



CDCI ANNUAL USE OF CAPITAL SURVEY - 2015

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Southern Chautauqua Federal Credit Union

Person to be contacted regarding this report:	Anne M. Rich	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	1370	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	1,709,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	9107
Date Funded (first funding):	N/A	City:	Lakewood
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 type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	
<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.).	As a designated low-income community and lack of rapid transit; it is important that the working residents of Chautauqua county have dependable transportation. The awarded funds helped the credit union keep individuals in those vehicles and allowed us to lend to more residents
<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	

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

Southern Chautauqua FCU was able to avoid a significant domino affect in our target market. Underwriting standards would have tightened, which leads to declinations to individuals that finance with us out of necessity; ie: they need a vehicle to get to work because they do not have another way to get to the job or they need to borrow money for an emergency home repair.

The Credit Union was able to maintain an acceptable capital ratio, therefore avoiding further regulatory action.

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

As stated above, The credit union has been able to assist more individuals that may have been declined for financing by loosening the underwriting standards and offering more products for our members to take advantage of as well as providing more community outreach in our target market.

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

Recently, in November 2014, a small community in Brocton, NY found themselves "unbanked" when a Bank announced they were closing their doors. Not more than 20 minutes away is our branch in the community of Westfield. We were interested in placing an ATM in the Brocton area to accommodate our Westfield members when the Mayor of Brocton voiced his concern and within 5 weeks we were able to establish a "full service" 500 sq. ft. branch in the heart of Brocton, providing a membership drive at the local "American Legion" on a Sunday afternoon!

In March 2015, we began offering GPS loans to our members. Installing a GPS in an auto, has allowed 200+ individuals, join our credit union and take advantage of this product, many of the individuals would not have qualified for a loan here or elsewhere. Under this program, many individuals were eligible for a loan, without the need of a co-signer.

Our branch located on the campus of Jamestown Community College has become our second busiest transaction place. Recognizing that the branch is growing more than the walls can hold; we have decided to purchase property down the street from the current location and we are scheduled to open in April 2016.

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.