



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

(Holding Company) Community Investors Bancorp Inc. (Bank) First Federal Community Bank-Bucyrus, OH

Person to be contacted regarding this report:	Phillip W. Gerber-CEO
CPP Funds Received:	\$2,600,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/23/2008
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	2385
FDIC Certificate Number: (For Depository Institutions)	29705
City:	Bucyrus
State:	Ohio

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). To answer that question, Treasury is seeking responses that describe generally how the CPP 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 investment was deployed or how many CPP 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 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 funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	We made every effort to lend responsibly in our market area (Crawford County, OH). Loan demand is weak due to the nearly 17% unemployment rate. We were the leader in the area for mortgage lending during 2009, but our loan balances still decreased with repayments exceeding new loans.
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<input type="checkbox"/>	<p>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.).</p>	
<input type="checkbox"/>	<p>Increase securities purchased (ABS, MBS, etc.).</p>	
<input type="checkbox"/>	<p>Make other investments</p>	
<input checked="" type="checkbox"/>	<p>Increase reserves for non-performing assets</p>	<p>Our Allowance for Loan Loss has increased from .9% of loans to about 1.6% of loans. That is an increase of \$687,000.</p>

<input checked="" type="checkbox"/> Reduce borrowings	We repaid \$21 million in FHLB advances with fixed-rate interest rates in excess of 6%. Prepaying these advances cost us less in penalties than the remaining interest to maturity. It also allowed us to reduce our cost of funds by 75bp and thus be more competitive in setting new loan rates.
<input checked="" type="checkbox"/> Increase charge-offs	We wrote down two investments, which had fallen to non-investment grade status, to market value. This resulted in a large charge to earnings. Since the writedown, both investments have recovered much of their value, have been sold and we have recouped most of the losses taken.
<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 funds?

Our Board had set a minimum capital level of 7.5%. The OTS, our primary regulator, wanted to see the minimum level raised to 8.0%. By increasing our capital through the CPP funds we raised our capital levels well above both the Board-imposed and OTS minimum levels. Absent the funds from CPP, our capital levels may have fallen to less than 7.5% which would likely have caused the OTS to downgrade the capital component of our CAMELS rating. Our Core Capital Ratio raised from 7.64% at 9/30/08 before the CPP infusion to 9.36% at 12/31/08 right after the funds were received to 9.84% at 12/31/09 after the above actions were taken to leverage these funds.

We were also able to avoid being more aggressive on foreclosures and delinquent borrowers. The capital provided by the program allowed us to work with borrowers in modifying loan terms, accommodating deeds in lieu of foreclosure and generally working with our borrowers patiently through these difficult times while continuing to carry them as classified assets.

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

Without the additional capital support provided by the CPP funds, the senior management team and the Board would have been reluctant to incur the \$833,000 charge to income required to prepay the \$21 million in 6%+ fixed rate advances. This allowed us to reposition our balance sheet to rely less on borrowed funds and more on deposits for our funding needs. It also reduced our cost of funds by 75 basis points immediately and improved our net interest margin by 120bp over the year. This allowed us to be more competitive in setting our loan rates going forward. In addition, we lowered our assets with the repayment of advances resulting in higher capital levels going forward, which should allow us to begin to repay the CPP funds as soon as possible and as permitted by the OTS.

We added \$687,000 to loan loss reserves during 2009. Without the capital provided by this program, we would have been less aggressive in setting our loan loss reserves closer to the minimum level provided in our Allowance for Loan Loss model.

With the additional capital, the non-investment grade investments would have been sold when we took the writedowns to avoid potential further writedowns on the same investments and to remove classified assets from our balance sheet. The capital support provided by the CPP funds allowed us to hold the investments as classified assets until they recovered much of their losses.

Through all of the above actions, we have restored profitability. During the second half of 2009, we were able to generate net income of \$427,000, which has allowed us to initiate a new mortgage lending program which would not have been possible otherwise.

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