CPP **ANNUAL USE OF CAPITAL SURVEY - 2012**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Mountain Valley Bancshares, Inc

Person to be contacted regarding this report:	M. Greene	RSSD: (For Bank Holding Companies)	3353800
UST Sequence Number:	1293	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	3,300,000	FDIC Certificate Number: (For Depository Institutions)	57711
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Cleveland
Date Repaid[1]:	n/a	State:	Georgia

[1]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.	
☐	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.).	
☐	Increase securities purchased (ABS, MBS, etc.).	

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☒	Held as non-leveraged increase to total capital	

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

Acceptance of Capital Purchase Plan allowed us to maintain a strong capital ratio during the financial crisis. We moved non-preforming assets from the bank to the holding company.

We were able to maintain total Equity Capital of greater than 15% during this economic crisis.

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

See above

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

Acceptance of CPP allowed us to move capital from the holding company to the bank. This helped the bank maintain a strong capital ratio in the face of increasing problems caused by FDIC closing many community banks in our area with unsound loss sharing agreements. Loss Sharing agreements are the basis for unjust decline in real estate values in the North Georgia area and FDIC has 100% accountability.

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.