OMB Control Number 1505-0222

ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Crosstown Holding Company ("CHC")/21st Century Bank ("21st")

Person to be contacted regarding this report:	Jonathan F. Dolphin, President
UST Sequence Number:	456
CPP Funds Received:	10,650,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jan 23, 2009
Date Repaid[1]:	N/A

RSSD: (For Bank Holding Companies)	3304352
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	9751
City:	Loretto
State:	Minnesota

[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.	Original plan: to filter TARP to 21st. The Capital would then be levered at 12 % thru making new loans. Actual: US Bank demanded balance on CHC's credit line--TARP funds were used to satisfy this demand. Without TARP, a large capital dividend would have been required-leading to no lending.
☒	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.).	Despite inability to filter capital to 21st, the bank has still originated a number of new loan transactions based on its ability to organically grow capital thru earnings. SBA 7A Loans, Church Refinancing (2010 primarily for churches), SBA 504 Loans, and Multi-Family loans have been the focus.
☐	Increase securities purchased (ABS, MBS, etc.).	

☐	Make other investments	
☐	Increase reserves for non-performing assets	
☒	Reduce borrowings	Although not the bank's original intent, this was the primary use of the capital. As stated above, US Bank demanded balance upon CHC's reception of the TARP; due to said demand, CHC satisfied its obligation through utilization of the TARP monies.
☐	Increase charge-offs	
☐	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?

Mainly, taking a large dividend from 21st to CHC to satisfy CHC's obligation created by the US Bank demand of loan balance. A large dividend would have reduced capital ratios at the bank-level (reduction to11.50 % Total Risk Based Capital approximately), which likely would have led to limited lending at best.

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

In 2009, Small Business Lending (conventional Building and Business Asset secured, SBA 7A, and SBA 504) and Multi-Family transactions were the primary loans originated. The bank originated approximately $37.5 Million of new loan transactions--$11.5 Million was in the category of Multi-Family; $10.950 Million was in the category of conventional Owner Occupied Commercial Building financing and SBA 504 loans (i.e. loans to Small Businesses); $7.7 Million was in the category of conventional Business Asset secured loans and SBA 7A loans (i.e. loans to small businesses).

Although TARP funds were not directly utilized to bolster capital at the bank-level, which inevitably leads to the ability to make loans, they did help from the standpoint of not requiring the bank to dividend a large amount of capital up to the Holding Company to satisfy the demand of US Bank. As noted above, this dividend would have created a situation where there was no or very limited new loan origination during 2009 and likely 2010.

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

N/A