



CDCI ANNUAL USE OF CAPITAL SURVEY - 2015

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

North Side Community Federal Credit Union

Person to be contacted regarding this report:	Sarah Marshall	RSSD: (For Bank Holding Companies)	
UST Sequence Number:	1387	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	325,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	21550
Date Funded (first funding):	Sep 29, 2010	City:	Chicago
Date Repaid ¹ :	N/A	State:	Illinois

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 checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	In 2015, the credit union was able to significantly increase loan origination. The credit union was able to increase lending to \$2.7 million in new consumer loan disbursements, a number not seen since before the economic crisis. CDCI capital allowed North Side to maintain this growth.
<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.).	The credit union largely supported loans that helped borrowers refinance out of other predatory debt. These loans were mostly in the small dollar, unsecured personal loan, and auto loan portfolios.
<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 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?

DCI funds allowed the credit union to continue to grow the loan portfolio at a rate higher than its average. If North Side had not received these funds, it would have been difficult for the credit union to avoid falling into a net worth restoration plan with the NCUA. North Side ended 2015 with a net worth ratio of approximately 7.4%, above the NCUA requirement of 7%. Without the assistance of the CDCI funds, the credit union would have been in riskier net worth position.

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

The capital funds allowed the credit union to create a more accessible auto loan refinance program, originating loans at competitive interest rates and enabling the credit union to refinance borrowers that are higher risk at fair rates. In 2015, the credit union was able to add an additional \$500,000 in auto loans to the portfolio because the CDCI capital allowed the credit union to support such growth.

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