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March 3, 2009

Mr. Neil M. Barofsky
Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., N.W.
Suite 1064
Washington, D.C. 20220

VIA Electronic Delivery
SIGTARP.response@do.treas.gov
VIA FedEx (Original)

RE: Response to Office of the Special Inspector General – Troubled Asset Relief Program Inquiry
Dated February 6, 2009

Dear Mr. Barofsky:

In response to your inquiry dated February 6, 2009 regarding Community Trust Financial Corporation's acceptance and use of Capital Purchase Program funds under the Troubled Asset Relief Program, please note the following:

Reference numbers coincide with paragraph references included in your correspondence, as identified above.

(1)(a) On January 9, 2009, Community Trust Financial Corporation ("Company") accepted funds under the Capital Purchase Program of the Troubled Asset Relief Program for the specific purpose of permitting the Company to continue its past practice of extending credit to individuals, small businesses, commercial corporations and local governmental entities. The Company believes this objective to be consistent with the intent of the legislation.

(1)(b) The Company, upon receipt of the Capital Purchase Program funds, immediately invested said funds into its wholly-owned subsidiary, Community Trust Bank of Choudrant, Louisiana ("Bank") in the form of Tier 1 Capital for the purpose of capitalizing future extensions of credit as referenced in item (1)(a) above. The Company appropriately recorded the amount received, including the related exercised warrants, as cumulative preferred stock, separate from any other equity classification. The Bank recorded the funds received from the Company as additional paid in capital, comingled with existing additional paid in capital. Hence, at the Bank level, the funds were not, and are not, accounted for separately.

(1)(c) Consistent with the purpose stated above in item (1)(a), the Bank has continued its past practice of extending credit to existing and new customers. For the thirty-one calendar day period ended January 31, 2009, the Bank, net of any loan payoffs, charge-offs and pay-downs, increased its loan portfolio by \$4.6 million or .65% over the portfolio balance as of December 31, 2008.

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(1)(d) It is the intention of both the Company and the Bank to continue to use the proceeds of the Capital Purchase Program, as Tier 1 Capital, to support additional expansion of its loan portfolio and service the credit needs of its current and future customers.

b(4) [REDACTED]

At January 31, 2009, the Bank's loan-to-deposit ratio was 92% and is expected to remain at this level, or higher, throughout the year. Towards this effort, the Bank will seek new loan and deposit customers in both existing and new markets. Had the Company not attained the funds under the Capital Purchase Program, the above referenced loan growth would not be permitted under the regulatory capital standards that existed at the time of the application and to which remain in effect today.

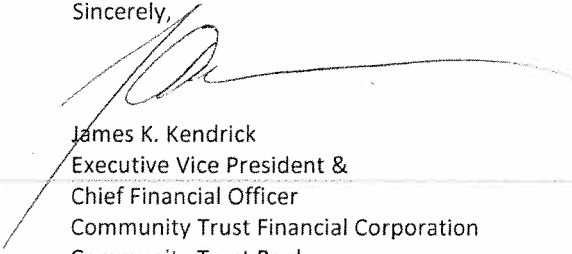
(2) The Company and the Bank are in full compliance with the executive compensation and other requirements of the Capital Purchase Program agreed upon when the Program funds were received. As of the date of this response, the criteria and stipulations related to limitations on executive compensation and other requirements of the Capital Purchase Program are changing, driven by new laws enacted by the United States Congress and Office of the President. The newly enacted legislation supersedes these prior requirements. The Company requires legal clarity as the definition, extent and nature of the new requirements. Accordingly, we respectfully request additional time to obtain this clarity before formally responding to this section of your request.

However, the Board of Directors will carry out the responsibilities of the Board Compensation Committee as directed by Section 7001(c) of the American Recovery and Reinvestment Act.

Should you have any questions regarding the above response, you may contact me at your convenience via telephone at (b) (6) or via email at (b) (6)

I hereby certify the accuracy of all statements, representations, and supporting information submitted within this correspondence.

Sincerely,


James K. Kendrick
Executive Vice President &
Chief Financial Officer
Community Trust Financial Corporation
Community Trust Bank

c: Mr. Drake Mills
President and Chief Executive Officer
Community Trust Financial Corporation

Board of Directors
Community Trust Financial Corporation

Board of Directors
Community Trust Bank