



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

April 30, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Range Bank, National Association
Charter Number 3717

100 North Front Street
Marquette, MI 49855

Office of the Comptroller of the Currency

High Pointe on Mayfair
1200 North Mayfair Road, Suite 200
Wauwatosa, WI 53226-3282

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.

Table of Contents

OVERALL CRA RATING	3
DEFINITIONS AND COMMON ABBREVIATIONS	4
DESCRIPTION OF INSTITUTION	8
SCOPE OF THE EVALUATION.....	8
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	11
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	12
LENDING TEST	12
COMMUNITY DEVELOPMENT TEST.....	16
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: COMMUNITY PROFILES FOR FULL-SCOPE AREAS.....	B-1

Overall CRA Rating: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the institution's rating include:

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and credit needs of the assessment area (AA).
- A substantial majority of loan originations are made within the bank's AA.
- The borrower distribution of loans reflects reasonable penetration among borrowers of different incomes. The borrower distribution of loans reflects reasonable penetration among businesses of different sizes.
- The geographic distribution of home mortgage loans reflects excellent dispersion among geographies. The geographic distribution of business loans reflects excellent dispersion among geographies.
- The bank's community development (CD) performance through CD loans, qualified investments, and services demonstrates adequate responsiveness to CD needs in the AA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. CTs generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. CTs are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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 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 CT 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 investments, and branch distribution).

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

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

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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

Rated Area: A rated area is a state or multi-state MA. 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 multi-state MA, the institution will receive a rating for the multi-state MA.

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 One 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.

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.

Description of Institution

Range Bank, National Association (Range Bank) is a \$368 million intrastate financial institution headquartered in Marquette, MI. The main office is located in a middle-income CT. The bank operates 10 branches in addition to the main office, all of which are located in the Upper Peninsula of Michigan. The Calumet and Lake Linden branches are located in moderate-income CTs, while all other branches are located in either middle or upper-income CTs. The hours of operation, as well as products and services offered at branches, are similar. All locations have 24-hour Automated Teller Machines (ATMs).

The bank is wholly-owned by Range Financial Corporation, a one-bank holding company also located in Marquette, MI. Range Financial Corporation also owns Range Capital Trust I, a company formed for the purpose of issuing Trust Preferred Securities.

Range Bank opened a loan services office in Green Bay, WI on February 8, 2016. The Third Street branch in Marquette, MI closed on June 1, 2017. The branch was less than one mile away from the main office and was considered a short-distance relocation. These changes had no material impact on the bank's CRA performance.

Range Bank offers traditional community bank products and services and its total loan portfolio represents 59.06 percent of total assets. By dollar volume, the loan portfolio consists of 69.89 percent commercial loans, 28.69 percent residential real estate loans, and 1.42 percent consumer loans. Tier 1 capital totaled \$33 million. All financial information is as of March 31, 2018.

The bank has one AA located entirely in the Upper Peninsula of Michigan. The AA does not lie within a Metropolitan Statistical Area (MSA). The AA includes all of Marquette County, Houghton County, Keweenaw County, and Dickinson County. The AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

During the evaluation period, nine CTs in the bank's AA have been designated as "Distressed or Underserved Middle-Income Nonmetropolitan Tracts" by the U.S. Census Bureau. These include eight middle-income CTs in Houghton County, as well as one middle-income CT in Keweenaw County. The areas in Houghton County are listed as distressed due to poverty, and the area in Keweenaw County is listed as distressed due to unemployment.

According to 2010 US Census Data, the bank's AA is comprised of 45 CTs, of which zero are low-income, four (8.89 percent) are moderate-income, 23 (51.11 percent) are middle-income, 15 (33.33 percent) are upper-income, and three (6.67 percent) have no income designation (NA). The total population of the AA is 132,029 and is comprised of 32,538 families. Of these families, 5,517 are low-income (16.96 percent), 5,494 are moderate-income (16.88 percent), 6,968 are middle-income (21.41 percent), and 14,559 are upper-income (44.75 percent). The average median family income is

\$56,312, and the FFIEC 2016 updated MSA median family income is \$52,600. The percentage of families below the poverty level is 9.22 percent. Owner-occupied units comprise 55.66 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 7,289. Of these businesses, 5,681 (77.94 percent) had gross revenues of less than \$1 million, 468 (6.42 percent) had gross revenues of \$1 million or over, and 1,140 (15.64 percent) did not report revenue.

According to the Census Bureau's 2015 American Community Survey (ACS), the bank's AA is comprised of 45 CTs, of which zero are low-income, five (11.11 percent) are moderate-income, 24 (53.33 percent) are middle-income, and 12 (26.67 percent) are upper-income. There are four (8.89 percent) CTs designated NA. The total population of the AA is 132,452 and is comprised of 31,584 families. The number of families at each income level is: 5,492 low-income families (17.39 percent), 5,196 moderate-income families (16.45 percent), 7,070 middle-income families (22.38 percent), and 13,826 upper-income families (43.78 percent). The average median family income is \$57,747, and the FFIEC 2017 updated MSA median family income is \$55,800. The percentage of families below the poverty level is 9.60 percent. Owner-occupied units comprise 53.81 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 7,322. Of these businesses, 5,668 (77.41 percent) had gross revenues of less than \$1 million, 496 (6.77 percent) had gross revenues of \$1 million or over, and 1,158 (15.82 percent) did not report revenue.

The local economy is stable and continues to improve. Bank management reports there has been growth with new construction along Lake Superior. The primary economic activities include mining, manufacturing, health care, retail, education, and tourism. One of the major iron ore mines closed in 2017 with a loss of 150 jobs. Many of these employees were hired on at other mines in the area. Major employers include Northern Michigan University, Michigan Technological University, UP Health Systems, and Verso Paper Company. The annual unemployment rates in 2017 for Dickinson, Houghton, Keweenaw, and Marquette counties were 5.0 percent, 5.7 percent, 9.8 percent, and 5.7 percent, respectively. The annual unemployment rate for the State of Michigan was 4.4 percent. Unemployment rates were above the annual state rate for all of the counties in the bank's AA. The unemployment rate for Keweenaw County is more than double the state rate.

The bank's business strategy has been to serve the credit and depository needs of its local community. A commitment to personalized, quality service and competitive products will be maintained to differentiate themselves from the competition.

There are no legal or financial factors impeding the bank's ability to help meet the credit needs in its AA. Range Bank was evaluated using the Small Bank Lending Test and received a "Satisfactory" rating at its prior CRA examination dated July 21, 2014.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Range Bank's CRA performance under the Intermediate Small Bank Lending and CD Tests. The Lending Test assesses the bank's record of meeting the credit needs of its AA through lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AA through CD lending, qualified investments, and CD services. We reviewed data for the bank's primary loan products, small business loans and home mortgage loans, to evaluate the bank's lending performance. We placed more weight on the bank's small business lending since this makes up a majority of the bank's loan portfolio.

The evaluation covers the period since the date of the previous CRA examination, July 21, 2014, through April 30, 2018. The Lending Test evaluated loans originated between January 1, 2016 and December 31, 2017. The CD Test covered CD loans, investments, and services during the entire evaluation period.

The federal banking agencies will now update decennial census data every five years, beginning with the Census Bureau's 2015 ACS, to provide more current and accurate demographic data. Range Bank's AA was affected by these changes and will receive a separate analysis for 2016 and 2017 lending data. Performance tables have been separated for the analysis. Data is discussed in the applicable narrative sections of the evaluation.

To evaluate residential real estate and small business lending, we used both data from bank reports, as well as a random sample of loans for each primary loan product originated or purchased in the bank's AA. The analysis of lending used the most recent available demographic data.

We reviewed the bank's CD loans, investments, and services based on information provided by the bank. We took into account those that met the regulatory definition for CD in our analysis of the CD Test.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's 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.

Conclusions with Respect to Performance Tests

The conclusions of Range Bank's performance were based on the bank's one AA. We considered the Lending and CD Tests when assigning the bank's overall performance evaluation rating. For the Lending Test, more weight was placed on Range Bank's record of small business lending compared to its residential real estate lending during the evaluation period.

LENDING TEST

The Lending Test is rated Satisfactory.

Loan-to-Deposit Ratio

Range Bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and AA credit needs. The bank's quarterly LTD ratio averaged 65.85 percent over the 16 quarters spanning the second quarter of 2014 to the first quarter of 2018. The peer group consists of banks with assets ranging from \$166 million to \$570 million. The average LTD ratio for the three other banks located in the AA over the same period ranged from 55.91 percent to 70.01 percent.

Lending in Assessment Area

Range Bank originated a substantial majority of its residential mortgage loans and small business loans inside its AA. A review of the primary loan products shows that 89.92 percent by number and 89.59 percent by dollar volume were made to businesses and individuals located within the bank's AA.

Table 1 - Lending in the Assessment Area										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
RE - Home Purchase	24	82.76%	5	17.24%	29	\$3,879	82.80%	\$806	17.20%	\$4,685
RE - Home Refinance	23	82.14%	5	17.86%	28	\$4,832	87.35%	\$700	12.65%	\$5,532
Commercial	60	96.77%	2	3.23%	62	\$5,105	98.08%	\$100	1.92%	\$5,205
Totals	107	89.92%	12	10.08%	119	\$13,816	89.59%	\$1,606	10.41%	\$15,422

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The borrower distribution of loans reflects reasonable penetration among borrowers of different incomes. The borrower distribution of loans reflects reasonable penetration among businesses of different sizes.

The borrower distribution for residential real estate loans within the AA reflects reasonable penetration. Our random sample shows the bank originated 7.69 percent of home purchase loans to low-income families, which is less than the demographics that show 16.96 percent of families are low-income. The bank originated 15.38 percent of home purchase loans to moderate-income families, which is slightly less than the demographics that show 16.88 percent of families are moderate-income. The bank originated no home refinance loans to low-income families. The bank originated 12.50 percent of home refinance loans to moderate-income families, which is less than the demographics that show 16.88 percent of families are moderate-income. Although the low-income and moderate-income borrowing is below the associated demographics, we considered this performance reasonable given the moderate-income was just slightly below.

Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	16.96	7.69	16.88	15.38	21.41	30.78	44.75	46.15
Home Improvement	16.96	0.00	16.88	0.00	21.41	0.00	44.75	0.00
Home Refinance	16.96	0.00	16.88	12.50	21.41	25.00	44.75	62.50

Source: Random sample of 29 loans; U.S. Census data.

The borrower distribution of business loans within the AA reflects reasonable penetration. Our random sample shows the bank originated 76.47 percent of loans by number and 69.68 percent of loans by dollar to businesses with \$1 million in revenues or less. This is slightly less than the demographics, which show 77.94 percent of AA businesses with revenues less than or equal to \$1 million.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	77.94	6.42	15.64	100%
% of Bank Loans in AA by #	76.47	14.71	8.82	100%
% of Bank Loans in AA by \$	69.68	20.40	9.92	100%

Source: Random sample of 34 loans; Dun and Bradstreet data.

The borrower distribution for residential real estate loans within the AA reflects excellent penetration. Our random sample shows the bank originated 18.18 percent of home

purchase loans to low-income families, which exceeds the demographics that show 17.39 percent of families are low-income. The bank originated 18.18 percent of home purchase loans to moderate-income families, which exceeds the demographics that show 16.45 percent of families are moderate-income. The bank originated no home refinance loans to low-income families. The bank originated 33.33 percent of home refinance loans to moderate-income families, which exceeds the demographics that show 16.45 percent of families are moderate-income.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	17.39	18.18	16.45	18.18	22.38	18.18	43.78	45.46
Home Improvement	17.39	0.00	16.45	0.00	22.38	0.00	43.78	0.00
Home Refinance	17.39	0.00	16.45	33.33	22.38	0.00	43.78	66.67

Source: Random sample of 20 loans; U.S. Census data.

The borrower distribution of business loans within the AA reflects reasonable penetration. Our random sample shows the bank originated 76.92 percent of loans by number and 90.04 percent of loans by dollar to businesses with \$1 million in revenues or less. This is slightly less than the demographics, which show 77.41 percent of AA businesses with revenues less than or equal to \$1 million.

Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	77.41	6.77	15.82	100%
% of Bank Loans in AA by #	76.92	15.39	7.69	100%
% of Bank Loans in AA by \$	90.04	8.53	1.43	100%

Source: Random sample 25 loans; Dun and Bradstreet data.

Geographic Distribution of Loans

The geographic distribution of home mortgage loans reflects excellent dispersion among geographies. The geographic distribution of business loans reflects excellent dispersion among geographies. There are no low-income CTs in the bank's AA.

The borrower distribution for residential real estate loans within the AA reflects excellent dispersion. Our random sample shows the bank originated 15.38 percent of home purchase loans in moderate-income CTs, which exceeds the demographics that show 6.25 percent of area owner occupied housing is located in moderate-income CTs. The bank originated 12.50 percent of home refinance loans in moderate-income CTs, which exceeds the demographics that show 6.25 percent of area owner occupied housing is located in moderate-income CTs.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Non-MSA 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	6.25	15.38	55.40	46.15	38.35	38.47
Home Improvement	0.00	0.00	6.25	0.00	55.40	0.00	38.35	0.00
Home Refinance	0.00	0.00	6.25	12.50	55.40	31.25	38.35	56.25

Source: Random sample of 29 loans; U.S. Census data.

The borrower distribution of business loans within the AA reflects excellent dispersion. Our random sample shows the bank originated 14.71 percent of loans to AA businesses in moderate-income CTs. This exceeds the demographics, which show 6.89 percent of AA businesses are located in moderate-income CTs.

Table 3A - Geographic Distribution of Loans to Businesses in Non-MSA 2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
	0.00	0.00	6.89	14.71	58.91	52.94	34.20	32.35

Source: Random sample of 34 loans; Dun and Bradstreet data.

The borrower distribution for residential real estate loans within the AA reflects excellent dispersion. Our random sample shows the bank originated 9.09 percent of home purchase loans in moderate-income CTs, which exceeds the demographics that show 7.71 percent of area owner occupied housing is located in moderate-income CTs. The bank originated 33.34 percent of home refinance loans in moderate-income CTs, which exceeds the demographics that show 7.71 percent of area owner occupied housing is located in moderate-income CTs.

Table 3 - Geographic Distribution of Residential Real Estate Loans in Non-MSA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00	0.00	7.71	9.09	60.00	18.18	32.24	72.73
Home Improvement	0.00	0.00	7.71	0.00	60.00	0.00	32.24	0.00
Home Refinance	0.00	0.00	7.71	33.34	60.00	22.22	32.24	44.44

Source: Sample of 20 loans; U.S. Census data. NA Income Level reported 0.05%.

The borrower distribution of business loans within the AA reflects reasonable dispersion. Our random sample shows the bank originated 7.69 percent of loans to AA businesses in moderate-income CTs. This is less than the demographics, which show 10.79 percent of AA businesses are located in moderate-income CTs.

Table 3A - Geographic Distribution of Loans to Businesses in Non-MSA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
	0.00	0.00	10.79	7.69	53.17	42.31	35.12	50.00

Source: Random sample of 26 loans; Dun and Bradstreet data. NA reported CT reported 0.92%.

Responses to Complaints

There were no consumer complaints regarding the bank's CRA performance or complaints indicating illegal or discriminatory lending practices during this evaluation.

COMMUNITY DEVELOPMENT TEST

The CD Test is rated Satisfactory. CD performance through CD loans, qualified investments, and services demonstrates adequate responsiveness to CD needs in the AA.

Number and Amount of Community Development Loans

Range Bank's CD lending record reflects adequate responsiveness to identifying and addressing the credit needs in the bank's AA.

Range Bank originated or renewed 14 CD loans, totaling \$5.3 million, during the evaluation period in the bank's AA. While not an all-inclusive list, below are examples of CD lending.

- The bank originated one loan, totaling \$70,000, for affordable housing rehabilitation in the City of Hancock, MI. This loan qualified as affordable housing rehabilitation given occupants of at least 51 percent of the units in the apartment building have income at or below 80 percent of the area median income.
- The bank originated two loans, totaling \$217,995, to a nonprofit organization that is located in a moderate-income CT in Houghton, MI. This organization collaborates with Upper Peninsula domestic violence shelters for victims seeking community and support services.

- The bank originated one loan, totaling \$750,000, to a privately run nonprofit, donation based organization that works with the medical community to ensure patient access to care. The organization offers hospitality housing for patients/families that live more than 50 miles away.
- The bank originated one loan, totaling \$925,000, for the construction of an assisted living facility located in Negaunee, MI. Financing came with tax increment financing (TIF) through a Brownfield development plan. Reinvesting in the Brownfield development increases local tax base, facilitates job growth, and utilizes existing infrastructure. This facility will employ a staff of 35-40 employees.

Range Bank also participates in the following loan programs that target or primarily benefit small businesses or low- and moderate-income (LMI) individuals:

- Michigan State Housing Development Authority (MSHDA) Hardest Hit for Homeowners assists states with foreclosure prevention and neighborhood stabilization efforts. The program provides interest free loans to assist with mortgage, property taxes, and/or condominium association fees. Loans are forgivable after 5 years. The bank facilitated eight grants totaling \$68,850
- Range Bank worked in conjunction with Habitat for Humanity and the Federal Home Loan Bank to provide a grant totaling \$5,000. The funds were used as a down payment for a first-time home buyer in Marquette County.
- Small Business Association (SBA) loans are available in the AA for businesses that may not qualify for conventional loan terms. Under the SBA program, the bank originated four loans, totaling \$4.4 million, during the evaluation period. These loans would have already been reported under the Small Business Lending Test.
- In 2018, the bank began participating in a loan program called Freddie Mac Home Possible Mortgages. This program offers low down payment mortgage options for first-time homebuyers, LMI borrowers, and families in underserved areas. The bank originated four loans, totaling \$502,518, under this program.

Number and Amount of Qualified Investments

Range Bank provided an adequate level of CD investments.

During the evaluation period, Range Bank made 82 qualifying donations, totaling \$105 thousand, to organizations that providing community services to LMI individuals, to promote economic development, and to revitalize and stabilize LMI geographies. While not an all-inclusive list, below are examples of qualifying donations:

- \$15,600 to a non-profit organization located in a moderate-income CT that offers hospitality services for patients and families that live more than 50 miles away. There is a need for this type of service in the area.
- \$25,200 donation to a non-profit organization that provides hospice care to individuals with limited insurance and finances. Residents are charged based on their ability to pay through the use of a sliding scale.
- Funds were provided to CD organizations supporting community services for LMI individuals. These services assist victims of domestic violence, alcohol and drug rehabilitation, suicide prevention, support of youth programs, food pantries, affordable housing, and education scholarships.

The bank also received credit for 10 investments totaling \$2.0 million made prior to the evaluation period that were still outstanding. These bonds benefited LMI individuals located in distressed middle-income CTs located in Keweenaw and Houghton Counties, MI.

The bank made two investments totaling \$650,000 during the evaluation period that benefited the bank's AA. These bonds supported city improvements in the form of roadways and administrative buildings. A majority of the students in the school districts participate in the free (or reduced) lunch program.

In addition to the CD investments that benefit the bank's AAs, Range Bank made three qualifying investments during the evaluation period, totaling \$1.3 million, which support a broader statewide region. These municipal bonds benefit the Upper Peninsula and areas that are contiguous to the bank's AAs.

Extent to Which the Bank Provides Community Development Services

Range Bank demonstrates adequate responsiveness to the CD service needs in its AA. The bank's structure provides accessibility to banking services in moderate-income CTs. The bank operates two branches located in moderate-income CTs in Calumet and Lake Linden, MI.

During the evaluation period, Range Bank employees provided technical assistance and financial expertise to 20 CD organizations serving the bank's AA. Overall, bank employees spent 2,687 hours providing technical assistance and financial expertise to CD organizations. These organizations address AA needs for affordable housing, economic development, and social services to LMI individuals. While not an all-inclusive list, the following are examples of some of the services provided:

- A senior management executive serves as Treasurer for an economic development corporation in Marquette, MI. This corporation provides grants for property and business owners to upgrade their storefront exterior facades.

- Another senior management executive served as Chairman for the same economic development corporation in Marquette, MI.
- A member of senior management serves as Chairman for a Community Fund for Negaunee, MI. This organization provides scholarships, offers youth support, and provides grants to organizations serving LMI households.
- A bank employee serves on the board and also served as Treasurer for a Habitat for Humanity in Marquette, MI. The bank employee would perform an analysis of financial information and provide leadership for executive transitions.
- Several employees served on boards for organizations that provide healthcare services to the underserved areas of the Upper Peninsula.

Responsiveness to Community Development Needs

Range Bank demonstrates adequate responsiveness to CD lending, investment, and service needs in its AA by originating various CD loans, funding qualified investments, and performing CD services.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliated activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas 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	Lending Test (excludes CD loans): (01/01/2016 to 12/31/17) Investment and Service Tests and CD Loans: (07/21/2014 to 04/30/2018)	
Financial Institution	Products Reviewed	
Range Bank, National Associated Marquette, MI	Home Purchase; Home Improvement; Home Refinance; Small Business; CD Loans; Qualified Investments; CD Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Non-MSA AA	Full Scope	All of Marquette County, Houghton County, Keweenaw County, and Dickinson County in the state of Michigan.

Appendix B: Community Profiles for Full-Scope Areas

Non-MSA Assessment Area

Demographic Information for Full Scope Area: Range Bank Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	45	0.00	8.89	51.11	33.33	6.67
Population by Geography	132,029	0.00	8.16	55.33	36.51	0.00
Owner-Occupied Housing by Geography	38,550	0.00	6.25	55.40	38.35	0.00
Business by Geography	7,289	0.00	6.89	58.91	34.20	0.00
Farms by Geography	185	0.00	5.95	48.65	45.40	0.00
Family Distribution by Income Level	32,538	16.96	16.88	21.41	44.75	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	11,011	0.00	12.69	60.55	26.76	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		56,312 52,600 17%	Median Housing Value Unemployment Rate (2010 US Census)	113,751 3.77%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

The bank has one AA located entirely in the Upper Peninsula of Michigan. The AA does not lie within an MSA. The AA includes all of Marquette County, Houghton County, Keweenaw County, and Dickinson County. The AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

According to 2010 US Census Data, the bank's AA is comprised of 45 CTs, of which zero are low-income, four (8.89 percent) are moderate-income, 23 (51.11 percent) are middle-income, and 15 (33.33 percent) are upper-income. There are three (6.67 percent) CTs designated NA. The total population of the AA is 132,029, which is comprised of 32,538 families. The number of families at each income level is: 5,517 low-income families (16.96 percent), 5,494 moderate-income families (16.88 percent), 6,968 middle-income families (21.41 percent), and 14,559 upper-income families (44.75 percent). The average median family income is \$56,312, and the FFIEC 2016 updated MSA median family income is \$52,600. The percentage of families below the poverty level is 9.22 percent. Owner-occupied units comprise 55.66 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 7,289. Of these businesses, 5,681 (77.94 percent) had gross revenues of less than \$1 million, 468 (6.42 percent) had gross revenues of \$1 million or over, and 1,140 (15.64 percent) do not report revenue.

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of 45 CTs, of which zero are low-income, five (11.11 percent) are moderate-income, 24 (53.33 percent) are middle-income, and 12 (26.67 percent) are upper-income. There are four (8.89 percent) CTs designated NA. The total population of the AA is 132,452, which is comprised of 31,584 families. The number of families at each income level is: 5,492 low-income families (17.39 percent), 5,196 moderate-income families (16.45 percent), 7,070 middle-income families (22.38 percent), and 13,826 upper-income families (43.78 percent). The average median family income is \$57,747, and the FFIEC 2017 updated MSA median family income is \$55,800. The percentage of families below the poverty level is 9.60 percent. Owner-occupied units comprise 53.81 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 7,322. Of these businesses, 5,668 (77.41 percent) had gross revenues of less than \$1 million, 496 (6.77 percent) had gross revenues of \$1 million or over, and 1,158 (15.82 percent) did not report revenue.

The local economy is stable and continues to improve. Bank management reports there has been growth with new construction along Lake Superior. The primary economic activities include mining, manufacturing, health care, retail, education, and tourism. One of the major iron ore mines closed in 2017 with a loss of 150 jobs. Many of these employees were hired on at other mines in the area. Major employers include Northern Michigan University, Michigan Technological University, UP Health Systems, and Verso Paper Company. The annual unemployment rates in 2017 for Dickinson, Houghton, Keweenaw, and Marquette counties were 5.0 percent, 5.7 percent, 9.8 percent, and 5.7 percent, respectively. The annual unemployment rate for the State of Michigan was 4.4 percent. Unemployment rates were above the annual state rate for all of the counties in the bank's AA. The unemployment rate for Keweenaw County is more than double the state rate.

The bank's business strategy has been to serve the credit and depository needs of its local community. A commitment to personalized, quality service and competitive products will be maintained to differentiate themselves from the competition.

Competition from other financial institutions is strong. In total deposits, Range Bank ranks third, behind Wells Fargo and Superior National Bank, with a market share of 14.49 percent. This percentage is based on FDIC market share data as of June 30, 2017. The balance of the market share is divided among 10 other financial institutions. The market share for these institutions ranges from 19.87 percent to less than 1 percent.

We performed one community contact with an economic development organization serving the AA. Overall, the credit needs of the community are being met. Small businesses have seen growth and are expanding. The community contact commented on a housing shortage in Dickinson County in relation to the number of jobs in the area. There is a gap for affordable housing in Marquette, with many families moving to Ishpeming and Negaunee on the west end of Marquette County.