

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2010**



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Hope Federal Credit Union

Point of Contact:	Crystal Gray	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1398	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	4,500,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	24829
Date Funded (first funding):	September 17, 2010	City:	Jackson
Date Repaid <sup>1</sup> :	N/A	State:	Mississippi

<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) 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.**

Total loan production for the twelve months ending April 30, 2011 was \$37.2 million, as opposed to \$43 million for the prior 12 months. The \$6 million decline would likely have been closer to \$8 million without the CDCI funds.

**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.).**

\$15.7 million in loans were single family first mortgages averaging less than \$80,000 each and 88% to first time homebuyers. \$13.9 million to individuals for a range of activities including auto purchases, home equity loans and credit improvement.

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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.**

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.

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

In October 2010 Hope Federal Credit Union merged with East Central Federal Credit ( ECFCU). ECFCU had approximately \$3.5 million in assets.

Held as non-leveraged increase to total capital.

In total the CDCI funds increased Hope Federal Credit Union's capital ratio by approximately 4 percentage points. This represents about half of the CDCI funds received.

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

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

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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?**

1. The merger with ECFCU may not have been possible without the CDCI funding.

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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 taken with the capital infusion of CPP/CDCI funds.