CDFIs: The National Picture

- 550 CDFIs
- More than $6.5 billion in assets
- More than $6 billion in cumulative financing history
What is a CDFI?

- **Private-sector financial institution**
  - Financing and/or financial services are an integral part of its community development strategy

- **Primary mission of community development**
  - Strives to have a positive impact on economically disadvantaged people & communities
  - The “Parent” Test
A Bird’s Eye View of CDFIs

Sources of Capital

- Regulatory-Motivated Investors
- Mission-Motivated Investors
- Yield-Motivated Investors

Community Development Financial Institutions (CDFIs) & Other Intermediaries

Users of Capital

- Businesses, Housing Developers, Nonprofit Service Providers, etc.
- Community Development Corps. & Other Community Development Orgs
- Individuals

Equity (Net Worth) & Debt Financing

Financial Returns + Social Impact

September 12, 2014

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CDFI Types

• **Regulated Institutions**
  – Community Development Banks
  – Community Development Credit Unions

• **Non-regulated Institutions**
  – Community Development Loan Funds
  – Community Development Venture Funds
What is NCCA?
National Community Capital

- National CDFI network
- Financing CDFIs
- Consulting
- Training for >1,000 CDFI Practitioners, Investors & Funders per year
- Policy & Advocacy
The NCCA Network @ 12/31/00

- 104 CDFIs: Urban, Rural & Reservation
- $1.9 billion in assets
- $2.9 billion loaned and invested
  - 140,000 Jobs (created and/or maintained)
  - 120,000 Housing Units
  - 2400+ Community services financed
- High deployment of capital
- Low Default rate = 1.8%
- No loss of investors’ principal
Where CDFIs Work

GEOGRAPHICAL BREAKDOWN OF CLIENTS SERVED (AVERAGE PER CDFI)

- Major Urban (MSA > 1 million): 37%
- Rural (not in an MSA*): 40%
- Minor Urban (MSA < 1 million): 23%

*Metropolitan Statistical Area
Financing by Sector

FISCAL YEAR 2000 DIRECT FINANCING CLOSED BY SECTOR

Consumer: 8%
Community Service: 19%
Housing: 43%
Microenterprise: 3%
Business: 26%
# Rural vs. Urban CDFIs

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td># in Sample</td>
<td>29</td>
<td>45</td>
</tr>
<tr>
<td>Capital/CDFI</td>
<td>$8.9 million</td>
<td>$9 million</td>
</tr>
<tr>
<td># of FTEs</td>
<td>15.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$1.79 million</td>
<td>$1.46 million</td>
</tr>
<tr>
<td>Minority FTEs</td>
<td>10%</td>
<td>39%</td>
</tr>
<tr>
<td>Women FTEs</td>
<td>58%</td>
<td>70%</td>
</tr>
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</table>
## More Rural vs. Urban CDFIs

### Financing

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>$ Outstanding</td>
<td>$5.6 million</td>
<td>$4.9 million</td>
</tr>
<tr>
<td>Equity Financing</td>
<td>2.7%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Average $ Outstanding</td>
<td>$48,294</td>
<td>$92,905</td>
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</table>
## More Rural vs. Urban

### Capitalization

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Equity/Total Capital</td>
<td>52%</td>
<td>36%</td>
</tr>
<tr>
<td>Cost of Capital</td>
<td>2.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Term of Capital</td>
<td>166 months</td>
<td>80.6 months</td>
</tr>
<tr>
<td>Largest source</td>
<td>Federal Govt.</td>
<td>Banks</td>
</tr>
</tbody>
</table>
## Efficiency & Operations

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-Sufficiency</strong></td>
<td>58%</td>
<td>53%</td>
</tr>
<tr>
<td><strong>Spread</strong></td>
<td>7%</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>Expenses/FTE</strong></td>
<td>$120,044</td>
<td>$132,632</td>
</tr>
<tr>
<td><strong>Expenses/$ Out</strong></td>
<td>$0.53</td>
<td>$0.68</td>
</tr>
<tr>
<td><strong># Out/Financing FTE</strong></td>
<td>38.59</td>
<td>26.04</td>
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