



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

University Financial Corp, dba Sunrise Community Banks (Affiliates-Franklin Bank, Park Midway Bank, & University Bank)

Person to be contacted regarding this report:	Nichol L. Beckstrand
UST Sequence Number:	1267
CPP Funds Received:	11,926,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jun 19, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	1139103
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Saint Paul
State:	Minnesota

<sup>1</sup>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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Sunrise Community Banks' three subsidiary banks have used the capital infusion to increase lending. As demonstrated by our consolidated monthly CPP lending reports, the collective average loan portfolios have grown 8%, or \$31 million between 5-2009 and 12-2009.
<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.).	Sunrise Community Banks have provided commercial real estate, small business, and affordable housing development loans; a majority in our target market comprised of low and moderate income census tracts. The banks have provided flexible, affordable capital in inner city markets.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	N/A

<input type="checkbox"/>	Make other investments	N/A
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Upon receipt of CPP dollars, the holding company injected capital into each subsidiary bank. The additional capital allowed the banks to adapt to the rapidly changing economic climate and maintain healthy loan loss reserve ratios.
<input checked="" type="checkbox"/>	Reduce borrowings	The holding company paid off a \$1,750,000 in debt.
<input type="checkbox"/>	Increase charge-offs	N/A
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	N/A
<input type="checkbox"/>	Held as non-leveraged increase to total capital	N/A

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

We did not avoid any actions due to 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?

We participated in the same actions we planned for as a company even without the capital infusion of CPP funds.

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

See above