



A Better Way To Bank

March 6, 2009

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

Dear Mr. Barofsky:

Thank you for your letter of February 6th. In response to your request we offer the following information:

(1) (a) BankFirst anticipates using the TARP funds we received to support loan growth in the service areas our institution serves.

(b) Currently, our TARP funds are segregated from our other institutional funds.

(c) The funds are being held in BankFirst Capital Corporation in anticipation of being pushed down to the bank in order to maintain the bank's well-capitalized standing as our asset growth dictates. (b) (4)

(b) (4)

(b) (4) Due to capital constraints, prior to receiving the TARP funds, BankFirst had informed its lending officers that loan portfolio reduction was needed and that they were not to be actively seeking new loans or expansions of credit to existing customers. Due to the receipt of the TARP money on January 23, 2009, BankFirst is now able to actively engage in soliciting new loans. The bank has offered to extend new credit or increase credit to borrowers in an amount of over \$9,000,000.00 since January 23rd of this year. These actions would not have been possible with the availability of TARP funds.

(d) BankFirst expects to use the TARP funds in the future to continue to support asset growth in all of our markets.

(2)

(b) (4)

(b) (4) As the details become more fully developed, BankFirst will implement plans to ensure that it complies with all aspects of the executive compensation guidelines. The Bank is in compliance with the executive compensation requirements of the stock purchase agreement.

I hereby certify that all statements, representations, and supporting information are accurate. If you have any further questions please contact me at (662) 726-4200.

Sincerely,

Jerry T. Wilson
President & Chief Executive Officer

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