



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

September 8, 2025

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Superior National Bank  
Charter Number: 9087  
235 Quincy Street  
Hancock, MI 49930

Office of the Comptroller of the Currency

1200 North Mayfair Road, Suite 200  
Wauwatosa, WI 53226

**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 geographic distribution of loans was reasonable, and the distribution of loans to individuals of different income levels was excellent.
- Based on full-scope reviews, the bank exhibited adequate responsiveness to community development (CD) needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's assessment areas (AAs).
- The bank's use of flexible lending programs positively enhanced the bank's CD performance.

Broader Statewide or Regional Area

- ***Paycheck Protection Program (PPP)*** – In 2020, the Small Business Administration (SBA) implemented the PPP under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to provide small businesses with forgivable loans and assist businesses to stay afloat when the economy was impacted by the COVID-19 pandemic crisis. The SBA guaranteed the loan, and the business had to certify it met the eligibility requirements of the PPP. The business also had to certify that the funds were utilized only for allowable uses, including but not limited to payroll costs, mortgage interest or rent obligations, utilities, and any other interest payment on debt obligations. The ultimate goal of the PPP was to prevent mass unemployment, enabling businesses to survive the economic uncertainty, and retain their workforces. In 2021, Superior National Bank (SNB) funded 319 PPP loans in the state of Michigan, totaling \$24.4 million.
- ***Michigan State Housing Development Authority (MSHDA) Michigan Home Loan Program*** – The Michigan Home Loan Program is a mortgage product available for first-time homebuyers purchasing a home in the state of Michigan and repeat homebuyers in targeted areas in Michigan. Household income limits apply based on family size and property location. MSHDA provides down payment assistance up to \$10 thousand or eligible borrowers. During the evaluation period, the bank funded 97 loans with MSHDA down payment grants.
- ***Federal Home Loan Bank (FHLB) HomeBoost Down Payment Assistance Program (HomeBoost)*** - HomeBoost provides down payment assistance to first-generation, first-time homebuyers in Michigan. Eligible households must be both first-generation and first-time homebuyers who are at or below 120 percent area median income and must intend to purchase a primary residence in Michigan. In 2023, SNB funded five loans with HomeBoost down payment grants.
- ***FHLB Elevate Small Business Grants*** - Elevate is a grant program that assists the growth and development of small businesses, their workforce, and the communities in which they are located. Grant recipients may receive up to \$20 thousand for capital expenditures, workforce training, or other expenses to get the boost they need to take their business to the next level. In 2023, SNB funded six small business loans with Elevate grants.

## Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's loan-to-deposit (LTD) ratio was reasonable.

The bank's quarterly LTD ratio averaged 70.8 percent, ranging from a quarterly low of 63.2 percent to a quarterly high of 77.5 percent, over a period of 12 quarters from January 1, 2021, through December 31, 2023. The bank ranks second compared to five similarly situated banks with average LTD ratios ranging from 60.9 percent to 78.9 percent.

## Lending in Assessment Area

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

The bank originated and purchased 76.4 percent of its total loans by number inside the bank's AAs during the evaluation period. 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.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	2,962	76.4	916	23.6	3,878	679,117	73.9	240,047	26.1	919,164
<b>Total</b>	<b>2,962</b>	<b>76.4</b>	<b>916</b>	<b>23.6</b>	<b>3,878</b>	<b>679,117</b>	<b>73.9</b>	<b>240,047</b>	<b>26.1</b>	<b>919,164</b>

*Source: 1/1/2021 - 12/31/2023 Bank Data.  
Due to rounding, totals may not equal 100.0%*

## Description of Institution

SNB is a federally chartered bank headquartered in Hancock, Michigan. The bank is 100 percent owned by the Keweenaw Financial Corporation (KFC), a one-bank holding company, also headquartered in Hancock, Michigan. In addition to the main office in Hancock, the bank operated eight other branches and two loan production offices throughout the Upper Peninsula of Michigan and southeast Michigan. SNB has 15 bank-owned Automated Teller Machines (ATMs) located throughout its footprint, including four located in grocery stores. Five of the branch ATMs were deposit-taking as of December 31, 2023.

SNB has grown since the prior CRA Evaluation. The bank merged with Main Street Bank (MSB), a \$280 million community bank based in southeast Michigan, on February 19, 2021. Prior to this merger, bank operations were limited to the Upper Peninsula of Michigan.

SNB is a full-service financial institution, offering traditional commercial and retail banking products and services. The bank also offers trust and investment services. As of December 31, 2023, SNB had \$1.0 billion in total assets and a loan portfolio of \$670.9 million. The loan portfolio represents 65.8 percent of total assets and is comprised of 49.2 percent commercial loans, 42.9 percent residential

real estate loans, and 8.0 percent consumer loans. Tier 1 capital totaled \$108.4 million. Deposits totaled \$862.9 million as of June 30, 2023.

There are no legal or financial factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received a Satisfactory rating in its previous Intermediate Small Bank CRA Evaluation, dated November 29, 2021.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

SNB was evaluated using Intermediate Small Bank procedures to assess the bank's record of meeting the credit needs of its community. Intermediate Small Bank procedures include a Lending Test and a CD Test. The evaluation period for the Lending Test is January 1, 2021, through December 31, 2023. For the Lending Test, we evaluated home mortgage loans, which include home purchase, home improvement, refinance, and multifamily loans reported under the Home Mortgage Disclosure Act (HMDA). The evaluation period for CD loans, investments, and services is January 1, 2021, through December 31, 2023.

To provide more current and accurate demographic data, the federal banking agencies are now updating census data every five years instead of 10, beginning with the Census Bureau's 2015 American Community Survey (ACS). The most recent update was in 2020. SNB's AAs were affected by this change, and lending data from 2021 received a separate analysis from 2022 through 2023 lending data. As a result, performance tables have been separated and include 2021 separate from 2022 and 2023. Data is discussed in the applicable narrative sections of the evaluation.

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

In each state where the bank has an office, one or more 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**

The bank's overall rating is a blend of the state ratings and, where applicable, multistate ratings.

The bank has only one rating area, the State of Michigan.

The MMSA rating and state ratings in rating areas with a single AA are based on performance in that AA. The MMSA and state ratings in rating areas with multiple AAs are based on the weighted-average conclusions in those AAs. Refer to the "Scope" section under each state and MMSA Rating section 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 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:** Satisfactory

**The Lending Test is rated:** Satisfactory

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

The major factors that support this rating include:

- The geographic distribution of loans was reasonable, and the distribution of loans to individuals of different income levels was excellent.
- Based on full-scope reviews, the bank exhibited adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

### Description of Institution's Operations in Michigan

The state of Michigan is the bank's only rating area. SNB delineated two AAs within the state: the MI Non-MSA AA and the Warren-Troy-Farmington Hills MD (Warren MD) AA. The Warren MD AA was added with the MSB acquisition. The AAs met the requirements of the CRA and did not arbitrarily exclude any low- and moderate- income geographies. Please refer to appendix A for a complete listing of AAs, including type of review and description of AA boundaries.

#### MI Non-MSA

The MI Non-MSA AA consists of Baraga, Houghton, Keweenaw, and Ontonagon counties. SNB operates seven branches in the cities of Baraga, Calumet, Hancock, Houghton (2), L'Anse, and Lake Linden. One branch is located in a moderate-income census tract (CT), two branches are located in distressed and underserved middle-income CTs, one branch is located in a middle-income CT, and three branches are located in upper-income CTs. The MI Non-MSA AA includes 22 CTs. There are no low-income CTs, two moderate-income CTs, 11 middle-income CTs (five of which are distressed and/or underserved), and three upper-income CTs. Six CTs are designated as NA.

According to the Federal Deposit Insurance Corporation (FDIC) Market Share Report as of June 30, 2023, the MI Non-MSA AA accounted for approximately 82.9 percent of the bank's total deposits. SNB ranks first among nine deposit-taking institutions with 57.9 percent of the deposit market share. SNB's primary competitors are Incredible Bank, Range Bank, and Flagstar Bank, with a combined market share of 25.1 percent.

#### *Economy and Economic Factors*

The Western Upper Peninsula, inclusive of the bank's MI Non-MSA AA and two additional counties, is somewhat stagnant in comparison to the national economy and that of the relatively prosperous Ninth Federal Reserve District of which it is a part (the Ninth District also includes Montana, North and South Dakota, Minnesota, and Northwestern Wisconsin), per Western Upper Peninsula Planning & Development Region's 2021 Comprehensive Economic Development Strategy Report. Though the region has made much progress in many industries, it continues to face physical obstacles and regional and global economic environments that are not friendly to isolated, infrastructure-lean areas. Today, most areas in the region are driven by service industries, largely in connection with tourism, as well as

institutions such as hospitals, higher learning, and government, which, despite their own external pressures, are relatively stable. There are some strong concentrations of specialized manufacturing scattered throughout the region, and high-tech entrepreneurialism facilitated by Michigan Technological University, Finlandia University, and MTEC SmartZone in Houghton and Hancock. The SmartZone technology business incubator has created numerous small companies in the area. Resource extraction is also a significant economic force. Michigan Technological University, the Keweenaw Bay Indian Community, and the UP Health System Portage are major employers in the bank's AA. Finlandia University closed after the spring 2023 semester, a loss for the region.

The annual unemployment rate for the four counties in the MI Non-MSA AA averaged 6.0 percent for 2023. The annual unemployment rate for the state of Michigan was 3.9 percent for the same period.

Assessment Area(s) - Michigan Non-MSA						
						2021
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	22	0.00	18.18	45.45	9.09	27.27
Population by Geography	53,846	0.00	27.28	56.09	16.60	0.03
Housing Units by Geography	31,963	0.00	22.06	64.66	12.90	0.38
Owner-Occupied Housing by Geography	15,502	0.00	21.72	62.26	16.02	0.00
Occupied Rental Units by Geography	5,361	0.00	41.75	38.74	19.38	0.13
Vacant Units by Geography	11,100	0.00	13.02	80.53	5.42	1.03
Businesses by Geography	1,721	0.00	29.52	50.61	19.87	0.00
Farms by Geography	78	0.00	14.10	79.49	6.41	0.00
Family Distribution by Income Level	12,231	20.46	19.70	20.95	38.88	0.00
Household Distribution by Income Level	20,863	28.22	18.62	17.53	35.62	0.00
Unemployment rate (%)	7.99	0.00	8.71	8.52	5.48	0.00
Households Below Poverty Level (%)	18.61	0.00	25.51	16.28	15.45	0.00
Median Family Income (Non-MSAs - MI)		\$53,628			Median Housing Value	\$74,500
Median Family Income (Non-MSAs - MI) for 2021		\$62,900			Median Gross Rent	\$489
					Families Below Poverty Level	11.06
FFIEC File - 2010 Census						
2021 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						

Assessment Area(s) - Michigan Non-MSA						
2022 - 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	22	0.00	9.09	50.00	13.64	27.27
Population by Geography	53,381	0.00	9.45	61.01	29.53	0.00
Housing Units by Geography	32,344	0.00	11.05	69.13	19.48	0.35
Owner-Occupied Housing by Geography	15,160	0.00	11.87	71.19	16.93	0.00
Occupied Rental Units by Geography	5,735	0.00	6.49	40.78	52.73	0.00
Vacant Units by Geography	11,449	0.00	12.25	80.58	6.18	0.98
Businesses by Geography	1,564	0.00	8.89	57.93	33.18	0.00
Farms by Geography	71	0.00	9.86	87.32	2.82	0.00
Family Distribution by Income Level	12,138	20.57	18.69	21.78	38.96	0.00
Household Distribution by Income Level	20,895	30.20	16.71	16.93	36.16	0.00
Unemployment rate (%)	5.61	0.00	4.25	6.66	4.11	50.00
Households Below Poverty Level (%)	17.82	0.00	17.17	13.62	27.94	0.00
Median Family Income (Non-MSAs - MI)		\$64,965			Median Housing Value	\$84,800
Median Family Income (Non-MSAs - MI) for 2023		\$79,800			Median Gross Rent	\$542
					Families Below Poverty Level	8.72
FFIEC File - 2020 Census						
2023 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						

### Community Contact

Examiners conducted a community contact interview with a local regional planning agency. This source identified the following needs within the community:

- Attracting and retaining business and industries
- Affordable housing
- Improvement of existing housing supply and new construction
- Financial support of community-based events and initiatives

### Warren-Troy-Farmington Hills MD

The Warren MD AA consists of Macomb and Oakland counties. SNB operates two branches in the cities of Troy and Bloomfield Hills. One branch is located in a middle-income CT, and one branch is located in an upper-income CT. The bank closed one branch in the city of Bingham Farms (upper-income CT) in October 2023. The Warren MD AA includes 594 CTs. There are 31 low-income CTs, 141 moderate-income CTs, 220 middle-income CTs, and 185 upper-income CTs. 17 CTs are designated as NA.

According to the FDIC Market Share Report as of June 30, 2023, the Warren MD AA accounted for approximately 17.1 percent of the bank's total deposits. SNB ranks 20th among 32 deposit-taking institutions with 0.2 percent of the deposit market share. The primary competitors are Bank of America, NA; JPMorgan Chase Bank, NA; and PNC Bank, NA, with a combined market share of 53.4 percent.

### Economy and Economic Factors

The economy in the Warren MD AA has run out of steam, per Moody's Analytics reporting as of October 2023. Prior payroll growth reversed into losses during the second half of 2023. Professional services and healthcare growth were primarily responsible for making up for manufacturing weaknesses; however, growth trends in those industries slowed and no longer offset manufacturing weaknesses. The MD has an employment concentration in the auto industry, ten times higher than the national average,

and electric vehicle emergence introduced transitory uncertainty as automakers have laid off workers and are reluctant to hire. Top employers include Corewell Health, Stellantis NV, and General Motors Corp.

The average annual unemployment rate for Oakland and Macomb counties were 2.9 percent and 3.5 percent in 2023, respectively.

Assessment Area(s) - Warren-Troy-Farmington Hills MD						
						2021
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	555	7.75	22.52	39.28	29.37	1.08
Population by Geography	2,084,192	6.52	21.15	39.79	32.54	0.01
Housing Units by Geography	891,511	7.41	22.70	40.23	29.65	0.01
Owner-Occupied Housing by Geography	594,219	3.98	18.22	41.86	35.95	0.00
Occupied Rental Units by Geography	235,649	13.92	32.57	37.45	16.06	0.00
Vacant Units by Geography	61,643	15.58	28.19	35.26	20.87	0.10
Businesses by Geography	112,514	5.32	20.43	34.23	39.61	0.42
Farms by Geography	2,913	4.43	19.09	43.56	32.65	0.27
Family Distribution by Income Level	545,184	21.04	17.11	20.04	41.81	0.00
Household Distribution by Income Level	829,868	23.86	16.22	17.90	42.03	0.00
Unemployment rate (%)	8.10	17.08	10.90	7.64	5.29	30.43
Households Below Poverty Level (%)	10.66	31.72	15.96	8.48	4.93	0.00
Median Family Income (47664 - Warren-Troy-Farmington Hills, MI MD)		\$76,739		Median Housing Value		\$147,900
Median Family Income (47664 - Warren-Troy-Farmington Hills, MI MD) for 2021		\$93,700		Median Gross Rent		\$964
				Families Below Poverty Level		8.48
FFIEC File - 2010 Census 2021 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						

Assessment Area(s) - Warren-Troy-Farmington Hills MD						
2022 - 2023						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	594	5.22	23.74	37.04	31.14	2.86
Population by Geography	2,155,612	4.49	23.25	38.08	34.00	0.18
Housing Units by Geography	909,778	4.96	24.74	38.92	31.32	0.06
Owner-Occupied Housing by Geography	621,998	2.25	20.29	39.81	37.60	0.05
Occupied Rental Units by Geography	236,931	11.00	35.76	37.42	15.74	0.08
Vacant Units by Geography	50,849	9.95	27.84	35.05	27.05	0.10
Businesses by Geography	89,884	4.94	20.29	35.12	38.23	1.43
Farms by Geography	2,219	3.97	19.02	42.90	33.48	0.63
Family Distribution by Income Level	546,991	20.01	17.39	21.14	41.46	0.00
Household Distribution by Income Level	858,929	23.80	16.02	17.67	42.51	0.00
Unemployment rate (%)	5.03	9.41	6.19	5.08	3.64	14.83
Households Below Poverty Level (%)	8.89	25.36	13.23	7.75	4.45	39.87
Median Family Income (47664 - Warren-Troy-Farmington Hills, MI MD)		\$92,419		Median Housing Value		\$204,950
Median Family Income (47664 - Warren-Troy-Farmington Hills, MI MD) for 2023		\$108,200		Median Gross Rent		\$1,060
				Families Below Poverty Level		5.93
FFIEC File - 2020 Census						
2023 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						

### Community Contact

Examiners reviewed information from two community contact interviews conducted during the evaluation period, both with a local economic development organization. These sources identified the following needs within the community:

- Small business lending
- Affordable housing
- Improvement of existing housing supply, especially in LMI neighborhoods

### Scope of Evaluation in Michigan

The MI Non-MSA AA and the Warren MD AA received full-scope reviews. There were no low-income geographies within the MI Non-MSA AA. All geographic conclusions are based solely on performance in the moderate-income geographies. Examiners considered the bank's recent entry into southeast Michigan, a distinctly different region from the Upper Peninsula of Michigan, when drawing conclusions. The MI Non-MSA AA carries the greatest weight in the overall conclusions.

## 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 Areas Receiving Full-Scope Reviews

Based on full-scope reviews, the bank's lending performance in the state of Michigan was reasonable.

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

The bank exhibited a reasonable 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.

*2021*

#### MI Non-MSA

SNB's geographic distribution of home mortgage loans was reasonable. The percentage of loans originated in moderate-income geographies was below the percentage of owner-occupied housing units and aggregate lending in moderate-income geographies.

#### Warren MD

SNB's geographic distribution of home mortgage loans was reasonable. The percentage of loans originated in low-income geographies was significantly below the percentage of owner-occupied housing units and below aggregate lending in low-income geographies. The percentage of loans originated in moderate-income geographies approximated the percentage of owner-occupied housing units and exceeded aggregate lending in moderate-income geographies.

*2022-2023*

The bank's performance in 2022-2023 was consistent with the performance in 2021.

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

Examiners analyzed geographic lending patterns of home mortgage loans by reviewing maps of loan originations and purchases throughout the AA. Examiners did not identify any conspicuous or unexplained gaps in lending.

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

The bank exhibited an excellent distribution of loans to individuals of different income levels.

### ***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.

*2021*

#### MI Non-MSA

SNB's borrower distribution of home mortgage loans was excellent. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families but exceeded

aggregate lending. The percentage of loans to moderate-income borrowers exceeded both the percentage of moderate-income families and aggregate lending.

### Warren MD

SNB's borrower distribution of home mortgage loans was excellent. The percentage of loans to low-income borrowers was well below the percentage of low-income families but exceeded aggregate lending. The percentage of loans to moderate-income borrowers exceeded both the percentage of moderate-income families and aggregate lending.

2022-2023

The bank's performance in 2022-2023 was consistent with the performance in 2021.

### **Responses to Complaints**

SNB did not receive any complaints related to the institution's CRA performance within the state during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

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

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the bank exhibited adequate responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

### **Number and Amount of Community Development Loans**

The CD 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.

<b>Table 3: Community Development Loans</b>				
<b>Assessment Area</b>	<b>Total</b>			
	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>
MI Non-MSA	27	81.8	6,931	84.5
Warren MD	6	18.2	1,272	15.5
Total	33	100.0	8,203	100.0

### MI Non-MSA

SNB exhibited adequate responsiveness to CD needs in the state through CD loans in the MI Non-MSA AA.

The bank originated or purchased 27 CD loans totaling \$6.9 million, which represented 7.7 percent of allocated tier 1 capital. By dollar volume, 42.2 percent of these loans funded revitalization and stabilization efforts, 27.7 percent funded economic development, 17.6 percent funded community services for LMI individuals and families, and 12.5 percent funded affordable housing.

The following are examples of CD loans made in this AA:

- SNB provided a \$300 thousand loan to a new, local charter school located in a moderate-income CT. Funds were used to cover operating expenses while waiting on reimbursement from approved state aid.
- SNB provided a \$69.5 thousand loan to a local apartment community for the elderly and disabled. This 46-unit community is overseen and inspected by USDA Rural Development. Rent is subsidized by the USDA and HUD, and the apartments also accept MSHDA Housing Choice Vouchers. Funds were used to repair an elevator in the building.

### Warren MD

SNB exhibited adequate responsiveness to community development needs in the state through community development loans in the Warren MD AA.

The bank originated or purchased six CD loans totaling \$1.3 million, which represented 6.9 percent of allocated tier 1 capital. CD loans were primarily made for economic development purposes. By dollar volume, 61.3 percent of these loans funded economic development and 38.7 percent funded community services for LMI individuals and families.

The following are examples of CD loans the bank originated or purchased in this AA:

- SNB provided a \$141 thousand loan to a local rehabilitation center that provides resources, education, and funding to those seeking recovery from substance use disorder and mental illness. This organization offers affordable recovery housing options and scholarships for those who are unable to self-pay.

### **Number and Amount of Qualified Investments**

Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
MI Non-MSA	17	5,709	30	1,494	47	82.5	7,203	71.1	0	0
Warren MD	4	2,205	6	724	10	17.5	2,929	28.9	0	0
Total	21	7,914	36	2,200	57	100.0	10,133	100.0	0	0

### MI Non-MSA

SNB exhibited adequate responsiveness to CD needs in the state through qualified investments in the MI Non-MSA AA.

The bank made 30 current-period investments totaling \$1.5 million during the evaluation period, including 19 qualifying donations totaling \$18.5 thousand to 14 organizations. The dollar volume of current- and prior-period investments represented 8.0 percent of allocated tier 1 capital. Donations were particularly responsive to identified CD needs for community services. By dollar volume, 67.7 percent

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

of donations supported community services to LMI individuals and families, 28.1 percent supported economic development, 3.5 percent supported affordable housing, and 0.7 percent supported revitalization and stabilization efforts.

The following are examples of qualified investments in the AA:

- The bank made annual donations totaling \$7.5 thousand over the evaluation period to U.P. Kids. The agency offers a wide array of programs and services for children and families across Michigan's Upper Peninsula. U.P. Kids offers Foster Care and Adoption Placement Services, Big Brothers Big Sisters mentoring programs, Families Together Building Solutions, Families UPward, Read to Ride, and various supportive visitation and in-home services for families and youth.
- The bank made annual donations totaling \$4 thousand over the evaluation period to a local Economic Development Corporation, helping grow existing businesses, start new businesses, and build the resiliency of small businesses in the local area.

#### Warren MD

SNB exhibited adequate responsiveness to CD needs in the state through qualified investments in the Warren MD AA.

The bank made six current-period investments totaling \$724 thousand during the evaluation period, including four qualifying donations totaling \$4 thousand to four organizations. The dollar volume of current- and prior-period investments represented 15.8 percent of allocated tier 1 capital. All donations supported community services to LMI individuals and families.

The following is an example of a qualified investment in the AA:

- The bank made a \$2,500 donation to CARE House of Oakland County. CARE House's mission is to be a leading resource in the prevention of child abuse and neglect, and the protection of children through advocacy, education, intervention, research, training, and treatment, in collaboration with the community.

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

#### MI Non-MSA

SNB exhibited excellent responsiveness to CD needs in the state through CD services in the MI Non-MSA AA. During the evaluation period, 20 employees provided services to 18 different organizations. SNB had 12 employees serve in leadership roles at community organizations. In total, employees donated more than 932 hours in the MI Non-MSA AA. Many employees participated in more than one CD service, and multiple employees provided services to the same organization. Most activities (57.1 percent) were community services targeted to LMI individuals and families. The other CD services were economic development (25.7 percent) and affordable housing-related (17.1 percent). The following are examples of CD services provided in this AA:

- One employee served as treasurer for the local Habitat for Humanity board during the entire evaluation period. Another employee served as assistant treasurer for one year.
- One employee served as secretary, and later as board member, for the local Economic Development Alliance, supporting the development of the local region.

Warren MD

SNB exhibited adequate responsiveness to CD needs in the state through CD services in the Warren MD AA. During the evaluation period, four employees provided services to seven different organizations. One employee served in a leadership role at a community organization, and the same employee participated in five different CD services. In total, employees donated more than 49 hours in the Warren MD AA. CD services were related to community services targeted to LMI individuals (63.6 percent), economic development (27.3 percent), and affordable housing (9.0 percent). The following is an example of a CD service provided in this AA:

- One employee served as a board member for a local Business Finance Corporation during the entire evaluation period. In this role, the employee helped originate and approve business loans for the SBA 504 program.

## 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”.

<b>Time Period Reviewed:</b>	1/1/2021-12/31/2023	
<b>Bank Products Reviewed:</b>	Home mortgage	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>Michigan</b>		
Michigan Non-MSA	Full-scope	Counties of Baraga, Houghton, Keweenaw, and Ontonagon
Warren-Troy-Farmington Hills MD	Full-scope	Counties of Macomb and Oakland

## Appendix B: Summary of MMSA and State Ratings

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RATINGS			
<b>Overall Bank:</b>	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Superior National Bank	Satisfactory	Satisfactory	Satisfactory
<b>MMSA or State:</b>			
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.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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
Michigan Non-MSA	372	43,773	23.12	1,083	--	--	--	21.72	15.86	19.67	62.26	64.25	61.22	16.02	19.89	19.11	--	--	--
Warren-Troy-Farmington Hills MD	1,237	307,209	76.88	137,172	3.98	1.78	2.38	18.22	18.11	16.06	41.86	35.89	40.66	35.95	44.22	40.90	--	--	--
<b>Total</b>	<b>1,609</b>	<b>350,981</b>	<b>100.00</b>	<b>138,255</b>	<b>3.88</b>	<b>1.37</b>	<b>2.36</b>	<b>18.31</b>	<b>17.59</b>	<b>16.09</b>	<b>42.37</b>	<b>42.45</b>	<b>40.82</b>	<b>35.44</b>	<b>38.60</b>	<b>40.72</b>	<b>--</b>	<b>--</b>	<b>--</b>

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

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
Michigan Non-MSA	469	69,031	34.66	1,684	--	--	--	11.87	9.81	10.69	71.19	65.03	66.75	16.93	25.16	22.45	--	--	--
Warren-Troy-Farmington Hills MD	884	259,105	65.34	117,707	2.25	2.38	2.86	20.29	17.76	21.03	39.81	36.31	39.24	37.60	43.55	36.84	0.05	--	0.02
<b>Total</b>	<b>1,353</b>	<b>328,136</b>	<b>100.00</b>	<b>119,391</b>	<b>2.20</b>	<b>1.55</b>	<b>2.82</b>	<b>20.09</b>	<b>15.00</b>	<b>20.89</b>	<b>40.56</b>	<b>46.27</b>	<b>39.63</b>	<b>37.11</b>	<b>37.18</b>	<b>36.64</b>	<b>0.05</b>	<b>--</b>	<b>0.02</b>

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

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
Michigan Non-MSA	372	43,773	23.12	1,083	20.46	7.26	6.37	19.70	26.88	16.25	20.95	23.12	22.44	38.88	32.80	42.29	--	9.95	12.65
Warren-Troy-Farmington Hills MD	1,237	307,209	76.88	137,172	21.04	12.37	11.59	17.11	24.82	21.06	20.04	23.85	23.63	41.81	38.24	32.05	--	0.73	11.67
<b>Total</b>	<b>1,609</b>	<b>350,981</b>	<b>100.00</b>	<b>138,255</b>	<b>21.03</b>	<b>11.19</b>	<b>11.55</b>	<b>17.17</b>	<b>25.30</b>	<b>21.02</b>	<b>20.06</b>	<b>23.68</b>	<b>23.62</b>	<b>41.75</b>	<b>36.98</b>	<b>32.13</b>	<b>--</b>	<b>2.86</b>	<b>11.67</b>

Source: FFIEC File - 2010 Census; 1/1/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

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
Michigan Non-MSA	469	69,031	34.66	1,684	20.57	11.73	8.67	18.69	24.95	20.07	21.78	18.34	20.96	38.96	28.78	32.01	--	16.20	18.29
Warren-Troy-Farmington Hills MD	884	259,105	65.34	117,707	20.01	12.56	13.64	17.39	22.29	23.43	21.14	25.00	22.65	41.46	39.37	29.81	--	0.79	10.47
<b>Total</b>	<b>1,353</b>	<b>328,136</b>	<b>100.00</b>	<b>119,391</b>	<b>20.02</b>	<b>12.27</b>	<b>13.57</b>	<b>17.42</b>	<b>23.21</b>	<b>23.38</b>	<b>21.15</b>	<b>22.69</b>	<b>22.62</b>	<b>41.41</b>	<b>35.70</b>	<b>29.84</b>	<b>--</b>	<b>6.13</b>	<b>10.58</b>

Source: FFIEC File - 2020 Census; 1/1/2022 - 12/31/2023 Bank Data, 2022, 2023 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.