

PUBLIC DISCLOSURE

March 10, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Bank of Michigan
Certificate Number: 11807

900 East Paris Avenue SE
Grand Rapids, Michigan 49546

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	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREA.....	3
SCOPE OF EVALUATION.....	7
CONCLUSIONS ON PERFORMANCE CRITERIA.....	8
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	16
APPENDICES	17
INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA.....	17
GLOSSARY	18

INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, economic conditions, and assessment area credit needs.
- The institution made a majority of its home mortgage and small business loans within its assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- There were no CRA-related complaints during the evaluation period; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution demonstrated adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the needs and availability of community development opportunities in the area.

DESCRIPTION OF INSTITUTION

United Bank of Michigan (United) is a \$994.7 million institution headquartered in Grand Rapids, Michigan. The bank is wholly owned by United Bank Financial Corporation, a one-bank holding company also based in Grand Rapids. The bank owns two subsidiaries that do not offer credit products or services and are not included in the scope of this evaluation.

United received a "Satisfactory" rating at its previous FDIC CRA Performance Evaluation dated February 23, 2022, based on the Intermediate Small Institution CRA Examination Procedures. The current evaluation follows the same procedures.

United operates 13 offices throughout its assessment area, including one newly opened branch in Holland. The main office is in Grand Rapids, and the remaining 12 branches span Kent, Allegan, Ionia, and Ottawa Counties. All branches have ATMs, with one stand-alone ATM at the Burnips Marathon in Dorr, MI. All 13 branch addresses, including counties, and census tract income levels are presented in the table below.

Branch Locations			
Address	City	County	Census Tract Income Level
900 East Paris Ave SE	Grand Rapids	Kent	Upper
8301 Byron Center Ave SW	Byron Center	Kent	Upper
8540 Broadmoor Ave SE	Caledonia	Kent	Upper
6801 Cascade Rd SE	Grand Rapids	Kent	Upper
132 S Main St	Clarksville	Ionia	Middle
1796 142 nd Ave	Dorr	Allegan	Upper
44 Ionia Ave SW	Grand Rapids	Kent	Upper
2404 Patterson Rd	Shelbyville	Allegan	Upper
167 S River Ave	Holland	Ottawa	Middle
102 W Main St	Hopkins	Allegan	Upper
1884 Baldwin St	Jenison	Ottawa	Middle
155 Marcell Dr NE	Rockford	Kent	Middle
1131 W Superior St	Wayland	Allegan	Middle
<i>Source: Bank Records; 2020 U.S. Census</i>			

United offers a diverse array of deposit and loan products for retail and commercial customers. Loan products include home mortgage, commercial, and consumer loans, with a focus on home mortgage and commercial lending. The bank provides a variety of consumer account services, including checking, savings, health savings accounts, Individual Retirement Accounts, trust services, and certificates of deposit. Commercial deposit services include checking, savings, health savings accounts, certificates of deposit, and municipal deposit accounts. The bank offers treasury management and wealth management services. Alternative banking services include internet and mobile banking, person-to-person payments, drive-up facilities, and bank-owned ATMs.

United's assets totaled \$994.7 million as of December 31, 2024, with total loans of \$812.6 million and total securities of \$61.7 million. Deposit balances totaled \$821.7 million as of the same date. The total loan portfolio increased by 35.8 percent over the evaluation period. The following table details the loan portfolio by category.

Loan Portfolio Distribution as of 12/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	41,426	5.1
Secured by Farmland	6,149	0.8
Secured by 1-4 Family Residential Properties	187,482	23.1
Secured by Multifamily (5 or more) Residential Properties	81,692	10.0
Secured by Nonfarm Nonresidential Properties	467,430	57.5
Total Real Estate Loans	784,179	96.5
Commercial and Industrial Loans	21,891	2.7
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	4,803	0.6
Obligations of State and Political Subdivisions in the U.S.	1,585	0.2
Other Loans	179	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	812,637	100.0
<i>Source: Reports of Condition and Income; due to rounding, totals may not equal 100%</i>		

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

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which to evaluate its CRA performance. United delineates one geographically contiguous assessment area within the state of Michigan comprised of the entirety of Kent, Ottawa, and Ionia Counties; nine northeastern census tracts in Allegan County; the six most western census tracts in Barry County; and one census tract in the southeast corner of Muskegon County. Kent, Ottawa, Ionia, and Barry County are in the Grand Rapids-Wyoming-Kentwood, MI Metropolitan Statistical Area (Grand Rapids MSA). Allegan County is in the Michigan Non-MSA (Non-MSA). The single census tract in Muskegon County borders the bank's assessment area and contains a town that is split between Muskegon and Kent County. Muskegon County is part of the Muskegon-Norton Shores, MI MSA. All counties are part of the Grand Rapids-Wyoming Combined Statistical Area, which examiners evaluated as a single assessment area as demographic and lending performance was relatively similar among the areas and did not raise concerns.

This assessment area meets the requirements of the regulation, does not arbitrarily exclude low- or moderate-income census tracts, includes all geographies where the bank operates deposit-taking facilities, and does not reflect illegal discrimination.

Economic and Demographic Data

Based on 2020 U.S. Census data, the bank's combined assessment area contains 242 census tracts with the following income levels:

- 10 low-income
- 40 moderate-income
- 123 middle-income
- 64 upper-income
- 5 with no income designation

Census tracts with no income designation are primarily comprised of a lake, a prison, and state-owned land. The following table illustrates select economic and demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	242	4.1	16.5	50.8	26.4	2.1
Population by Geography	1,088,021	3.6	15.0	49.4	30.6	1.3
Housing Units by Geography	419,000	3.0	15.5	51.5	28.8	1.1
Owner-Occupied Units by Geography	292,535	1.3	11.6	51.2	34.9	1.0
Occupied Rental Units by Geography	103,616	7.5	25.7	52.7	12.6	1.4
Vacant Units by Geography	22,849	4.1	20.1	49.9	24.2	1.7
Businesses by Geography	120,483	2.1	14.9	45.5	36.8	0.8
Farms by Geography	4,029	0.9	8.0	52.5	38.1	0.4
Family Distribution by Income Level	271,805	17.4	17.9	23.2	41.6	0.0
Household Distribution by Income Level	396,151	21.3	16.6	19.5	42.6	0.0
Median Family Income MSA - 24340 Grand Rapids-Wyoming-Kentwood, MI MSA		\$79,594	Median Housing Value			\$196,561
Median Family Income MSA - 34740 Muskegon-Norton Shores, MI MSA		\$64,668	Median Gross Rent			\$930
Median Family Income Non-MSA - MI		\$63,042	Families Below Poverty Level			6.1%
Source: 2020 U.S. Census Data, 2024 D&B Data Due to rounding, totals may not equal 100.0% *The NA category consists of geographies that have not been assigned an income classification.						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) levels. The analysis of Geographic Distribution criterion compares the bank's small business lending to the distribution of businesses by tract income category. According to the 2024 D&B data, the assessment area contains 120,483 non-farm businesses.

Further, 2024 D&B data shows that the largest industries in the assessment area are services (32.4 percent), finance and insurance (10.9 percent), retail trade (9.0 percent), and construction (6.3 percent). In addition, 92.8 percent of assessment area businesses operate from a single location, and 58.7 percent have four or fewer employees. Major employers in Kent County include Spectrum Health, Meijer, Amway, and Gentex. Major employers in Ottawa County include Gentex, Herman Miller, and Perrigo. Major employers in Ionia County include Ventra Ionia Main, Herbruck's Poultry Ranch, and Michigan Department of Corrections. Major employers in Allegan County include Perrigo and Allegan Metal Finishing Co.

Examiners also consider unemployment data when evaluating a bank's ability to lend in the assessment area. Data obtained from the U.S. Bureau of Labor Statistics, as illustrated in the following table, shows unemployment rates in the assessment area experienced a slight increase during the review period. The unemployment rate in Kent, Ottawa, Ionia, and Allegan Counties, where the bank's branches and most of its deposit and lending activities occur, saw unemployment rates consistently lower than the average for the state of Michigan.

Unemployment Rates			
Area	2022	2023	December 2024
	%	%	%
Kent	3.4	3.2	4.1
Ottawa	3.2	3.1	3.9
Ionia	3.8	3.7	4.6
Allegan	3.6	3.5	4.4
Barry	3.8	3.6	4.6
Muskegon	5.0	4.5	6.1
State	4.1	3.9	5.3
National Average	3.6	3.6	4.1
<i>Source: Bureau of Labor Statistics</i>			

Regarding home mortgage lending, the Geographic Distribution criterion compares the bank's lending activities to the distribution of owner-occupied housing units in the assessment area. Examiners focus on the percentages of loans within low- and moderate-income census tracts. According to 2020 U.S. Census data, the assessment area contains 419,000 housing units, with 69.8 percent owner-occupied, 24.7 percent rental units, and 5.5 percent vacant, indicating a moderate level of opportunity for home mortgage lending.

For the Borrower Profile criterion, examiners analyze the bank's home mortgage lending performance through comparisons to the distribution of assessment area families by income category, based on the Federal Financial Institutions Examination Council (FFIEC)-updated median family income ranges shown in the following table. Given the median housing value of \$196,561, low- and moderate-income families may find it difficult to afford a home in the assessment area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Grand Rapids-Wyoming-Kentwood, MI MSA Median Family Income (24340)				
2022: \$88,900	<\$44,450	\$44,450 to <\$71,120	\$71,120 to <\$106,680	≥\$106,680
2023: \$97,500	<\$48,750	\$48,750 to <\$78,000	\$78,000 to <\$117,000	≥\$117,000
2024: \$97,600	<\$48,800	\$48,800 to <\$78,080	\$78,080 to <\$117,120	≥\$117,120
Muskegon-Norton Shores, MI MSA Median Family Income (34740)				
2022: \$70,600	<\$35,300	\$35,300 to <\$56,480	\$56,480 to <\$84,720	≥\$84,720
2023: \$72,700	<\$36,350	\$36,350 to <\$58,160	\$58,160 to <\$87,240	≥\$87,240
2024: \$73,900	<\$36,950	\$36,950 to <\$59,120	\$59,120 to <\$88,680	≥\$88,680
MI NA Median Family Income (99999)				
2022: \$71,500	<\$35,750	\$35,750 to <\$57,200	\$57,200 to <\$85,800	≥\$85,800
2023: \$79,800	<\$39,900	\$39,900 to <\$63,840	\$63,840 to <\$95,760	≥\$95,760
2024: \$78,300	<\$39,150	\$39,150 to <\$62,640	\$62,640 to <\$93,960	≥\$93,960
<i>Source: FFIEC</i>				

Competition

Overall, United operates in a highly competitive environment with many competing institutions. According to June 30, 2024, FDIC deposit data, 26 financial institutions operate 251 branches within the assessment area. Of these institutions, United ranked 10th with 2.7 percent of the deposit market share. The top five institutions combined represented 65.6 percent of the market share.

There is a high level of competition for home mortgage loans from banks, credit unions, and non-depository mortgage lenders in the assessment area. United is subject to data collection requirements under the Home Mortgage Disclosure Act (HMDA). Aggregate HMDA data for 2023, the most recent year available, shows that 479 lenders originated or purchased 40,286 home mortgage loans, with the top five lenders originating 37.7 percent of those loans. Mortgage companies and national banks held most of the market share. United ranked 23rd with 0.8 percent of the market share.

There is a high level of competition for small business loans from banks, credit unions, and credit card banks. The bank is not required to collect or report its small business lending data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects the level of competition for small business loans. Aggregate lending data for 2023, the most recent year available, shows 116 institutions originated 22,133 small business loans in the assessment area. The five most prominent lenders account for 64.0 percent of the total market share, with several being credit card issuers.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available.

Examiners interviewed a manager at a local community foundation that provides community services to low- and moderate-income and minority residents. The contact noted an improvement in unemployment levels since the pandemic, but elevated home prices and the increasing cost of goods and services presents concerns, especially for low-income families. Limited available land and the desire for commercial projects also limit affordable housing initiatives. The representative opined that area residents would benefit from neighborhood revitalization efforts. The contact identified a need for affordable housing for single-income earners along with downpayment assistance programs and resources for low-income individuals and those with tarnished credit histories.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing and funding for revitalization projects represent primary credit needs in the assessment area. Opportunities exist for downpayment assistance programs, affordable housing developments, and neighborhood revitalization projects within the Grand Rapids market and surrounding areas.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated February 23, 2022, to the current evaluation dated March 10, 2025. Examiners used Intermediate Small Institution CRA Examination Procedures to evaluate United's CRA performance. These procedures include two tests: the Lending Test and Community Development Test. The first Appendix includes a summary of all criteria used to assess the institution's performance for each test. Banks must achieve a rating of at least "Satisfactory" under each test to obtain an overall "Satisfactory" rating.

Examiners used information provided by the bank, HMDA data, 2020 U.S. Census data, D&B demographic data, and information from community contacts to evaluate the bank's performance.

Activities Reviewed

Based on its business strategy, the number and volume of loans originated during the evaluation period, and the loan portfolio composition, examiners determined the bank's major product lines are home mortgage and small business loans. Home mortgage loans represent a significantly larger volume of originations by number and dollar than small business loans. Therefore, examiners placed greater emphasis on home mortgage lending when establishing overall conclusions. Small farm and consumer lending are not primary foci of the bank; therefore, examiners did not include those products in the evaluation.

Examiners considered all originated home mortgage loans reported on the bank's HMDA Loan Application Registers to evaluate its record of home mortgage lending during the evaluation period. United originated 434 home mortgage loans totaling approximately \$124.6 million in 2022, 298 totaling approximately \$94.7 million in 2023, and 314 totaling approximately \$81.3 million in 2024. Examiners analyzed the institution's home mortgage performance for 2022, 2023, and 2024 relative to 2020 U.S. Census data. Examiners did not identify any performance trends among the three years that would materially affect conclusions; therefore, this evaluation presents the institution's performance in 2023 and 2024 under the Geographic Distribution and Borrower Profile criteria.

Examiners used 2023 aggregate home mortgage lending data and the demographics of the area as comparators for the bank's performance. The aggregate lending data consists of all reporters subject to HMDA data collection requirements in the assessment area and includes all lenders such as regional, national, and local banks; credit unions; and non-bank lenders such mortgage companies.

Examiners analyzed and presented the full universe of 2024 small business loans. United originated 95 small business loans totaling \$25.3 million in 2024. Examiners used 2024 demographic data as a comparator for the bank's performance.

While this evaluation includes the number and dollar volume of loans, examiners emphasized performance by the number of loans, because it is a better indicator of the number of individuals and businesses served. Examiners evaluated only loans extended within the assessment area for the Geographic Distribution and Borrower Profile criteria.

Finally, examiners also considered all community development loans, qualified investments, and community development services initiated or maintained by the bank since the previous CRA Performance Evaluation dated February 23, 2022.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

United demonstrated reasonable performance under the Lending Test.

Loan-to-Deposit Ratio

The LTD is reasonable given the institution's size, financial condition, and assessment area credit needs. The institution's LTD ratio, calculated from Call Report data, averaged 92.8 percent over the past 12 calendar quarters from March 31, 2022, through December 31, 2024. The institution's ratio for the current evaluation period decreased slightly from the ratio at the previous evaluation, which was 97.9 percent. The ratio steadily increased over the evaluation period with a current high of 97.8 percent, consistent with the previous examination average, and a low immediately following the previous examination of 81.7 percent.

Examiners evaluated the bank's LTD ratio through comparisons to the ratios of three similarly situated institutions, all chosen based on their asset size, product lines, and geographic locations. As illustrated in the following table, United's ratio compares favorably to one similarly situated institution and slightly trails the other two.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2024 (\$000s)	Average Net LTD Ratio (%)
United Bank of Michigan	994,673	92.8
Similarly Situated Bank #1	1,048,484	99.1
Similarly Situated Bank #2	523,741	101.3
Similarly Situated Bank #3	627,900	62.1
<i>Source: Reports of Condition and Income 3/31/2022-12/31/2024</i>		

Assessment Area Concentration

A majority of loans and other lending-related activities are within the institution's assessment area. As shown in the following table, United originated 76.1 percent of loans by number and 75.4 percent by dollar volume within its assessment area for all evaluated products.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Home Mortgage										
2022	337	77.7	97	22.4	434	98,424	79.0	26,222	21.0	124,646
2023	215	72.1	83	27.9	298	63,738	67.3	30,974	32.7	94,712
2024	235	74.8	79	25.2	314	63,426	78.0	17,881	22.0	81,307
Subtotal	787	75.2	259	24.8	1,046	225,588	75.0	75,077	25.0	300,665
Small Business										
2024	81	85.3	14	14.7	95	20,107	79.3	5,240	20.7	25,347
Total	868	76.1	273	23.9	1,141	245,695	75.4	80,317	24.6	326,012
Source: Bank Data. Due to rounding, totals may not equal 100.0%										

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. United's reasonable performance in home mortgage lending supports the overall performance conclusion, as home mortgage lending is more heavily weighted than small business lending.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, United's lending in low- and moderate-income census tracts trails the aggregate performance and percentage of owner-occupied housing in both years. This bank's performance is skewed due to the absence of low- and moderate-income census tracts in Allegan County, which makes up 32.1 percent and 26.8 percent of the bank's lending in 2023 and 2024, respectively. When excluding Allegan County, the bank's performance is consistent with the percentage of owner-occupied housing units for both years and the aggregate performance in 2023.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	1.6	2.4	2	0.9	2,155	3.4
2024	1.3	--	3	1.3	178	0.3
Moderate						
2023	12.4	14.2	19	8.8	2,894	4.5
2024	11.6	--	16	6.8	2,444	3.9
Middle						
2023	50.9	49.7	98	45.6	34,244	53.7
2024	51.2	--	98	41.7	28,786	45.4
Upper						
2023	34.1	33.0	94	43.7	22,281	35.0
2024	34.9	--	118	50.2	32,018	50.5
Not Available						
2023	1.0	0.8	2	0.9	2,165	3.4
2024	1.0	--	0	0.0	0	0.0
Totals						
2023	100.0	100.0	215	100.0	63,739	100.0
2024	100.0	--	235	100.0	63,426	100.0
Source: 2020 U.S. Census, Bank Data, 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. As shown in the following table, United's lending in low-income census tracts is consistent with the percentage of businesses, but performance in moderate-income census tracts significantly trails the percentage of businesses. Unlike home mortgage lending, the bank does not make a significant number of small business loans in Allegan County, and performance in the Grand Rapids markets significantly trails the percentage of businesses in moderate-income census tracts.

Geographic Distribution of Small Business Loans 2024					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	2.1	2	2.5	477	2.4
Moderate	14.9	8	9.9	2,097	10.4
Middle	45.4	39	48.1	9,087	45.2
Upper	36.8	31	38.3	8,061	40.1
Not Available	0.8	1	1.2	385	1.9
Totals	100.0	81	100.0	20,107	100.0
<i>Source: 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. United's home mortgage and small business lending performance supports the overall rating.

Home Mortgage Loans

The distribution of home mortgage loans reflects reasonable penetration among borrowers of different income levels. As shown in the following table, the bank's lending to low-income borrowers slightly trails the aggregate performance in 2023 and increased substantially in 2024 but remained below the percent of low-income families in both years. In 2024, the year in which aggregate data is not available, 6.1 percent of low-income families lived at or below the poverty level. Families living below the poverty level likely face significant difficulties qualifying for or servicing debt in an amount necessary to afford a home in the assessment area. When accounting for poverty levels, the bank's 2024 performance among low-income borrowers is reasonable. The bank's lending to moderate-income borrowers exceeded the aggregate performance in 2023 and decreased slightly in 2024 while still exceeding the percentage of moderate-income families in both years.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2023	17.7	8.8	14	6.5	1,018	1.6
2024	17.4	--	22	9.4	2,003	3.2
Moderate						
2023	18.1	22.6	57	26.5	7,436	11.7
2024	17.9	--	48	20.4	8,540	13.5
Middle						
2023	23.3	24.4	52	24.2	10,487	16.5
2024	23.2	--	49	20.9	8,474	13.4
Upper						
2023	40.9	32.8	73	34.0	22,361	35.1
2024	41.6	--	95	40.4	30,132	47.5
Not Available						
2023	0.0	11.4	19	8.8	22,437	35.2
2024	0.0	--	21	8.9	14,278	22.5
Totals						
2023	100.0	100.0	215	100.0	63,738	100.0
2024	100.0	--	235	100.0	63,426	100.0
Source: 2020 U.S. Census, Bank Data; 2023 HMDA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among borrowers of different income levels. As shown in the following table, United's lending to borrowers with GARs equal to or less than \$1.0 million significantly trailed the percentage of businesses in 2024. However, the percentage of businesses is not necessarily indicative of the demand for small business loans. This category includes the smallest businesses, such as start-ups, and other small entities that often seek alternative forms of financing, such as credit cards and home equity lines of credit.

Distribution of Small Business Loans by Gross Annual Revenue Category 2024					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000	89.7	49	60.5	10,266	51.1
>\$1,000,000	3.7	32	39.5	9,841	48.9
Revenue Not Available	6.6	0	0.0	0	0.0
Totals	100.0	81	100.0	20,107	100.0
<i>Source: 2024 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Response to Complaints

The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

United's community development performance demonstrates adequate responsiveness to community development needs in its assessment area primarily through community development loans and services. Examiners considered the institution's capacity, the need and availability of opportunities, and historical performance in evaluating United's performance.

Examiners compared United's community development performance to two similarly situated institutions also evaluated as Intermediate Small Institutions with similar asset sizes, lending focus, and geographic areas.

Because United generally met the community development needs of its assessment area, examiners also considered its community development initiatives outside the assessment area that benefited the broader regional area.

Community Development Loans

United originated 29 community development loans totaling \$31.7 million within its assessment area during the evaluation period. This represents an increase from the previous evaluation period when the bank originated 31 community development loans totaling \$20.9 million. Examiners removed the Paycheck Protection Program loans from the previous evaluation totals as the Program was not available during this evaluation. Community development loans represent 4.6 percent of total loans as of December 31, 2024. United's community development lending performance exceeded the two similarly situated institutions with community development lending at 2.1 and 2.7 percent of total loans. The following table presents the bank's community development lending by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022*	6	7,662	3	2,788	1	1,586	4	4,767	14	16,803
2023	5	6,902	0	0	0	0	2	2,811	7	9,713
2024	6	3,953	1	50	0	0	1	1,137	8	5,140
YTD 2025**	0	0	0	0	0	0	0	0	0	0
Total in Assessment Area	17	18,517	4	2,838	1	1,586	7	8,715	29	31,656
Regional Area	4	5,056	0	0	0	0	0	0	4	5,056
Total	21	23,573	4	2,838	1	1,586	7	8,715	33	36,712
Source: Bank Data *02/23/2022-12/31/2022 **01/01/2025-03/10/2025										

Notable examples of the bank's community development lending include the following:

- A \$79,000 loan to an adult living facility for low- and moderate-income individuals with developmental or physical disabilities.
- A \$945,000 loan to an affordable housing complex that participates in a USDA Rural Rental Housing Program.
- A \$50,000 loan to renovate a church kitchen, which is used to provide meals for an attached unhoused shelter.

Qualified Investments

United's qualified investments and donations during the evaluation period totaled \$1.9 million, representing 0.2 percent of total assets and 3.0 percent of total securities as of December 31, 2024. While current performance shows a significant decrease from the previous evaluation where the bank had \$4.2 million qualified investments and donations, it is relatively consistent with the similarly situated institutions. The following table details the bank's qualified investments and donations by year and purpose.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2022*	1	1,000	1	750	0	0	0	0	2	1,750
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
YTD 2025**	0	0	0	0	0	0	0	0	0	0
Investments Subtotal	1	1,000	1	750	0	0	0	0	2	1,750
Grants & Donations	5	12	37	83	6	21	0	0	48	116
Total in Assessment Area	6	1,012	38	833	6	21	0	0	50	1,866
Regional Grants and Donations	0	0	0	0	6	11	0	0	6	11
Total	6	1,012	38	833	12	32	0	0	56	1,877
<i>Source: Bank Data *02/23/2022-12/31/2022 **01/01/2025-03/10/2025</i>										

Notable examples of the bank's qualified investments and donations include the following:

- A \$750,000 bond to a local school district in which 63.0 percent of students qualify for free or reduced lunches.
- A \$3,000 donation to a summer food program for low- and moderate-income students.
- Four donations totaling \$8,500 supporting local unhoused shelters.

Community Development Services

United's staff provided 971 hours of community development services during the evaluation period, which represents an increase from the previous evaluation period when the bank had 680 hours. This performance is consistent with the similarly situated institutions that ranged from no community development services to 1,690 hours. United's community development services are comprised primarily of financial literacy education to low- and moderate-income individuals and small businesses, and personnel serving as Board members of local non-profit organizations.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	# Hours	# Hours	# Hours	# Hours	# Hours
2022*	4	176	0	0	180
2023	83	105	60	0	248
2024	63	59	328	0	450
YTD 2025**	16	2	0	0	18
Total in Assessment Area	166	342	388	0	896
Regional Area	16	36	23	0	75
Total	182	378	411	0	971
<i>Source: Bank Data *02/23/2022-12/31/2022 **01/01/2025-03/10/2025</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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