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North Side Community Federal Credit Union 2013 Capital Survey

United States: Department of the Treasury

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CDCI ANNUAL USE OF CAPITAL SURVEY - 2013



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.	During 2013, the credit union was able to maintain steady loan growth. The loan portfolio increased by 6.9% from 2012, and ended the year with a total of \$4,501,037 in loans on the books. The capital from CDCI enabled the credit union to support 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.).	Major loan types in 2013 included residential mortgages, credit card, small business, and other consumer loans such as personal, auto, and secured. North Side has a high percentage of loans written to low-to-moderate income members, most as an alternative to predatory lenders.
<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 checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	In December 2013, total assets were \$9,785,735. Although a slight decrease in assets from 2012, CDCI secondary capital allowed North Side to maintain an acceptable net worth ratio of 7.4%.

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

CDCI funds allowed the credit union to continue to grow the loan portfolio at a rate higher than 2013 peer 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 2013 with a net worth ratio of 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?

CDCI funds enabled the credit union to continue expanding our small business lending portfolio, and increase consumer loans in all categories. As previously mentioned, the overall loan portfolio of the credit union increased by 6.9% in 2013.

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

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.