



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

July 21, 2025

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens National Bank of Cheboygan  
Charter Number: 13522

303 N. Main Street  
Cheboygan, MI 49721

Office of the Comptroller of the Currency

200 Public Square, Suite 1610  
Cleveland, OH 44114

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not 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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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The lending test is rated: Satisfactory**

**The community development test is rated: Satisfactory**

The major factors that support this rating include:

- The Lending Test rating is based on the reasonable distribution of home mortgage loans and loans to small businesses among borrowers of different income levels and an excellent geographic distribution of home mortgage loans and loans to small businesses in the bank's assessment area (AA).
- A reasonable loan-to-deposit (LTD) ratio and a substantial majority of the bank's loans are inside its AA.
- The Community Development (CD) Test rating is based on adequate responsiveness to community needs through qualified CD loans, investments, services, and donations.

### Loan-to-Deposit Ratio

Considering Citizens National Bank of Cheboygan's (CNB or bank) size, financial condition, and credit needs of the AA, the LTD ratio is reasonable.

CNB's quarterly LTD ratio is calculated on a bank-wide basis. During the evaluation period (January 1, 2022, to December 31, 2024), the bank's average quarterly LTD ratio was 47.9 percent, with quarterly ratios ranging from a low of 37.1 percent in the first quarter of 2022 to a high of 57.1 percent in the second quarter of 2024. In comparison, the quarterly average LTD ratio for other banks of similar asset size and location was 64.2 percent and ranged between 45.7 percent and 81.6 percent.

Despite the lower average LTD ratio compared to peer, CNB's performance is reasonable given the LTD ratio was impacted by significant deposit growth due to stimulus programs during the COVID-19 pandemic. Between the first quarter of 2020 when the pandemic began and the first quarter of 2022 the bank experienced 69.0 percent growth in total deposits. During that same period, CNB's loan portfolio only grew 12.4 percent, resulting in the bank's lowest LTD ratio during the evaluation period occurring in the first quarter of 2022. During the evaluation period, the bank's LTD ratio continually improved due to strong loan growth coupled with a slight decline in deposits.

### Lending in Assessment Area

A substantial majority of the bank's loans were inside its AA.

The bank originated and purchased 96.7 percent by number of its total loans inside the bank's AA during the evaluation period based on the sampling of sixty loans. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Table 1: Lending Inside and Outside of the Assessment Area										2022-2024
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	30	100.0	0	0.0	30	4,488	100.0	0	0.0	4,488
Small Business	28	93.3	2	6.7	30	8,775	90.9	876	9.1	9,651
Total	58	96.7	2	3.3	60	13,263	93.8	876	6.2	14,139
Source: 1/1/2022 - 12/31/2024 Bank Data.										
Due to rounding, totals may not equal 100.0%										

## Description of Institution

CNB is a full-service, intrastate community bank headquartered in Cheboygan, Michigan, and is a wholly owned subsidiary of CNB Corporation, a one-bank holding company. CNB's operations are focused within the counties of Cheboygan, Emmet, Charlevoix, and Presque Isle in Michigan's northern Lower Peninsula. The bank's footprint consists primarily of small towns and rural communities that are heavily reliant on tourism and related industries. As of December 31, 2024, the bank's assets totaled \$476.5 million and tier one capital totaled \$36.4 million, or 7.6 percent of total assets.

During the evaluation period, CNB operated in one state (Michigan) and designated one AA. The Cheboygan Non-MSA AA includes contiguous geographies within the counties of Cheboygan, Emmet, Presque Isle, and Charlevoix.

CNB's primary loan products are residential real estate loans and loans to small businesses. The bank's loan portfolio increased 40.9 percent from \$170.2 million as of December 31, 2021, to \$239.8 million, as of December 31, 2024., and 87.0 percent of the loan portfolio is secured by real estate. The loan portfolio is comprised of 43.1 percent residential mortgages, 32.9 percent nonfarm nonresidential loans, 7.0 percent commercial and industrial loans, 6.1 percent construction loans, 5.3 percent consumer loans, 4.6 percent multifamily loans, 0.8 percent other loans, and 0.2 percent farmland and agricultural loans.

The bank offers traditional home loan products, including home mortgage, home construction, consumer, and home equity loans. The bank also offers home equity lines of credit (HELOCs) and commercial loans. CNB's consumer deposit-related products and services include checking, savings, and money market accounts, certificates of deposit, online bill payment, mobile banking, overdraft protection, and ATM services. Business-related deposit products and services include checking and savings accounts, online banking and bill pay, remote deposit capture, and ACH.

There are no legal, financial, or other factors impeding CNB's ability to help meet the credit needs of the AA. The bank received a "Satisfactory" rating on their previous CRA performance evaluation dated July 5, 2022.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The Office of the Comptroller of the Currency (OCC) evaluated the bank's record of meeting the credit needs of its AA using Intermediate Small Bank evaluation procedures, which includes a Lending Test and Community Development (CD) Test. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AA through its primary lending products. The CD test evaluates the bank's

responsiveness to CD needs in its AAs through qualified lending, investments, donations, and services. The evaluation period for lending and CD activity covers January 1, 2022, to December 31, 2024. Based on the bank's internal reports and discussions with management, examiners determined that the bank's primary lending products were home mortgages and loans to small businesses. The OCC gave equal consideration to the performance related to these two products to arrive at the overall conclusion for the Lending Test. The bank is not a Home Mortgage Disclosure Act (HMDA) reporter. To conduct the Lending Test, examiners analyzed a sample of home mortgage loans and loans to small business that were originated during the evaluation period. Examiners used supporting information to complete the review including internal bank reports, and deposit market share data.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

CNB's overall rating is based on the bank's performance within its AA. The OCC weighed information from the following performance criteria when analyzing the bank's primary lending products: LTD ratio, lending within the AA, lending to borrowers of different incomes and the geographic distribution of loans. Refer to the "Scope" paragraph within the "State" section of this document for details regarding how the areas were weighted in arriving at the respective ratings.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Michigan

**CRA rating for the State of Michigan<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

**The Community Development Test is rated:** Satisfactory

The major factors that support this rating include:

- The bank's distribution of home mortgage loans to borrowers of different income levels and loans to small businesses of different sizes is reasonable.
- The bank's geographic distribution of home mortgage loans and loans to small businesses is excellent.
- The bank made an adequate level of CD loans, investments, and services.
- There bank did not receive any complaints regarding its performance in helping meet the credit needs within its AA during the evaluation period.

### Description of Institution's Operations in Michigan

CNB has one AA within the state of Michigan, the Cheboygan non-MSA AA. The AA is comprised of contiguous geographies and does not arbitrarily exclude any low- or moderate-income census tracts (CTs) based on the designation of their income level or the demographic make-up of the CTs. Based on 2024 census data, the AA consists of 31 CTs and includes no low-income CTs, three moderate-income CTs, 19 middle-income CTs, seven upper-income CTs, and two CTs with no income assigned. In addition, the AA includes 15 middle-income CTs that were designated as distressed middle-income areas due to unemployment for at least one year during the assessment period. Two of these 15 CTs were also designated as distressed middle-income for population loss for at least one year during the evaluation period. Further, 17 of the middle-income CTs within the AA were designated as underserved middle-income due to being in a remote rural area.

During the evaluation period, the bank operated ten branches within the AA: five full-service branches with drive-throughs (Cheboygan, Alanson, Indian River, Mackinaw City, and Onaway), two full-service branches without drive-throughs (Cheboygan and Petoskey), two drive-through only branches (Cheboygan and Petoskey), and one self-service e-branch (Pellston). Each branch offers deposit taking automated teller machines (ATMs). Excluding the self-service branch, the two branches without drive-throughs are located within one mile of a drive-through only branch. All branches have similar hours, with the Cheboygan South Branch offering additional hours on Saturday. CNB closed the former Petoskey branch after opening a new full-service branch in Petoskey with an ATM in 2024. The new branch is located within a mile of the closed branch. Two of the branches, one in Cheboygan and one in Pellston,

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

are located in moderate-income CTs. The remaining eight branches are located in middle-income CTs, all of which were designated as distressed middle-income non-metropolitan tracts due to unemployment.

According to 2024 U.S. Census data, the AA's population is 79,387, with 13.1 percent of the population living in moderate-income CTs, 59.1 percent living in middle-income CTs, and 27.8 percent living in upper-income CTs. The population has remained relatively stable since the previous evaluation period, increasing by slightly over one percent since the last evaluation period. The AA includes 22,019 families and 34,419 households. According to 2024 U.S. Census Data, the AA's population was comprised of 17.5 percent low-income families, 17.2 percent moderate-income families, 23.9 percent middle-income families, and 41.4 percent upper-income families. The majority of owner-occupied housing units in the AA are in middle-income CTs, with only 11.2 percent being located within low-to-moderate income (LMI) CTs. According to the 2024 U.S. Census, there were 54,826 total housing units in the non-MSA AA, of which 49.8 percent were owner-occupied, 13.0 percent were rental occupied units, and 37.2 percent were vacant housing units. The median housing value in the AA was \$153,300. Overall, median housing values are approximately 2.4 to 3.9 times the median family income of the LMI families in the AA. The housing costs relative to income may have a limiting effect on mortgage demand among some LMI families. Approximately 11.3 percent of the families in the AA live below the poverty level.

Competition within the AA is moderate, with 11 institutions operating in the AA, with a population of 79,387. CNB's competitors include large banks and other community banks. According to the 2024 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, these institutions operate 29 offices in the AA. This does not include credit unions or other financial service providers. CNB ranked 1<sup>st</sup> in terms of total deposit market share, with 19.4 percent, or \$412.2 million, of total deposits. The largest competitors for deposits are The Huntington National Bank and JPMorgan Chase Bank, which hold 19.2 percent and 18.8 percent of total deposits, respectively.

Economic conditions in the AA are generally consistent with the state of Michigan for Emmet and Charlevoix counties. During the evaluation period, the unemployment rate in the state of Michigan was 4.2 percent, 3.9 percent, and 4.7 percent for 2022, 2023, and 2024, respectively. The unemployment rate in Emmet County was 5.1 percent, 5.4 percent, and 5.7 percent, respectively, for the same periods. The unemployment rate in Charlevoix County was 4.4 percent, 4.4 percent, and 5.0 percent during the same time frame. Economic conditions in Cheboygan and Presque Isle Counties were below the conditions in the state of Michigan. The unemployment rate for Cheboygan County was 7.5 percent, 7.7 percent, and 8.2 percent for 2022, 2023, and 2024. The unemployment rate in Presque Isle County was 7.8 percent, 8.1 percent, and 9.3 percent for the same time periods.

### **Cheboygan Non-MSA AA**

Assessment Area(s) - Cheboygan Non-MSA AA 2024						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	31	0.00	9.68	61.29	22.58	6.45
Population by Geography	79,387	0.00	13.08	59.13	27.79	0.00
Housing Units by Geography	54,826	0.00	11.20	62.13	26.66	0.00
Owner-Occupied Housing by Geography	27,307	0.00	13.77	58.98	27.25	0.00
Occupied Rental Units by Geography	7,112	0.00	11.70	68.00	20.30	0.00
Vacant Units by Geography	20,407	0.00	7.60	64.31	28.10	0.00
Businesses by Geography	3,982	0.00	9.37	62.81	27.83	0.00
Farms by Geography	196	0.00	12.76	50.51	36.73	0.00
Family Distribution by Income Level	22,019	17.47	17.21	23.90	41.42	0.00
Household Distribution by Income Level	34,419	20.69	17.09	19.44	42.78	0.00
Unemployment rate (%)	5.50	0.00	6.59	6.67	2.53	0.00
Households Below Poverty Level (%)	11.25	0.00	12.17	12.68	7.41	0.00

Assessment Area(s) - Cheboygan Non-MSA AA 2024						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Median Family Income (Non-MSAs - MI)		\$63,042			Median Housing Value	\$153,300
Median Family Income (Non-MSAs - MI) for 2024		\$78,300			Median Gross Rent	\$771
					Families Below Poverty Level	7.13
FFIEC File - 2020 Census						
FFIEC File - 2024 Census						
2024 Dun & Bradstreet SBSF Demographics						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification						

## Scope of Evaluation in Michigan

This analysis reflects a full-scope review of the Cheboygan Non-MSA AA. Examiners considered the number of home mortgage loans and loans to small businesses originated or purchased by the bank from January 1, 2022, through December 31, 2024. Examiners also considered any factors affecting the bank's ability to lend in its AA during the evaluation period, such as demographic, geographic, and market share information.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

### LENDING TEST

The bank's performance under the Lending Test in Michigan is rated Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's lending performance in the State of Michigan was reasonable.

### Distribution of Loans by Income Level of the Geography

The bank exhibited excellent geographic distribution of loans in the State.

#### *Home Mortgage Loans*

Refer to Table 7 in the state of Michigan section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans among geographies of different income levels throughout the AA is excellent. There are no low-income CTs in the AA. Based upon a statistical loan sample, CNB originated 20.0 percent of its home mortgage loans in moderate-income CTs. This exceeded the percentage of the AA's owner-occupied housing units in moderate-income CTs of 13.8 percent and the aggregate home mortgage lending level of 10.8 percent.

#### *Small Loans to Businesses*

Refer to Table 9 in the state of Michigan section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.



The bank's distribution of small business loans among geographies of different income levels throughout the AA is excellent. There are no low-income CTs in the AA. Based upon a statistical sample, CNB originated 14.3 percent of its small business loans in moderate-income CTs. This exceeded the percentage of the AA's small businesses in moderate-income CTs of 9.4 percent and the aggregate small business lending level of 10.1 percent.

### ***Lending Gap Analysis***

The OCC reviewed summary reports and maps to identify any gaps in the geographic distribution of CNB's home mortgage loans and small loans to businesses during the evaluation period. The analysis did not identify any unexplained, conspicuous gaps.

### **Distribution of Loans by Income Level of the Borrower**

The bank exhibited a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

#### ***Home Mortgage Loans***

Refer to Table 8 in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The bank's distribution of home mortgage loans to low- and moderate-income borrowers throughout the AA is reasonable. Based upon a statistical loan sample, CNB originated 10.0 percent of its home mortgage loans to low-income borrowers. This was below the percentage of the AA's low-income families of 17.5 percent but exceeded the aggregate home mortgage lending level of 5.8 percent. CNB originated 16.7 percent of its home mortgage loans to moderate-income borrowers. This was near the percentage of the AA's moderate-income families of 17.2 percent and exceeded the aggregate home mortgage lending level of 14.7 percent.

#### ***Small Loans to Businesses***

Refer to Table 10 in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The bank's distribution of small business loans to businesses with revenues of less than \$1 million throughout the AA was reasonable. Based upon a statistical loan sample, CNB originated 67.9 percent of its small loans to businesses with revenues of \$1 million or less. This was below the percentage of the AA's businesses with revenues of \$1 million or less of 77.9 percent but exceeded the aggregate small business lending level of 57.4 percent.

### **Responses to Complaints**

CNB did not receive any complaints pertaining to the Community Reinvestment Act during the evaluation period.

## COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Michigan is rated Satisfactory.

### Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibited adequate responsiveness to community development needs in the state through CD loans, qualified investments, and community development services considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AA.

### Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Table 3: Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Cheboygan Non-MSA AA	8	100	5,331	100

The bank's level of CD loans during the evaluation period is adequate considering the institution's capacity, competitive and demographic characteristics of the market, and opportunities for CD loans. CNB originated eight loans totaling approximately \$5.3 million, which benefited the bank's AA. The following are examples of qualified loans within the bank's AA:

- Two loans totaling approximately \$3.5 million to a non-profit to purchase affordable housing within the bank's AA.
- Six loans totaling approximately \$1.8 million for vehicles for cities in the AA.

### Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, set forth the information and data used to evaluate the bank's level of qualified investments. These tables include all qualified investment, including prior period investments that remain outstanding as of the end of evaluation period.

Table 4: Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Cheboygan Non-MSA AA	8	3,770	12	3,113	20	100	6,884	100	0	0

The bank's level of CD investments and donations during the evaluation period is adequate considering the institution's capacity, competitive and demographic characteristics of the market, and opportunities for CD investments. During the evaluation period, bank investments and donations totaled \$3.1 million in the Cheboygan non-MSA AA. The following are examples of qualified investments in the AA:

- Donations for approximately \$2.9 million for community wide infrastructure projects in the AA.
- One donation for approximately \$181 thousand for a vehicle for a village in the AA.
- Donations totaling \$15 thousand for economic development.

### Extent to Which the Bank Provides Community Development Services

The bank provides an adequate level of CD services. Thirteen employees provided community development services to ten organizations totaling 431 hours during the evaluation period. The CD service hours demonstrated complexity and leadership with the bank providing board services and other leadership roles in various CD service organizations.

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\* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

# Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2022 to 12/31/2024	
Bank Products Reviewed:	Home mortgage, small business, community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Michigan		
Cheboygan Non-MSA	Full-Scope	Cheboygan County (Entire), Emmet County (Entire), Presque Isle County (Portion), and Charlevoix County (Portion)

## Appendix B: Summary of MMSA and State Ratings

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RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Citizens National Bank of Cheboygan	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
Michigan	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

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

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of CD loans and qualified investments, branch distribution, and CD services).

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent and less than 120 percent, in the case of a geography

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

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

**Multistate Metropolitan Statistical Area (MMSA):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

**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.

**Prior Period Investments:** Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

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

**Rating Area:** A rated area is a state or multistate metropolitan statistical 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 statistical area, the institution will receive a rating for the multistate metropolitan statistical area.

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

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original



amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Unfunded Commitments:** Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Upper-Income:** 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 geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 7. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table 8. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table 9. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table 10. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table 11. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.

- Table 12. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table 13. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table 14. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Table 7: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	% Aggregate
Cheboygan Non-MSA AA 2024	30	4,488	0.00	3,157	--	--	--	13.77	20.00	10.83	58.98	60.00	59.74	27.25	20.00	29.43	--	--	--
Total	30	4,488	0.00	3,157	--	--	--	13.77	20.00	10.83	58.98	60.00	59.74	27.25	20.00	29.43	--	--	--
Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.																			
Due to rounding, totals may not equal 100.0%																			

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate
Cheboygan Non-MSA AA 2024	30	4,488	100.00	3,157	17.47	10.00	5.76	17.21	16.67	14.67	23.90	20.00	18.59	41.42	53.33	52.90	--	--	8.08
Total	30	4,488	100.00	3,157	17.47	10.00	5.76	17.21	16.67	14.67	23.90	20.00	18.59	41.42	53.33	52.90	--	--	8.08
Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.																			
Due to rounding, totals may not equal 100.0%																			

Table 9: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022-2024
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Aggregate
Cheboygan Non-MSA AA 2024	28	8,775	100.0	3,305	--	--	--	9.37	14.29	10.08	62.81	53.57	61.57	27.83	32.14	28.35	--	--	--
Total	28	8,775	100.0	3,305	--	--	--	9.37	14.29	10.08	62.81	53.57	61.57	27.83	32.14	28.35	--	--	--
Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.																			
Due to rounding, totals may not equal 100.0%																			

Table 10: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-2024
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total Number	Overall Market	% Businesses	% Bank Loans	% Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Cheboygan Non-MSA AA 2024	28	8,775	100.0	3,305	77.90	67.86	57.37	10.97	32.14	11.13	--
Total	28	8,775	100.0	3,305	77.90	67.86	57.37	10.97	32.14	11.13	--
Source: FFIEC File – 2020, 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2024 Dunn & Bradstreet SBSF Demographics, 2022, 2023 CRA Aggregate Data, "--" data not available.											
Due to rounding, totals may not equal 100.0%											