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An Overview of US CDFIs And Their Approach to Capitalization

International Housing Partnership
Partnership Alternative Capital Forum

October 7, 2014



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US Community Development Financial Institutions



200+ Reporting CDFIs
by OFN

808 CDFIs Certified by
the Us Department of
the Treasury

Thousands of Financial
Institutions Serving Low
Income in the US

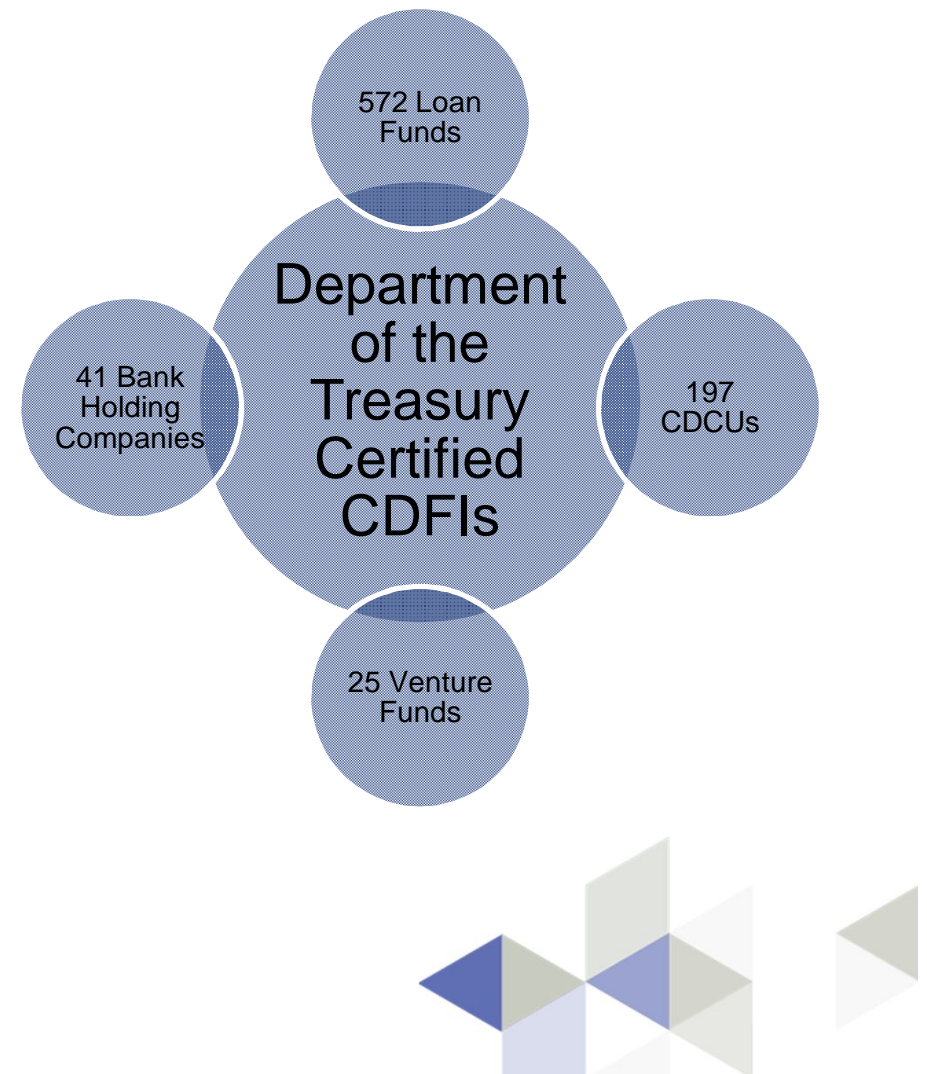




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Statutory Requirements for Treasury Department Certified CDFIs

1. Legally organized with **community development mission**
2. Serve investment area or **targeted** population
3. Be a depository institution or **make loans** or development investments as a predominant business activity
4. Provide **development services** in **conjunction** with financing activity
5. Maintain **accountability** to its target area
6. Be a **non-governmental** entity and not controlled by non-governmental entity





OFN Membership Statistical Highlights 2012

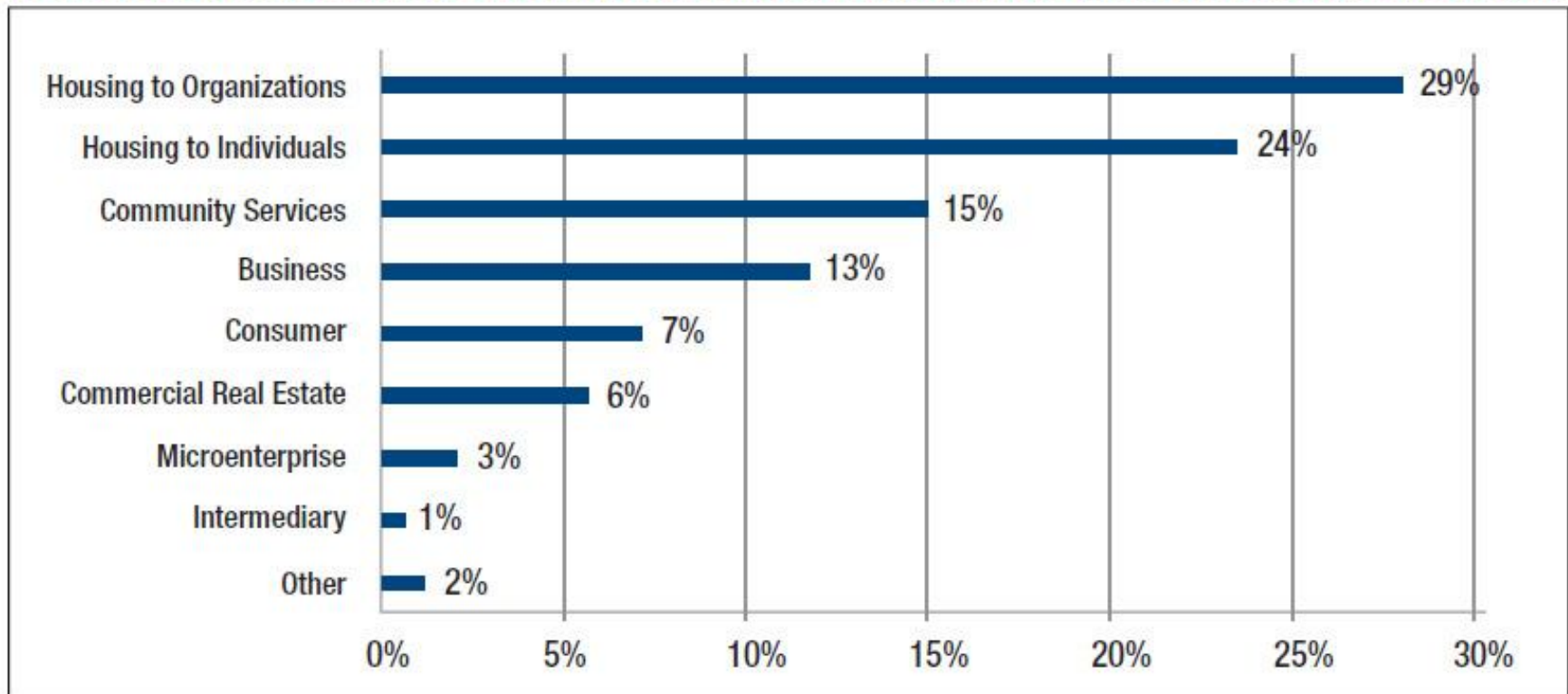
KEY FY 2012 STATISTICS

FINANCING		
Total Cumulative Financing since Inception	\$33,336,820,532 ³	highlight
Total 2012 Financing	\$2,662,046,757	
Total 2012 Financing Outstanding	\$6,650,660,000	
Weighted Average Deployment (without Commitments)	71%	
Weighted Average Interest Rate of Loans	6.2%	highlight
PORTFOLIO QUALITY⁴		
Weighted Average Delinquency Rate > 90 Days (12 Months for Credit Unions)	2.4% ¹	
Weighted Average Delinquency Rate > 30 Days (2 Months for Credit Unions)	4.6% ¹	
Weighted Average Net Charge-off Rate	1.1%	highlight
Weighted Average Loan Loss Reserves	5.4%	
Weighted Average Cumulative Loan Loss Rate	1.7%	
OPERATIONS		
Total Assets	\$11,036,356,081	highlight
Weighted Average Equity / Total Assets	36% ⁵	highlight
Weighted Average Interest Rate of Borrowed Funds	2.6%	
Average Staff (Full-time Equivalent Employees)	34	
Average Year Began Financing	1999	



OFN Membership Statistical Highlights 2012

FY 2012 DOLLAR AMOUNT OF LOANS AND INVESTMENTS OUTSTANDING BY SECTOR, ALL LOAN FUNDS, CREDIT UNIONS, & VENTURE FUNDS⁶





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OFN Membership Statistical Highlights 2012

CUMULATIVE OUTCOMES THROUGH FY 2012

	Total
Total Cumulative Financing since Inception	\$33,336,820,532
Housing Units Developed or Rehabilitated	961,909
Number of Businesses and Microenterprises Financed	93,847
Number of Jobs Created or Maintained	597,011





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OFN Membership Statistical Highlights 2012

AVERAGE % OF CLIENTS SERVED

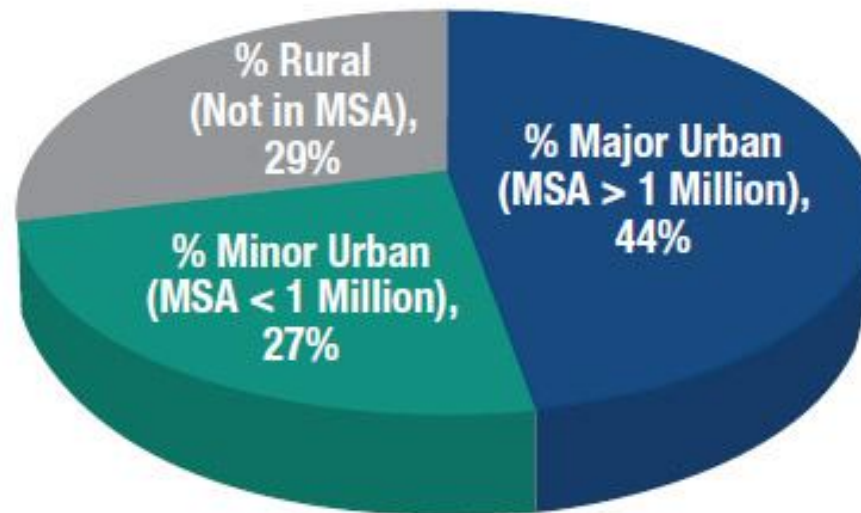
Low-Income	74%
Minority	61%
Female	48%





OFN Membership Statistical Highlights 2012

GEOGRAPHIC BREAKDOWN OF CLIENTS SERVED (AVERAGE PER CDFI)



Capital Impact Partners' Mission

CREATING HEALTHY, VIBRANT COMMUNITIES

Providing capital and capabilities to help people and communities reach their highest potential at every stage of life.





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Capital Impact Partners

30 year old CDFI With Headquarters in Washington, DC area and operating nationally

90 employees

Focus on financing affordable housing, health care facilities, educational facilities, healthy food retail and wholesale and a variety of enterprises for adults 50+.

Summary Financial Data

\$ _____ Assets

\$ _____ Net Assets

\$ _____ Unrestricted Net Assets

\$907 million Loan Portfolio





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35,415

units of homeownership
or other in-demand housing

150

homes allowing



THE
GREEN HOUSE
PROJECT

1,579

frail elders the
opportunity to
age with dignity



**\$630.6
MILLION**



for **education facilities**
creating **213,404**
more school seats



**\$715
MILLION**

for community health
centers serving
1,775,000
patients annually

123 active Village organizations
providing the opportunity for over



30,000

older adults to
successfully age
in the community

31,212 JOBS





CDFI Capitalization





Sources of Capital

Federal Government

CDFI
NMTC
LIHTC
FHLB

Foundations

Grants
Program Related
Investments
MRIs

Financial Institutions

Banks
Insurance
Companies
Pension Funds





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Federal Programs of Note

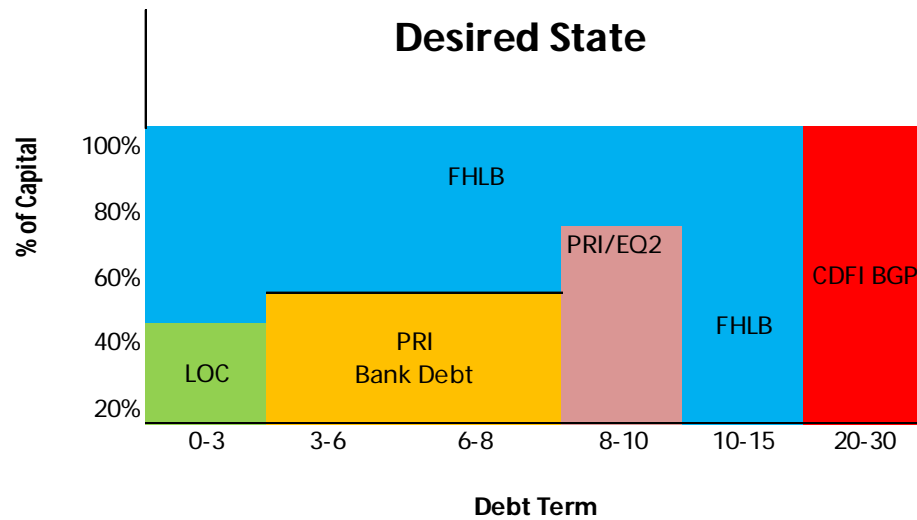
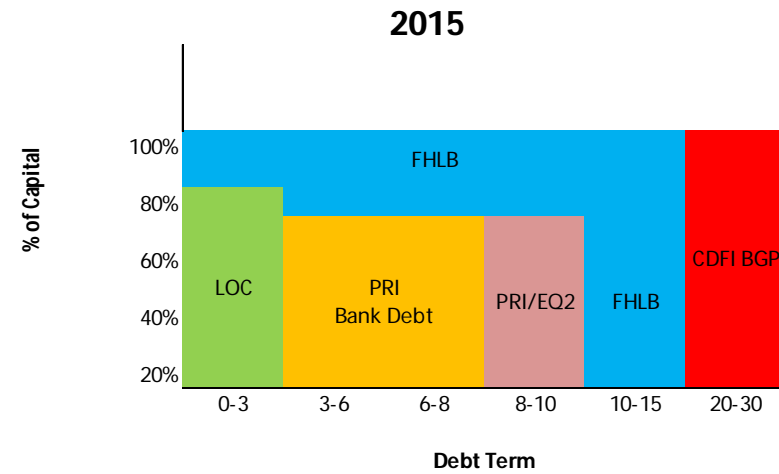
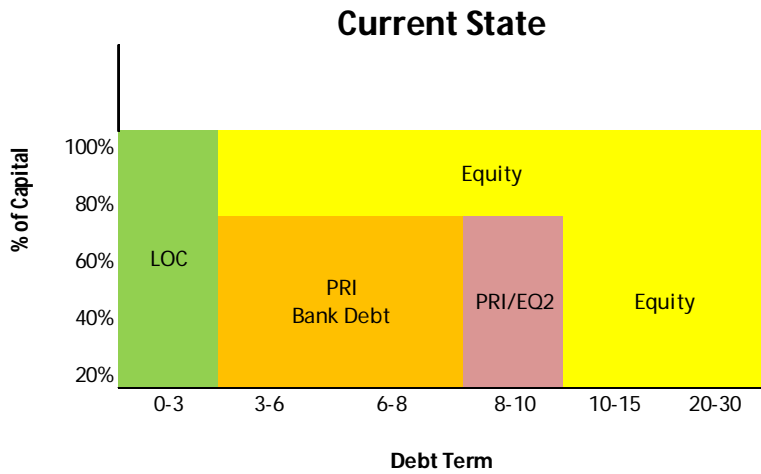
New Markets Tax Credits – Since **2001 \$40 billion** in NMTC awards. Authorization now **expired** & legislation introduced to extend. President's BY 2015 budget proposes to permanently extend the NMTC program with a \$5 billion annual allocation.

CDFI Bond Program – Enacted through Small Business Jobs Act of 2010 to provide long-term, fixed rate capital. Program is a federal credit subsidy program and all bond proceeds are debt instruments that must be repaid (program includes **no federal subsidy** so designed to function at no cost to taxpayers). In the program qualified issuers issue bonds with a minimum value of \$100 million. **Federal Financing Bank is sole purchaser**. CDFIs borrow capital from qualified issuers. To date, the Treasury Department has guaranteed **\$325 million** in bonds, has authority to award up to **\$750 million** and President's 2015 budget proposed to extend program through 2015 with \$1 billion of additional authority.

Federal Home Loan Bank -- With passage of Housing & Economic Recovery Act of 2010, **CDFIs eligible for membership** in the Federal Home Loan Bank System (Cooperative consisting of 12 Federal Home Loan Banks owned by member financial institutions) providing advances, credit products, dividends and other member services



Capital Impact Partners Capitalization



Graphs are illustrative and for discussion use only



A nighttime photograph of a city skyline, likely Chicago, with several prominent skyscrapers illuminated. The lights from the buildings are reflected in a body of water in the foreground. The sky is a deep blue, and the overall scene is serene. The text is overlaid on the image.

www.capitalimpact.org

Thank you