

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



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Community Investors Bancorp, Inc.

Point of Contact:	Phillip W. Gerber	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	284	Docket Number: (For Thrift Holding Companies)	H2385
CPP/CDCI Funds Received:	2,600,000	FDIC Certificate Number: (For Depository Institutions)	29705
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Bucyrus
Date Repaid <sup>1</sup> :	N/A	State:	Ohio

<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.**

We have made every effort to increase lending but loan balances continue to decline. Owner-occupied residential mortgage loans have declined as well through the first quarter of 2011. Secondary market mortgage loan originations have decline since the refinance "boom" seems to be over.

**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.).**

There was no increase in lending as there has been no loan demand in our market area. We have refinanced customer loans but very few originations.

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

Excess funds have been used to purchased mortgage -backed securities. The investment portfolio has increased since original funding in 2008.

**X Make other investments.**

There were no other investments made.

**X Increase reserves for non-performing assets.**

The allowance for loan losses has increased substantially since 2008 as classified assets and charge off's have increased as well.

**X Reduce borrowings.**

The additional funding from the CPP allowed the bank to prepay fixed rate advances from FHLB and support the significant penalty incurred. The prepayment of these advances improved the bank's net interest margin and by reducing the cost of funds.

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**X Increase charge-offs.**

Charge off of loan balances has increased due to the current economic climate in our market area. Classified assets increased as well but are slowly declining. The unemployment rate of 12% continues to be well above state and national averages.

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

We did not purchase another financial institution nor do we have plans to do so. We have not purchased any assets from another financial institution nor do we plan to.

**X Held as non-leveraged increase to total capital.**

The preferred stock has been used to support our capital ratio and keep that ratio above board-approved limits.

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

We were able to avoid a capital ratio of below board-approved policy limits while we shrank our balance sheet by prepaying \$21 million FHLB advances. We were also able to avoid the continuing decline of our net interest margin and reduce our cost of funds dramatically. In hind sight we believe we could have weathered the storm in 2009 without the additional capital.

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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?**

We most likely would not have taken the significant penalty to prepay the \$21 million in FHLB advances. Although our balance sheet was reduced, the effect on earnings that fiscal year was significant enough to warrant the additional capital. The additional capital continues to support classified assets and delinquent loans.

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

We were able to modify numerous mortgage, commercial and consumer loans to improve the cash flow of the borrower. We were able to reduce interest rates, forgive accrued interest, waive late charges or take a deed in lieu of foreclosure.