic Distribution of Small Business Loans						
Assessment Area: 2018 Bay City, MI MSA 13020						
	Tract Income Levels	Bank & Demographic Comparison				
		Count		Dollar		Total
		Bank	Bank	Bank	Businesses	
#	%	\$ 000s	\$ %	%		
Small Business	Low	0	0.0	0	0.0	2.1
	Moderate	1	20.0	275	46.1	32.3
	Middle	3	60.0	320	53.6	46.3
	Upper	1	20.0	1	0.2	19.3
	Unknown	0	0.0	0	0.0	0.0
	Total	5	100.0	597	100.0	100.0

2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

### Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any small farm loans in low-income census tracts in 2018; however, this is on par with demographics since only 0.6 percent of farms are located in these tracts. Similarly, the bank did not originate any loans in moderate-income census tracts in 2018, but lending in these tracts is difficult considering only 3.2 percent of farms are located in moderate-income tracts. The following table presents the bank's geographic distribution of small farm loans in 2018.



Geographic Distribution of Small Farm Loans						
Assessment Area: 2018 Bay City, MI MSA 13020						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2018 Dollar Bank		Total Farms
		#	%	\$ 000s	\$ %	
Small Farm	Low	0	0.0	0	0.0	0.6
	Moderate	0	0.0	0	0.0	3.2
	Middle	3	42.9	441	62.6	78.5
	Upper	4	57.1	263	37.3	17.7
	Unknown	0	0.0	0	0.0	0.0
	<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>705</b>	<b>100.0</b>	<b>100.0</b>

2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

### HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects reasonable dispersion throughout the assessment area. In 2019, TBT originated no HMDA-reportable loans in the single low-income census tract, which is a similar performance to both the aggregate performance in low-income geographies (1.2 percent in the low-income tract), and assessment area demographics as 0.8 percent of units within the low-income tract are owner-occupied. TBT originated one home improvement loan, or 6.3 percent of its total HMDA-reportable loans in a moderate-income census tract, which is significantly lower than the aggregate of lenders at 22.3 percent and the percentage of owner-occupied units at 23.7 percent. Referencing the FDIC Market Share Report for the Bay City MSA, TBT represents 3.8 percent of the market share. Strong competition in the assessment area significantly impacts the bank’s ability to lend within the assessment area.

In 2017 and 2018, TBT’s geographic distribution of HMDA-reportable loans was comparable to its lending in 2019. The discussion below will only refer to home purchase and refinance HMDA-reportable loans as originations for other product types were too low for a meaningful analysis. Please refer to Appendix B for the 2017 and 2018 geographic distribution lending tables.

#### *Home Purchase*

In 2019, home purchase loans represented 75.0 percent of the bank’s total HMDA-reportable loans in the assessment area. The bank originated all home purchase loans in middle-income and upper-income census tracts. The bank did not originate any home purchase loans within the low-income tract and did not originate any home purchase loans within the moderate-income tracts. This is similar performance when compared to the aggregate of lenders in low-income geographies, however, significantly underperforms when compared to the aggregate in moderate-income census tracts. Considering low loan volumes in this assessment area, the bank’s market share, and local competition, the lack of home purchase loans is not reflective of the bank’s willingness to lend in low- or moderate-income census tracts.

### *Refinance*

In 2019, refinance loans represented 18.8 percent of the bank's total HMDA-reportable loans in the assessment area. Comparable to the aggregate of lenders and assessment area demographics, no refinance loans were originated in low-income census tracts. Similarly, the bank did not originate any refinance loans in moderate-income tracts, which significantly underperforms when compared to the aggregate of lenders in moderate-income tracts at 16.3 percent, and also underperforms the assessment area demographics as 23.7 percent of units within moderate-income tracts are owner-occupied. Competition within the assessment area significantly impacts TBT's performance.

The following table summarizes the bank's 2019 geographic distribution of HMDA-reportable lending in the assessment area.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2019 Bay City, MI MSA 13020								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2019						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	1.2	0	0.0	0.6	0.8
	Moderate	0	0.0	25.2	0	0.0	19.8	23.7
	Middle	8	66.7	50.8	1,501	74.5	51.4	52.7
	Upper	4	33.3	22.9	515	25.5	28.1	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>12</b>	<b>100.0</b>	<b>100.0</b>	<b>2,016</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.4	0	0.0	0.2	0.8
	Moderate	0	0.0	16.3	0	0.0	12.1	23.7
	Middle	2	66.7	57.7	163	47.8	56.7	52.7
	Upper	1	33.3	25.6	178	52.2	31.0	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>341</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	1	100.0	17.9	25	100.0	23.3	23.7
	Middle	0	0.0	52.8	0	0.0	45.5	52.7
	Upper	0	0.0	29.2	0	0.0	31.2	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	16.7	0	0.0	20.3	Multi-Family 2.5
	Moderate	0	0.0	50.0	0	0.0	44.3	30.5
	Middle	0	0.0	33.3	0	0.0	35.4	37.7
	Upper	0	0.0	0.0	0	0.0	0.0	29.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	19.5	0	0.0	14.0	23.7
	Middle	0	0.0	48.8	0	0.0	45.3	52.7
	Upper	0	0.0	31.7	0	0.0	40.7	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	1.2	0	0.0	1.1	0.8
	Moderate	0	0.0	24.4	0	0.0	25.0	23.7
	Middle	0	0.0	57.0	0	0.0	53.7	52.7
	Upper	0	0.0	17.4	0	0.0	20.2	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	3.4	0	0.0	2.9	0.8
	Moderate	0	0.0	37.3	0	0.0	35.5	23.7
	Middle	0	0.0	52.5	0	0.0	55.2	52.7
	Upper	0	0.0	6.8	0	0.0	6.4	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	1.0	0	0.0	0.6	0.8
	Moderate	1	6.3	22.3	25	1.0	17.7	23.7
	Middle	10	62.5	53.2	1,664	69.9	53.0	52.7
	Upper	5	31.3	23.5	693	29.1	28.6	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,382</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2019 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

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

In the Bay City, MI MSA assessment area, the bank’s borrower distribution of HMDA-reportable, small business, and small farm loans reflects reasonable penetration among borrowers of different income levels and to businesses and farms of different sizes. Small business and small farm lending received greater weighting for this evaluation as they are the primary business lines of the bank.

Due to low loan volumes, the analysis of lending percentages is significantly impacted. Overall, the bank’s lack of lending in the assessment area does not reflect a lack of willingness to lend and is reasonable considering the bank’s deposit market share and physical presence in the assessment area.

### Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes. The 2018 data included five small business loans, all of which were made to businesses with gross revenues equal to or less than \$1.0 million. This is above the percentage of small businesses in the area, at 89.8. Of TBT’s loans originated to business with gross annual revenues under \$1.0 million, 40.0 percent were made in amounts of \$100,000 or less, indicating its willingness to meet the credit needs of small businesses.

The following table presents the bank’s borrower distribution of small business loans in 2018.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2018 Bay City, MI MSA 13020							
Product Type		Bank & Demographic Comparison					
		2018		2018		Total Businesses %	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %		
Small Business	Revenue	\$1 Million or Less	5	100.0	597	100.0	89.8
		Over \$1 Million or Unknown	0	0.0	0	0.0	10.2
		<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>597</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	2	40.0	12	2.0	
		\$100,001 - \$250,000	2	40.0	310	51.9	
		\$250,001 - \$1 Million	1	20.0	275	46.1	
		<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>597</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	2	40.0	12	2.0	
		\$100,001 - \$250,000	2	40.0	310	51.9	
\$250,001 - \$1 Million		1	20.0	275	46.1		
<b>Total</b>		<b>5</b>	<b>100.0</b>	<b>597</b>	<b>100.0</b>		
Originations & Purchases							
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

### Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different revenue sizes. The 2018 sample included seven small farm loans, of which 100.0 percent by number were to farms with gross annual revenues equal to or less than \$1.0 million. This is similar to the percentage of small farms in the assessment area, at 98.7 percent. A high percentage, 57.1 percent, of these loans were in amounts of \$100,000 or less, which are considered the 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 borrower distribution of small farm loans in 2018.

<b>Small Farm Lending By Revenue &amp; Loan Size</b>						
<b>Assessment Area: 2018 Bay City, MI MSA 13020</b>						
Product Type		Bank & Demographic Comparison				
		2018		2018		Total Farms
		Count Bank		Dollar Bank		
#	%	\$ 000s	\$ %	%		
Revenue	\$1 Million or Less	7	100.0	704	99.9	98.7
	Over \$1 Million or Unknown	0	0.0	1	0.1	1.3
Total		7	<b>100.0</b>	705	<b>100.0</b>	<b>100.0</b>
Small Farm Loan Size	\$100,000 or Less	4	57.1	263	37.4	
	\$100,001 - \$250,000	3	42.9	441	62.6	
	\$250,001 - \$500,000	0	0.0	0	0.0	
	Total	7	<b>100.0</b>	704	<b>100.0</b>	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	4	57.1	263	37.4	
	\$100,001 - \$250,000	3	42.9	441	62.6	
	\$250,001 - \$500,000	0	0.0	0	0.0	
	Total	7	<b>100.0</b>	704	<b>100.0</b>	

Originations & Purchases  
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

### HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable penetration among individuals of different income levels. In 2019, TBT originated no loans to low-income borrowers, underperforming the aggregate of lenders at 12.0 percent, and below the percentage of low-income families in the assessment area at 20.1 percent. The bank originated 31.3 percent of its HMDA-reportable loans to moderate-income borrowers, above the aggregate of 22.1 percent and the percentage of families designated as moderate-income in the assessment area at 18.8 percent.

In 2017 and 2018, TBT's borrower distribution of HMDA-reportable loans was generally comparable to its lending in 2019. The discussion below will only refer to home purchase and refinance HMDA-reportable loans as originations for other product types were too low for a meaningful analysis. Please refer to Appendix B for the 2017 and 2018 borrower distribution lending tables.

#### *Home Purchase*

In 2019, TBT did not originate any loans to low-income borrowers, underperforming both the aggregate of lenders at 14.4 percent, and assessment demographics as 20.1 of families by family income are low-income borrowers. Conversely, the bank did originate 25.0 percent of its home purchase loans to moderate-income borrowers. This is similar to the aggregate at 26.5 percent and outperforms the assessment area demographics as 18.8 percent of families by family income are moderate-income borrowers. While the bank's lending to low-income borrowers underperforms, the bank's agricultural lending and commercial lending emphasis, combined with strong competition, contributed to the lack of home purchase loans to low-income borrowers.

#### *Refinance*

In 2019, TBT originated no refinance loans to low-income borrowers. The bank's performance was below the aggregate at 9.2 percent and the 20.1 percent of low-income families located within the assessment area. The bank originated 66.7 percent of its refinance loans to moderate-income borrowers, which is substantially above the aggregate at 19.0 percent and the 18.8 percent of moderate-income families in the assessment area.

The following table summarizes the bank's 2019 borrower distribution of HMDA-reportable lending in the assessment area.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2019 Bay City, MI MSA 13020								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2019						
		Count Bank		Agg %	Dollar Bank		Agg %	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	14.4	0	0.0	7.0	20.1
	Moderate	3	25.0	26.5	174	8.6	19.5	18.8
	Middle	2	16.7	23.3	169	8.4	22.9	22.2
	Upper	7	58.3	26.7	1,673	83.0	41.5	38.9
	Unknown	0	0.0	9.2	0	0.0	9.1	0.0
	<b>Total</b>		<b>12</b>	<b>100.0</b>	<b>100.0</b>	<b>2,016</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	9.2	0	0.0	5.0	20.1
	Moderate	2	66.7	19.0	163	47.8	13.3	18.8
	Middle	0	0.0	25.2	0	0.0	20.3	22.2
	Upper	0	0.0	35.4	0	0.0	44.9	38.9
	Unknown	1	33.3	11.2	178	52.2	16.5	0.0
	<b>Total</b>		<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>341</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	9.4	0	0.0	4.5	20.1
	Moderate	0	0.0	12.3	0	0.0	7.9	18.8
	Middle	1	100.0	26.4	25	100.0	27.0	22.2
	Upper	0	0.0	50.0	0	0.0	59.3	38.9
	Unknown	0	0.0	1.9	0	0.0	1.3	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>25</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.1
	Moderate	0	0.0	0.0	0	0.0	0.0	18.8
	Middle	0	0.0	0.0	0	0.0	0.0	22.2
	Upper	0	0.0	0.0	0	0.0	0.0	38.9
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	14.6	0	0.0	8.8	20.1
	Moderate	0	0.0	12.2	0	0.0	10.4	18.8
	Middle	0	0.0	22.0	0	0.0	27.8	22.2
	Upper	0	0.0	48.8	0	0.0	50.9	38.9
	Unknown	0	0.0	2.4	0	0.0	2.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	11.6	0	0.0	9.0	20.1
	Moderate	0	0.0	15.1	0	0.0	10.5	18.8
	Middle	0	0.0	27.9	0	0.0	20.8	22.2
	Upper	0	0.0	37.2	0	0.0	51.9	38.9
	Unknown	0	0.0	8.1	0	0.0	7.8	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	20.1
	Moderate	0	0.0	1.7	0	0.0	4.3	18.8
	Middle	0	0.0	0.0	0	0.0	0.0	22.2
	Upper	0	0.0	0.0	0	0.0	0.0	38.9
	Unknown	0	0.0	98.3	0	0.0	95.7	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	12.0	0	0.0	6.2	20.1
	Moderate	5	31.3	22.1	337	14.1	16.6	18.8
	Middle	3	18.8	23.5	194	8.1	21.6	22.2
	Upper	7	43.8	30.5	1,673	70.2	42.4	38.9
	Unknown	1	6.3	11.8	178	7.5	13.1	0.0
	<b>Total</b>		<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,382</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2019 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

## NON-MSA MICHIGAN - FULL REVIEW

### SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Non-MSA Michigan assessment area. The scope is consistent with the scope of the examination described within the institution summary. For further information, refer to the "Scope of Examination" section for details.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA MICHIGAN<sup>2</sup>

The bank's Non-MSA Michigan assessment area consists of three partial counties, Huron, Sanilac, and Tuscola. The assessment area includes 13 census tracts. Based on 2019 FFIEC Census data, the census tract composition includes zero low-income, one moderate-income, 12 middle-income, and zero upper-income tracts located in the assessment area. As of 2019, the seven middle-income census tracts located in Huron County are considered underserved by the FFIEC and are classified as such due to their remote and rural location. Further, the assessment area has changed since the previous evaluation, expanding to include two census tracts after opening an additional location in Bad Axe, MI (Huron County) in July 2016.

TBT maintains operations in the Non-MSA Michigan assessment area through its main office, four branches, and five full-service ATMs. The main office and three of the branches are located in Huron County, with one in Sanilac County. There are no branches in Tuscola County, however, given the significant number of loans made within the county, it is included in the assessment area. The branch in Bad Axe, Michigan was opened in 2016, since the previous evaluation conducted by the OCC.

According to the June 30, 2020 Federal Deposit Insurance (FDIC) Market Share Report, TBT ranked fifth among 11 FDIC-insured financial institutions operating in the assessment area with 10 percent of market share. Leaders in market share include TCF Bank (25.5 percent), Northstar Bank (13 percent), and Independent Bank (12.9 percent). The 11 banks competing for deposits and loans with TBT have 51 offices in the assessment area. Additionally, according to the 2019 Home Mortgage Market Peer Report, TBT ranked 1st out of 20 positions, originating 81 HMDA-reportable loans in 2019. Leaders for the 2019 Home Mortgage Market Peer Report include Team One Credit Union, Northstar Bank, Quicken Loans, and Chemical Bank.

#### *Sample Tract Designation Change Data*

*The median family income levels (MFI) for census tracts are calculated using the income data from the*

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<sup>2</sup> Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.



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). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

<b>Census Tract Designation Changes American Community Survey Data (ACS)</b>			
<b>Tract Income Designation</b>	<b>2016 Designations (#)</b>	<b>2019 Designations (#)</b>	<b>Net Change (#)</b>
<b>Low</b>	0	0	0
<b>Moderate</b>	0	1	+1
<b>Middle</b>	13	12	-1
<b>Upper</b>	0	0	0
<b>Unknown</b>	0	0	0
<b>Total</b>	13	13	0
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015</i>			

Additional assessment area demographic information is provided in the following table. Please refer to Appendix B for 2017 and 2018 demographic information.

Assessment Area: 2019 MI Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,864	17.2
Moderate-income	1	7.7	986	9.1	105	10.6	2,092	19.4
Middle-income	12	92.3	9,822	90.9	886	9.0	2,540	23.5
Upper-income	0	0.0	0	0.0	0	0.0	4,312	39.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>13</b>	<b>100.0</b>	<b>10,808</b>	<b>100.0</b>	<b>991</b>	<b>9.2</b>	<b>10,808</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,854	1,024	7.9	55.2	586	31.6	244	13.2
Middle-income	19,425	11,928	92.1	61.4	2,261	11.6	5,236	27.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>21,279</b>	<b>12,952</b>	<b>100.0</b>	<b>60.9</b>	<b>2,847</b>	<b>13.4</b>	<b>5,480</b>	<b>25.8</b>
	<b>Total Businesses Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	272	17.2	230	16.5	37	25.2	5	11.1
Middle-income	1,310	82.8	1,160	83.5	110	74.8	40	88.9
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,582</b>	<b>100.0</b>	<b>1,390</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>	<b>45</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>87.9</b>		<b>9.3</b>		<b>2.8</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	2	0.6	2	0.6	0	0.0	0	0.0
Middle-income	332	99.4	326	99.4	6	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>334</b>	<b>100.0</b>	<b>328</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
	<b>Percentage of Total Farms:</b>			<b>98.2</b>		<b>1.8</b>		<b>0.0</b>
2019 FFIEC Census Data & 2019 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

## Population Characteristics

According to the 2015 U.S. Census Bureau demographic data, the assessment area’s total population is 39,283, and is comprised of portions of Huron, Sanilac, and Tuscola County. All counties within the assessment area experienced population loss from 2010 to 2015. Sanilac County experienced the largest population loss at 2.6 percent. Huron and Tuscola County also experienced population loss at 2.5 and 2.4 percent, respectively. The state of Michigan overall experienced a 0.17 percent population increase. A community representative stated that population loss in the area can be attributed to the aging population and the younger population generally moving to larger cities for more career opportunities.

The table below presents the population trends for the bank’s assessment area, Huron, Sanilac, and Tuscola Counties, and the state of Michigan from 2010 and 2011-2015.

<b>Population Change 2010 and 2011-2015</b>			
<b>Area</b>	<b>2010 Population</b>	<b>2011-2015 Population</b>	<b>Percentage Change</b>
<b>Assessment Area</b>	-	39,283	-
<b>Huron County, MI</b>	33,118	32,290	-2.5
<b>Sanilac County, MI</b>	43,114	42,014	-2.6
<b>Tuscola County, MI</b>	55,729	54,420	-2.4
<b>State of Michigan</b>	9,883,640	9,900,571	0.2

*Source: U.S. Census Bureau: Decennial Census American Community Survey Data 2006-2010  
U.S. Census Bureau: American Community Survey Data 2011-2015*

## Income Characteristics

The following table presents the MFI for families living in the assessment area; Huron, Tuscola, and Sanilac Counties; and the state of Michigan. From 2011 to 2015, all counties in the assessment area experienced an increase in MFI, with their rates of growth outpacing that of the state; however, while the gap has decreased, the state’s MFI remains higher than that of the counties comprising the assessment area. According to a community representative, the difference in MFI between the state of Michigan and the non-MSA counties is attributed to the rural local economy where job opportunities with larger salaries are limited.

<b>Median Family Income Change 2006-2010 and 2011-2015</b>			
<b>Area</b>	<b>2006-2010 Median Family Income</b>	<b>2011-2015 Median Family Income</b>	<b>Percentage Change</b>
<b>Assessment Area</b>	-	54,229	-
<b>Huron County, MI</b>	49,444	53,806	8.8
<b>Sanilac County, MI</b>	49,005	50,984	4.0
<b>Tuscola County, MI</b>	50,262	52,800	5.0
<b>State of Michigan</b>	60,341	62,247	3.2
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data 2006-2010 U.S. Census Bureau: American Community Survey Data 2011-2015</i>			

### **Housing Characteristics**

According to the 2011-2015 American Community Survey, the median housing value declined in all the counties comprising the assessment area, and the state of Michigan between 2010 and 2015. In 2015, the median housing value in Huron County was \$92,900, which represents an 11.4 decrease from 2010. Median housing values dropped 18.0 percent to \$94,800 in Sanilac County and 16.5 percent to \$93,700 in Tuscola County in the same time period. The state of Michigan observed a 15.1 percent decrease to \$122,400, as well.

While housing values declined throughout the assessment area counties and the state, median gross rents increased. The most notable increase occurred in Huron County, at 19.1 percent. A community representative indicated housing values may be decreasing due to the age of the housing stock, making it unattractive to potential buyers.

A common method to compare affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 American Community Survey Data, the affordability ratio for Huron, Sanilac, and Tuscola Counties is approximately 0.45, 0.43, and 0.47, respectively. These ratios are higher than the state of Michigan at 0.41. This shows that the assessment area is generally more affordable than the state of Michigan.

The table below presents recent trends in housing costs within the assessment area and the state of Michigan.

<b>Trends in Housing Costs 2006-2010 and 2011-2015</b>				
<b>Location</b>	<b>2006-2010 Median Housing Value</b>	<b>2011-2015 Median Housing Value</b>	<b>2006-2010 Median Gross Rent</b>	<b>2011-2015 Median Gross Rent</b>
<b>Assessment Area</b>	-	90,162	-	632
<b>Huron County, MI</b>	104,900	92,900	509	606
<b>Sanilac County, MI</b>	115,600	94,800	594	612
<b>Tuscola County, MI</b>	112,200	93,700	586	642
<b>State of Michigan</b>	144,200	122,400	723	783
<i>Source: U.S. Census Bureau: Decennial Census American Community Survey Data 2006-2010 U.S. Census Bureau: American Community Survey Data 2011-2015</i>				

### Employment Conditions

There has been a steady decline in unemployment rates from 2013 to 2016 in the assessment area counties. This decline is aligned with unemployment trends in the state of Michigan. As of 2016, the unemployment rate was 5.0 percent for Huron County, 6.0 percent for Sanilac County, 6.1 percent for Tuscola, and 4.9 percent for the state of Michigan. A community representative indicated unemployment rates were slow to recover after the 2008 recession, which explains the slightly higher unemployment rates in the assessment area.

Considering the bank’s partial assessment area, the following table presents the unemployment trends in the assessment area counties, and the state of Michigan from 2013 to 2016.

<b>Unemployment Rates (%)</b>				
<b>Region</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Huron County, MI</b>	9.0	6.8	5.4	5.0
<b>Sanilac County, MI</b>	10.6	8.4	6.5	6.0
<b>Tuscola County, MI</b>	10.5	8.5	6.7	6.1
<b>State of Michigan</b>	8.8	7.3	5.4	4.9
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

### Industry Characteristics

The following table presents the largest employers operating in the assessment area. Based on data collected by the U.S. Department of Labor, the assessment area is heavily impacted by manufacturing. Ferrellgas and Walbro Sales & Engineering are both located in Tuscola County and Huron Casting is located in Huron County. Alternatively, Sity Girgis PC is located in Sanilac County, as well as Marlette Regional Hospital. From discussions with community representatives, the assessment area remains primarily manufacturing concentrated and rural in nature.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Ferrellgas	3,908	Gas
Walbro Sales & Engineering	500	Carburetors – Manufacturers
Sity Girgis PC	500	Physicians & Surgeons
Huron Casting Incorporated	420	Foundries – Manufacturers
Marlette Regional Hospital	401	Hospitals
Lighthouse Rehabilitation Center	400	Physical Therapists
Huron Medical Center – Rankin Center	400	Rehabilitation Services
Huron Incorporated	400	Metal Goods – Manufacturers
United Steelworkers	375	Labor Organizations
<i>Source: Business information provided by Infogroup®, Omaha, NE</i>		

### Community Representatives

Two community representatives were contacted to provide information regarding economic development and affordable housing in the Non-MSA MI assessment area. Both contacts indicated that there are numerous job openings in the area however businesses are having a hard time filling positions. This has only been exacerbated by the COVID-19 pandemic, given positions are generally for in-person work which presents safety challenges given social distancing practices imposed in local communities and logistical challenges given competing home schooling and family safety priorities. The demand for affordable single-family housing is incredibly high at the moment as homes are selling quickly. Representatives indicated population loss is attributed to both an aging population and younger populations not returning to the area after college, opting to move to a metropolitan area for more diverse job opportunities aligned with new skillsets. When asked about opportunities for additional participation by local institutions, representatives noted that local banks have been helpful in lending money to small businesses with the onset of the pandemic.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA MICHIGAN**

**LENDING TEST**

**Geographic Distribution of Loans**

In the Non-MSA Michigan assessment area, the bank’s geographic distribution of HMDA-reportable, small business, and small farm loans reflects reasonable dispersion throughout the bank’s assessment area. Small business and small farm lending received greater weighting for this evaluation as they are the primary business lines of the bank.

A gap analysis was conducted as a part of the evaluation. Overall, no substantial disparities were noted. The gap analysis indicates that the bank is lending in the census tracts within its assessment area. Considering the bank’s size and complexity, lending penetration throughout the assessment area is reasonable. Due to the fact that there are no low-income census tracts in the assessment area, lending in those tracts will not be discussed below.

**Small Business Loans**

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The 2018 data includes 41 small business loans within the assessment area. The bank’s lending volume in moderate-income census tracts of 7.3 percent is below the percentage of total businesses located in moderate-income census tracts at 17.0 percent. A large majority (92.7 percent) of the bank’s small business loans were originated in middle-income tracts, which was above the number of total businesses located in those geographies at 83.0 percent. While the bank underperforms the percentage of total businesses located in moderate census tracts, it should be noted that only one moderate census tract is located in the assessment area.

<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: 2018 MI Non MSA</b>						
	<b>Tract Income Levels</b>	<b>Bank &amp; Demographic Comparison</b>				
		<b>Count Bank</b>		<b>2018 Dollar Bank</b>		<b>Total Businesses</b>
		<b>#</b>	<b>%</b>	<b>\$ 000s</b>	<b>\$ %</b>	
<b>Small Business</b>	Low	0	0.0	0	0.0	0.0
	Moderate	3	7.3	386	11.0	17.0
	Middle	38	92.7	3,114	88.9	83.0
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	<b>100.0</b>

2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

## Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. Given the lack of opportunity to lend to farms located in moderate-income census tracts (0.3 percent), it is understandable that the bank did not originate any loans in these tracts. The bank originated all of its small farm loans in middle-income census tracts which was consistent with the 99.7 percent of small farms located in these tracts. The following table presents the bank’s geographic distribution of small farm loans in 2018.

<b>Geographic Distribution of Small Farm Loans</b>						
<b>Assessment Area: 2018 MI Non MSA</b>						
	Tract Income Levels	<b>Bank &amp; Demographic Comparison</b>				
		<b>Count Bank</b>		<b>Dollar Bank</b>		<b>Total Farms</b>
		<b>#</b>	<b>%</b>	<b>\$ 000s</b>	<b>\$ %</b>	
Small Farm	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	0.3
	Middle	42	100.0	4,479	100.0	99.7
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,479</b>	<b>100.0</b>	<b>100.0</b>

2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

## HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects reasonable dispersion throughout the assessment area. In 2019, TBT originated four loans, or 5.4 percent of total HMDA-reportable loans in moderate-income census tracts, which is slightly lower than the aggregate of lenders at 9.8 percent and the percentage of owner-occupied units at 7.9 percent.

In 2017 and 2018, TBT’s geographic distribution of HMDA-reportable loans was comparable to its lending in 2019. The discussion below will only refer to home purchase, refinance, and home improvement HMDA-reportable loans as originations for other product types were too low for a meaningful analysis. Please refer to Appendix B for the 2017 and 2018 geographic distribution lending tables.

### *Home Purchase*

In 2019, home purchase loans represented 50.0 percent of the bank’s total HMDA-reportable loans in the assessment area. The bank originated 5.4 percent of its home purchase loans in moderate-income census tracts. The bank’s performance is slightly lower than the aggregate of lenders at 11.0 percent and the 7.9 percent of owner-occupied units. A substantial majority of the bank’s home purchase loans were originated in middle-income census tracts at 94.6 percent, slightly



above the aggregate of lenders at 89.0 percent and consistent with the 92.1 percent of owner-occupied units.

### *Refinance*

In 2019, refinance loans represented 28.4 percent of the bank's total HMDA-reportable loans in the assessment area. The bank originated 9.5 percent of its refinance loans in moderate-income census tracts, which was similar to the aggregate of lenders at 9.8 percent and slightly outperformed the 7.9 percent of owner-occupied units. The bank's performance in moderate-income census tract is attributable to the substantial majority of its refinance lending in middle-income census tracts in 2019, as the bank only takes one moderate income-census tract in this assessment area.

### *Home Improvement*

In 2019, home improvement loans represented 21.6 percent of the bank's total HMDA-reportable loans in the assessment area. The bank originated no home improvement loans in moderate-income census tracts, which underperformed the aggregate of lenders at 6.6 percent and the 7.9 percent of owner-occupied units. The bank's performance for home improvement loans in the moderate-income census tract is attributable to the substantial majority of its home improvement lending in middle-income census tracts in 2019, as the bank only takes one moderate-income census tract in the assessment area.

The following table summarizes the bank's 2019 geographic distribution of HMDA-reportable lending in the assessment area.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2019 MI Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2019						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	5.4	11.0	275	6.2	8.2	7.9
	Middle	35	94.6	89.0	4,173	93.8	91.8	92.1
	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
	<b>Total</b>	<b>37</b>	<b>100.0</b>	<b>100.0</b>	<b>4,448</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	9.5	9.6	215	9.5	6.9	7.9
	Middle	19	90.5	90.4	2,045	90.5	93.1	92.1
	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
	<b>Total</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>2,260</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	6.6	0	0.0	5.2	7.9
	Middle	16	100.0	93.4	870	100.0	94.8	92.1
	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
	<b>Total</b>	<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>870</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	31.0
	Middle	0	0.0	100.0	0	0.0	100.0	69.0
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	7.9
	Middle	0	0.0	100.0	0	0.0	100.0	92.1
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	4.3	0	0.0	3.9	7.9
	Middle	0	0.0	95.7	0	0.0	96.1	92.1
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	9.1	0	0.0	10.7	7.9
	Middle	0	0.0	90.9	0	0.0	89.3	92.1
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	4	5.4	9.8	490	6.5	7.4	7.9
	Middle	70	94.6	90.3	7,088	93.5	92.6	92.1
	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
	<b>Total</b>	<b>74</b>	<b>100.0</b>	<b>100.0</b>	<b>7,578</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2019 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

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

This performance criterion evaluates the bank’s lending to individuals of different income levels, businesses of different sizes, and farms of different sizes. Small business and small farm lending received greater weighting for this evaluation as they are the primary business lines of the bank. The bank’s borrower distribution reflects reasonable penetration among individuals of different income levels, businesses of different sizes, and farms of different sizes.

### Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different revenue sizes. The 2018 data included 41 small business loans, of which 100.0 percent were to businesses with gross revenues equal to or less than \$1.0 million. This is significantly above the gross revenue composition of small businesses in the assessment area, at 87.6 percent. Furthermore, a high percentage, 75.6 percent were in amounts of \$100,000 or less, which are considered the most beneficial to small businesses, indicating the bank’s willingness to meet the credit needs of small businesses. The following table presents the bank’s distribution of small business loans in 2018.

<b>Small Business Lending By Revenue &amp; Loan Size</b>							
<b>Assessment Area: 2018 MI Non MSA</b>							
Product Type		Bank & Demographic Comparison					
		2018		2018		Total Businesses %	
Revenue	Loan Size	Count Bank	Dollar Bank				
		#	%	\$ 000s	\$ %		
Small Business	Revenue	\$1 Million or Less	41	100.0	3,501	100.0	87.6
		Over \$1 Million or Unknown	0	0.0	0	0.0	12.4
		<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	31	75.6	1,198	34.2	
		\$100,001 - \$250,000	5	12.2	702	20.1	
		\$250,001 - \$1 Million	5	12.2	1,601	45.7	
		<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	31	75.6	1,198	34.2	
		\$100,001 - \$250,000	5	12.2	702	20.1	
		\$250,001 - \$1 Million	5	12.2	1,601	45.7	
		<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	
	Originations & Purchases						
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

### Small Farm Loans

The distribution of small farm loans reflects excellent penetration among farms of different revenue sizes. The 2018 data included 42 small farm loans, of which 100.0 percent were to farms with gross revenues equal to or less than \$1.0 million. This is similar to the percentage of small farms in the assessment area, at 97.8 percent. A high percentage of loans to small farms, 71.4 percent, were in amounts of \$100,000 or less. These loans are considered the most beneficial to small farms, indicating the bank’s willingness to meet the credit needs of small farms in the assessment area. The following table presents the bank’s distribution of small farm loans in 2018.

<b>Small Farm Lending By Revenue &amp; Loan Size</b>							
<b>Assessment Area: 2018 MI Non MSA</b>							
Product Type		Bank & Demographic Comparison					
		2018		2018		Total Farms	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %	%	
Small Farm	Revenue	\$1 Million or Less	42	100.0	4,480	100.0	97.8
		Over \$1 Million or Unknown	0	0.0	-1	0.0	2.2
		<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,479</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	30	71.4	1,187	26.5	
		\$100,001 - \$250,000	6	14.3	1,191	26.6	
		\$250,001 - \$500,000	6	14.3	2,102	46.9	
		<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,480</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	30	71.4	1,187	26.5	
		\$100,001 - \$250,000	6	14.3	1,191	26.6	
		\$250,001 - \$500,000	6	14.3	2,102	46.9	
		<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,480</b>	<b>100.0</b>	

Originations & Purchases  
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

## HMDA-Reportable Loans

The borrower distribution of HMDA-reportable loans reflects reasonable penetration among individuals of different income levels. In 2019, TBT originated 12.2 percent of its total HMDA-reportable loans to low-income borrowers, outperforming the aggregate of lenders at 9.5 percent but below the percentage of low-income families in the assessment area at 17.2 percent. The bank originated 12.2 percent of its HMDA-reportable loans to moderate-income borrowers, below both the aggregate of lenders at 23.8 percent and the percentage of families designated as moderate-income in the assessment area at 19.4 percent. Although the bank underperforms the aggregate in lending to moderate-income borrowers, the FDIC's recent market share report shows that out of 11 institutions in this market TBT is ranked fifth and holds a 10.0 percent market share. Further, all combined institutions have 51 total offices within the market. These factors reflect strong competition in the assessment area.

In 2017 and 2018, TBT's borrower distribution of HMDA-reportable loans were generally comparable to its lending in 2019. The discussion below will only refer to home purchase, refinance, and home improvement HMDA-reportable loans as originations for other product types were too low for a meaningful analysis. Please refer to Appendix B for the 2017 and 2018 borrower distribution lending tables.

### *Home Purchase*

In 2019, TBT originated 18.9 percent of its home purchase loans to low-income borrowers. The bank's performance is above both the aggregate of lenders at 11.2 percent and the percentage of low-income families located in the assessment area at 17.2 percent. The bank originated 10.8 percent of its home purchase loans to moderate-income borrowers. The bank underperformed the aggregate at 28.1 percent and was also below the percentage of moderate-income families in the assessment area at 19.4 percent.

### *Refinance*

In 2019, TBT originated one refinance loan to low-income borrowers, which was 4.8 percent of its total refinance loans. The bank's performance was below the aggregate of lenders at 8.0 percent and significantly below the 17.2 percent of low-income families located in the assessment area. The bank originated 9.5 percent of its refinance loans to moderate-income borrowers, which also underperforms the aggregate at 16.9 percent and the 19.4 percent of moderate-income families in the assessment area.

### *Home Improvement*

TBT originated 6.3 percent of its home improvement loans to low-income borrowers in 2019. This performance is similar to the aggregate of lenders at 8.2 percent; however, both the aggregate and TBT underperform the assessment area's 17.2 percent of low-income families in the assessment

area. Conversely, 18.8 percent of TBT's home improvement loans were made to moderate-income borrowers, which was similar to the aggregate of lenders at 18.0 and the 19.4 percent of moderate-income families.

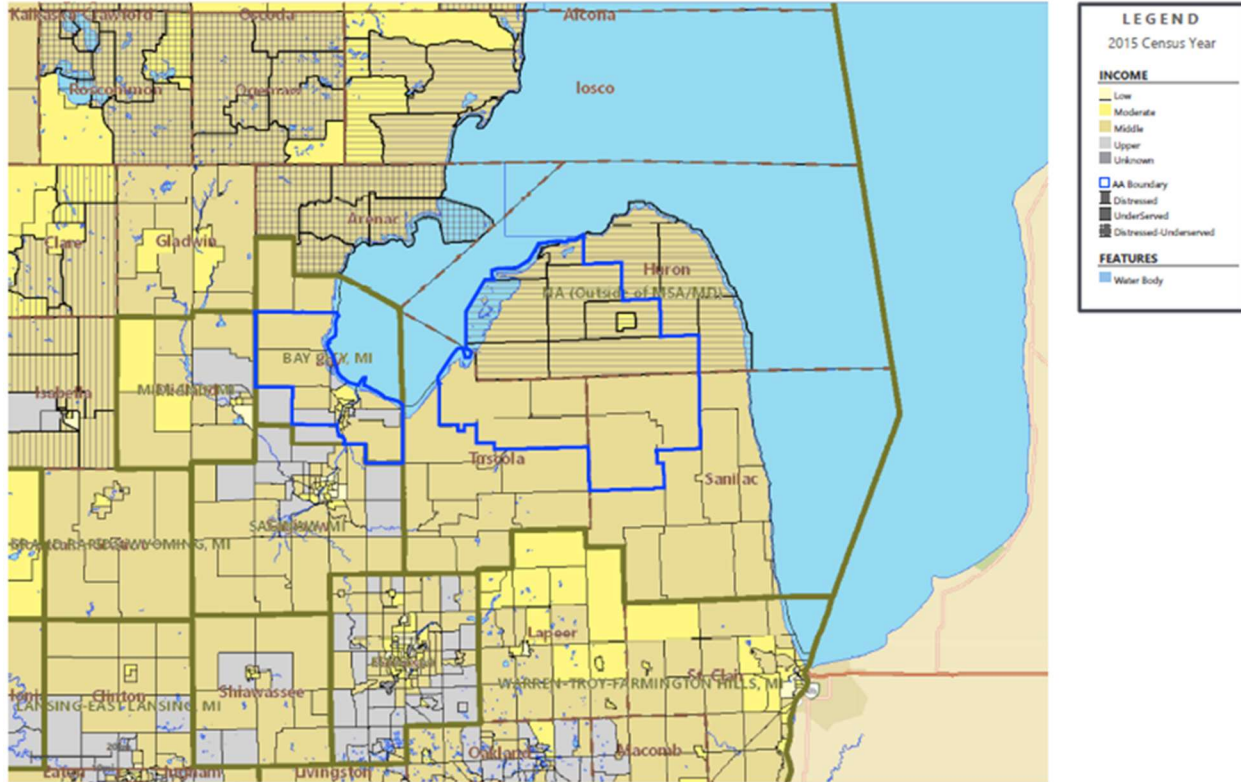
The following table summarizes the bank's 2019 borrower distribution of HMDA-reportable lending in the assessment area.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2019 MI Non MSA								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2019						
		Count Bank		Agg	Dollar Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	7	18.9	11.2	468	10.5	6.4	17.2
	Moderate	4	10.8	28.1	599	13.5	21.5	19.4
	Middle	5	13.5	20.4	381	8.6	18.5	23.5
	Upper	16	43.2	32.8	2,279	51.2	46.4	39.9
	Unknown	5	13.5	7.5	721	16.2	7.2	0.0
	<b>Total</b>		<b>37</b>	<b>100.0</b>	<b>100.0</b>	<b>4,448</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	1	4.8	8.0	66	2.9	4.0	17.2
	Moderate	2	9.5	16.9	89	3.9	11.5	19.4
	Middle	8	38.1	23.7	597	26.4	18.5	23.5
	Upper	8	38.1	39.4	1,313	58.1	47.7	39.9
	Unknown	2	9.5	12.0	195	8.6	18.2	0.0
	<b>Total</b>		<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>2,260</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	1	6.3	8.2	22	2.5	4.4	17.2
	Moderate	3	18.8	18.0	111	12.8	8.4	19.4
	Middle	4	25.0	21.3	172	19.8	19.7	23.5
	Upper	8	50.0	50.8	565	64.9	67.3	39.9
	Unknown	0	0.0	1.6	0	0.0	0.2	0.0
	<b>Total</b>		<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>870</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.4
	Middle	0	0.0	0.0	0	0.0	0.0	23.5
	Upper	0	0.0	0.0	0	0.0	0.0	39.9
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	40.0	0	0.0	18.0	19.4
	Middle	0	0.0	20.0	0	0.0	8.2	23.5
	Upper	0	0.0	20.0	0	0.0	49.2	39.9
	Unknown	0	0.0	20.0	0	0.0	24.6	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	6.5	0	0.0	5.2	17.2
	Moderate	0	0.0	32.6	0	0.0	27.7	19.4
	Middle	0	0.0	15.2	0	0.0	17.3	23.5
	Upper	0	0.0	37.0	0	0.0	40.9	39.9
	Unknown	0	0.0	8.7	0	0.0	8.8	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.4
	Middle	0	0.0	0.0	0	0.0	0.0	23.5
	Upper	0	0.0	9.1	0	0.0	0.1	39.9
	Unknown	0	0.0	90.9	0	0.0	99.9	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	9	12.2	9.5	556	7.3	5.3	17.2
	Moderate	9	12.2	23.8	799	10.5	17.4	19.4
	Middle	17	23.0	20.9	1,150	15.2	18.1	23.5
	Upper	32	43.2	36.0	4,157	54.9	46.8	39.9
	Unknown	7	9.5	9.9	916	12.1	12.3	0.0
	<b>Total</b>		<b>74</b>	<b>100.0</b>	<b>100.0</b>	<b>7,578</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2019 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

### APPENDIX A – Maps of Assessment Area

**Thumb Bank & Trust 698649**  
Combined Assessment Area

Restricted FR





APPENDIX B – 2017 & 2018 TABLES

Assessment Area: 2018 Bay City, MI MSA 13020									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	1	4.5	272	1.2	118	43.4	4,612	20.1	
Moderate-income	7	31.8	5,623	24.5	1,060	18.9	4,311	18.8	
Middle-income	10	45.5	12,055	52.6	1,212	10.1	5,091	22.2	
Upper-income	4	18.2	4,970	21.7	212	4.3	8,906	38.9	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>22</b>	<b>100.0</b>	<b>22,920</b>	<b>100.0</b>	<b>2,602</b>	<b>11.4</b>	<b>22,920</b>	<b>100.0</b>	
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>							
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>			
		#	%	%	#	%	#	%	
Low-income	640		220	0.8	34.4	360	56.3	60	9.4
Moderate-income	11,179		6,729	23.7	60.2	3,112	27.8	1,338	12.0
Middle-income	19,836		14,958	52.7	75.4	3,222	16.2	1,656	8.3
Upper-income	8,925		6,462	22.8	72.4	1,801	20.2	662	7.4
Unknown-income	0		0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>40,580</b>		<b>28,369</b>	<b>100.0</b>	<b>69.9</b>	<b>8,495</b>	<b>20.9</b>	<b>3,716</b>	<b>9.2</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>			
		#	%	#	%	#	%	#	%
Low-income	63	2.1	53	1.9		10	3.5	0	0.0
Moderate-income	988	32.3	887	32.3		93	32.9	8	27.6
Middle-income	1,417	46.3	1,274	46.4		127	44.9	16	55.2
Upper-income	590	19.3	532	19.4		53	18.7	5	17.2
Unknown-income	0	0.0	0	0.0		0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>3,058</b>	<b>100.0</b>	<b>2,746</b>	<b>100.0</b>		<b>283</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>89.8</b>		<b>9.3</b>		<b>0.9</b>	
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>			
		#	%	#	%	#	%	#	%
Low-income	1	0.6	1	0.6		0	0.0	0	0.0
Moderate-income	5	3.2	5	3.2		0	0.0	0	0.0
Middle-income	124	78.5	122	78.2		1	100.0	1	100.0
Upper-income	28	17.7	28	17.9		0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0		0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>158</b>	<b>100.0</b>	<b>156</b>	<b>100.0</b>		<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
	<b>Percentage of Total Farms:</b>			<b>98.7</b>		<b>0.6</b>		<b>0.6</b>	
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS									
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Bay City, MI MSA 13020								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	1.1	0	0.0	0.8	0.8
	Moderate	0	0.0	29.0	0	0.0	22.0	23.7
	Middle	4	100.0	48.7	336	100.0	51.7	52.7
	Upper	0	0.0	21.2	0	0.0	25.5	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>336</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.6	0	0.0	0.5	0.8
	Moderate	1	33.3	20.2	38	28.6	16.2	23.7
	Middle	2	66.7	54.7	95	71.4	55.5	52.7
	Upper	0	0.0	24.5	0	0.0	27.8	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>133</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	19.6	0	0.0	14.0	23.7
	Middle	0	0.0	51.5	0	0.0	59.3	52.7
	Upper	0	0.0	28.9	0	0.0	26.8	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	20.0	0	0.0	0.9	Multi-Family 2.5
	Moderate	0	0.0	20.0	0	0.0	0.3	30.5
	Middle	0	0.0	60.0	0	0.0	98.8	37.7
	Upper	0	0.0	0.0	0	0.0	0.0	29.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	19.1	0	0.0	27.3	23.7
	Middle	0	0.0	48.9	0	0.0	42.9	52.7
	Upper	0	0.0	31.9	0	0.0	29.9	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	2.0	0	0.0	1.2	0.8
	Moderate	0	0.0	23.5	0	0.0	19.5	23.7
	Middle	0	0.0	46.9	0	0.0	45.5	52.7
	Upper	0	0.0	27.6	0	0.0	33.8	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	0.8
	Moderate	0	0.0	30.0	0	0.0	22.9	23.7
	Middle	0	0.0	48.8	0	0.0	53.5	52.7
	Upper	0	0.0	21.3	0	0.0	23.6	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.9	0	0.0	0.7	0.8
	Moderate	1	14.3	25.8	38	8.1	18.7	23.7
	Middle	6	85.7	50.4	431	91.9	56.4	52.7
	Upper	0	0.0	22.9	0	0.0	24.2	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>469</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2018 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Bay City, MI MSA 13020								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg %	Dollar Bank		Agg %	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	14.7	0	0.0	8.0	20.1
	Moderate	0	0.0	26.6	0	0.0	19.6	18.8
	Middle	0	0.0	23.8	0	0.0	23.6	22.2
	Upper	3	75.0	24.6	245	72.9	38.1	38.9
	Unknown	1	25.0	10.3	91	27.1	10.8	0.0
	<b>Total</b>		<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>336</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	1	33.3	13.2	85	63.9	7.5	20.1
	Moderate	1	33.3	21.3	10	7.5	14.6	18.8
	Middle	1	33.3	26.0	38	28.6	23.0	22.2
	Upper	0	0.0	31.4	0	0.0	43.3	38.9
	Unknown	0	0.0	8.2	0	0.0	11.5	0.0
	<b>Total</b>		<b>3</b>	<b>100.0</b>	<b>100.0</b>	<b>133</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	8.2	0	0.0	4.9	20.1
	Moderate	0	0.0	19.6	0	0.0	15.1	18.8
	Middle	0	0.0	26.8	0	0.0	27.1	22.2
	Upper	0	0.0	41.2	0	0.0	47.1	38.9
	Unknown	0	0.0	4.1	0	0.0	5.8	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.1
	Moderate	0	0.0	0.0	0	0.0	0.0	18.8
	Middle	0	0.0	0.0	0	0.0	0.0	22.2
	Upper	0	0.0	0.0	0	0.0	0.0	38.9
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	10.6	0	0.0	4.0	20.1
	Moderate	0	0.0	25.5	0	0.0	20.1	18.8
	Middle	0	0.0	12.8	0	0.0	11.7	22.2
	Upper	0	0.0	48.9	0	0.0	62.5	38.9
	Unknown	0	0.0	2.1	0	0.0	1.6	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	11.2	0	0.0	6.2	20.1
	Moderate	0	0.0	22.4	0	0.0	24.8	18.8
	Middle	0	0.0	24.5	0	0.0	21.3	22.2
	Upper	0	0.0	38.8	0	0.0	43.8	38.9
	Unknown	0	0.0	3.1	0	0.0	4.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	20.1
	Moderate	0	0.0	0.0	0	0.0	0.0	18.8
	Middle	0	0.0	1.3	0	0.0	2.1	22.2
	Upper	0	0.0	1.3	0	0.0	3.2	38.9
	Unknown	0	0.0	97.5	0	0.0	94.7	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	1	14.3	13.1	85	18.1	6.8	20.1
	Moderate	1	14.3	23.6	10	2.1	16.3	18.8
	Middle	1	14.3	23.4	38	8.1	20.8	22.2
	Upper	3	42.9	27.4	245	52.2	36.0	38.9
	Unknown	1	14.3	12.5	91	19.4	20.1	0.0
	<b>Total</b>		<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>469</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2018 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Assessment Area: 2017 Bay City, MI MSA 13020								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	4.5	272	1.2	118	43.4	4,612	20.1
Moderate-income	7	31.8	5,623	24.5	1,060	18.9	4,311	18.8
Middle-income	10	45.5	12,055	52.6	1,212	10.1	5,091	22.2
Upper-income	4	18.2	4,970	21.7	212	4.3	8,906	38.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>22</b>	<b>100.0</b>	<b>22,920</b>	<b>100.0</b>	<b>2,602</b>	<b>11.4</b>	<b>22,920</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	640	220	0.8	34.4	360	56.3	60	9.4
Moderate-income	11,179	6,729	23.7	60.2	3,112	27.8	1,338	12.0
Middle-income	19,836	14,958	52.7	75.4	3,222	16.2	1,656	8.3
Upper-income	8,925	6,462	22.8	72.4	1,801	20.2	662	7.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>40,580</b>	<b>28,369</b>	<b>100.0</b>	<b>69.9</b>	<b>8,495</b>	<b>20.9</b>	<b>3,716</b>	<b>9.2</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	50	1.8	42	1.7	8	2.8	0	0.0
Moderate-income	875	31.5	772	31.3	98	34.0	5	21.7
Middle-income	1,315	47.3	1,177	47.7	126	43.8	12	52.2
Upper-income	541	19.5	479	19.4	56	19.4	6	26.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>2,781</b>	<b>100.0</b>	<b>2,470</b>	<b>100.0</b>	<b>288</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>88.8</b>		<b>10.4</b>		<b>0.8</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
#		%	#	%	#	%	#	%
Low-income	1	0.7	1	0.7	0	0.0	0	0.0
Moderate-income	2	1.3	2	1.4	0	0.0	0	0.0
Middle-income	115	77.2	114	77.0	1	100.0	0	0.0
Upper-income	31	20.8	31	20.9	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>149</b>	<b>100.0</b>	<b>148</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>			<b>99.3</b>		<b>0.7</b>		<b>0.0</b>	
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Bay City, MI MSA 13020								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg	Dollar		Agg	
		Bank	%	%	Bank	\$ %	\$ %	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.9	0	0.0	0.8	0.8
	Moderate	0	0.0	26.4	0	0.0	18.2	23.7
	Middle	3	37.5	48.8	482	37.5	50.6	52.7
	Upper	5	62.5	23.9	803	62.5	30.3	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>1,285</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	1.4	0	0.0	1.0	0.8
	Moderate	2	25.0	19.1	43	7.9	18.0	23.7
	Middle	6	75.0	54.3	499	92.1	52.8	52.7
	Upper	0	0.0	25.1	0	0.0	28.2	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>542</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	1.6	0	0.0	2.4	0.8
	Moderate	0	0.0	22.5	0	0.0	16.8	23.7
	Middle	0	0.0	52.5	0	0.0	55.7	52.7
	Upper	0	0.0	23.4	0	0.0	25.1	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	<b>Multi-Family</b> 2.5
	Moderate	1	50.0	20.0	361	97.6	2.6	30.5
	Middle	1	50.0	60.0	9	2.4	67.4	37.7
	Upper	0	0.0	20.0	0	0.0	30.1	29.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>370</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	1.2	0	0.0	0.9	0.8
	Moderate	3	16.7	23.7	404	18.4	17.0	23.7
	Middle	10	55.6	51.0	990	45.1	52.6	52.7
	Upper	5	27.8	24.2	803	36.5	29.4	22.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>18</b>	<b>100.0</b>	<b>100.0</b>	<b>2,197</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2017 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2017 Bay City, MI MSA 13020</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2017						
		Count		Agg	Dollar			Agg
		Bank			Bank	Agg		
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	19.4	0	0.0	10.7	20.1
	Moderate	0	0.0	26.1	0	0.0	20.3	18.8
	Middle	1	12.5	19.2	104	8.1	20.4	22.2
	Upper	6	75.0	20.7	999	77.7	35.6	38.9
	Unknown	1	12.5	14.6	182	14.2	13.0	0.0
	<b>Total</b>		<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>1,285</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	1	12.5	12.9	40	7.4	7.4	20.1
	Moderate	3	37.5	20.9	224	41.3	15.5	18.8
	Middle	0	0.0	22.0	0	0.0	21.6	22.2
	Upper	4	50.0	29.7	278	51.3	38.1	38.9
	Unknown	0	0.0	14.5	0	0.0	17.4	0.0
	<b>Total</b>		<b>8</b>	<b>100.0</b>	<b>100.0</b>	<b>542</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	16.0	0	0.0	10.6	20.1
	Moderate	0	0.0	31.1	0	0.0	20.8	18.8
	Middle	0	0.0	20.1	0	0.0	20.6	22.2
	Upper	0	0.0	30.7	0	0.0	45.8	38.9
	Unknown	0	0.0	2.0	0	0.0	2.3	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.1
	Moderate	0	0.0	0.0	0	0.0	0.0	18.8
	Middle	0	0.0	0.0	0	0.0	0.0	22.2
	Upper	0	0.0	0.0	0	0.0	0.0	38.9
	Unknown	2	100.0	100.0	370	100.0	100.0	0.0
	<b>Total</b>		<b>2</b>	<b>100.0</b>	<b>100.0</b>	<b>370</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	1	5.6	16.9	40	1.8	8.9	20.1
	Moderate	3	16.7	24.9	224	10.2	17.4	18.8
	Middle	1	5.6	20.1	104	4.7	19.4	22.2
	Upper	10	55.6	24.7	1,277	58.1	34.4	38.9
	Unknown	3	16.7	13.3	552	25.1	19.9	0.0
	<b>Total</b>		<b>18</b>	<b>100.0</b>	<b>100.0</b>	<b>2,197</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2017 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Assessment Area: 2018 MI Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,857	17.2
Moderate-income	1	7.7	986	9.1	105	10.6	2,089	19.3
Middle-income	12	92.3	9,822	90.9	886	9.0	2,539	23.5
Upper-income	0	0.0	0	0.0	0	0.0	4,323	40.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>13</b>	<b>100.0</b>	<b>10,808</b>	<b>100.0</b>	<b>991</b>	<b>9.2</b>	<b>10,808</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,854	1,024	7.9	55.2	586	31.6	244	13.2
Middle-income	19,425	11,928	92.1	61.4	2,261	11.6	5,236	27.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>21,279</b>	<b>12,952</b>	<b>100.0</b>	<b>60.9</b>	<b>2,847</b>	<b>13.4</b>	<b>5,480</b>	<b>25.8</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	272	17.0	230	16.4	38	25.2	4	8.3
Middle-income	1,327	83.0	1,170	83.6	113	74.8	44	91.7
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,599</b>	<b>100.0</b>	<b>1,400</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>87.6</b>		<b>9.4</b>		<b>3.0</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
#		%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1	0.3	1	0.3	0	0.0	0	0.0
Middle-income	364	99.7	356	99.7	8	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>365</b>	<b>100.0</b>	<b>357</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>			<b>97.8</b>		<b>2.2</b>		<b>0.0</b>	
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 MI Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		Count		Dollar		Agg	Agg	
		Bank	Agg	Bank	Agg			
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	3	7.5	10.8	248	5.7	8.1	7.9
	Middle	37	92.5	89.2	4,121	94.3	91.9	92.1
	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
	<b>Total</b>	<b>40</b>	<b>100.0</b>	<b>100.0</b>	<b>4,369</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	9.8	0	0.0	6.7	7.9
	Middle	9	100.0	90.2	739	100.0	93.3	92.1
	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
	<b>Total</b>	<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>739</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	1	16.7	16.2	62	12.1	9.7	7.9
	Middle	5	83.3	83.8	452	87.9	90.3	92.1
	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
	<b>Total</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>514</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	50.0	0	0.0	92.0	31.0
	Middle	1	100.0	50.0	383	100.0	8.0	69.0
	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
	<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>383</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	7.9
	Middle	0	0.0	100.0	0	0.0	100.0	92.1
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	3.6	0	0.0	1.0	7.9
	Middle	0	0.0	96.4	0	0.0	99.0	92.1
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	7.9
	Middle	0	0.0	100.0	0	0.0	100.0	92.1
	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
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	4	7.1	10.3	310	5.2	15.2	7.9
	Middle	52	92.9	89.7	5,695	94.8	84.8	92.1
	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
	<b>Total</b>	<b>56</b>	<b>100.0</b>	<b>100.0</b>	<b>6,005</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2018 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								



<b>Geographic Distribution of Small Business Loans</b>						
<b>Assessment Area: 2018 MI Non MSA</b>						
	<b>Tract Income Levels</b>	<b>Bank &amp; Demographic Comparison</b>				
		<b>2018</b>				
		<b>Count Bank</b>		<b>Dollar Bank</b>		<b>Total Businesses</b>
		<b>#</b>	<b>%</b>	<b>\$ 000s</b>	<b>\$ %</b>	<b>%</b>
<b>Small Business</b>	Low	0	0.0	0	0.0	0.0
	Moderate	3	7.3	386	11.0	17.0
	Middle	38	92.7	3,114	88.9	83.0
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	<b>Total</b>		<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

<b>Geographic Distribution of Small Farm Loans</b>						
<b>Assessment Area: 2018 MI Non MSA</b>						
	<b>Tract Income Levels</b>	<b>Bank &amp; Demographic Comparison</b>				
		<b>2018</b>				
		<b>Count Bank</b>		<b>Dollar Bank</b>		<b>Total Farms</b>
		<b>#</b>	<b>%</b>	<b>\$ 000s</b>	<b>\$ %</b>	<b>%</b>
<b>Small Farm</b>	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	0.3
	Middle	42	100.0	4,479	100.0	99.7
	Upper	0	0.0	0	0.0	0.0
	Unknown	0	0.0	0	0.0	0.0
	<b>Total</b>		<b>42</b>	<b>100.0</b>	<b>4,479</b>	<b>100.0</b>
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 MI Non MSA								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg %	Dollar Bank		Agg %	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	4	10.0	14.4	145	3.3	8.4	17.2
	Moderate	13	32.5	25.0	818	18.7	19.2	19.3
	Middle	5	12.5	21.4	480	11.0	20.7	23.5
	Upper	14	35.0	31.5	2,484	56.9	45.3	40.0
	Unknown	4	10.0	7.7	442	10.1	6.3	0.0
	<b>Total</b>		<b>40</b>	<b>100.0</b>	<b>100.0</b>	<b>4,369</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	8.2	0	0.0	6.0	17.2
	Moderate	2	22.2	19.6	52	7.0	15.5	19.3
	Middle	2	22.2	29.9	176	23.8	28.4	23.5
	Upper	5	55.6	36.4	511	69.1	42.9	40.0
	Unknown	0	0.0	6.0	0	0.0	7.2	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>739</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	10.8	0	0.0	5.6	17.2
	Moderate	0	0.0	13.5	0	0.0	9.7	19.3
	Middle	1	16.7	27.0	35	6.8	26.4	23.5
	Upper	5	83.3	48.6	479	93.2	58.4	40.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>514</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.3
	Middle	0	0.0	0.0	0	0.0	0.0	23.5
	Upper	0	0.0	25.0	0	0.0	2.1	40.0
	Unknown	1	100.0	75.0	383	100.0	97.9	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>383</b>	<b>100.0</b>	<b>100.0</b>
Other Purpose LOC	Low	0	0.0	5.6	0	0.0	2.8	17.2
	Moderate	0	0.0	22.2	0	0.0	23.5	19.3
	Middle	0	0.0	22.2	0	0.0	16.1	23.5
	Upper	0	0.0	44.4	0	0.0	55.0	40.0
	Unknown	0	0.0	5.6	0	0.0	2.7	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Other Purpose Closed/Exempt	Low	0	0.0	17.9	0	0.0	8.9	17.2
	Moderate	0	0.0	28.6	0	0.0	39.2	19.3
	Middle	0	0.0	28.6	0	0.0	22.1	23.5
	Upper	0	0.0	25.0	0	0.0	29.9	40.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
Loan Purpose Not Applicable	Low	0	0.0	15.4	0	0.0	16.7	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.3
	Middle	0	0.0	0.0	0	0.0	0.0	23.5
	Upper	0	0.0	7.7	0	0.0	0.1	40.0
	Unknown	0	0.0	76.9	0	0.0	83.2	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	4	7.1	12.4	145	2.4	7.0	17.2
	Moderate	15	26.8	22.4	870	14.5	16.5	19.3
	Middle	8	14.3	23.7	691	11.5	20.5	23.5
	Upper	24	42.9	33.3	3,474	57.9	40.5	40.0
	Unknown	5	8.9	8.1	825	13.7	15.4	0.0
	<b>Total</b>		<b>56</b>	<b>100.0</b>	<b>100.0</b>	<b>6,005</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2018 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

<b>Small Business Lending By Revenue &amp; Loan Size</b>							
<b>Assessment Area: 2018 MI Non MSA</b>							
Product Type		Bank & Demographic Comparison					
		2018		2018		Total Businesses %	
#	%	\$ 000s	\$ %	Count Bank			
				Dollar Bank			
Small Business	Revenue	\$1 Million or Less	41	100.0	3,501	100.0	87.6
		Over \$1 Million or Unknown	0	0.0	0	0.0	12.4
		<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	31	75.6	1,198	34.2	
		\$100,001 - \$250,000	5	12.2	702	20.1	
		\$250,001 - \$1 Million	5	12.2	1,601	45.7	
		<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	31	75.6	1,198	34.2	
		\$100,001 - \$250,000	5	12.2	702	20.1	
		\$250,001 - \$1 Million	5	12.2	1,601	45.7	
		<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>3,501</b>	<b>100.0</b>	

Originations & Purchases  
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

<b>Small Farm Lending By Revenue &amp; Loan Size</b>							
<b>Assessment Area: 2018 MI Non MSA</b>							
Product Type		Bank & Demographic Comparison					
		2018		2018		Total Farms %	
#	%	\$ 000s	\$ %	Count Bank			
				Dollar Bank			
Small Farm	Revenue	\$1 Million or Less	42	100.0	4,480	100.0	97.8
		Over \$1 Million or Unknown	0	0.0	-1	0.0	2.2
		<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,479</b>	<b>100.0</b>	<b>100.0</b>
	Loan Size	\$100,000 or Less	30	71.4	1,187	26.5	
		\$100,001 - \$250,000	6	14.3	1,191	26.6	
		\$250,001 - \$500,000	6	14.3	2,102	46.9	
		<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,480</b>	<b>100.0</b>	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	30	71.4	1,187	26.5	
		\$100,001 - \$250,000	6	14.3	1,191	26.6	
		\$250,001 - \$500,000	6	14.3	2,102	46.9	
		<b>Total</b>	<b>42</b>	<b>100.0</b>	<b>4,480</b>	<b>100.0</b>	

Originations & Purchases  
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

Assessment Area: 2017 MI Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,857	17.2
Moderate-income	1	7.7	986	9.1	105	10.6	2,089	19.3
Middle-income	12	92.3	9,822	90.9	886	9.0	2,539	23.5
Upper-income	0	0.0	0	0.0	0	0.0	4,323	40.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>13</b>	<b>100.0</b>	<b>10,808</b>	<b>100.0</b>	<b>991</b>	<b>9.2</b>	<b>10,808</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,854	1,024	7.9	55.2	586	31.6	244	13.2
Middle-income	19,425	11,928	92.1	61.4	2,261	11.6	5,236	27.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>21,279</b>	<b>12,952</b>	<b>100.0</b>	<b>60.9</b>	<b>2,847</b>	<b>13.4</b>	<b>5,480</b>	<b>25.8</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	239	15.8	198	15.0	38	25.2	3	6.8
Middle-income	1,274	84.2	1,120	85.0	113	74.8	41	93.2
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,513</b>	<b>100.0</b>	<b>1,318</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>	<b>44</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>87.1</b>		<b>10.0</b>		<b>2.9</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
#		%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	0.8	3	0.8	0	0.0	0	0.0
Middle-income	368	99.2	359	99.2	9	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>371</b>	<b>100.0</b>	<b>362</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>			<b>97.6</b>		<b>2.4</b>		<b>0.0</b>	
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 MI Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2017						
		Count		Agg	Dollar			Agg
		Bank	%	%	Bank	Agg		
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	5.6	5.9	125	3.8	3.3	7.9
	Middle	34	94.4	94.1	3,168	96.2	96.7	92.1
	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
	<b>Total</b>		<b>36</b>	<b>100.0</b>	<b>100.0</b>	<b>3,293</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	1	5.6	10.0	128	6.4	6.7	7.9
	Middle	17	94.4	90.0	1,879	93.6	93.3	92.1
	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
	<b>Total</b>		<b>18</b>	<b>100.0</b>	<b>100.0</b>	<b>2,007</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	11.8	0	0.0	7.4	7.9
	Middle	7	100.0	88.2	612	100.0	92.6	92.1
	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
	<b>Total</b>		<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>612</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	<b>Multi-Family</b> 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	31.0
	Middle	0	0.0	0.0	0	0.0	0.0	69.0
	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
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	3	4.9	8.0	253	4.3	4.8	7.9
	Middle	58	95.1	92.0	5,659	95.7	95.2	92.1
	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
	<b>Total</b>		<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>5,912</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2017 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2017 MI Non MSA</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017						
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$(000s)	\$ %					
Home Purchase	Low	6	16.7	7.8	280	8.5	3.8	17.2
	Moderate	8	22.2	26.4	541	16.4	18.5	19.3
	Middle	7	19.4	22.0	466	14.2	17.9	23.5
	Upper	13	36.1	36.4	1,655	50.3	52.0	40.0
	Unknown	2	5.6	7.5	351	10.7	7.7	0.0
	<b>Total</b>	<b>36</b>	<b>100.0</b>	<b>100.0</b>	<b>3,293</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	3	16.7	9.6	116	5.8	3.8	17.2
	Moderate	4	22.2	18.3	221	11.0	10.2	19.3
	Middle	2	11.1	23.3	155	7.7	20.5	23.5
	Upper	8	44.4	40.6	1,474	73.4	59.3	40.0
	Unknown	1	5.6	8.2	41	2.0	6.2	0.0
	<b>Total</b>	<b>18</b>	<b>100.0</b>	<b>100.0</b>	<b>2,007</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	1	14.3	16.1	38	6.2	5.6	17.2
	Moderate	2	28.6	19.4	158	25.8	17.8	19.3
	Middle	3	42.9	28.0	316	51.6	21.0	23.5
	Upper	1	14.3	34.4	100	16.3	31.4	40.0
	Unknown	0	0.0	2.2	0	0.0	24.2	0.0
	<b>Total</b>	<b>7</b>	<b>100.0</b>	<b>100.0</b>	<b>612</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.3
	Middle	0	0.0	0.0	0	0.0	0.0	23.5
	Upper	0	0.0	0.0	0	0.0	0.0	40.0
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	10	16.4	9.4	434	7.3	3.9	17.2
	Moderate	14	23.0	22.9	920	15.6	15.5	19.3
	Middle	12	19.7	23.2	937	15.8	19.1	23.5
	Upper	22	36.1	37.5	3,229	54.6	53.4	40.0
	Unknown	3	4.9	7.0	392	6.6	8.1	0.0
	<b>Total</b>	<b>61</b>	<b>100.0</b>	<b>100.0</b>	<b>5,912</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2017 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

**APPENDIX C – Scope of Examination**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>	Small Farm Lending: January 1, 2018 – December 31, 2018 Small Business Lending: January 1, 2018 – December 31, 2018 HMDA-Reportable Lending: January 1, 2017 – December 31, 2018		
<b>FINANCIAL INSTITUTION</b> Thumb Bank & Trust			<b>PRODUCTS REVIEWED</b> Small Farm Loans Small Business Loans HMDA-Reportable Loans
<b>AFFILIATE(S)</b> None	<b>AFFILIATE RELATIONSHIP</b> N/A		<b>PRODUCTS REVIEWED</b> N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Bay City, MI MSA #13020	Full Review	None	N/A
Non-Metropolitan Michigan	Full Review	None	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.<sup>3</sup>

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

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<sup>3</sup> Source: FFIEC press release dated October 19, 2011.



**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, including a home improvement loan not secured by a dwelling, and other consumer unsecured loan, including a loan for home improvement 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 household 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 Loan:** 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).