



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Community First Bancshares, Inc.

Person to be contacted regarding this report:	Victor M Castro	RSSD: (For Bank Holding Companies)	1140659
UST Sequence Number:	593	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Received:	20,000,000	FDIC Certificate Number: (For Depository Institutions)	1479
CPP Funds Repaid to Date:	0	City:	Union City
Date Funded (first funding):	Mar 20, 2009	State:	Tennessee
Date Repaid ¹ :	N/A		

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). 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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Increased capital from CPP funds and lending capacity in all categories due to capacity/capital ratio limits.
<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.).	Lending for all types of loans was increased because all are based on loan volume/capital guidelines.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	If loan demand did not consume funds provided by the CPP, these funds were used to increase MBS primarily.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Increased capital improved non-performance assets/capital ratios and thus enabled us to move strategically manage these loans and ORE.
<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 funds?

- We avoided reducing limits on loan types that were based on volume/capital ratios.
- We avoided hasty decisions regarding borrower workout plans and liquidation of some ORE parcels.

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

We were able to maintained the size of our institution and have room for modest growth.

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