OMB Control Number 1505-0222

CDCI **ANNUAL USE OF CAPITAL SURVEY - 2014**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

GENESEE CO-OP FEDERAL CREDIT UNION

Person to be contacted regarding this report:	MELISSA MARQUEZ	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	1425	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)	23848
Date Funded (first funding):	09/17/2010	City:	ROCHESTER
Date Repaid[1]:	N/A	State:	New York

[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.	Our loan growth in 2014 was 7%. Real estate lending grew 8%. We closed $3.1 million in new loans, most of which was kept on our books. Our average loan size was $6,600, which means we also did a lot of small dollar loans and loans for used autos.
☒	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.).	Of the 10 first mortgages, 6 were in our CDFI Investment Area and 2 were for 1st time home buyers. The partnership loan program was not available in 2014. We also made 18 loans to small businesses and minority and women-owned businesses totaling $85,000.
☐	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?

Genesee Co-op FCU had 9.19% net worth at the beginning of 2014. By the end of the year, our net worth decreased to 8.24%, largely due to share growth of 14% and asset growth of 12%, which impacts the net worth ratio. We did not rely on any CDFI grant income in 2014. Our profitability was 0.14%, which is lower than we'd like but was $19,000, which was good for us and $4,000 more than budgeted. Our loan yield continued to decline considerably, from 5.63 to 5.26 due to lower rates and loans paying off, as well as more mortgages in our portfolio. Without the $300,000 CDCI infusion, Genesee Co-op FCU would have been below 7% net worth. With that condition, we would have been preparing a net worth restoration plan and we would have been trying to slow down our growth, therefore not serving our low and moderate-income neighborhoods and trying to meet their need for affordable credit and opportunities for savings. The CDCI helped us continue to grow and focus on lending and financial services instead of being in a mode of retrenchment and no growth.

Our net worth had dropped because of the write-off of losses from our corporate credit union system. Without these losses and the CDCI secondary capital, our net worth at the end of 2014 would have been 7.53% instead of 8.24%. We have been able to withstand these losses directly because of the CDCI investment in our institution. CDCI has made a huge difference for our little community development credit union and its 3400 members: we have new first-time home buyers, people who have established credit or repaired their credit, people with affordable auto financing and people with micro-enterprise and small business loans!

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

With the infusion of CDCI capital, we were able to focus on growing our credit union and increasing our services and lending to our members. We were able to work on accomplishing our strategic business plan and completing our CDFI goals. We were able to continue providing financial counseling to more than 700 people interested in mortgages, micro-enterprise business loans as well as affordable business and auto loans.

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