



CRA Public File - 2025

- Range Bank has not received any CRA-related comments or complaints in calendar years 2023, 2024, and year-to-date 2025. Range Bank was voted Best Bank and Best Mortgage Lender for 2024 by The Mining Journal.
 - Updated 09/15/2025

PUBLIC DISCLOSURE

June 23, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Range Bank
Certificate Number: 5072

100 N Front St
Marquette, Michigan 49855

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The average loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the AA.
- A majority of home mortgage and small business loans were extended within the AAs.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AAs.
- The distribution of home mortgage and small business loans reflects reasonable penetration among borrowers of different income levels and businesses of various sizes.
- The institution has not received any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

The Community Development Test is rated Satisfactory.

The institution's community development performance demonstrates adequate responsiveness to community development needs in its AAs through community development loans, qualified investments and donations, and community development services, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

DESCRIPTION OF INSTITUTION

Range Bank is headquartered in Marquette, Michigan, and is wholly owned by Range Financial Corporation, a one-bank holding company also located in Marquette, Michigan. The bank continues to operate nine full-service branches. Eight of the bank's nine branches are located in the Upper Peninsula of Michigan in the Michigan non-metropolitan statistical area (MSA), and one branch is located in Ashwaubenon, Wisconsin, within the Green Bay MSA. No branches have been opened or closed since the previous evaluation. No merger or acquisition activities have occurred since the previous evaluation. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated May 22, 2023, based on Interagency Intermediate Small Institution Examination Procedures.

Range Bank offers various loan products including residential mortgage, business, and consumer loans to address the credit needs of its AAs. The bank's primary business focus continues to be

residential real estate and business lending. Additionally, Range Bank offers special loan programs through the secondary market that assist low- and moderate-income borrowers in qualifying for home mortgage loans. Such programs include the Home Possible and Very Low-Income Purchase Credit programs through Freddie Mac, as well as the Rate Advantage program through the Federal Home Loan Bank of Indianapolis. Deposit products offered include checking, savings, certificates of deposit, and individual retirement accounts. Alternative banking services include internet, mobile, and telephone banking; electronic bill-pay; and remote deposit capture. The bank also maintains nine bank-owned ATMs. Range Bank does not have credit-based affiliates or subsidiaries.

As of March 31, 2025, Range Bank reported total assets of \$583.1 million, total loans of \$351.0 million, and total deposits of \$530.6 million. The following table illustrates Range Bank's loan portfolio distribution as of March 31, 2025. Range Bank experienced asset and loan growth since the prior evaluation; however, the loan portfolio distribution remains relatively unchanged.

Loan Portfolio Distribution as of 03/31/25		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	31,308	8.9
Secured by 1-4 Family Residential Properties	112,473	32.1
Secured by Multifamily (5 or more) Residential Properties	37,176	10.6
Secured by Nonfarm Nonresidential Properties	123,656	35.2
Total Real Estate Loans	304,613	86.8
Commercial and Industrial Loans	41,242	11.8
Consumer Loans	5,070	1.4
Other Loans	50	0.0
Total Loans	350,975	100.0
<i>Source: Reports of Condition and Income.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the AAs' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate the bank's CRA performance. Range Bank's AAs remain unchanged since the previous performance evaluation and include the Michigan AA and Wisconsin AA. The AAs do not arbitrarily exclude low- and moderate-income census tracts (CTs), do not reflect illegal discrimination, and otherwise conform to CRA regulatory requirements. The CRA requires that each state be separately rated. Therefore, Range Bank is rated overall, as well as separately for performance in the State of Michigan and the State of Wisconsin. The following table provides details of each AA. Additional information about each AA is presented in each rated area.

Assessment Area Breakdown of Deposits and Branches					
AA Name	Counties in AA	Banking Offices		Deposits as of 6/30/24	
		#	%	\$(000s)	%
Michigan AA	Dickinson, Houghton, Keweenaw, and Marquette	8	88.9	488,940	99.1
Wisconsin AA	Brown	1	11.1	4,394	0.9
Total		9	100.0	493,334	100.0
Source: Bank Records; 6/30/2024 FDIC Summary of Deposits					

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated May 22, 2023, to the current evaluation date of June 23, 2025, unless otherwise noted. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate Range Bank's CRA performance, which includes the Lending Test and Community Development Test. Refer to the Appendices for a description of these tests and the Glossary for pertinent definitions.

The interagency procedures require Lending Test and Community Development Test ratings for the overall bank, the State of Michigan, and the State of Wisconsin. Each state contains a single AA, both of which received full-scope reviews. Examiners gave greater weight to performance in the State of Michigan due to the significantly greater number of branches, loans, deposits, and community development activities.

Activities Reviewed

Home mortgage and small business loans continue to represent Range Bank's major product lines. Examiners made this determination in consideration of the bank's business strategy and Call Report data, as well as the number and dollar volume of loans originated during the evaluation period. No other loan types, such as small farm and consumer loans, represent a major product line. Therefore, examiners did not analyze these products as part of the evaluation.

Under the Lending Test, examiners reviewed and analyzed the universe of home mortgage loans recorded on the 2023 and 2024 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. Since Range Bank is not required to report small business data under the CRA, examiners reviewed small business loans originated and renewed for the twelve-month period of 2024. Examiners analyzed the universe of loans during this time frame for the AA Concentration and Geographic Distribution criteria. However, since revenue information was not readily available, examiners sampled small business loans made inside the AAs in 2024 to evaluate performance under the Borrower Profile criterion. The sample is representative of the bank's performance throughout the evaluation period. The following table details the scope of the review.

Loan Products Reviewed				
Loan Category	Universe		Borrower Profile Review	
	#	\$(000s)	#	\$(000s)
Home Mortgage				
2023	299	48,443	299	48,443
2024	292	48,149	292	48,149
Small Business				
2024	210	30,785	51	6,307
Source: Bank Data				

Examiners placed slightly more weight on home mortgage lending activity when arriving at overall conclusions, as well as conclusions within each rated area. Examiners considered the number and dollar amount of loans extended, Call Report data, and discussions with management when making this conclusion. Range Bank only extended four small business loans in the Wisconsin AA in 2024, which is commensurate with the bank's deposit market share in the AA. This level of activity would not provide meaningful conclusions. As a result, examiners did not assess or present small business loan performance for the Wisconsin AA. Therefore, the bank's Lending Test performance in Wisconsin is based solely on a review of home mortgage loans in 2023 and 2024. The 2020 U.S. Census data, as well as 2023 aggregate HMDA data, provided a standard of comparison for the bank's home mortgage lending activity. D&B data from 2024 provided a standard of comparison for the bank's small business lending activity.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services from the date of the prior evaluation, May 22, 2023, through March 31, 2025. Examiners evaluated the bank's performance during this time frame and considered qualitative and quantitative factors for these activities based on the bank's financial capacity, as well as AA needs and opportunities.

Examiners analyzed the bank's CRA performance in relation to the bank's performance context, which includes, but is not limited to, the bank's size and structure, financial condition, loan mix, resources, AA demographics, economic factors, competition, loan demand, and available opportunities. Examiners relied on information and data from bank records, Federal Financial Institutions Examination Council (FFIEC), U.S. Census, D&B, U.S. Bureau of Labor Statistics, community contacts, loan information reported under the HMDA and CRA, and other readily available public information, when making conclusions about bank performance.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

A "Satisfactory" rating is assigned under the Lending Test. Performance in both AAs supports this conclusion.

Loan-to-Deposit Ratio

Range Bank's LTD ratio reflects reasonable performance, given the institution's size and financial condition, and the credit needs within the AAs. Range Bank's LTD ratio averaged 66.0 percent over the previous eight calendar quarters with a low of 63.6 percent and a high of 70.0 percent. This ratio is comparable to that of six similarly situated financial institutions, which ranged from a low of 44.6 percent to a high of 90.4 percent over the same period. Examiners selected comparable financial institutions based on asset size, geographic location, lending focus, and loan product offerings.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/2025 (\$000s)	Average Net LTD Ratio (%)
Range Bank	583,116	66.0
Superior National Bank	997,055	77.1
Bank of Luxemburg	675,070	85.7
First Bank, Upper Michigan	614,303	81.9
First National Bank & Trust Co.	405,024	55.4
Upper Peninsula State Bank	352,343	90.4
Bay Bank	278,225	44.6
<i>Source: Reports of Condition and Income 6/30/2023 through 03/31/2025</i>		

Assessment Area Concentration

Range Bank extended a majority of home mortgage and small business loans by number and dollar volume within the AAs.

Lending Inside and Outside of the AA										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$ (000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$ (000)	%	\$ (000)	%	
Home Mortgage										
2023	269	90.0	30	10.0	299	48,443	89.3	5,830	10.7	54,273
2024	255	87.3	37	12.7	292	48,149	89.4	5,694	10.6	53,843
Subtotal	524	88.7	67	11.3	591	96,592	89.3	11,524	10.7	108,116
Small Business										
2024	182	86.7	28	13.3	210	30,785	80.2	7,611	19.8	38,396
Source: Bank Data; Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AAs. Performance is not consistent and is stronger in the lesser weighted Wisconsin AA. Examiners based this conclusion primarily on the reasonable dispersion of home

mortgage and small business loans throughout the Michigan AA and excellent dispersion of home mortgage loans throughout the Wisconsin AA.

Borrower Profile

The distribution of home mortgage and small business loans reflects reasonable penetration among individuals of different income levels and businesses of various sizes. Performance is consistent throughout both AAs.

Response to Complaints

Range Bank did not receive any CRA-related complaints since the last evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

An overall “Satisfactory” rating is assigned under the Community Development Test. Range Bank’s performance demonstrates adequate responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services. Performance was consistent among both AAs. Examiners considered the institution’s capacity and the need and availability of such opportunities for community development activities in the institution’s AAs.

Community Development Loans

The bank made 16 community development loans totaling \$18.3 million within the AAs and 3 community development loans totaling \$383,343 within the broader Michigan statewide area during the evaluation period. Examiners considered these loans since Range Bank has been responsive to the community development needs and opportunities in its AAs consistent with similarly situated banks.

Examiners compared performance to two similarly situated institutions that operate within the bank’s AAs. Considering different lengths of examination review periods for the similarly situated institutions, examiners completed the quantifiable analysis based on an annualized basis. Annualized, Range Bank’s level of community development lending activity represents 3.0 percent of average net loans and 1.7 percent of average total assets. This is comparable to the two similarly situated institutions whose annualized community development lending ranged from 0.6 to 4.7 percent of average net loans, and 0.3 to 3.0 percent of average total assets. The following tables illustrate Range Bank’s community development loans by AA and year.

Community Development Lending by Assessment Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Michigan AA	0	0	8	3,667	5	12,600	2	2,000	15	18,267
Wisconsin AA	1	120	0	0	0	0	0	0	1	120
Statewide Activities	0	0	1	250	0	0	2	133	3	383
Total	1	120	9	3,917	5	12,600	4	2,133	19	18,770
<i>Source: Bank Data</i>										

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023 (Partial)	0	0	1	186	3	7,550	2	1,089	6	8,825
2024	1	120	7	3,481	2	5,050	2	1,044	12	9,695
Q1 2025	0	0	1	250	0	0	0	0	1	250
Total	1	120	9	3,917	5	12,600	4	2,133	19	18,770
<i>Source: Bank Data</i>										

Notable examples of community development loans originated in the broader Michigan statewide area include:

- Two loans totaling \$133,348 to a local telephone company in support of the Rural Digital Opportunity Fund, which expands broadband access to rural underserved areas in the Upper Peninsula.
- One loan totaling \$250,000 to a national organization to purchase a building used to provide training and community services for low- and moderate-income individuals in the Upper Peninsula.

Qualified Investments

Examiners considered qualified investments made during the evaluation period, as well as investments purchased prior to this evaluation that were still outstanding as of the evaluation. Range Bank made 86 investments and donations totaling \$7.3 million. This includes 67 qualified donations totaling \$60,000 made in the designated AAs during the evaluation period (one donation extended outside of the AA). Additionally, the bank made 18 qualified investments prior to the evaluation period with an outstanding book value of approximately \$7.1 million. Examiners considered the number and dollar amount of qualified investments in the broader Michigan statewide area to support overall performance since Range Bank has been responsive to the community development needs and opportunities in its AAs consistent with similarly situated institutions.

Annualized, Range Bank's qualified investment activity represents 2.5 percent of average total securities, 9.2 percent of average total equity capital, and 0.7 percent of average total assets. This performance is significantly above the performance of two similarly situated institutions operating in the AAs whose annualized qualified investment activity ranged from 0.0 to 0.4 percent of

average total securities, 0.1 to 1.7 percent of average total equity capital, and 0.0 to 0.2 percent of average total assets. The following tables illustrate Range Bank’s qualified investments and donations by AA and year.

Qualified Investments by Assessment Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Michigan AA	3	1,148	46	622	23	27	1	36	73	1,833
Wisconsin AA	0	0	2	1	0	0	0	0	2	1
Statewide Activities	0	0	11	5,481	0	0	0	0	11	5,481
Total	3	1,148	59	6,104	23	27	1	36	86	7,315
<i>Source: Bank Data</i>										

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	1,148	14	5,948	1	1	1	36	18	7,133
2023 (Partial)	0	0	0	0	0	0	0	0	0	0
2024	0	0	1	122	0	0	0	0	1	122
YTD 2025	0	0	0	0	0	0	0	0	0	0
Subtotal	2	1,148	15	6,070	1	1	1	36	19	7,255
Qualified Grants & Donations	1	<1	44	34	22	26	0	0	67	60
Total	3	1,148	59	6,104	23	27	1	36	86	7,315
<i>Source: Bank Data</i>										

Notable examples of qualified investments in the broader Michigan statewide area include:

- Eight municipal bonds with outstanding book values totaling \$4.6 million to Michigan area public school districts where the majority of students qualify for free or reduced-priced meals.
- One outstanding municipal bond totaling \$270,000 to a Michigan-based power company offering Income-Qualified Assistance Programs to residents in the Upper Peninsula of Michigan.

Community Development Services

Range Bank employees provided 45 instances of community development services to or on behalf of 14 different entities in the AAs, contributing 851 total hours during the evaluation period. This includes serving as Board or committee members for 12 different community development organizations that benefit the Michigan AA. Since all community development services were performed in the Michigan AA, refer to the Michigan AA section in this evaluation for details of community development services by year and purpose.

Range Bank's performance equates to approximately 24 community development services per year. This performance is comparable to that of two similarly situated institutions that operate in the AAs, whose performance ranged from approximately 5 to 38 community development services per year.

Finally, Range Bank operates three branches in moderate-income CTs in its AAs.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices. Therefore, this consideration did not affect the institution's overall CRA rating.

STATE OF MICHIGAN – Full-Scope Review

CRA RATING FOR THE STATE OF MICHIGAN: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MICHIGAN

Range Bank has one AA in the state of Michigan which has not changed since the prior evaluation. The Michigan AA consists of the entirety of Dickinson, Houghton, Keweenaw, and Marquette counties located in Michigan’s Upper Peninsula. Since the previous evaluation, U.S. Census results prompted map revisions that caused some changes to CT income designations. Specifically, the only low-income CT in the AA in 2023 changed to a moderate-income CT in 2024. As a result, the AA did not include any low-income CTs in 2024. Similarly, one CT designated as moderate-income in 2023 changed to a middle-income CT in 2024.

Sources of data used in this section include the FFIEC, U.S. Census, D&B, loan information reported under the HMDA, U.S. Bureau of Labor Statistics, and other readily available public information.

Economic and Demographic Data

The following table provides the 2023 and 2024 FFIEC estimated median family incomes and corresponding income levels used to analyze home mortgage lending activities in the AA under the Borrower Profile criterion.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
MI NA Median Family Income (99999)				
2023 (\$79,800)	<\$39,900	\$39,900 to <\$63,840	\$63,840 to <\$95,760	≥\$95,760
2024 (\$78,300)	<\$39,150	\$39,150 to <\$62,640	\$62,640 to <\$93,960	≥\$93,960
Source: FFIEC				

The Michigan AA consists of 49 CTs, including 5 moderate-income CTs, 25 middle-income CTs, 14 upper-income CTs, and 5 CTs with no income classification. The five CTs with no income classification include Lake Superior and Isle Royale National Park. Range Bank operates eight branch locations within the Michigan AA, including three in upper-income CTs, three in middle-income CTs, and two in moderate-income CTs. The following table illustrates key demographic data specific to the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	49	0.0	10.2	51.0	28.6	10.2
Population by Geography	131,371	0.0	10.6	55.3	34.1	0.0
Housing Units by Geography	70,342	0.0	8.9	58.2	32.8	0.2
Owner-Occupied Units by Geography	38,725	0.0	8.5	58.4	33.1	0.0
Occupied Rental Units by Geography	14,827	0.0	13.0	49.4	37.6	0.0
Vacant Units by Geography	16,790	0.0	6.1	65.5	27.8	0.7
Businesses by Geography	12,254	0.0	9.1	53.9	37.0	0.0
Farms by Geography	338	0.0	7.7	58.3	34.0	0.0
Family Distribution by Income Level	31,567	15.4	16.4	23.2	44.9	0.0
Household Distribution by Income Level	53,552	23.9	16.6	18.2	41.3	0.0
Median Family Income Non-MSAs - MI		\$63,042	Median Housing Value			\$140,041
			Median Gross Rent			\$695
			Families Below Poverty Level			7.9%
Source: 2020 U.S. Census and 2024 D&B Data; Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification						

The AA contains 70,342 housing units, with 55.1 percent owner-occupied, 21.1 percent occupied rental, and 23.9 percent vacant. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

The following table reflects the unemployment rates of the counties included within the Michigan AA, which were consistently above both the state and national levels. The unemployment rate gives insight into the local economic conditions within the AA.

Unemployment Rates (Annual)		
Area	2023	2024
	%	%
Dickinson County	3.9	5.1
Houghton County	4.9	5.4
Keweenaw County	6.4	6.7
Marquette County	4.8	5.2
State	3.9	4.7
National Average	3.6	4.0
Source: Bureau of Labor Statistics		

According to 2024 D&B data, 12,254 reporting non-farm businesses operate in the AA, of which 85.5 percent reported gross annual revenues (GAR) of \$1 million or less. Further, 91.1 percent operate with nine or fewer employees, and 89.2 percent operate from a single location. Service industries represent the most significant portion of businesses in the AA at 36.9 percent, followed by non-classifiable establishments at 20.6 percent, and retail trade at 11.4 percent. The demographic data illustrates that

there is a significant presence of small businesses operating within the AA.

Competition

The financial services industry within the Michigan AA is competitive. According to the June 2024 FDIC Summary of Deposits Market Share Report compiled by the FDIC, 11 financial institutions operate 51 branches in the Michigan AA. Of these, Range Bank ranked first, with a deposit market share of 17.7 percent.

There is a high level of competition for home mortgage loans in the AA. Aggregate home mortgage lending data shows 166 lenders subject to the HMDA reporting requirements reported a total of 1,779 mortgage loans originated or purchased in the AA during 2023. Range Bank ranked first with a 13.9 percent market share, by number.

The Lending Test does not include direct comparisons to aggregate lender performance for small business lending because Range Bank is not required to collect and report small business loan data under the CRA. However, aggregate data reflects the level of demand for small business loans in the AA. In 2023, 51 lenders reported 1,668 small business loans in the Michigan AA, indicating a moderate degree of competition. The AAs most prominent small business reporters are large national financial institutions with higher lending capacity. It is important to note that many non-reporting institutions originate small business loans in the AA, which suggests that competition for loans is greater than reflected in the aggregate data.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs. In conjunction with this examination, examiners contacted a representative of a local government agency involved in the community development of Marquette County.

The contact noted that while the local economy is generally stable, there is a need for new, affordable housing developments to grow and maintain the local population and workforce. Housing stock in the AA is older and limited. Furthermore, housing prices continue to rise, which have also driven up local rents. Additionally, the contact noted that gap financing for new and small businesses continues to be a need as the community continues its efforts to grow and attract said businesses.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing and affordable loan programs represent a primary credit and community development need of the AA. In addition, there is a demand for small business financing, particularly for start-up businesses. The significant percentage of businesses with revenues of \$1 million or less support this conclusion.

SCOPE OF EVALUATION - MICHIGAN

The rating for the State of Michigan is based upon the full-scope evaluation of the bank's performance in the Michigan AA. Examiners analyzed lending performance in relation to bank resources, market presence, and lending opportunities. Refer to the overall Scope of Evaluation Section for information about the review procedures used and the weighting of the products.

CONCLUSIONS ON PERFORMANCE CRITERIA IN (RATED AREA #1)

LENDING TEST

Range Bank demonstrated satisfactory performance under the Lending Test. Geographic distribution and borrower profile performance primarily support this conclusion.

Geographic Distribution

The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the AA. Examiners compared home mortgage lending performance to aggregate and demographic data (percentage of owner-occupied housing units), and the small business lending performance to available D&B data (percentage of businesses). Examiners analyzed the institution's performance in both low- and moderate-income geographies for 2023. However, due to updated U.S. Census data and changes in CT income designations, there were no low-income designated CTs in the Michigan AA in 2024. Therefore, examiners focused the analysis on the institution's performance in the moderate-income CTs in 2024.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. Demographic data shows that fewer than one percent of owner-occupied housing units were located in low-income geographies in 2023. The bank's lending of home mortgage loans in low-income CTs in 2023 is similar to that of both demographic and aggregate data.

In 2023 and 2024, the bank's home mortgage lending within moderate-income CTs trailed both demographic and aggregate data. Despite trailing the benchmarks, this performance is in line with that of three similarly situated institutions operating in the AA whose performance ranged 0.5 to 7.3 percentage points below demographic data and was considered reasonable. Therefore, the geographic distribution of home mortgage loans is reasonable overall.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	0.8	1.1	3	1.2	601	1.4
2024	--	--	--	--	--	--
Moderate						
2023	11.0	10.4	15	6.1	1,505	3.4
2024	8.5	--	13	5.4	1,191	2.6
Middle						
2023	62.9	62.4	157	63.3	26,500	59.7
2024	58.4	--	143	58.8	25,408	56.2
Upper						
2023	25.3	26.1	73	29.4	15,794	35.6
2024	33.1	--	87	35.8	18,573	41.1
Totals						
2023	100.0	100.0	248	100.0	44,400	100.0
2024	100.0	--	243	100.0	45,172	100.0
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available; Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	9.1	13	7.3	3,478	11.7
Middle	53.9	85	47.8	14,591	48.9
Upper	37.0	80	44.9	11,745	39.4
Totals	100.0	178	100.0	29,814	100.0
Source: 2023 & 2024 D&B Data; Bank Data; Due to rounding, totals may not equal 100.0%					

While Range Bank's lending activity in moderate-income CTs slightly trailed demographic data in 2024, performance is considered reasonable. Range Bank made notable efforts to significantly improve its small business lending within moderate-income CTs since the prior performance evaluation where they extended only 1.1 percent of loans to small businesses in moderate-income CTs.

Borrower Profile

The distribution of home mortgage and small business loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank's reasonable

home mortgage lending performance primarily supports this conclusion. Examiners compared home mortgage lending performance to aggregate and demographic data (percentage of families), and the small business lending performance to available D&B data (percentage of small businesses)

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	16.2	7.7	14	5.6	905	2.0
2024	15.4	--	14	5.8	956	2.1
Moderate						
2023	17.2	20.7	36	14.5	3,579	8.1
2024	16.4	--	44	18.1	4,723	10.5
Middle						
2023	23.3	21.9	63	25.4	8,669	19.5
2024	23.2	--	56	23.0	7,860	17.4
Upper						
2023	43.3	35.1	101	40.7	22,706	51.1
2024	44.9	--	118	48.6	26,660	59.0
Not Available						
2023	0.0	14.5	34	13.7	8,541	19.2
2024	0.0	--	11	4.5	4,973	11.0
Totals						
2023	100.0	100.0	248	100.0	44,400	100.0
2024	100.0	--	243	100.0	45,172	100.0

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available; Due to rounding, totals may not equal 100.0%

In both 2023 and 2024, the bank's lending penetration to low-income borrowers trailed the percentage of low-income families in the AA. The disparity in the bank's performance compared to demographic data can largely be attributed to the 7.9 percent of families that live below the poverty level in the AA. Due to their limited financial resources, families with income levels below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity for lending to low-income borrowers. Therefore, aggregate data is a better indicator of demand. The bank's 2023 low-income performance slightly trailed aggregate data by 2.1 percentage points.

The bank's home mortgage lending penetration to moderate-income individuals trails demographic and aggregate data in 2023. However, performance improved in 2024, exceeding demographic

data. In consideration of AA demographics, aggregate data, and the bank's improved performance year-over-year, the bank's record of lending to low- and moderate-income borrowers is reasonable.

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses with GARs of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.5	26	55.3	2,724	51.0
>\$1,000,000	3.9	21	44.7	2,612	49.0
Revenue Not Available	10.7	0	0.0	0	0.0
Totals	100.0	47	100.0	5,336	100.0
<i>Source: 2024 D&B Data; Due to rounding, totals may not equal 100.0%</i>					

Range Bank's lending to businesses with GARs of \$1 million or less trails demographic data by 30.2 percentage points. This is a significant decrease from the previous evaluation, where 83.0 percent of small business loans were made to businesses with GARs of \$1 million or less, exceeding demographic data at the time by 2.8 percentage points.

Range Bank's performance is similar to that of a similarly situated financial institution that operates in the AA who received a poor rating for their small business borrower profile. This similarly situated institution trailed demographic data by 18.1 percentage points. Considering these factors, Range Bank's performance is considered poor.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to community development needs in the Michigan AA through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development activities in the AA.

Community Development Loans

Range Bank originated 15 community development loans totaling \$18.3 million in the Michigan AA during the evaluation period. The following table shows the breakdown of community development loans by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023 (Partial)	0	0	1	186	3	7,550	1	1,000	5	8,736
2024	0	0	7	3,481	2	5,050	1	1,000	10	9,531
Q1 2025	0	0	0	0	0	0	0	0	0	0
Total	0	0	8	3,667	5	12,600	2	2,000	15	18,267
<i>Source: Bank Data</i>										

Notable examples of community development loans originated in the Michigan AA include:

- Two loans totaling \$2 million made to a local internet provider in support of the Middle Mile Broadband Infrastructure Grant. This provided for 535 miles of fiber internet network serving rural underserved areas in the Michigan AA.
- Three economic development loans totaling \$12.5 million to a local electronics company that received a grant from the United States Department of Defense for support of local and national infrastructure. The company is also a HUBZone employer, a qualification granted by the Small Business Administration. HUBZone employers must meet the SBA definition of a small business, be at least 51 percent owned by U.S. Citizens or a Community Development Corporation and have at least 35 percent of employees living within the HUBZone. HUBZone employers receive preferential consideration for certain contracts in historically underutilized business zones.

Qualified Investments

Range Bank made 66 qualified investments and donations totaling approximately \$182,000 in the Michigan AA during the evaluation period. In addition, the bank maintained seven prior period qualified investments with outstanding book values totaling approximately \$1.7 million. The following table shows the breakdown of qualified investments by year.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	1,148	3	466	1	1	1	36	7	1,651
2023 (Partial)	0	0	0	0	0	0	0	0	0	0
2024	0	0	1	122	0	0	0	0	1	122
YTD 2025	0	0	0	0	0	0	0	0	0	0
Subtotal	2	1,148	4	588	1	1	1	36	8	1,773
Qualified Grants &	1	<1	42	34	22	26	0	0	65	60
Total	3	1,148	46	622	23	27	1	36	73	1,833
<i>Source: Bank Data</i>										

Notable examples of qualified investments made in the Michigan AA include:

- Four municipal bonds with total book values of \$588,526 supporting two local school districts where the majority of students qualify for free or reduced-priced meals.

- One prior-period municipal bond with a book value of \$147,582 supporting an affordable, HUD-subsidized, housing development for low-income individuals with disabilities.
- One prior-period commitment for yearly contributions up to \$1 million supporting an organization that manages and invests in properties in and around the AA that qualify for low-income housing tax credits. As of March 31, 2025, \$31,666 of the \$1 million commitment remains unfunded.

Community Development Services

Range Bank employees provided 45 instances of community development services to or on behalf of 14 different entities in the AA, contributing 851 total hours during the evaluation period. This includes bank management and staff serving as Board or committee members for 12 different community development organizations that benefit the Michigan AA. The following table shows a breakdown of community development services by year.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2023 (Partial)	2	3	9	0	14
2024	2	3	10	0	15
YTD 2025	0	14	2	0	16
Total	4	20	21	0	45
<i>Source: Bank Data</i>					

In addition to community development services, the bank operates two full-service branches in moderate-income CTs in this AA, increasing the access to financial services for those residing in the moderate-income area.

STATE OF WISCONSIN – Full-Scope Review

CRA RATING FOR THE STATE OF WISCONSIN: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WISCONSIN

Range Bank has one AA in the State of Wisconsin, which remains unchanged since the prior evaluation. The Wisconsin AA consists of all 58 CTs within Brown County.

Sources of data used in this section include the FFIEC, U.S. Census, D&B, information reported under the HMDA, U.S. Bureau of Labor Statistics, and other public information.

Economic and Demographic Data

The following table provides the 2023 and 2024 FFIEC-estimated median family incomes and corresponding income levels used to analyze home mortgage lending activities in the AA under the Borrower Profile criterion.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Brown County, WI MSA Median Family Income (24580)				
2023 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
2024 (\$96,900)	<\$48,450	\$48,450 to <\$77,520	\$77,520 to <\$116,280	≥\$116,280
Source: FFIEC				

The Wisconsin AA consists of 58 CTs, including 1 low-income CT, 16 moderate-income CTs, 28 middle-income CTs, 12 upper-income CTs, and 1 CT with no income designation. The single CT with no income designation is wholly occupied by a prison. Range Bank operates one branch in a middle-income CT in the city of Green Bay. The following table summarizes demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	58	1.7	27.6	48.3	20.7	1.7
Population by Geography	268,740	0.6	24.0	51.2	23.8	0.4
Housing Units by Geography	110,414	0.7	26.0	50.3	23.0	0.0
Owner-Occupied Units by Geography	68,791	0.2	18.0	54.3	27.4	0.0
Occupied Rental Units by Geography	37,240	1.1	39.1	44.2	15.6	0.0
Vacant Units by Geography	4,383	3.2	39.5	39.2	18.0	0.0
Businesses by Geography	23,829	1.4	23.6	47.2	27.8	0.0
Farms by Geography	754	0.1	10.5	60.5	28.9	0.0
Family Distribution by Income Level	66,801	19.1	18.8	22.8	39.2	0.0
Household Distribution by Income Level	106,031	22.5	17.3	19.3	40.9	0.0
Median Family Income MSA - 24580 Green Bay, WI MSA		\$81,870	Median Housing Value			\$184,360
			Median Gross Rent			\$803
			Families Below Poverty Level			7.0%
Source: 2020 U.S. Census and 2024 D&B Data; Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification						

The AA contains 110,414 housing units, with 62.3 percent owner-occupied, 33.7 percent occupied rental, and 4 percent vacant. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

The following table reflects the unemployment rates of Brown County compared to the state and national levels. The unemployment rate in Brown County was consistently below both the state and national levels throughout the evaluation period.

Unemployment Rates (Annual)		
Area	2023	2024
	%	%
Brown County	2.5	2.6
State of Wisconsin	2.8	3.0
National Average	3.6	4.0
Source: Bureau of Labor Statistics		

Competition

The financial services industry within the Wisconsin AA is competitive. According to the June 2024 FDIC Summary of Deposits Market Share Report compiled by the FDIC, 16 financial institutions operate 58 branches in the AA. Range Bank ranked sixteenth, with a deposit market share of less than 0.1 percent. Two large institutions hold a collective market share of 70.7 percent.

There is a high level of competition for home mortgage loans in the AA. According to 2023 aggregate home mortgage data, 255 lenders reported a total of 6,507 mortgage loans originated or purchased in the AA. The three most prominent home mortgage lenders in the AA are large, national institutions that accounted for 28.4 percent of the total home mortgage market share. Range Bank ranked 45th with a 0.3 percent market share.

Community Contacts

As part of the evaluation process, examiners reviewed a recent community contact from a local community housing development organization that serves Brown County and the surrounding area. The contact stated that the most significant barrier within the Brown County area is the lack of affordable housing. Further, the contact noted that home prices have increased steadily over the past five years at a pace that exceeds wage growth. As interest rates have also increased recently, mortgage payments have become less affordable. The contact also stated that some of the local housing stock is utilized as second homes for nonresidents, driving up home prices. In addition, there are few rental units available for low- or moderate-income individuals and those that are available often have waiting lists.

The contact stated that financial institutions in the AA have been responsive to the needs of Brown County. However, local banks could seek to establish a land bank in Green Bay, which would facilitate permanent affordable housing. Further, the contact believes banks could become more involved with local affordable housing organizations through technical expertise and donations.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners concluded that affordable housing loans, investments, and services, represent a primary credit need of the AA. In addition, small business loans, particularly those for start-up businesses, are in demand.

SCOPE OF EVALUATION – WISCONSIN

The rating for the State of Wisconsin is based on the full-scope evaluation of performance in the Wisconsin AA. Examiners analyzed lending performance in relation to bank resources, market presence, and lending opportunities. Refer to the overall Scope of Evaluation Section for information about the review procedures used.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WISCONSIN

LENDING TEST

Range Bank demonstrated satisfactory performance under the Lending Test. The reasonable performance under the borrower profile criterion and excellent performance under the geographic distribution criterion support this conclusion.

Geographic Distribution

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	0.2	0.4	0	0.0	0	0.0
2024	0.2	--	0	0.0	0	0.0
Moderate						
2023	18.0	21.5	9	42.9	1,337	33.1
2024	18.0	--	2	16.7	565	19.0
Middle						
2023	54.3	51.3	7	33.3	1,503	37.2
2024	54.3	--	7	58.3	1,636	55.0
Upper						
2023	27.4	26.8	5	23.8	1,203	29.8
2024	27.4	--	3	25.0	776	26.1
Totals						
2023	100.0	100.0	21	100.0	4,043	100.0
2024	100.0	--	12	100.0	2,977	100.0

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available; Due to rounding, totals may not equal 100.0%

In both 2023 and 2024, the bank did not originate any home mortgage loans within the sole low-income CT in the Wisconsin AA. However, there are limited lending opportunities within this CT. The sole low-income CT is located in downtown Green Bay and only contains 138 owner-occupied housing units, not all of which hold families seeking traditional financing.

Range Bank's lending penetration within moderate-income CTs in 2023 significantly exceeded both aggregate data and the percentage of owner-occupied housing units in moderate-income CTs. In 2024, lending within moderate-income CTs decreased, but remains similar to demographic data. Range Bank also maintains a branch located in a moderate-income CT of the AA, demonstrating the bank's commitment to provide financial products and services in the area. Considering stronger lending to moderate-income CTs in 2023 and the bank's limited capacity to lend in the Wisconsin AA (less than 1 percent of the bank's deposits are within the AA), this performance is considered excellent.

Borrower Profile

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	19.1	10.1	0	0.0	0	0.0
2024	19.1	--	0	0.0	0	0.0
Moderate						
2023	18.8	21.4	4	19.0	399	9.9
2024	18.8	--	2	16.7	310	10.4
Middle						
2023	22.8	24.1	4	19.0	937	23.2
2024	22.8	--	2	16.7	432	14.5
Upper						
2023	39.2	31.3	4	19.0	960	23.7
2024	39.2	--	4	33.3	976	32.8
Not Available						
2023	0.0	13.0	9	42.9	1,747	43.2
2024	0.0	--	4	33.3	1,259	42.3
Totals						
2023	100.0	100.0	21	100.0	4,043	100.0
2024	100.0	--	12	100.0	2,977	100.0

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data, "--" data not available; Due to rounding, totals may not equal 100.0%

Range Bank did not make any home mortgage loans to low-income borrowers during the evaluation period, which trails both demographic and aggregate data. However, the significant disparity between the bank's performance compared to demographic data can largely be attributed to several factors. First, the median housing value compared to the median family income in the AA would make it difficult for a low-income borrower to qualify for a mortgage under conventional underwriting standards. In addition, U.S. Census data shows a poverty level of 7.0 percent in the Wisconsin AA. Due to their limited financial resources, families with income levels below the poverty level generally do not have the capacity to support a home mortgage. These factors limit the demand and opportunity for lending to low-income borrowers. Still, the bank's performance significant trails aggregate data.

While the bank's lending penetration in moderate-income CTs appears to be similar to that of demographic and aggregate data, the numbers in the table misrepresent the bank's true performance due to the large portion of borrowers with income not available. Specifically, the bank's portion of loans where income is not available substantially exceeds those of aggregate reporters. To better evaluate the bank's performance, examiners also considered the data when excluding these borrowers. Absent home mortgage loans made to borrowers with income not available, Range Bank extended approximately 33.3 percent and 25.0 percent of loans in moderate-income CTs in 2023 and 2024, respectively. This performance exceeded demographic data in both 2023 and 2024,

and the adjusted aggregate performance of 24.7 percent in 2023. Despite the weaker performance to low-income borrowers, the reasonable record of lending to moderate-income borrowers supports overall reasonable penetration.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to community development needs in the Wisconsin AA primarily through community development loans and qualified investments. Examiners considered the institution's capacity and the need and availability of such opportunities in the AA. Range Bank has a limited market presence in Wisconsin. As of March 31, 2025, Range Bank had \$4.4 million in deposits at its sole Wisconsin branch. This represents less than one percent of the bank's total deposits. Range Bank's community development performance is adequate, relative to their market presence, capacity, and the community development needs and opportunities that exist within the area.

Community Development Loans

Range Bank made one community development loan to an affordable housing organization in the Wisconsin AA totaling \$119,970. This accounts for 0.6 percent of the total dollar volume of all community development loans during the evaluation period.

Qualified Investments

Range Bank made two qualified affordable housing donations in the AA during the evaluation period totaling \$650. The donations benefited a homeless shelter serving the indigent population in Brown County. This accounts for 1.1 percent of the total dollar amount of donations or grants Range Bank made during the evaluation period and less than 0.1 percent of all qualified investments.

Community Development Services

Range Bank did not perform any community development services in the Wisconsin AA during the evaluation period. Range Bank does operate one branch in a moderate-income CT, offering convenient access to its full range of products and services within the community.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
Michigan	Satisfactory	Satisfactory	Satisfactory
Wisconsin	Satisfactory	Satisfactory	Satisfactory

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

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

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

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

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

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.