

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

CFBank (subsidiary of parent holding company - Central Federal Corporation)

Point of Contact:	Therese A. Liutkus	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	123	Docket Number: (For Thrift Holding Companies)	H3317
CPP/CDCI Funds Received:	7,225,000	FDIC Certificate Number: (For Depository Institutions)	28263
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	n/a
Date Funded (first funding):	December 05, 2008	City:	Fairlawn
Date Repaid ¹ :	N/A	State:	Ohio

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).

Increase lending or reduce lending less than otherwise would have occurred.

The funds were obtained primarily to support increased lending activities as a result of CFBank's focus and commitment to support personal and business efforts in the communities it serves.

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.).

During 2010 CFBank originated \$100 million in new loans. This consisted of \$81.5 million in residential mortgage loans, \$6.6 million in commercial real estate, \$9.3 in commercial and industrial loans, \$2.1 million in multi-family loans and \$571 thousand in consumer home equity lines of credit.

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Increase securities purchased (ABS, MBS, etc.).

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Empty response box for 'Make other investments.'

Increase reserves for non-performing assets.

Due to the increase in capital as a result of the CPP funds, CFBank was able to continue to provide adequate reserves for non-performing assets while maintaining its well capitalized classification.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

Empty response box for 'Reduce borrowings.'

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Increase charge-offs.

Due to the increase in capital as a result of the CPP funds, CFBank was able to continue to charge-off loans in a timely manner while maintaining its well capitalized classification.

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

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

As a result of the economic recession that began in 2008, CFBank has experienced an increase in losses due to non-performance of borrowers to repay their loans. These losses have eroded the bank's capital to a level that just exceeds the minimum requirements to remain well capitalized. CFBank was able to avoid a lesser capital adequacy classification (such as adequately- or undercapitalized), as a result of receiving the CPP funds.

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

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed answer to the question above.

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

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions undertaken with the capital infusion of CPP/CDCI funds.