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Treasury Provides Funding to Bolster Healthy, Local Banks

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U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Provides Funding to Bolster Healthy, Local Banks

1/27/2009

TG-03

Capital Purchase Program Funds 23 Banks to Help Meet Lending Needs of Local Consumers, Businesses

WASHINGTON - The U.S. Treasury Department today announced investments of approximately \$386 million in 23 banks across the nation as part of its Capital Purchase Program (CPP), a means to directly infuse capital into healthy, viable banks with the goal of increasing the flow of financing available to small businesses and consumers. **With additional capital, banks** are better able to meet the lending needs of their customers, and businesses have greater access to the credit that they need to keep operating and growing.

Since its inception in October 2008, Treasury has strengthened regional, small and large financial institutions as well as Community Development Financial Institutions through total CPP investments of \$194.2 billion in 317 institutions in 43 states and Puerto Rico. To date, the largest investment was \$25 billion and the smallest investment was approximately \$1 million.

Among the most recent banks to receive Treasury funding through the CPP is the United Labor Bank, which provides cash management services to unions, multi-family lending and small commercial real estate loans throughout California.

"With the addition of this capital, we will expand our branch network from five branches to seven or eight in the Pacific Northwest. We also plan to expand our lending platform with the addition of residential loan products. Our lending goals for the 2009 business year will exceed \$50 million of new loan growth," said Malcolm Hotchkiss, President and Chief Executive Officer, First ULB Corp and United Labor Bank.

Under the CPP, Treasury is purchasing up to a total of \$250 billion of senior preferred shares from viable U.S. financial institutions such as those announced today. Institutions that participate in the CPP must comply with restrictions on executive compensation during the period that Treasury holds equity issued through the CPP and agree to limitations on dividends and stock repurchases. Banks participating in the CPP will pay the Treasury a five percent dividend on senior preferred shares for the first five years following the investment and a rate of nine percent per year thereafter. Banks may repay Treasury under the conditions established in the purchase agreements, and Treasury may sell these shares when market conditions stabilize. Further information about the terms of the program, including weekly transactions, can be found at <http://www.treas.gov/initiatives/eesa/>.

The following is a complete list of banks receiving funding on January 23, 2009:

Arkansas	
Liberty Bancshares, Inc.	\$57,500,000
California	
California Oaks State Bank	\$3,300,000
Calwest Bancorp/South County Bank	\$4,656,000
Commonwealth Business Bank	\$7,701,000
First ULB Corp.	\$4,900,000
Fresno First Bank	\$1,968,000

Delaware	
WSFS Financial Corporation	\$52,625,000
Florida	
Alarion Financial Services, Inc.	\$6,514,000
Seaside National Bank & Trust	\$5,677,000
Illinois	
Midland States Bancorp, Inc.	\$10,189,000
Princeton National Bancorp, Inc.	\$25,083,000
Southern Illinois Bancorp, Inc.	\$5,000,000
Indiana	
1st Source Corporation	\$111,000,000
Louisiana	
FPB Financial Corp	\$3,240,000
Minnesota	
Crosstown Holding Company/21st Century Bank	\$10,650,000
Missouri	
Calvert Financial Corporation	\$1,037,000
Mississippi	
BankFirst Capital Corporation	\$15,500,000
North Carolina	
AB&T Financial Corporation	\$3,500,000
Ohio	
First Citizens Banc Corp	\$23,184,000
Pennsylvania	
Stonebridge Financial Corp.	\$10,973,000

Tennessee	
Moscow Bancshares, Inc.	\$6,216,000
Virginia	
Farmers Bank	\$8,752,000
Washington	
Pierce County Bancorp	\$6,800,000

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REPORTS

- [Transaction Report \(1/27/2009\)](#) 