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Carver Bancorp 2011 Capital Survey

United States: Department of the Treasury

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CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Carver Bancorp, Inc. and Carver Federal Savings Bank

Point of Contact:	Mr. David Toner	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	413	Docket Number: (For Thrift Holding Companies)	H2732
CPP/CDCI Funds Received:	18,980,000	FDIC Certificate Number: (For Depository Institutions)	30394
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 16, 2009	City:	New York
Date Repaid ¹ :	N/A	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).

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

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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 securities purchased (ABS, MBS, etc.).

The Company invested the funds received as equity capital in Carver Federal Savings Bank where it was invested along with additional leverage of \$15 million, for a total of \$34 million, all of which was invested in mortgage-backed securities. The proceeds received have been reinvested.

Make other investments.

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Increase reserves for non-performing assets.

Empty response box for "Increase reserves for non-performing assets."

Reduce borrowings.

Empty response box for "Reduce borrowings."

Increase charge-offs.

Empty response box for "Increase charge-offs."

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

Empty response area for the first question.

Held as non-leveraged increase to total capital.

Empty response area for the second question.

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

There were no actions that the institution was able to avoid because of the capital infusion of CPP and the subsequent conversion to CDCI funds.

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

Receipt of the CPP and subsequent conversion to CDCI funds provided the Company with an adequate level of capital to allow the Company time to raise additional capital in order to comply with a regulatory Cease and Desist Order. The additional capital was received in June 2011.

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

The conversion of the CDCI funds to common equity in October 2011 further strengthened the Company's capital position and enabled the Company to meet stock exchange listing requirements.