OMB Control Number 1505-0222

ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Catskill Hudson Bancorp, Inc.

Person to be contacted regarding this report:	Glenn B. Sutherland President and CEO	RSSD: (For Bank Holding Companies)	3443998
UST Sequence Number:	878	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	6,500,000	FDIC Certificate Number: (For Depository Institutions)	33859
CPP Funds Repaid to Date:	0	City:	Rock Hill
Date Funded (first funding):	Feb 27, 2009	State:	New York
Date Repaid[1]:	N/A		

[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). To answer that question, Treasury is seeking responses that describe generally how the CPP 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 investment was deployed or how many CPP 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 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 funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	Average loans outstanding in February 2009 (month prior to first funding) were $139.2 million and in December 2009 were $158.2 million, an increase of $19.0 million.
☒	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.).	Average commercial loans including commercial mortgage and small business loans increased from $114.9 million in February 2009 to $134.9 in December 2009. Average consumer loans decreased from $21.7 million in February 2009 to $20.2 million in December 2009.
☒	Increase securities purchased (ABS, MBS, etc.).	Average ABS increased from $25.4 million in February 2009 to $41.1 million in December 2009. Average MBS increased from $32.2 million in February 2009 to $34.0 million in December 2009. Average municipals increased from $14.8 million in February 2009 to $22.0 million in December 2009.

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☐	Reduce borrowings	
☒	Increase charge-offs	Charge-offs for 2009 were $1.3 million compared to $.1 million in 2008.
☐	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 funds?

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

The Bank was able to leverage the $3.0 million of CPP funds received on February 27, 2009 to increase average deposits from $210.3 million in February 2009 to $242.1 in December 2009, an increase of $31.8 million. Those deposits were deployed by increasing average loans within the Bank's local targeted market area by $19.0 million and increasing average securities by $24.8 by December 2009. The additional $3.5 million of CPP funds received on December 22, 2009 will be further leveraged in 2010 using the same strategy.

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

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.