



**CDCI ANNUAL USE OF CAPITAL SURVEY - 2015**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Carver Bancorp, Inc. and Carver Federal Savings Bank

Person to be contacted regarding this report:	Frank Gleeson
UST Sequence Number:	413
CPP/CDCI Funds Received:	18,980,000
CPP/CDCI Funds Repaid to Date:	0
Date Funded (first funding):	Jan 16, 2009
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	H2732
FDIC Certificate Number: (For Depository Institutions)	30394
Credit Union Charter Number: (For Credit Unions)	
City:	New York
State:	New York

<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).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	In November 2014, the Bank was released from a regulatory Cease and Desist order and found to be well-capitalized. At that time, the Bank expanded its lending activities in the low- to moderate-income communities that it serves.
<input checked="" type="checkbox"/>	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.).	Commercial real estate mortgage loans and small business loans.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The Company invested the funds received as equity capital in Carver Federal Savings Bank, where it was invested along with additional leverage of \$15 million, for a total of \$34 million, all of which has been invested in mortgage-backed securities. The proceeds have been reinvested.

<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	
<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

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

There were no actions that Carver was able to avoid because of the capital infusion of CPP and the subsequent conversion to CDCI funds.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The capital infusion of CPP funds, and subsequent conversion to CDCI funds, provided the Company with an adequate level of capital to enable the Company to raise additional capital in order to comply with a regulatory Cease and Desist Order. The additional capital was received in June 2011.

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

The conversion of the CDCI funds to common equity in October 2011 further strengthened the Company's capital position and enabled it to meet stock exchange listing standards.