PSB

PEOPLES STATE BANK

COMMUNITY REINVESTMENT ACT

PUBLIC FILE

TABLE OF CONTENTS

MOST RECENT CRA PERFORMANCE EVALUATION

PUBLIC DISCLOSURE

December 6, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples State Bank of Munising
Certificate Number: 15165

100 East Superior Street
Munising, MI 49862

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

TABLE OF CONTENTS

INSTITUTION RATING

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

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

The following points summarize the bank's Satisfactory Community Reinvestment Act (CRA) performance:

- Loan-to-Deposit (LTD) Ratio: The average LTD ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment area (AA).
- Assessment Area Concentration: The bank originated a majority of small business and home mortgage loans within the AA.
- Geographic Distribution: The AA does not contain any low- or moderate-income geographies. Therefore, examiners did not evaluate the geographic distribution of loans as it would not yield meaningful conclusions.
- Borrower Profile: The distribution of borrowers reflects reasonable dispersion among businesses of different sizes and individuals of different income levels.
- CRA-Related Complaints: The bank has not received any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Peoples State Bank of Munising (PSB) is a full-service financial institution headquartered in Munising, Michigan. The bank is wholly-owned by Peoples State Bancorp, Incorporated, a one-bank holding company also headquartered in Munising. The holding company also has a 25 percent ownership interest in Lasco Development Corporation, an information technology company specializing in financial IT services, located in Marquette, Michigan. The institution received a Satisfactory rating during its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated October 19, 2015, based on Interagency Small Institution Examination Procedures.

In addition to the main office, PSB operates four branch offices in the communities of Au Train, Chatham, Grand Marais, and Wetmore, all of which are located in Alger County. PSB offers a variety of loan and deposit products, with a focus on commercial and residential lending activities. Customers can access PSB's products and services through online, telephone, and mobile banking platforms, as well as drive-up facilities at three of the five offices. PSB owns four cash dispensing automated teller machines, three of which are located at branch offices, while one is maintained as a stand-alone facility in Munising. PSB has not opened or closed any branches since the last evaluation, and no merger or acquisition activities occurred since the previous evaluation.

As of September 30, 2021, PSB maintained total assets of $197.2 million, total loans of $91.1 million, and total deposits of $174 million.

Loan Portfolio Distribution as of 09/30/21		
Loan Category	**$ (000s)**	**%**
Construction, Land Development, and Other Land Loans	9,508	10.4
Secured by 1-4 Family Residential Properties	17,437	19.2
Secured by Multifamily (5 or more) Residential Properties	25	0.0
Secured by Nonfarm Nonresidential Properties	39,557	43.4
Total Real Estate Loans	**66,527**	**73.0**
Commercial and Industrial Loans	16,168	17.8
Consumer Loans	7,082	7.8
Other Loans	1,310	1.4
Less: Unearned Income	0	0.0
Total Loans	**91,087**	**100.0**
Source: Reports of Condition and Income		

Since the last evaluation, home mortgage loans decreased by $8 million and account for only 19.2 percent of the total loan portfolio, compared to 33.8 percent at the previous evaluation. Conversely, construction and land development loans increased by $9.5 million and account for 10.4 percent of the loan portfolio, compared to .03 percent at the last evaluation. Management indicated that a general lack of loan demand throughout the AA has caused them to consider other lending avenues, including participations and new development projects outside the AA. No additional financial, legal, or other impediments limit PSB's ability to meet the credit needs of the AA.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. PSB has designated one AA consisting of all four census tracts (CTs) in Alger County. The county is located in the north-central portion of the Upper Peninsula and contains no low- or moderate-income (LMI) census tracts. The AA, which includes contiguous, whole geographies and does not arbitrarily exclude any LMI areas, conforms to CRA regulatory requirements. There have been no changes in the AA since the prior examination. Sources of data used in this section include 2015 American Community Survey (ACS) census data, 2020 D&B data, the Federal Financial Institution Examiner Council, Michigan Realtors, and the Michigan Bureau of Labor Market Information and Strategic Initiatives.

Economic and Demographic Data

The following table summarizes demographic characteristics of the AA.

Demographic Information of the AA						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA % of #**
Geographies (Census Tracts)	4	0.0	0.0	75.0	0.0	25.0
Population by Geography	9,476	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	6,581	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,977	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	493	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	3,111	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	647	0.0	0.0	100.0	0.0	0.0
Farms by Geography	27	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	2,190	18.9	19.7	21.3	40.1	0.0
Household Distribution by Income Level	3,470	23.7	18.9	19.7	37.7	0.0
Median Family Income Non MSAs – MI		$53,628	Median Housing Value Median Gross Rent Families Below Poverty Level			$117,286 $595 9.1%
Source: 2015 ACS Data; 2020 D&B Data; FFIEC Estimated Median Family Income						

The table below provides the 2020 median family income and corresponding income levels used to analyze home mortgage lending activities in the bank's AA under the Borrower Profile criterion.

Median Family Income – Non MSA AA				
Median Family Income	**Low < 50%**	**Moderate 50% to < 80%**	**Middle 80% to < 120%**	**Upper ≥ 120%**
2020 ($60,900)	< $30,450	$30,450 to < $48,720	$48,720 to < $73,080	≥ $73,080
Source: FFIEC				

In 2015, the median family income for the Non MSA portions of Michigan was $54,700. The 2020 median family income of $60,900 represents an increase of 11.3 percent since the last evaluation.

Housing costs in the AA are generally modest. According to the Michigan Realtors, the median sales price of homes in North Central Upper Peninsula ranged from $113,481 in September 2015 to $166,717 at September 2021, an increase of 47 percent. The greater increase in housing prices, as compared to median family income levels, suggests that low- and moderate-income families may have difficulty purchasing a home.

According to 2020 D&B demographic data, 647 businesses operate within the AA, of which 81 percent reported gross annual revenues (GARs) of $1 million or less. Additionally, 67 percent of these businesses employ less than five employees, while 86 percent operate from a single location. The leading industries in Alger County include those providing manufacturing, health care, and retail services. Large employers include Neenah Paper, Timber Products and the Alger Max Correctional Facility.

The unemployment rate in Alger County, as reported by the Michigan Bureau of Labor Market Information and Strategic Initiatives, was 6.5 percent as of October 2021, compared to 10.7 percent for year-end 2020. Similarly, the unemployment rate for the State of Michigan was 8.2 percent as of year-end 2020 and 6.1 percent as of October 2021. The higher unemployment rate in 2020 is attributed to the COVID-19 pandemic.

Competition

Bank competition in the AA is limited to one credit union; however, ten financial institutions and 41 full-service branches compete for deposits within the three contiguous counties surrounding PSB's AA. Overall, financial competition within the central portion of the Upper Peninsula is robust.

Community Contact

Examiners contacted two representatives from different economic development organizations in the AA. Both contacts stated that Alger County has an aging population which has contributed, in part, to a labor shortage. One contact indicated that, despite the COVID-19 pandemic, the summer of 2021 was economically one of the best in Munising due to the increase in visitors to the Pictured Rocks National Lakeshore. While the uptick in visitors led to small business growth, it also highlighted the need for more seasonal workers, as well as affordable housing for these individuals. The contact believes the COVID-19 pandemic has negatively impacted the availability of seasonal workers. Both contacts further stated that the lack of affordable housing has also impacted the ability to attract individuals for permanent employment positions.

Credit Needs

Considering information from the community contacts, bank management, demographic statistics, and economic data, examiners determined that small business loan financing represents a primary credit need in the AA. Furthermore, community contacts believe economic development depends largely on tourism, access to service-related employees and housing stock designed to accommodate this industry. Consequently, lending products designated to facilitate seasonal housing and future housing developments are also a prospective credit need in the AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated October 19, 2015, to the current evaluation. Examiners used Interagency Small Institution Examination Procedures to assess PSB's CRA performance, including an evaluation of the institution's LTD ratio, AA concentration, geographic distribution, borrower profile, and response to CRA-related complaints.

Activities Reviewed

Commercial and home mortgage loans continue to represent the bank's major product lines. Examiners made this determination in consideration of PSB's business strategy, as well as the number and dollar volume of loans originated during the evaluation period. As of the September 30, 2021, Call Report, commercial loans represented approximately 61 percent of the loan portfolio, while home mortgage loans represented approximately 19 percent of the loan portfolio. Small farm and consumer loans represent a nominal percentage of PSB's loan portfolio. Therefore, examiners did not analyze these products as part of the evaluation.

Because PSB is not required to report lending data under the Home Mortgage Disclosure Act or the Community Reinvestment Act, examiners reviewed random samples of small business and home mortgage loans originated during 2020. An expanded sample of 2020 loan data and a sample of 2019 small business data was also analyzed to ensure the samples were representative of the bank's lending activities during the entire evaluation period.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	$ (000s)	#	$ (000s)
Home Mortgage	139	18,730	50	7,313
Small Business - 2019	38	6,084	38	6,084
Small Business - 2020	117	13,165	100	11,101
Source: Bank Data				

Although commercial loans comprise a greater percentage of the loan portfolio, examiners placed equal weight on home mortgage and commercial lending activity, based on the number of originations. As reflected in the table above, PSB originated a greater number of home mortgage loans during 2020, a majority of which were sold on the secondary market and therefore, not included on the bank's balance sheet.

D&B data from 2019 and 2020 provided a standard of comparison for the bank's small business lending activity. Census data from the 2015 ACS provided a standard of comparison for PSB's home mortgage lending activity.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

PSB demonstrates reasonable performance under the Lending Test. The distribution of home mortgage and small business loans among borrowers of different income levels and businesses of different sizes supports this conclusion.

Loan-to-Deposit Ratio

PSB's LTD ratio reflects reasonable performance, given the institution's size and financial condition, as well as the credit needs within the AA. PSB's ratio averaged 70 percent over the previous 24 quarters, with a high of 80 percent and a low of 51 percent. Since the last CRA Performance Evaluation, loan demand in the AA has decreased. Management responded to the decreasing demand by acquiring seven participation loans. Conversely, deposit growth has been robust, outpacing loan growth by 43 percent.

The LTD ratio is comparable to that of similarly-situated institutions whose average LTD ratios ranged from 54 percent to 81 percent over the same period. Examiners selected comparable financial institutions based on geographic location, loan portfolio composition, and asset size.

LTD Ratio Comparison		
Bank	Total Assets as of 09/30/2021 $ (000s)	Average Net LTD Ratio (%)
PSB	**197,207**	**69.5**
Similarly-Situated Institution #1	168,695	53.8
Similarly-Situated Institution #2	538,843	65.5
Similarly-Situated Institution #3	130,880	75.9
Similarly-Situated Institution #4	284,141	81.0
Source: Reports of Condition and Income 12/31/2015 – 09/30/2021		

Assessment Area Concentration

PSB originated a majority of home mortgage and small business loans within its AA. Refer to the following table for additional details.

Lending Inside and Outside of the Assessment Area											
Loan Category	Number of Loans				Total #	Dollar Amount of Loans $ (000s)				Total $ (000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		$	%	$	%	
Home Mortgage 2020	43	86.0	7	14.0	50	5,711	78.1	1,602	21.9	7,313
Small Business										
2019	27	71.1	11	28.9	38	3,931	64.6	2,153	35.4	6,084
2020	67	67.0	33	33.0	100	4,657	42.0	6,444	58.0	11,101
Source: Bank Data										

While a majority of small business loans, by number, are located in the AA, only 42 percent of 2020 small business loans, by dollar volume, are located in the AA. As discussed previously, loan demand has declined since the previous evaluation. In order to maintain loan growth, management purchased participation loans and originated loans to entities located in or near Marquette and Escanaba, economic hubs for the Upper Peninsula that are located just outside the AA. Six of these loans total $4.2 million in aggregate, with each loan extended in amounts between $500,000 and $1 million.

Geographic Distribution

The AA does not contain any LMI geographies. Therefore, examiners did not evaluate the geographic distribution of loans, as it would not yield meaningful conclusions.

Borrower Profile

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

Home Mortgage

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels. Refer to the following table.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	**% of Families**	**#**	**%**	**$ (000s)**	**%**
Low	18.9	5	11.6	676	11.8
Moderate	19.7	5	11.6	398	7.0
Middle	21.3	17	39.6	2,143	37.5
Upper	40.1	16	37.2	2,494	43.7
Total	**100.0**	**43**	**100.0**	**5,711**	**100.0**

Source: 2015 ACS Data; Bank Data

PSB's dispersion of home mortgage loans to low-income borrowers is less than demographic data; however, 9.1 percent of low-income families earn an income below the poverty level. These individuals generally lack the financial resources to obtain a home mortgage loan, limiting a financial institution's opportunity to lend to these borrowers. Adjusting the percentage of low-income families for the poverty level results in approximately 9.8 percent of families being low-income. The bank's performance at 11.6 percent slightly exceeds the adjusted number and is reasonable.

PSB's distribution of home mortgage loans to moderate-income borrowers, while less than demographic data, is also reasonable. In order to increase lending to low- and moderate-income borrowers, bank management recently lowered their credit score requirements. This should help more low- and moderate-income applicants qualify for an in-house mortgage loan.

Small Business

The distribution of small business loans reflects reasonable penetration among businesses with GARs of $1 million or less. Refer to the following table for details of the number and dollar volume of loans to businesses based on revenue size.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$ (000s)**	**%**
<= $1,000,000					
2019	80.3	25	92.6	3,117	79.3
2020	81.1	53	79.1	3,348	71.9
> $1,000,000					
2019	3.9	1	3.7	796	20.2
2020	3.4	8	11.9	923	19.8
Revenue Not Available					

2019	15.8	1	3.7	18	0.5
2020	15.5	6	9.0	386	8.3
Total					
2019	**100.0**	**27**	**100.0**	**3,931**	**100.0**
2020	**100.0**	**67**	**100.0**	**4,657**	**100.0**
Source: 2020 D&B Data; Bank Data					

PSB's small business loan originations mirror or exceed demographic data in 2019 and 2020.

Response to Complaints

PSB has not received any CRA-related complaints since the previous evaluation. Accordingly, this criterion did not affect the Lending Test rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.
Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LIST OF BRANCHES AND HOURS OF OPERATION

ASSESSMENT AREA: ALGER COUNTY MICHIGAN (County Code 003 / State Code 26 / MSA Code NA)

MUNISING LOCATION	HOURS OF OPERATION
Tract Code 0001.00	
100 East Superior Street	LOBBY
Munising MI 49862	Monday-Friday 9:00 am to 5:00 pm
(906)387-2006 phone	Saturday 9:00 am to 12:00 pm
(877)861-2520	DRIVE THRU
24 HOUR ATM	Monday-Friday 8:30 am to 5:00 pm
	Saturday 9:00 am to 12:00 pm
WETMORE LOCATION	
Tract Code 0001.00	
E9714 M28 PO Box 69	LOBBY and DRIVE THRU
Wetmore MI 49895	Monday-Friday 9:00 am to 4:00 pm
(906)387-4006	
GRAND MARAIS LOCATION	
Tract Code 0001.00	
N14264 Lake St PO Box 412	LOBBY
Grand Marais MI 49839	Monday-Friday 9:00 am to 4:00 pm
(906)494-2525	Saturday 9:00 am to 12:00 pm
24 HOUR ATM	
CHATHAM LOCATION	
Tract Code 0002.00	
N5274 Rock River St PO Box 229	LOBBY & DRIVE THRU
Chatham MI 49816	Monday-Friday 9:00 am to 4:00 pm
(906)439-2265	
24 HOUR ATM	
AU TRAIN LOCATION	
Tract Code 0002.00	
N7591 Arbutus	LOBBY HOURS
Au Train MI 49806	SUMMER HOURS ONLY May 15th thru October 15th
No mail receptacle	Monday & Thursday 9:00 am to 4:00 pm

Please send mail to Munising location PO BOX 158 Munising MI 49862

PRODUCTS AND SERVICES AND FEES

PERSONAL

- Deposit Accounts
  - Checking
  - Savings
  - Certificates of Deposit
  - Health Savings Account
  - Individual Retirement Account (IRA)
- Internet Banking
  - Consumer eBanking
- Loans
  - Consumer
  - Mortgage
  - Personal Reserve Account

BUSINESS

- Deposit Accounts
  - Checking
  - Savings
- Internet Banking
  - Business eBanking
- Loans
  - Commercial Loans and Lines of Credit

Other Services offered to our customers

- ATM/Debit Cards
- Online Banking
- Direct Deposit Options
- Cashier Checks/Money Orders
- Telephone Banking
- 24 Hour Night Deposit
- Utility Bill Payment
- U.S. Savings Bond Agent
- Safe Deposit Boxes
- Wire Transfers
- Notary Service

Typical Loan Fee Ranges

Mortgage

Loan Origination	$300.00-$2,000.00
Survey	$300.00-3,000.00
Appraisal	$250.00-$600.00
Credit Report	$$24.39-$48.53
Flood Certification	$11.00
Deep Preparation	$50.00-$200.00
Title- Owners Policy	$200.00-$2,000.00
Title- Loan Policy	$200.00-$3,000.00
Tax Transfer	State Transfer Tax Rate – **$3.75 for every $500 of value transferred**. County Transfer Tax Rate – $0.55 for every $500 of value transferred.
Recording Fee- Mortgage	$30.00
Recording Fee- Deed	$30.00
Recording Fee-Trust	$30.00
Modification	$100.00-$200.00
Pre-paid Interest	$100.00-$2,000.00

Installment Loan

Processing Fee	$25.00-100.00
UCC fee	$18.00-$500.00
Secretary of State	$15.00-$50.00
Wire/Overnight Fee	$25.00-$100.00

PSB
PEOPLES STATE BANK

Peoples State Bank of Munising
100 E. Superior Street - P.O. Box 158
Munising, Michigan 49862
www.psbup.com

LIMITS AND FEES DISCLOSURE

The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account:

ATM/Debit Cards	
Replace ATM Card	$5.00
ATM Card PIN Reminder	$5.00
Non Sum-Network ATM Transaction fee	$1.00
Daily ATM Dollar Limit	$510.00
Replace Debit Card	$5.00
Debit Card PIN Reminder	$5.00
Peoples State Bank of Munising Visa® Gift Cards	
Visa Gift Card Purchase Fee - Please see cardholder agreement for additional details.	$3.95
Card issued by MetaBank®, Member FDIC, pursuant to a license by Visa U.S.A. Inc. Card can be used everywhere Visa debit cards are accepted in the U.S. No cash or ATM access.	
Safe Boxes- All sizes not available at each branch	
5 x 2 and 5 x 3	$15.00
5 x 4 and 5 x 5	$20.00
10 x 2 and 10 x 3	$25.00
10 x 5	$40.00
10 x 10	$50.00
Safe Box Late Fee	$5.00 per month
Safe Box Drilling Fee	$150.00
Lost Safe Box Key	$25.00
Overdraft/ Insufficient Available Funds	
Overdraft Fee (Initial Item Causing Overdraft)	$30.00
*These fees apply to overdrafts created by the following item(s); check(s), in person withdrawals, or by electronic means. The first item causing the overdraft is included in this fee.	
Additional Fee for each Item(s) causing Overdraft	$25.00 for each item
Maximum Overdraft Fee Amount Per Day	$150.00
Savings Overdraft	$30.00
Return Item Fee (Initial Returned Item)	$30.00
Additional Fee for each Item(s) Returned	$25.00 for each item
Maximum Return Item Fee Amount Per Day	$150.00
Bank Drafts	
Certified Check	$7.50
Cashier's Check	$5.00
Money Order	$2.00
Wire Transfers	
Domestic Wire Transfer-Outgoing	$25.00
Foreign Wire Transfer- Outgoing	$75.00

Peoples State Bank of Munising
100 E. Superior Street - P.O. Box 158
Munising, Michigan 49862
www.psbup.com

Other Account Fees

Account Inactivity	$1.00

*An inactivity fee of $1.00 per month may be imposed on those accounts with no deposit or withdrawal activity for six months or longer AND have a balance of $10.00 or less (excluding commerical accounts)

Stop Payment	$30.00
Closing Account By Mail	$5.00
Returned Mail Fee	$5.00

*A $5.00 returned mail fee may be imposed on each piece of mail that is returned to the bank as undeliverable, even if a forwarding address is provided by the Post Office. Peoples State Bank must be notified of a change of address, in writing by the customer.

Miscellaneous Fees

Account Activity Printout	$5.00
Check Copy	$5.00
Special Statement Cutoff	$5.00
Account Research	$25.00 per hour
Account Balancing Assistance	$25.00 per hour

*There is a minimum charge of $25.00

Copy of Statement	$5.00
Night Deposit Bag with lock	$25.00
IRA Closures & Transfers	$25.00
Collections (outgoing)	$10.00
Garnishments	$75.00
Medallion Stamp	$10.00
Copies	First Sheet Free, $0.25 each additional sheet
Fax Copies	$1.00 per sheet
Notary for Non-Customers	$5.00
Escheatment Fee	$100.00

Consumer e-Banking

PSB Bill Pay Monthly User Fee	$3.00 Monthly

Business e-Banking

See Business Online Banking Fee Disclosure

PSB
PEOPLES STATE BANK

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Business Online Banking Fees Disclosure

Single User – Basic $8 monthly fee with the following included:

- ✓ Account Viewing (up to 3 accounts)
- ✓ Autobooks
- ✓ Quickbooks Compatible Downloadable Files
- ✓ eStatements
- ✓ Loan Payments
- ✓ Internal Account Transfers
- ✓ Check Viewing
- ✓ Premier Reporting

Single User – Plus $13 monthly fee with the following included:

- ✓ All the function of the Single User Basic
- ✓ Bill Pay
- ✓ Wire Transfer initiation (standard wire fees apply)

Multi User – Basic $20 monthly fee with the following included:

- ✓ Account Viewing (up to 5 accounts)
- ✓ Autobooks
- ✓ Quickbooks Compatible Downloadable Files
- ✓ eStatements
- ✓ Loan payments
- ✓ Internal Account Transfers
- ✓ Check Viewing
- ✓ Multiple User Access
- ✓ Premier Reporting

Multi User – Plus $23 monthly fee with the following included:

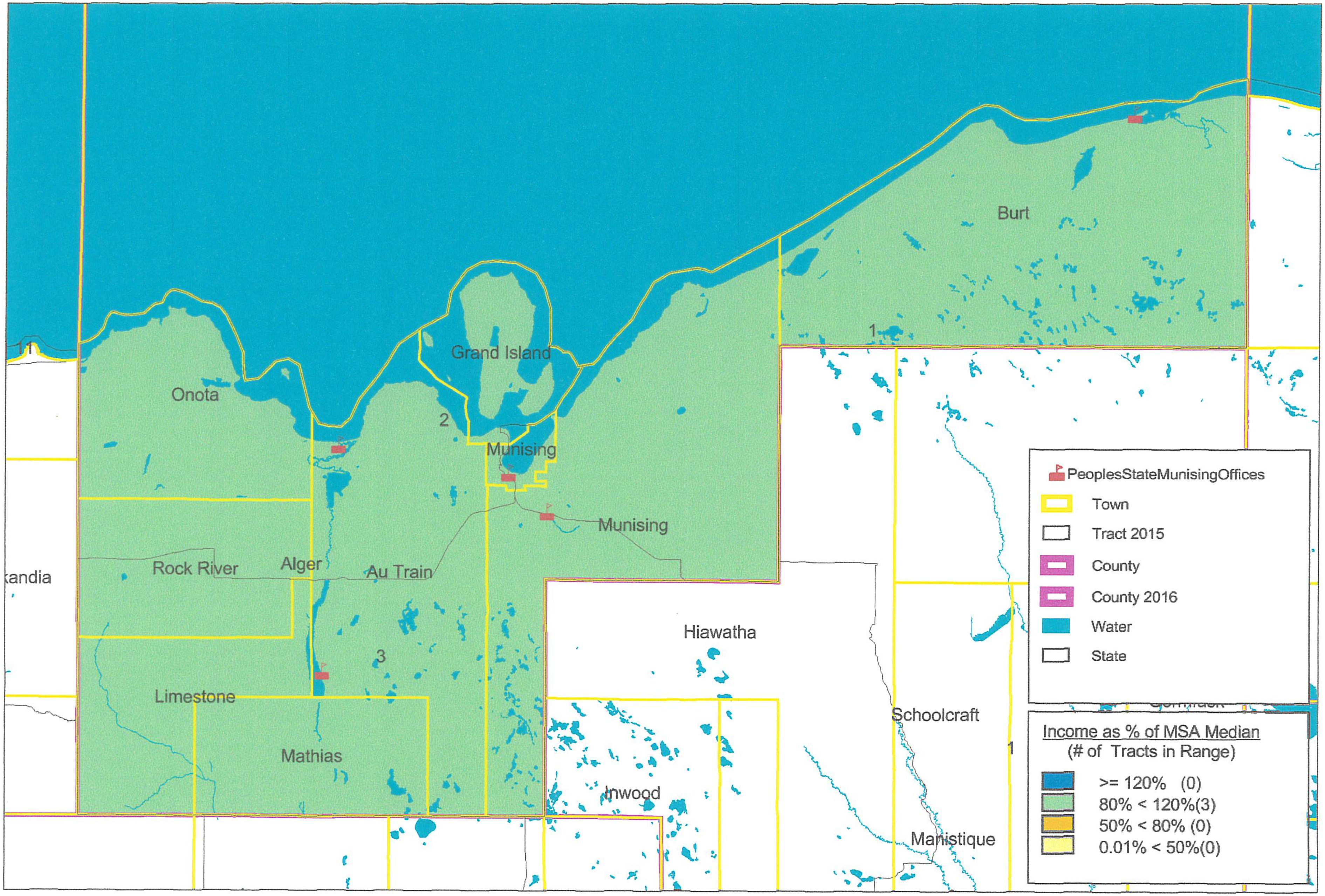
- ✓ All the functions of the Multi User Basic
- ✓ Bill Pay
- ✓ Wire Transfer initiation (standard wire fees apply)

Functions available to add to any package:

- ✓ ACH Origination for Payroll:
    - Base fee of $10 per month with additional file and transaction fees.
        - Per File Fee: $0.05
        - Per Transaction fee: $0.20
- ✓ Additional Accounts for viewing: $4 per additional account per month.

MAP OF ASSESSMENT AREA

Peoples State Bank of
Munising Assessment Area



2024 FFIEC Census Report - Summary Census Demographic Information
State: 26 - MICHIGAN (MI)
County: 003 - ALGER COUNTY
Tract: All Tracts

FFIEC Federal Financial Institutions Examination Council

State Code	County Code	Tract Code	Tract Income Level	Distressed or Underserved Tract	Tract Median Family Income %	2024 FFIEC Est.MSA/MD non-MSA/MD Median Family Income	2024 Est. Tract Median Family Income	2020 Tract Median Family Income	Tract Population	Tract Minority %	Minority Population	Owner Occupied Units	1- to 4- Family Units
26	003	0001.00	Middle	Yes*	97.06	$78,300	$75,998	$61,190	3322	13.70	455	1035	2227
26	003	0002.00	Middle	Yes*	94.85	$78,300	$74,268	$59,797	2574	11.85	305	822	2097
26	003	0003.00	Middle	Yes*	92.14	$78,300	$72,146	$58,090	2946	25.76	759	754	2061
26	003	9900.00	Unknown	No	0.00	$78,300	$0	$0	0	0.00	0	0	0
26	003	9999.99	Middle	No	94.11	$78,300	$73,688	$59,335	8842	17.18	1519	2611	6385

* Will automatically be included in the 2025 Distressed or Underserved Tract List

2024 FFIEC Census Report - Summary Census Population Information
State: 26 - MICHIGAN (MI)
County: 003 - ALGER COUNTY
Tract: All Tracts

FFIEC Federal Financial Institutions Examination Council

State Code	County Code	Tract Code	Tract Population	Tract Minority %	Number of Families	Number of Households	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/ Hawaiian/ Pacific Islander Population	Black Population	Hispanic Population	Other Population/ Two or More Races
26	003	0001.00	3322	13.70	802	1424	2867	455	169	9	5	47	225
26	003	0002.00	2574	11.85	651	987	2269	305	96	11	6	39	153
26	003	0003.00	2946	25.76	553	835	2187	759	62	3	574	29	91
26	003	9900.00	0	0.00	0	0	0	0	0	0	0	0	0
26	003	9999.99	8842	17.18	2006	3246	7323	1519	327	23	585	115	469

BRANCHES OPENED AND CLOSED IN LAST 2 YEARS

N/A

No Branches have been opened and No Branches closed in last 2 years

ALL WRITTEN COMMENTS FROM THE PUBLIC ABOUT HOW YOUR BANK IS HELPING MEET COMMUNITY CREDIT NEEDS AND BANK RESPONSE

N/A

No written comments received in current year or previous 2 years

LOAN-TO DEPOSIT RATIO

- 1st Quarter 2024
  - 74%
- 2nd Quarter 2024
  - 77%
- 3rd Quarter 2024
  - 73%
- 4th Quarter 2024
  - 78%