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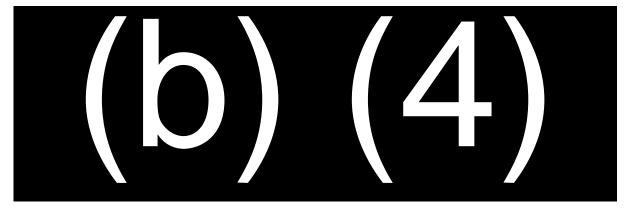
March 2, 2009

Special Inspector General – TARP 1500 Pennsylvania Avenue, NW Suite 1064 Washington, D.C. 20220

In response to your request we wish to provide the following information:

(1.)

- a. We anticipate to downstream approximately \$3,000,000.00 of TARP Funds in the first week of March 2009 to boost capital levels to support continued small business and consumer lending.
- b. The TARP Funds were initially deposited at the Holding Company level until such time it was determined to downstream those funds to the bank.
- c. The actual use of TARP Funds will begin to be realized as funds are down streamed to the bank beginning this month. The bank will segregate its use of TARP Funds in the various lending and investment vehicles to provide supporting information for the use of these funds.
- d. Due to our continued growth rates we anticipate using all or most of the TARP Funds for lending opportunities in our communities.
- (2.) The Board of Directors met on February 19, 2009 in an Executive Session to address executive compensation. The Board of Directors reviewed the Treasury's guidelines for executive compensation. The Board of Directors took the following action:



The Bank will segregate for reporting purposes its use of TARP Funds to provide more data to support the uses of TARP.

If you have any further questions regarding our response I can be contacted at (b) (6)

We certify the accuracy of all statements, representatives, and supporting information provided, subject to the requirements and penalties set forth in Title 18, United States Code, Section 101.

Very truly yours,

Jack H. Goldstein Chairman and CEO NBRS Financial Bank

Cc: Board of Directors