



CDCI ANNUAL USE OF CAPITAL SURVEY - 2016

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

DC Federal Credit Union

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| Person to be contacted regarding this report: | Thomas Culhane |
| UST Sequence Number: | 1430 |
| CPP/CDCI Funds Received: | 1,522,000 |
| CPP/CDCI Funds Repaid to Date: | 1,022,000 |
| Date Funded (first funding): | 09/29/2010 |
| Date Repaid ¹ : | 12/30/2016 |

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| RSSD: (For Bank Holding Companies) | |
| Holding Company Docket Number: (For Thrift Holding Companies) | |
| FDIC Certificate Number: (For Depository Institutions) | |
| Credit Union Charter Number: (For Credit Unions) | 16411 |
| City: | Washington |
| State: | District of Columbia |

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).

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| <input checked="" type="checkbox"/> | Increase lending or reduce lending less than otherwise would have occurred. | The funds were intended to support an increase in mortgage lending. The mortgage loan portfolio increased 57% from prior year end. |
| <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.). | Mortgage loan portfolio increased 57% - consumer loan portfolio increased 5%. |
| <input type="checkbox"/> | Increase securities purchased (ABS, MBS, etc.). | |

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| <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?

Without the infusion of capital we would have restricted deposit accumulation in order to maintain capital levels. This has permitted us to maintain staffing levels at the prior year's level.

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

We had targeted these funds as a long term investment that would be used to support the growth of our mortgage loan portfolio. We have observed mortgage loan growth of 57% over the past year and 223% over the past two years.

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

DC Federal Credit Union has been successful in enhancing its capital strength and serving our communities by making credit available to 11,000. The productive use of CDCI funds is one of the tools that we have found helpful for our accomplishments of these objectives.