



Yale SCHOOL OF MANAGEMENT  
*Program on Financial Stability*

## EliScholar – A Digital Platform for Scholarly Publishing at Yale

---

YPFS Resource Library

---

2011

### **Buffalo Cooperative Federal Credit Union 2011 Capital Survey**

United States: Department of the Treasury

<https://elischolar.library.yale.edu/ypfs-documents/8693>

---

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact [ypfs@yale.edu](mailto:ypfs@yale.edu).

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

Point of Contact:	Brian Barrington	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1395	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	145,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	23495
Date Funded (first funding):	September 30, 2010	City:	Buffalo
Date Repaid <sup>1</sup> :	N/A	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).**

**Increase lending or reduce lending less than otherwise would have occurred.**

CDCI capital made possible increased lending through less restrictive underwriting standards which did not materially increase credit risk or interest rate risk.

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

**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.).**

Increase in real estate loans held in portfolio. The BCFCU retains fixed rate and variable rate real estate loans with maturities of fifteen years or less. Most mortgage amounts are of an amount which mainstream financial institutions avoid underwriting.

**Increase securities purchased (ABS, MBS, etc.).**

**Make other investments.**

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

**Increase reserves for non-performing assets.**

Empty response area for 'Increase reserves for non-performing assets.'

**Reduce borrowings.**

Empty response area for 'Reduce borrowings.'

**Increase charge-offs.**

Empty response area for 'Increase charge-offs.'

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

Purchase another financial institution or purchase assets from another financial institution.

Held as non-leveraged increase to total capital.

CDCI capital has made asset growth possible. Asset growth has in turn made it possible to increase membership and thereby increase lending volume. The additional revenue from lending will help support the service structure our membership needs.

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

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

CDCI capital has allowed the BCFCU to avoid the restrictions which might accompany Prompt Corrective Action under NCUA regulations. The BCFCU has been able to undertake initiatives outlined in its strategic plan which will enhance its chances of long term viability. Under Prompt Corrective Action, restrictions could include the introduction of new services, limits on dividend payments, and limits on asset growth.

## CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

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

The acquisition of CDCI capital has made it possible for the BCFCU to adhere to its business plan which is structured to meet the needs of its community. The business plan incorporates the introduction of new services as a means of meeting additional member needs and promoting member retention. To this end, in March 2011, the BCFCU introduced a bill pay service to complement its existing home banking service. These services are offered free to the membership. In April 2011, our hours of operation were expanded. These changes were made possible because asset growth funded by CDCI capital lowered our ratio of operating expenses to average assets.

**CDCI ANNUAL USE OF CAPITAL SURVEY - 2011**



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Buffalo Cooperative FCU

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

This area is a large, empty rectangular box intended for the respondent to provide a detailed description of any other actions undertaken with the capital infusion of CPP/CDCI funds. The box is currently blank.