

## CDCI ANNUAL USE OF CAPITAL SURVEY - 2013



## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Neighborhood Trust Federal Credit Union

Person to be contacted regarding this report:	Rafael Monge-Portaro	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	1383	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	283,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	24589
Date Funded (first funding):	Sep 24, 2010	City:	New York
Date Repaid <sup>1</sup> :	N/A	State:	New York

<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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Increase lending. Since the CDCI loan to NTFCU in early 2010, NTFCU has been able to substantially increase its lending to its target low-income community. Between December 2010 and December 2013, NTFCU has increased its lending from \$3.1 million to \$5.7 million (83%)
<input checked="" type="checkbox"/>	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.).	NTFCU offers a variety of loans tailored to the particular needs of our low-income community. Among other loan categories, we offer: Personal loans, small business loans, debt consolidation loans, small business lines of credit, etc.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

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

The capital infusion of CDCI funds as a component of our total capital is instrumental to help us keep growing our loan portfolio while maintaining optimal Net Worth ratio levels. The result of serving a low-wealth community in a geographic area of persistent poverty (Washington Heights and Harlem) is that the impact of increased lending is constrained by the more gradual growth of member deposits. As a result, we rely greatly on other sources of capital such as the capital infusion of CDCI funds.

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

As mentioned above, increased lending due to a higher assets base and an optimum net worth ratio. Without the insusion of capital of CDCI funds, NTFCU would have not been able to increase its loan portfolio by 83% in only three years.

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

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.