

CDCI ANNUAL USE OF CAPITAL SURVEY - 2012



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Brooklyn Cooperative Federal Credit Union

Person to be contacted regarding this report:	Samira Rajan	RSSD: (For Bank Holding Companies)	2979212
UST Sequence Number:	1401	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	300,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	24642
Date Funded (first funding):	Sep 30, 2010	City:	Brooklyn
Date Repaid ¹ :	N/A	State:	New York

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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The funds sent to Brooklyn Cooperative Federal Credit Union were used towards our net capital. As net capital grows, our assets can grow. And, because 80% of the credit union's assets are in loans to individuals and to businesses, we were able to grow our lending.
<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.).	About 50% of our portfolio is in residential real estate (including coop apartments). Another 30% is dedicated to mostly unsecured commercial lending, though about 7% of the portfolio is in commercial real estate. The last 20% is unsecured consumer lending.
<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 checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	As credit unions have a single, fixed required reserve ratio, the CDCI funds used by Brooklyn Coop towards our net capital greatly facilitated our ability to grow our customer base, accept more deposits, and in turn make more loans. We continue to derive these benefits.

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

Net capital is very scarce for a community development credit union. Few of our members (meaning, our depositors) can keep substantial funds on deposit, and few can afford high fees. As a result, our membership averages less than \$1500 in their account. Our credit union is not able to earn profits on these members, and this means we cannot earn net income that can turn into net capital. Yet without net capital, we cannot grow our asset size.

The receipt of CDCI funds allowed us to keep growing, to keep accepting new deposits, and to keep making new loans. Without the CDCI funds, we would have curtailed operations, slowed lending, and tried to keep our assets from exceeding the limits placed by existing net capital. Alternatively, we would have had to borrow net capital in the private market at a rate more than double the rate offered by Treasury. Paying extra for net capital helps the credit union stay on a path of growth, but it also eats into future net income, making further capital accumulation even more difficult.

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

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

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 thin black border, intended for the respondent to provide their answer to the question above.

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.