



CDCI ANNUAL USE OF CAPITAL SURVEY - 2016

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Carver Bancorp, Inc. and Carver Federal Savings Bank

Person to be contacted regarding this report:	Christina Maier, CFO
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 ¹ :	N/A

RSSD: (For Bank Holding Companies)	268677
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	30394
Credit Union Charter Number: (For Credit Unions)	
City:	New York City
State:	New York

¹If 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 type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	
<input 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.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<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 checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	In February 2010, Carver converted its CPP preferred stock into CDCI Series B preferred stock. In October 2011, the Series B preferred stock was exchanged for the shares of common stock currently held by the Treasury.

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

Due to extreme loan growth in its CRE portfolio and a BSA program that needed improvement, Carver was forced to enter into a Formal Agreement May 2016 with its primary regulator, the OCC. As a result of that sanction, the OCC also imposed individual Minimum Capital Ratios ("IMCRs") requirements upon the Bank. The IMCRs are 9% for the Tier 1 Leverage Ratio and 12% for the Total Risk-Based Capital Ratio. During 2016, Carver was able to meet both of those requirements. However, a recalculation of the ratios excluding the \$19 million of CDCI funds from our Tier 1 capital shows that the Bank would not have been able to meet the IMCRs without the CDCI funds. The CDCI capital infusion helped the Bank avoid further regulatory scrutiny - possibly further regulatory sanctions.

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

The Company, an SEC registrant, was able to continue to meet its stock exchange listing requirements.

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

None.