

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

Point of Contact:	Claire Bean	RSSD: (For Bank Holding Companies)	2324111
UST Sequence Number:	191	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	4,227,000	FDIC Certificate Number: (For Depository Institutions)	19690
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N?A	City:	Lewiston
Date Repaid <sup>1</sup> :	N?A	State:	Maine

<sup>1</sup>If 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.**

The capital received from the Capital Purchase Program has allowed the Bank to increase its lending in our community.

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

**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.).**

We significantly increased our residential mortgage lending during the year. The majority of this lending was for loans that were ultimately sold in the secondary market.

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

**Make other investments.**

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

**Increase reserves for non-performing assets.**

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

**Reduce borrowings.**

Empty response area for 'Reduce borrowings.'

**Increase charge-offs.**

Empty response area for 'Increase charge-offs.'

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

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

Empty response area for the first question.

Held as non-leveraged increase to total capital.

Empty response area for the second question.

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

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

A large, empty rectangular box with a black border, intended for the respondent to provide answers to the question above.

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

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

The capital infusion allowed Northeast Bank, a wholly-owned subsidiary of Northeast Bancorp, to continue expanding its mortgage loan origination business. The capital received from the Capital Purchase Program provided the revolving funding for loans sold in the secondary market. Additionally the capital allowed the Bank to make loans that did not qualify for sale in the secondary market to be held in portfolio.

**CPP ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Northeast Bancorp, Northeast Bank

**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.