

CDCI ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

First Legacy Community Credit Union

Point of Contact:	Saundra Scales	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1420	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	1,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	68593
Date Funded (first funding):	September 29, 2010	City:	Charlotte
Date Repaid ¹ :	N/A	State:	North Carolina

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

We were able to increase lending to higher-risk members. These are members that we identify as having credit scores between 499 and 550. Our membership base is primarily low to moderate income persons and we want to be able to meet their financial needs.

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

These funds were used primarily for new and used car purchases. About \$292,000 was used to refinance several mortgages that were in danger of being foreclosed on.

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Increase securities purchased (ABS, MBS, etc.).

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Empty response box for 'Make other investments.'

Increase reserves for non-performing assets.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Empty response box for 'Reduce borrowings.'

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Increase charge-offs.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We were able to extend the underwriting criteria for high risk borrowers. Without this infusion of cash, this type lending would have been eliminated. We also maintained a high loan to share ratio which can create liquidity issues for us. By having this cash on hand, we were able to avoid borrowing or raising cash through certificate of deposit promotions.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

We were able to lend an additional \$1.2 million dollars to members who otherwise would not have been able secure reasonable financing for their automobiles or keep their homes. The positive results for the credit union can be seen in the form of increased income and meeting our goal of helping all of our members through these economic hard times.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.