



CDCI ANNUAL USE OF CAPITAL SURVEY - 2017

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Carter Federal Credit Union

Person to be contacted regarding this report:	Joe Arnold
UST Sequence Number:	1382
CPP/CDCI Funds Received:	6,300,000
CPP/CDCI Funds Repaid to Date:	2,500,000
Date Funded (first funding):	Sep 30, 2010
Date Repaid ¹ :	Feb 6, 2013

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)	9164
City:	Springhill
State:	Louisiana

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.	Our loan to member share ratio is now 130%. We are leveraging the CDCI capital to fullest possible extent that our regulator will allow. The CDCI has allowed us to make approximately \$50 million more in loans than we would have been able to otherwise.
<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.).	We have made considerable strides with strong growth in business lending and residential mortgage loans. Since business loan pose additional credit risk beyond that experienced with our traditional categories such as auto, the additional capital cushion that the CDCI affords is necessary.
<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 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?

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

Credit unions are required to maintain a Net Worth ratio of 7.00% to be considered "Well Capitalized." Prior to the CDCI infusion, Carter's Net Worth ratio was just slightly higher than the 7.00% due to robust growth in member deposits.

The CDCI program allowed for the growth in our balance sheet as a result of increased lending and still maintain our "well-capitalized" position.

Carter FCU was also able to move forward with investments in new initiatives that would hamper earnings growth in the near term. Without the CDCI, management would have likely feared that the short-term impact to earnings of the new projects would cause a reduction in the Net Worth ratio to an undesirable level. The investments in new projects afforded by the CDCI will ultimately prove to make Carter FCU a financially stronger credit union while better serving its members and the communities we call home.

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