



2007 Annual Development Banking Conference
November 6-7, 2007

Development Impact at CDFI Banks
1:30 pm – 2:45 pm

Moderator: Joe Schmidt
Fund Advisor, NCIF

Panelists: Randy Chambers
Treasurer, Latino Community Credit Union
Kathryn Clay
Vice President & Community Consultant, PNC Bank
Bob McGill
CEO, Neighborhood National Bank, CA

November 6, 2007 www.ncif.org

2007 Annual Development Banking Conference
November 6-7, 2007

**Development Impact at NCIF:
Investee Impact & Social Performance
Metrics**

November 6, 2007

Joe Schmidt

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Outline

- National Community Investment Fund – an Overview
- Development Impact of NCIF Investees
 - Fiscal Year 2006
 - Aggregate
- NCIF Social Performance Measurement
 - Research Objectives
 - CDFI Banks in a larger Context
- Raising Investment using NCIF Social Performance Measurement
 - Deposit Allocation Methodology – A Starting Point
 - Menu of Options
 - Three Examples
- Next Steps
- Contacts

National Community Investment Fund

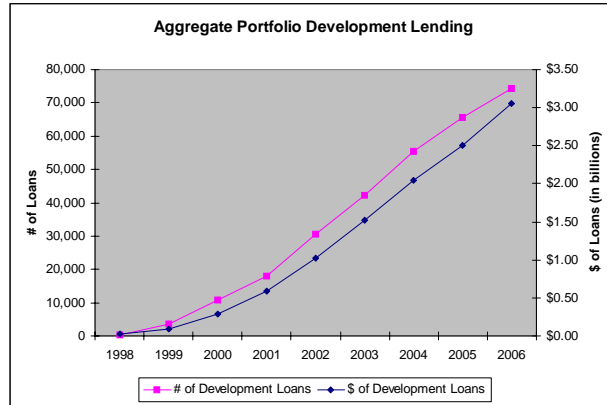
- National Community Investment Fund (NCIF) – since 1996
 - Nonprofit trust, private equity fund, certified CDFI
 - Third largest private equity investor in CDFIs- after Fannie Mae and Ford Foundation
 - Mission Statement: NCIF invests private capital in and enables knowledge transfer to depository institutions that increase access to financial services in underserved communities
- Cumulatively invested \$23.9 million in 37 institutions in equities/debt/deposits
 - 73% of institutions are minority-owned or focused
 - 81.1% of institutions in urban markets, 18.9 percent in rural markets
- CDBI Exchange Network
 - Best practices in valuation, risk management, governance and development impact; partner with trade associations, regulators, investors and funders
 - Commemorating the impact of CDFIs in distressed communities
- Advised by ShoreBank Corporation – largest CDFI with \$2.1 billion assets

Development Impact of NCIF Investees

- Since 1998, NCIF has tracked the lending activities of the institutions within its portfolio in an attempt to highlight the development impact of each institution. This effort culminates in the creation of an annual aggregate report detailing the development lending conducted by each portfolio bank and credit union.

Aggregate Highlights

- Since NCIF began tracking the activities of its portfolio institutions in 1998, they have generated over \$3.0 billion in over 74,320 loans that are geo-coded and tracked to low income communities or low income borrowers.



Fiscal Year 2006 Highlights

- NCIF Portfolio: 13 Banks & 7 Credit Unions
- FY 2006, NCIF portfolio institutions originated 8,805 development loans totaling over \$555.3 million.
- The total loan amount represents a 21.9% increase over FY 2005 totals (\$455.6 million).

NCIF FY 2006	Number	% (#)	Dollar	% (\$)	Average
Small Business	675	7.67%	\$ 75,174,565	13.54%	\$ 111,370
Special Purpose	23	0.26%	\$ 9,204,920	1.66%	\$ 400,214
Commercial Real Estate	509	5.78%	\$ 255,182,777	45.96%	\$ 501,341
Housing Loans	896	10.18%	\$ 91,910,306	16.55%	\$ 102,578
Consumer Loans	6,420	72.91%	\$ 48,021,642	8.65%	\$ 7,480
Agricultural and Farm Lending	244	2.77%	\$ 48,135,819	8.67%	\$ 197,278
Other	38	0.43%	\$ 27,634,831	4.98%	\$ 727,232
TOTAL	8,805	100.00%	\$ 555,264,860	100.00%	\$ 63,062
<i>Banks Total</i>	4,464	50.70%	\$ 505,742,203	91.08%	\$ 113,294
<i>Credit Unions Total</i>	4,341	49.30%	\$ 49,522,657	8.92%	\$ 11,408

Institution Summary

NCIF uses the aggregate information to communicate the and commemorate the financial services that our portfolio institutions offer in low to moderate income communities.

However, we examine each institution individually to determine the level of development lending in absolute terms and as a trend over time.

The below table is an example of the summary analysis that is completed for each investee institution.

BANK	\$	#	% (\$)	% (#)
All FY2006 Loans	\$61,878,445	769		
FY2006 Development Loans	\$40,043,013.00	542	64.71%	70.48%
Commercial Real Estate Loan	\$8,975,086.23	45	81.25%	77.59%
Housing Loan	\$21,849,816.90	178	58.75%	62.68%
Consumer Loan	\$3,780,014.62	265	70.44%	74.65%
Small Business Loan	\$5,438,095.25	54	65.72%	75.00%
FY2005 Development Loans	\$25,454,900.06	471	79.58%	86.42%
%? 2005-06 Development Loans			57.31%	15.07%

NCIF Social Performance Metrics

Research Objectives

- Develop and test a practical means of differentiating banks by their development activities and social performance.
- Grow the asset class of Community Development Banking Institutions (CDBI) that generate valuable impact in low to moderate income communities.
- Create a mechanism for bringing in social and mainstream investors to support institutions that have a high social impact

CDFI Banks in a larger context

•7,960 banks < \$1 billion in assets.

• 57 CDFIs

- Banks are 10% of all CDFIs in numbers but control 53% of CDFI assets – CDFI Data Project

- Equity leverage: 12- 20 x

•201 Minority Depository Institutions (MDI)

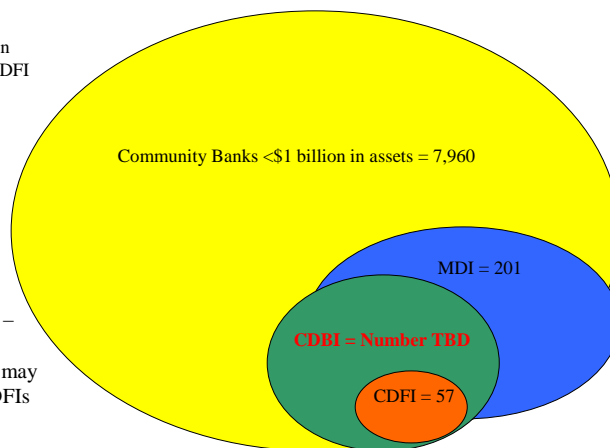
- 180 < \$1 billion

- 85 < \$100 million

•Community Development **Banking** Institutions (CDBI) – banks that have a mission of community development but may or may not be certified as CDFIs

•**Need to identify and commemorate their impact**

* Equity leverage = amount of lending per dollar of equity



Venn diagram not to scale

NCIF Social Performance Metrics

- Development Lending Intensity (DLI)
 - DLI (HMDA) = % of HMDA loans originated in investment areas/total HMDA loans originated
 - A proxy for **lending test**
- Development Deposit Intensity (DDI)
 - DDI = % of branches in CDFI investment areas/total branches
 - A proxy for **services test**

Refer: Social Performance Metrics for CDFI Banks, D. Porteous and S. Narain, 2007

NCIF Social Performance Metrics

Development Lending Intensity (DLI)	Quadrant 2: High DLI + Low DDI: Lots of lending in LMI areas but not too many branches -- EXAMINE	Quadrant 1: High DDI + High DLI: Demonstrates a very high focus in LMI areas - STRONG SUPPORT
	Quadrant 4: Low DLI and Low DDI - FOR LATER	Quadrant 3: Low DLI + High DDI: Since many branches in LMI areas there could be a social orientation -- EXAMINE

Development Deposit Intensity (DDI)

Recommendation

Identify banks in quadrants (1), (2) and (3) for support since they are likely to have a community development mission

Raising Deposits using NCIF Social Performance Measurement

Deposit Allocation Methodology – a Flexible Tool

NCIF can tailor the methodology to suit each organization's specific needs

Current Menu of Screens

Data - 1996 through 2006 completed analysis

Organizational Information

- State of headquarters for the bank.
- State, county, city and census tract for branches.
- State, county and census tracts for HMDA loans.
- CDFI Certification status of the bank.
- Minority Depository Institution status (per FDIC)
- CDARS eligibility of the bank.

Financial Performance

- All FDIC financial data is available in NCIF database.

Social Performance Metrics

- Absolute level of DLI (HMDA)
- Absolute level of DDI (Branches)
- % increase in DLI compared to historical average (assumed 5 year average)
- Adjusted DLI (removes high rate loans from DLI)
- DLI (Highly Distressed Census Tracts)
- DLI (Low-Income Borrowers)

Example 1

Depositor

Wants to place \$2.5 million in deposits in a certified CDFI, located anywhere in the country, that has a DLI and DDI greater than 40%. Depositor wants to 'reward' social screens by \$50,000 each resulting in a maximum of \$100,000.

Screens applied

- CDBI must be a certified CDFI
- Development Lending Intensity (DLI) > 40%
- Development Deposit Intensity (DDI) > 40%

Deposit Allocation Methodology

Date Field	Screen Value	Increment
CDFI Certification	Yes	threshold
Development Lending Intensity (DLI) >	40%	\$ 50,000
Development Deposit Intensity (DDI) >	40%	\$ 50,000

Example 1 – Results

- 36 out of 57 CDFI Banks receive investment.
- Largest investment amount is \$100,000.
- 5 of the banks have a Housing Focus greater than 50%.

Institution	State	Housing Focus	DLI	DDI	DLI Test	DDI Test	Deposit
Citizens Savings Bank and Trust Company	TN	9.6%	100.0%	100%	\$ 50,000	\$ 50,000	\$ 100,000
Douglass National Bank	MO	28.8%	100.0%	100%	\$ 50,000	\$ 50,000	\$ 100,000
City First Bank of D.C., National Association	DC	26.0%	95.7%	100%	\$ 50,000	\$ 50,000	\$ 100,000
Community Bank of Lawndale	IL	31.0%	92.4%	100%	\$ 50,000	\$ 50,000	\$ 100,000
Advance Bank	MD	40.6%	92.3%	100%	\$ 50,000	\$ 50,000	\$ 100,000
OneUnited Bank	MA	90.1%	85.4%	75%	\$ 50,000	\$ 50,000	\$ 100,000
ShoreBank	IL	42.3%	85.1%	85%	\$ 50,000	\$ 50,000	\$ 100,000
Legacy Bank	WI	35.2%	83.4%	100%	\$ 50,000	\$ 50,000	\$ 100,000
North Milwaukee State Bank	WI	25.0%	78.1%	100%	\$ 50,000	\$ 50,000	\$ 100,000
Illinois-Service Federal Savings and Loan Association	IL	85.6%	76.5%	50%	\$ 50,000	\$ 50,000	\$ 100,000
Carver Federal Savings Bank	NY	35.3%	74.3%	71%	\$ 50,000	\$ 50,000	\$ 100,000
Seaway National Bank of Chicago	IL	46.8%	70.9%	100%	\$ 50,000	\$ 50,000	\$ 100,000
Industrial Bank, National Association	MD	42.8%	66.8%	75%	\$ 50,000	\$ 50,000	\$ 100,000
Pacific Global Bank	IL	64.6%	66.3%	100%	\$ 50,000	\$ 50,000	\$ 100,000
First American International Bank	NY	15.0%	63.0%	100%	\$ 50,000	\$ 50,000	\$ 100,000
University National Bank	MN	32.9%	62.3%	100%	\$ 50,000	\$ 50,000	\$ 100,000
Citizens Trust Bank	GA	30.3%	58.0%	72%	\$ 50,000	\$ 50,000	\$ 100,000
The Harbor Bank of Maryland	MD	21.7%	56.8%	83%	\$ 50,000	\$ 50,000	\$ 100,000
Mutual Community Savings Bank, SSB	NC	56.3%	52.8%	100%	\$ 50,000	\$ 50,000	\$ 100,000
International Bank of Chicago	IL	28.9%	52.4%	75%	\$ 50,000	\$ 50,000	\$ 100,000
Capitol City Bank & Trust Company	GA	8.1%	51.2%	85%	\$ 50,000	\$ 50,000	\$ 100,000
Central Bank of Kansas City	MO	20.8%	51.0%	57%	\$ 50,000	\$ 50,000	\$ 100,000
City National Bank of New Jersey	NJ	21.7%	42.1%	100%	\$ 50,000	\$ 50,000	\$ 100,000
South Carolina Community Bank	SC	16.5%	40.9%	100%	\$ 50,000	\$ 50,000	\$ 100,000
United Bank of Philadelphia	PA	40.2%	89.9%	33%	\$ 50,000	\$ -	\$ 50,000
Community Commerce Bank	CA	27.0%	86.9%	16%	\$ 50,000	\$ -	\$ 50,000
Inter National Bank	TX	9.9%	70.4%	40%	\$ 50,000	\$ -	\$ 50,000
Park Midway Bank	MN	18.3%	61.0%	33%	\$ 50,000	\$ -	\$ 50,000
Citizens Bank and Trust Company of Chicago	IL	22.7%	42.7%	0%	\$ 50,000	\$ -	\$ 50,000
Franklin National Bank of Minneapolis	MN	13.0%	34.3%	50%	\$ -	\$ 50,000	\$ 50,000
First Independence Bank	MI	39.2%	31.4%	75%	\$ -	\$ 50,000	\$ 50,000
Liberty Bank and Trust Company	LA	54.8%	30.1%	69%	\$ -	\$ 50,000	\$ 50,000
Mechanics & Farmers Bank	NC	23.6%	28.2%	55%	\$ -	\$ 50,000	\$ 50,000
Albina Community Bank	OR	9.3%	23.6%	66%	\$ -	\$ 50,000	\$ 50,000
Mission Community Bank	CA	12.2%	3.7%	60%	\$ -	\$ 50,000	\$ 50,000
Delta Southern Bank	MS	30.2%		100%	\$ -	\$ 50,000	\$ 50,000

Example 2

Depositor

Wants to place \$2 million in deposits in Minority Depository Institutions (per FDIC), located in LA, NY, FL, IL, TX and CA, that have a DLI and DDI greater than 40%. The institutions must have an ROE greater than 10%, a Housing Focus greater than 25% and are 'rewarded' for having assets between \$250 million and \$1 billion.

Screens applied

- Institution must be an MDI, per FDIC
- Institution must have a Housing Focus greater than 30%
- DLI and DDI greater than 40%
- Financial screens on size and ROE

Deposit Allocation Methodology

Data Field	Screen Value	Increment
ROE >	10.00%	Threshold
Housing Focus >	25.00%	Threshold
Assets between	\$250MM and \$1B	\$ 100,000
DLI >	40%	\$ 100,000
DDI >	40%	\$ 100,000

Example 2 – Results

- 15 out of 201 MDI Banks Selected, \$2.4 Million Invested
- Largest investment amount is \$300,000.
- 5 of the banks are CDARS eligible, 6 banks have a Housing Focus greater than 50%
- 2 of the banks are CDFIs.

Institution	State	Housing Focus	DLI	DDI	Assets (000)	ROE	Deposit	CDFI	CDARS
Bank of the Orient	CA	32.8%	56.6%	50%	\$ 645,521	11.54%	\$ 300,000	NO	NO
Community Commerce Bank	CA	27.0%	86.9%	16%	\$ 343,309	12.72%	\$ 200,000	YES	NO
Universal Bank	CA	59.7%	58.3%	33%	\$ 472,651	17.19%	\$ 200,000	NO	NO
Metropolitan Bank	CA	29.9%	44.2%	75%	\$ 112,043	22.78%	\$ 200,000	NO	YES
Liberty Bank and Trust Company	LA	54.8%	30.1%	69%	\$ 290,233	21.30%	\$ 200,000	YES	YES
Gateway Bank, FSB	CA	99.7%	29.7%	50%	\$ 433,025	17.00%	\$ 200,000	NO	YES
International Finance Bank	FL	46.2%	10.5%	66%	\$ 323,488	10.31%	\$ 200,000	NO	NO
International Bank of Commerce	TX	38.0%		80%	\$ 376,306	10.78%	\$ 200,000	NO	NO
East West Bank	CA	25.3%	53.0%	39%	\$ 10,819,589	15.10%	\$ 100,000	NO	YES
Ocean Bank	FL	38.7%	41.5%	33%	\$ 5,872,353	16.75%	\$ 100,000	NO	NO
Amerasia Bank	NY	25.1%	40.4%	0%	\$ 147,816	12.67%	\$ 100,000	NO	NO
Banco Popular, NA	FL	79.9%	37.6%	100%	\$ 87,388	16.24%	\$ 100,000	NO	YES
BAC Florida Bank	FL	80.0%	31.4%	0%	\$ 863,040	16.34%	\$ 100,000	NO	NO
Interamerican Bank, A FSB	FL	59.0%	27.8%	40%	\$ 254,286	13.72%	\$ 100,000	NO	NO
The Foster Bank	IL	27.0%	11.5%	40%	\$ 484,234	24.24%	\$ 100,000	NO	NO

Example 3

Depositor

Wants to deposit \$15 million based on the following screens

Screens Applied

- **Organizational Information**
 - Must be a Minority Depository Institution or a CDFI

- **Financial Performance**
 - Must have a Return on Assets > 0.49%
 - Loan to Deposit Ratio > 60% is 'rewarded'

- **NCIF Social Performance Metrics**
 - DLI > 40%; institution 'rewarded' as DLI increases
 - DDI > 50% is rewarded; DDI =100% receives larger deposit amount

Example 3 - Continued

Deposit Allocation Methodology		
Data Field	Screen Value	Amount
Increments based on Tests		
Test 1: DLI >	40%	\$200,000
DLI>	50%	\$250,000
DLI>	60%	\$300,000
DLI>	70%	\$350,000
DLI>	80%	\$400,000
DLI>	90%	\$450,000
DLI=	100%	\$500,000
Test 2: DDI >50%	50%	\$125,000
DDI=100%	100%	\$250,000
Test 3: Loan to Deposit ratio >	60%	\$50,000
Override test: ROA >	0.49%	Threshold

Example 3 – Results

•27 out of 211 Banks Selected, \$15.2 Million Deposited, Largest investment amount is \$700,000.

•14 banks are CDARS eligible, 2 banks have a Housing Focus greater than 50%.

•9 of the banks are CDFIs.

Institution	State	Housing Focus	DLI	DDI	Assets (000)	Loan to Deposit Ratio	ROA	Deposit	CDFI	CDARS
Legacy Bank	WI	35.2%	83.4%	100%	\$ 161,708	98.0%	0.87%	\$ 700,000	YES	YES
First BankAmericano	NJ	19.2%	80.4%	100%	\$ 193,914	77.5%	0.57%	\$ 700,000	NO	NO
North Milwaukee State Bank	WI	25.0%	78.1%	100%	\$ 74,993	99.6%	0.58%	\$ 650,000	YES	YES
Chinatown Federal Savings Bank	NY	72.3%	73.7%	100%	\$ 146,374	114.3%	1.30%	\$ 650,000	NO	NO
Seaway National Bank of Chicago	IL	46.8%	70.9%	100%	\$ 358,547	55.6%	0.83%	\$ 600,000	YES	YES
Pacific Global Bank	IL	64.6%	66.3%	100%	\$ 135,808	99.8%	0.79%	\$ 600,000	YES	YES
University National Bank	MN	32.9%	62.3%	100%	\$ 117,418	98.4%	2.26%	\$ 600,000	YES	YES
American First National Bank	TX	4.3%	89.3%	66%	\$ 374,425	84.8%	1.18%	\$ 575,000	NO	NO
United Central Bank	TX	4.2%	87.0%	62%	\$ 679,813	82.6%	1.71%	\$ 575,000	NO	NO
ShoreBank	IL	42.3%	85.1%	85%	\$ 1,989,977	96.9%	0.60%	\$ 575,000	YES	YES
BNB Bank, National Association	NJ	6.9%	85.0%	75%	\$ 299,767	78.5%	1.32%	\$ 575,000	NO	NO
Southwestern National Bank	TX	7.9%	84.0%	66%	\$ 258,671	92.9%	1.32%	\$ 575,000	NO	NO
Haven Trust Bank	GA	23.6%	100.0%	0%	\$ 372,588	98.4%	2.38%	\$ 550,000	NO	YES
Quantum National Bank	GA	0.4%	100.0%	0%	\$ 282,798	97.0%	1.50%	\$ 550,000	NO	NO
EuroBank	FL	20.6%	100.0%	0%	\$ 94,682	79.6%	0.51%	\$ 550,000	NO	NO
Plus International Bank	FL	2.2%	58.8%	100%	\$ 98,565	83.9%	0.80%	\$ 550,000	NO	YES
Alamerica Bank	AL	13.9%	53.9%	100%	\$ 53,941	91.6%	3.06%	\$ 550,000	NO	NO
One World Bank	TX	0.0%	51.2%	100%	\$ 54,636	68.0%	0.92%	\$ 550,000	NO	NO
Consolidated Bank and Trust Co.	VA	13.1%	80.0%	66%	\$ 83,140	72.3%	0.99%	\$ 525,000	NO	YES
Carver Federal Savings Bank	NY	35.3%	74.3%	71%	\$ 765,672	96.8%	0.58%	\$ 525,000	YES	YES
Metrobank, National Association	TX	0.7%	70.7%	75%	\$ 1,011,445	80.4%	1.43%	\$ 525,000	NO	NO
Premier American Bank	FL	19.5%	91.7%	0%	\$ 364,309	91.1%	0.59%	\$ 500,000	NO	YES
Commonwealth National Bank	AL	47.4%	59.6%	100%	\$ 62,908	45.8%	0.63%	\$ 500,000	NO	YES
Eastern International Bank	CA	16.5%	46.0%	100%	\$ 82,754	82.9%	0.91%	\$ 500,000	NO	NO
South Carolina Community Bank	SC	16.5%	40.9%	100%	\$ 64,831	87.6%	1.08%	\$ 500,000	YES	YES
Falcon International Bank	TX	14.2%	64.7%	50%	\$ 646,173	83.1%	1.68%	\$ 475,000	NO	YES
Community Commerce Bank	CA	27.0%	86.9%	16%	\$ 343,309	128.0%	1.22%	\$ 450,000	YES	NO

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Next Steps

- Investors
 - Launching a pilot program with a few strategic investors for deposits

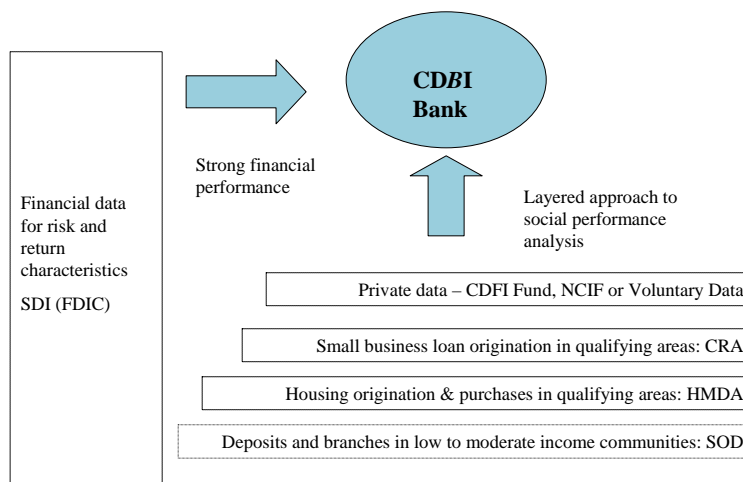
- Minority and Other Community Development Banks
 - For non-housing focused banks, please provide ONLY ONE data point
 - Individual loan origination data (without any identifying information to protect privacy). NCIF will geocode to create other DLIs and help enhance the visibility among stakeholders of the reporting institution.

A special thanks to the F.B. Heron Foundation for having supported this work

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Qualitative Analysis after Analysis of Public Data



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Institution Summary

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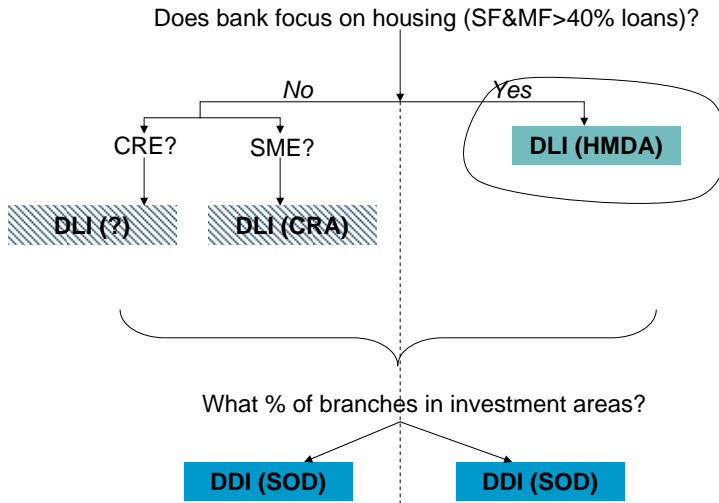
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FY2005 Development Loans	\$25,454,900.06	471	79.58%	86.42%
%? 2005-06 Development Loans			57.31%	15.07%

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NCIF Social Performance Measurement – the Future



Accessing Social Performance Metrics- www.ncif.org

NCIF's website (www.ncif.org) contains a searchable database that allows Investors and other stakeholders access to the organizational, financial performance and social performance data for every domestic bank and thrift.

NCIF NATIONAL COMMUNITY DEVELOPMENT FUND

NCIF DATABASE - SEARCH FIELDS

Search By:

Basic Search

Organization Name

FDIC Certificate Number

State

CDFI (Y/N)

FDIC Certified Minority Depository Institution (Y/N)

Eligible for CDARS (Y/N)

Advanced Search

Financial Information

Total Assets

Return on Assets

Return on Equity

Loan to Deposit Ratio

Leverage Ratio

Social Performance Metrics

Development Lending Intensity (DLI)

Development Deposit Intensity (DDI)

DLI Low Income (HMDA Figures)

Adjusted DLI

Institution Summary Page – www.ncif.org



Performance Summary using NCIF Social Performance Metrics

Institution Name
FDIC Cert #
City
State
Web Address

Certified CDFI
FDIC Certified Minority Depository Institution
CDARS Eligible

Narrative Profile:

Financial Information:

Total Assets	<input type="text"/>
Total Loans	<input type="text"/>
Total Deposits	<input type="text"/>
Net Income	<input type="text"/>
Net Interest Margin	<input type="text"/>
Efficiency Ratio	<input type="text"/>
Return on Assets	<input type="text"/>
Return on Equity	<input type="text"/>
Loan to Deposit Ratio	<input type="text"/>
Leverage Ratio	<input type="text"/>
Non Core Funding Dependence	<input type="text"/>
Non Current Loans to Loans	<input type="text"/>
Net Charge-offs to Loans	<input type="text"/>

Social Performance Metrics

Development Lending Intensity (DLI)	<input type="text"/>
Development Deposit Intensity (DDI)	<input type="text"/>
Housing Focus	<input type="text"/>
Adjusted DLI	<input type="text"/>
DLI Low Income (HMDA Figures)	<input type="text"/>

Contacts

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A special thanks to the **F.B. Heron Foundation** for having supported NCIF in this analysis

CDFI Impact: Leveraging Knowledge

Randy Chambers
November 6, 2007

Creating and protecting ownership and economic opportunity for people of color, women, rural residents and low-wealth families and communities.

About Self-Help: Mission

Creating and protecting ownership and economic opportunity for people of color, women, rural residents and low-wealth families and communities

Creating and protecting ownership and economic opportunity for people of color, women, rural residents and low-wealth families and communities.

About Self-Help: Products/Services

- Home Mortgage Loans
- Small Business Loans
- Community Facility Loans
- Home Mortgage Secondary Market
- Commercial Real Estate Development
- Residential Real Estate Development
- Consumer Financial Services
- Policy & Advocacy

*Creating and protecting ownership and economic opportunity
for people of color, women, rural residents and low-wealth
families and communities.*

About Self-Help: Resources

- Founded in 1980, now includes a state-chartered, federally-insured credit union, a community development loan fund and an advocacy organization
- Headquarters: Durham, NC
- Loan production offices: Durham, Charlotte, Asheville, Greensboro, Greenville, Wilmington & Fayetteville, NC, and Washington, DC
- Retail credit union branches: Wilson, Laurinburg & Wilmington, NC
- Advocacy offices: Durham, NC, Washington, DC & Oakland, CA
- Combined assets: \$1.25 billion
- Combined staff: 250 employees

*Creating and protecting ownership and economic opportunity
for people of color, women, rural residents and low-wealth
families and communities.*

Traditional Impact Measures

Who we make loans to:

- Race/ethnicity
- Female-headed households/businesses
- Rural residents
- Income level (low/mod income)
- First-time homebuyers

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families and communities.*

Traditional Impact Measures

What our small business & community facilities
borrowers do with their loan:

- Jobs saved/created
- Jobs stabilized/improved
- Number of child care, educational spaces or
health care spaces created
- Affordable housing units created

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families and communities.*

Traditional Impact Measures

How do we measure our impact on our primary mission, i.e., increasing wealth and ownership opportunities?

- Leave it to the social scientists. UNC's Center for Community Capitalism.

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families and communities.*

Leveraging Knowledge

If impact is defined as the ability to maximize your capacity to meet your mission, then CDFIs, and other social entrepreneurs must leverage their acquired knowledge.

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Leveraging Knowledge: Who

We seek to leverage our knowledge with others who can increase our impact:

- Business, e.g., banks & credit unions
- Government
- Other like-minded institutions

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Leveraging Knowledge

1984 begin direct mortgage lending



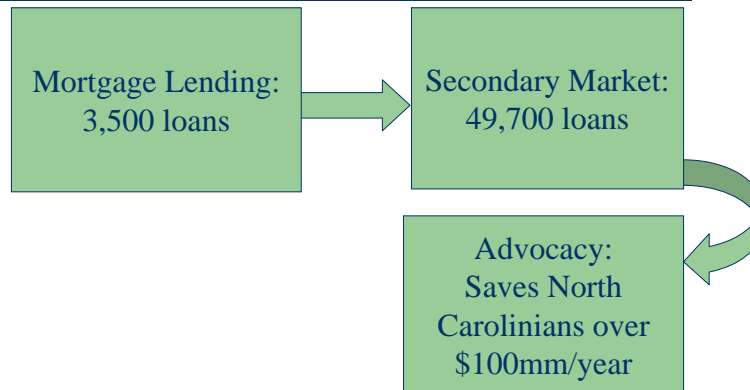
1994 launch secondary market program



1999 launch responsible lending advocacy efforts

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Leveraging Knowledge: Impact Measures



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Partner: Latino Community CU

Founded in 2000 as a response to crime against newly arrived immigrant Latinos. Partners:

- El Centro Hispano
- State Employees' Credit Union
- Self-Help
- N.C. Minority Support Center
- N.C. Credit Union Division & National Credit Union Administration

Latino Community CU Today

- Financial education as a core service
- 52,000 members... and growing
- Five branches... and growing
- \$51 million in total assets... and growing
- Full suite of consumer financial services & products... and growing

Latino Community CU: Impact Measures

Sample Key Impact Measures:

- Unbanked (76%) & low-income (92%) members
- Financial education: Tracking growth
- Homeownership: first-time homebuyers, delinquency, growth

Contact Information

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SPRING 2007

The Wicker School in Sanford, NC was revitalized in partnership with Brick Capital Community Development Corporation



Liza Denis and her children celebrate Christmas in their home financed by a loan from Self-Help.



Prospective first-time homeowners learning about the "Zero Down Homeward Bound" program offered by the Bank of Oklahoma and made possible, in part, by Self-Help's Secondary Market Mortgage Program.



Building Blocks Childcare was started by Jill Franklin and Missy Plemmons with the help of the Small Business Administration and a loan from Self-Help.

TOTAL FINANCING \$5 billion 55,000 borrowers

The nonprofit Center for Community Self-Help and its financing affiliates Self-Help Credit Union and Self-Help Ventures Fund provide financing, technical support, and advocacy for those left out of the economic mainstream. Since its founding in 1980, Self-Help has reached out to female, rural, and minority borrowers across North Carolina, in Washington, D.C., California, and many other states.

- We help borrowers nationwide to build wealth through ownership of a home or business.
- We strengthen underserved communities by financing nonprofits, childcare centers, community health facilities, public charter schools, and residential and commercial real estate projects.
- We operate a secondary market program that enables private lenders to make more loans in low-wealth communities.

Over time we have learned, and demonstrated, that low-income borrowers pose no greater credit risk than others. Our borrowers have proven their determination to repay their loans, build their businesses, improve their communities, and build wealth through home equity.

CUMULATIVE IMPACT SINCE 1980

HOME LENDING

\$228 million, 3,290 loans

- female-headed households – 31%
- minority-headed households – 79%
- households in rural areas – 36%

REAL ESTATE DEVELOPMENT

\$71.9 million invested in 16 neighborhoods & downtowns

- 124 properties acquired, renovated or built
- 74 homes sold
- 583,000 square feet of completed commercial renovation

COMMUNITY FACILITIES LENDING

\$140 million, 699 loans

- 25,578 child care spaces
- 17,785 charter school spaces
- 716 supportive housing spaces
- 7,495 jobs created or maintained
- female-led organizations – 70%
- minority-led organizations – 58%
- organizations in rural areas – 48%

SECONDARY MARKET FINANCING

\$4.3 billion, 48,390 loans

- female-headed households – 42%
- minority-headed households – 40%
- households in rural areas – 16%

SMALL BUSINESS LENDING

\$302 million, 2,648 loans

- 20,334 jobs created or maintained
- female-owned businesses – 43%
- minority-owned businesses – 46%
- businesses in rural areas – 45%

POLICY & ADVOCACY

- Helped enact the first federal usury law in 25 years, protecting military personnel from abusive loans
- Lead effort to expose the dangers of subprime "exploding" Adjustable Rate Mortgages to congress & regulators
- Authored widely cited reports on subprime mortgage foreclosures, overdraft loans, and payday lending



The new Habitat for Humanity Charlotte ReStore, offices and cafe opened with almost \$3 million in Self-Help loans utilizing the North Carolina Recycling Loan Fund and the federal New Market Tax Credit program.



One of seven new homes built as part of a partnership to revitalize a traditionally African-American neighborhood in Fuquay-Varina, NC.



Ramona and Michael Woods launched Ashtae Products, a Greensboro, NC-based hair-care product distribution company, with an SBA 504 loan from Self-Help and Bank of North Carolina.

OUR MISSION:
Creating and protecting ownership and economic opportunity for people of color, women, rural residents, and low wealth families and communities.



HOME LENDING

Since two-thirds of low-income and minority family wealth is in home equity, Self-Help believes homeownership is the best path to success for low and moderate-income families. Moreover, homeownership is perhaps the single best strategy for stabilizing distressed rural and urban communities.

SMALL BUSINESS LENDING

Small business is our economy's best job generator and an effective method for creating wealth for entrepreneurs underserved by conventional lending. Self-Help seeks borrowers whose businesses will contribute to their community's vitality, create jobs and/or provide critical community services. Self-Help offers a broad array of loan programs for new and growing businesses.

COMMUNITY FACILITIES LENDING

Low-income communities need strong community infrastructure and services in order to thrive. Childcare is one example: loans to childcare providers create jobs, provide a critical service to working families, and help the providers build wealth in their own families. Similarly, Self-Help's lending to public charter schools provides modern facilities for high-achieving schools that are on the cutting edge of providing quality educational opportunities for at-risk children both in and outside North Carolina.

SECONDARY MARKET FINANCING

This program extends access to credit far beyond what Self-Help can do on its own. Partner lenders across the country work with Self-Help and Fannie Mae, in a program supported by the Ford Foundation, to provide mortgage loans to borrowers of modest means. The new homeowners are offered free credit counseling to prevent foreclosure. Though borrowers in this program are primarily low and moderate-income, the rate of foreclosure is below the national average.

REAL ESTATE DEVELOPMENT

Self-Help and its partners are redeveloping homes in several distressed neighborhoods across North Carolina to provide affordable housing. Self-Help also restores abandoned downtown commercial properties, providing modern office space for nonprofits and small businesses in North Carolina and Washington, D.C.

POLICY & ADVOCACY

Self-Help uses its experience in lending and community development to inform its positions on public policy issues, and is a strong advocate in the national community development and credit union fields. Since the late 1990s, Self-Help has fought predatory lending practices that strip wealth from low-income families. The affiliated Center for Responsible Lending uses Self-Help's lending experience to recommend practical solutions to predatory lending abuses in legislative and regulatory arenas.

For More Information on How You Can Support Self-Help's Work, Call Us or Visit Our Website
1-800-476-7428 • www.self-help.org

Self-Help • 301 West Main Street • Durham, NC 27701

Self-Help's Regional Offices: Charlotte NC, Central NC (Headquarters), Sandhills NC, Triad NC, Southeastern NC, Western NC, Northeastern NC, Oakland, CA and Washington D.C.





Impact Statement

Members: 50,000
Financing: \$64 Million
Assets: \$43 Million
Financial Literacy:
9,000 Students

One of the fastest growing community development credit unions in the U.S., **Latino Community Credit Union (LCCU)** is the only bilingual, multicultural financial institution in North Carolina that provides all of its services to its members in Spanish and English, without discriminating in pricing.

- Created in 2000 to provide a safe place to save for the Latino community.
- 97% of members are minorities.
- 95% of members are low-income
- 75% of members are previously unbanked.



Reinvest in the Community: Make a Deposit with LCCU
Deposits made with LCCU earn competitive rates and provide funds for loans to the community, creating opportunities for working-poor families.



LCCU remittances to Mexico benefit children like Emaylin and their families.

Remittances

LCCU leads the nation's credit unions in remittances. Through an innovative program with the Federal Reserve, LCCU opens accounts in the US and Mexico, providing low-cost wire transfers and banking the unbanked on both sides of the border.

Financial Education

LCCU is committed to educating the unbanked to help them enter the financial mainstream. In 2006, 3,000 students participated in LCCU's workshop series, learning how to save for their future.



Homeownership

LCCU's Mortgage Loan Program has provided \$17.1 million in financing to create 350 homeowners since mid-2004. LCCU helps hardworking, low-income families build wealth and stronger communities.



Awards:

- 2006 Credit Union Excellence in Consumer Lending Award (Credit Union National Association Lending Council)
- 2006 Louise A. Herring Award for Philosophy in Action (NC Credit Union League)
- 2003 Herb Wegner Memorial Award for Outstanding Organization (National Credit Union Foundation)
- 2000 Dora Maxwell Social Responsibility Award (Credit Union National Association)

Services:

- Saving, Checking & Money Market Accounts
- Share Term Certificates
- Free ATM & Debit Cards
- Remittances & Wire Transfers
- Credit-Builder Loans
- New and Used Car Loans
- Mortgage Loans
- Credit Cards
- Financial Education
- Free Telephone Banking

Charlotte • Durham • Fayetteville • Greensboro • Raleigh

For More Information on How You Can Help Support LCCU's Mission:

Call Us or Visit Our Website

(919) 688-9270 • www.latinoccu.org