CDCI

ANNUAL USE OF CAPITAL SURVEY - 2015

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 2015 was 9%. Real estate lending grew 13%. We closed $4.9 million in new loans, most of which was kept on our books. Our average consumer loan was $5,400, 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 26 first mortgages totaling almost $2 million, 18 (69%) were in our CDFI Investment Area and 11 (42%) were for 1st time home buyers. We also made 27 loans to small businesses and minority and women-owned businesses totaling $149,000. 63% of our portfolio is mortgage lending.
☐	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 8.24% net worth at the beginning of 2015. By the end of the year, our net worth decreased to 7.53%, due to unexpected share growth of 22% and asset growth of 21%, which dramatically lowers our net worth ratio. We received close to $750,000 in deposits on the last day of 2015. For a CU of our size, that additional amount in shares/assets, changed our ratio from what would have been 7.86% to 7.53%. Clearly, without the CDCI capital infusion, our financial institution would be in serious financial trouble. Our net worth would be under 7% and we would be facing a net worth restoration plan or the need to be merged.

In 2015, we received a commitment of $150,000 in secondary capital from the National Federation of Community Development Credit Unions and took in half that amount in 2015 and the remainder will be received in 2016. That has also helped our net worth. Because our net worth changes each quarter ($15M, $15.7 M, $16M and $17.9M in each of the four quarters respectively) , the NCUA does permit us to average the four quarters to determine our net worth. In using this method of calculating our net worth, our net worth decreased from 8.61% to 8.34%, which is a decrease of 27 basis points rather than 71. The capital infusion of CDCI funds has been essential to enable us to grow and serve our low-income, CDFI census tracts in the City of Rochester, New York.

We have not relied on any CDFI grant income in 2014 and 2015. Our ROA (return on average assets) was 0.29%, $47,700, which was excellent for us and $37,000 more than budgeted. Our loan yield declined, from 5.26 to 5.10 due to lower rates and loans paying off, as well as our commitment to more mortgages in our portfolio. In the five years of CDCI capital, our loan yield has dropped 154 basis points (23% decrease) and yet we are a profitable CDFI without relying on grant income. The $300,000 CDCI capital infusion helps our credit union avoid being merged due to the losses suffered during the collapse of our corporate credit union system. Our net worth would be 8.60% right now had we not had the write-off losses during the mortgage meltdown that were beyond our control.

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 740 people interested in mortgages, micro-enterprise business loans as well as affordable business and auto loans.

CDCI has made a huge difference for our little community development credit union and our 3500 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!

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