

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Community First Guam Federal Credit Union

Point of Contact:	Scott K. Moylan	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1423	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	2,650,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	15051
Date Funded (first funding):	September 24, 2010	City:	Hagatna
Date Repaid <sup>1</sup> :	N/A	State:	Guam

<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.**  
 Loans (including held for sale) have grown by 8.5% or \$5 million in 2011. Increased military buildup, tourism related activities, and foreign investment, have spurred consumer and business lending on Guam.

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**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 2011, we funded over \$33.9 million in loans, 61% in real estate/construction loans, 27% in business loans and credit lines, and 12% in consumer loans/credit card. Real estate loan sales totaled \$11.7 million.

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

Deposits grew by 33% or \$19.4 million due to large deposits from "high net worth" members at year-end. Idle funds not invested in loans will be invested in U.S. Government agency securities, fed funds sold, time deposits, money market accounts, etc. depending on liquidity.

**Make other investments.**

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

**Reduce borrowings.**

Borrowings have decreased by 13% or \$1.3 million in 2011 and although they shown tremendous growth, we expect some deposit runs 2012. Our intention is to reduce borrowings depending on the level of deposit growth/runs and our overall cost of funds.

**Increase charge-offs.**

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

Empty response area for the first question.

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

Empty response area for the second question.

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

Without the secondary capital, Community First would have been forced to reduce our asset size and loan growth.

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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?**

Without the secondary capital, Community First would have cancelled our trustee & banking services contract with the Federal Management Team, a court appointed (U.S. District Court of Guam) federal receiver for the Government of Guam Department of Mental Health and Substance Abuse. This contract has grown our core deposits by \$7 million in 2011. Additionally, we would have not considered underwriting several large business loans under the USDA guaranteed loan program and several non-conforming real estate mortgage loans. With the secondary capital, we are now able to grow assets by \$28 million, increase lending/investment activities, and still be "well capitalized" per PCA provisions of part 702, NCUA Rules & Regulations.

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

This area is a large, empty rectangular box intended for the respondent to provide a detailed description of any other actions undertaken with the capital infusion of CPP/CDCI funds. The box is currently blank.