



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 30, 2012

Dear CDCI Participant:

The Treasury Department would like to thank you for participating in the Community Development Capital Initiative (CDCI). The Initiative has the objectives of strengthening the financial system by increasing credit to communities underserved by traditional banks and financial service providers. Your participation in this program is vital in these efforts to restore confidence in our financial system and ensure that credit continues to be available to consumers and businesses. As an essential part of restoring confidence, the Treasury Department is committed to determining the effectiveness of all of the programs of the Office of Financial Stability (OFS). One aspect of this evaluation is analyzing the usage of CDCI capital for a more effective understanding of what actions institutions took, or were able to avoid taking, because of CDCI funding.

To this end, the Treasury Department intends to collect and analyze information from a number of sources to gauge the effectiveness of the CDCI, including this annual Use of Capital Survey. The purpose of this survey is to obtain insight into the lending, financial intermediation, and capital building activities of all recipients of government investment through CDCI funds. This survey is designed to capture representative information of CDCI fund usage, without imposing excessive burdens on institutions. This survey will cover how each financial institution has employed the capital infusion of CDCI funds from the date they initially received the funds through the end of 2011. For CDCI participants that had Capital Purchase Program (CPP) funds prior to a CDCI conversion, this survey will cover both their use of CPP funds and any extra CDCI funds from the date of funding for the full year of 2011. Treasury will be pairing your answers to this survey with summary balance sheet and income statement information from your institution's regulatory filings. An example of the template and the 2010 survey results for CPP and CDCI participants can be found at <http://www.treasury.gov/useofcapital/>.

Treasury requires you provide, within 30 days of this request, the following information (all answers should refer to actions taken over the past year or the portion of the last year in which CPP funds were outstanding) in accordance with the terms of the CDCI program:

- (1) Qualitative responses describing the ways in which your institution has utilized CDCI capital. Specifically, please describe whether your institution (a) increased lending or reduced lending less than otherwise would have occurred, (b) increased securities purchased, (c) reduced borrowings, (d) increased reserves for non-performing assets, (e) increased charge-offs, (f) purchased another financial institution or purchased assets from another financial institution, and (g) held CDCI capital as a non-leveraged increase to total capital.
- (2) Descriptions of any other actions that your institution was able to avoid because of the capital infusion of CDCI funds.

- (3) Descriptions of any actions that your institution was able to undertake that it may have not taken without the capital infusion of CDCI funds.

Within your answers, please take all of the questions into consideration, and reference quantitative evidence as necessary or appropriate. In addition, we ask that you preserve all relevant supporting documentation such as budgets, internal email or memoranda, or other documentation regarding your usage of CDCI funds in accordance with your standard operating procedures. We expect you would be able to respond within the electronic format survey limits of 1-2 paragraphs for the specific uses of capital and one-half page for the open-ended questions; however, if your answers exceed the character limit, please feel free to use the space provided in the last question to complete your descriptions.

Treasury intends to publish answers that are collected on both an aggregate and institution. This survey is required in the terms of the CDCI agreement. Treasury will also publish aggregate analytics based on survey responses. This survey is to be submitted by the appropriate senior executive officer to useofcapitalsurvey@treasury.gov. This senior executive officer also must certify that such survey is accurate to the best of his or her knowledge. If you have questions on the survey feel free to send an email to useofcapitalsurvey@treasury.gov and one of our Analysts will reply. Thank you again for your assistance in this effort, and we look forward to working with you on these initiatives.

Regards,



Lorenzo Rasetti
Chief Financial Officer
Office of Financial Stability