



CDCI ANNUAL USE OF CAPITAL SURVEY - 2015

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Pyramid Federal Credit Union

Person to be contacted regarding this report:	Ray Lancaster
UST Sequence Number:	1417
CPP/CDCI Funds Received:	2,500,000
CPP/CDCI Funds Repaid to Date:	0
Date Funded (first funding):	09/24/2010
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
Credit Union Charter Number: (For Credit Unions)	24826
City:	Tucson
State:	Arizona

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.	Since receiving the CDCI funds, we have been able to grow our loan portfolio from \$46 million to \$102 million. Part of this growth in the earlier years came from mergers and the majority of the last two years came from increased lending efforts.
<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.).	The majority of our loan growth has come in the form of 1st mortgages and auto loans
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	In 2010 and 2011, Tucson experienced a high rate of foreclosures and loan workouts. We used the funds to help increase our reserves and to re-write loans that enabled members to stay in their homes. Lately, we are working with programs offering principal reduction to low-income borrowers.
<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 funds allowed us to continue lending and avoid tightening our lending guidelines or reducing the amount of loan funds that are available.

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

As a result of the CDCI funds, we were able to continue lending in our depressed Tucson market area. Many of these loans went to low-income borrowers.

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