

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220



Dear «CPP»

DATE

The Treasury Department would like to thank you for participating in the Capital Purchase Program (CPP). The program has the objectives of stabilizing and strengthening the financial system and increasing credit to our economy. Your participation in this program is vital in these efforts to restore confidence in our financial system and ensure the availability of credit in our economy. 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 CPP capital for a more effective understanding of what actions institutions have taken, or were able to avoid taking, because of CPP funding.

To this end, the Treasury Department intends to collect and analyze information from a number of sources to gauge the effectiveness of the CPP, including this annual Use of Funds Survey. The purpose of this survey is to obtain insight into the lending, financial intermediation, and capital building activities of all recipients of CPP funds. This survey is designed to capture representative information of CPP fund usage, without imposing excessive burdens on institutions. This survey will cover how each financial institution has employed the capital infusion of CPP funds during the previous calendar year. Treasury will be pairing your responses to this survey with summary balance sheet and income statement information from your institution's regulatory filings. An example of the template and previous years' survey results can be found at <http://www.treasury.gov/useofcapital/>.

Treasury requests you provide, within 30 days of this request, the following information (all answers should refer to actions taken over the past calendar year or the portion of the past calendar year in which CPP funds were outstanding):

- (1) Qualitative responses describing the ways in which your institution has utilized CPP 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 CPP 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 CPP funds.
- (3) Descriptions of any actions that your institution was able to undertake that it may have not taken without the capital infusion of CPP funds.

Please take all 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 CPP funds in accordance with your standard operating procedures. We expect you will 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 responses 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 level and will publish the names of any financial institutions that fail to submit a survey response. 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, subject to the requirements and penalties under Title 18, U.S.C., Section 1001. If you have questions, 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