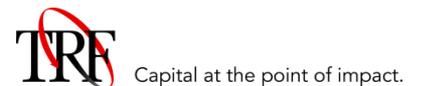


# Rethink. Recover. Rebuild: Reinventing Older Communities

May 13, 2010

Nancy O. Andrews, President & CEO  
Low Income Investment Fund

Donald Hinkle-Brown, President of Lending  
The Reinvestment Fund





## **CDFI Fund's definition:**

A certified Community Development Financial Institution (CDFI) is a specialized financial institution that works in market niches that are underserved by traditional financial institutions. CDFIs provide a unique range of financial products and services for low income people and places.



- A legal entity at the time of certification application;
- Mission of promoting community development;
- Be a financing entity;
- Primarily serve one or more target markets;
- Provide development services in conjunction with its financing activities;
- Maintain accountability to its defined target market;
- Be a non-government entity and not be under control of any government entity (Tribal governments excluded).

- Community capital movement grew out of community development movement, started in 60's with War on Poverty
  - CDCs in 60s and 70s
- Community loan funds started in the '80s.
  - Community Development Loan Funds, Credit Unions, Banks, Venture Capital
  - Micro-lenders



- Federal designation began in 1994 with the creation of the CDFI Fund
- 1995 CRA revisions recognized loans and investments in CDFIs as CRA activity



- 859 entities are certified as CDFIs (3/31/10)
- Credit unions (170)
- Depository (97)
- Loan funds (567)
- and CDVC (25)



## Percentage of Direct Financing Outstanding (by Dollar Amount, 2008 OFN)

### *CDFI Product Offering*

- Business 37%
- Community Service 4%
- Consumer 8%
- Housing 40%
- Micro 1%
- Other 11%



## FY2008 OFN survey

- Total Assets: \$ 29.4 Billion
  - (Number of respondents = 495)
- Total Loans in FY2008: \$ 5.5 Billion
  - (Number of respondents = 423)



- **Liquidity**
  - Investor rollovers vs withdrawals
  - Loans Receivable tenor stretching
  - Originations (last lender standing)
- **Asset Impairment**
  - Delinquency rates, watchlist growth, OREO
- **Capital Adequacy**
  - Loan Fund standards vs. Depository standards



- School Innovation (USEd)
- Fresh Food Access (USDA, CDFI Fund, HHS)
- Transit Oriented Development (HUD)
- Foreclosure Stabilization (HUD)
- Green (DOE, ARRA)



- Unique focus on people + place
- Well suited to new wave in policy directions
  - Early care & Education
  - Health & Nutrition
  - Energy Efficiency & Sustainability
- Smart subsidy
  - Bridge between private capital and public resources



- TRF's leadership in Fresh Foods Financing Initiative
- TRF's City, Regional & State DOE Funds
- Bay Area TOD Fund -- LIIF led CDFI consortium
- San Francisco PACE initiative
  - LIIF bringing low income communities into Green Revolution through innovative finance