



DEPARTMENT OF THE TREASURY
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND
601 THIRTEENTH STREET, NW, SUITE 200 SOUTH
WASHINGTON, DC 20005

Profiles of Organizations selected for funding under the 1996 Community Development Financial Institutions Program

ACCION Texas

Location: San Antonio, Texas
Award: \$500,000 grant
Type: microenterprise fund
Service area: San Antonio and Bexar County
Products: microenterprise loans
Contact: Ms. Janie Barrera - (210) 226-3664

ACCION Texas is a microenterprise development organization that makes loans available to low-income and Hispanic entrepreneurs locate in mostly distressed neighborhoods of San Antonio. ACCION Texas provides credit to business that otherwise cannot obtaining financing. A \$500,000 grant from the CDFI Fund will provide major boost to this new entity by providing a sound capital base and increasing the scale of its activities. ACCION Texas currently has \$250,000 in outstanding loans, with an average loan amount of \$2,500. Formed in 1994, ACCION Texas has adapted the lessons of ACCION International's Latin American experience. Microenterprises rarely can qualify for lending from a bank. However, through ACCION Texas, individual entrepreneurs can borrow and learn from staff and other borrowers operating and growing their businesses. This young and emerging CDFI serves an important market niche by promoting self-employment opportunity for Hispanics and low-income people.

Appalbanc

Location: Berea, Kentucky
Award: \$1.33 million (\$370,000 grant, \$930,000 loan and \$30,000 technical assistance)
Type: multi-faceted community development financial institution
Service area: 8 5 Appalachian counties of Kentucky, Tennessee, West Virginia an Virginia
Products: housing development loans, small business loans and consumer loans
Contact: Mr. David L. Lollis - (606) 986-8423

Appalbanc, a multi-faceted community development financial institution, serves extremely distressed rural Appalachian communities in an 85 county area of Kentucky, Tennessee, West Virginia, and Virginia. The entity was formed in 1994 to bring together three community development organizations under one umbrella. Appalbanc coordinates the activities of a housing loan fund, a community development credit union, and a small business loan fund. Appalbanc, through its affiliates, has financed the development or rehabilitation of more than 20,000 homes. Appalbanc has launched a new initiative to attract investment to this distressed region through partnerships with state Housing Finance Agencies. The CDFI Fund will strengthen Appalbanc's capacity to finance affordable housing by providing \$ 1.33 million in assistance.

Bethex Federal Credit Union

Location: Bronx, New York
Award: \$ 100.000 grant
Type: community development credit union
Service area: South Bronx
Products: home improvement loans. small business loans and consumer loans
Contact: Ms. Joy Cousminer - (718) 299-3 062

Bethex Federal Credit Union is a community development credit union that makes low cost financial services available to the 1,270 households in the impoverished South Bronx of New York City. The typical family income in the South Bronx is about one-third of the median family income for the New York area. Chartered in 1970, Bethex serves an area that lacks conventional banking services. Credit union members, many of whom are public housing residents, are encouraged to save money and can borrow at favorable interest rates through Bethex. Without such services, residents of the South Bronx are faced with extraordinary interest rates through pawn shops, check cashing operations and loan sharks. The CDFI Fund will provide a major infusion of net worth to Bethex in the form of \$100,000 grant. This investment from the CDFI Fund will be leveraged many times over through the attraction of new member and non-member shares. The credit union's principal goal is to expand its capacity by growing its net worth and \$1.6 million asset base. This effort will enable Bethex to increase its consumer lending and dramatically expand home improvement and small business lending.

Boston Community Loan Fund

Location: Boston, Massachusetts
Award \$ 1 million (\$500,000 grant and \$500.000 loan)
Type: community development loan fund
Service area: Boston. Eastern Massachusetts
Products: term loans for housing and community development
Contact: Mr. DeWitt Jones and Ms. Eva Clarke - (617) 522-6768

Since 1985, the Boston Community Loan Fund (BCLF) has financed affordable housing, multifamily housing, special needs housing, and community facilities such as day care centers and health clinics. BCLF serves a market comprised of Boston, its surrounding communities, and cities in the eastern portion of Massachusetts. BCLF, which has \$6.8 million in assets, will receive \$1 million in support from the CDFI Fund. With its strong 11 -year track record and these new financial resources, BCLF will increase its financial support for a range of affordable housing needs and improvements to community facilities. Through its increased lending capacity and technical support to community development corporation borrowers, BCLF will play an increasingly important role as a leader in providing capital in distressed communities of Massachusetts.

Cascadia Revolving Fund

Location: Seattle, Washington
Award: \$600,000 grant
Type: small business loan fund
Service Area: Washington state and Oregon
Products: term loans
Contact: Ms. Patty Grossman - (206) 447-9226

Cascadia Revolving Fund facilitates the expansion of small businesses through short and mid-term financing. Cascadia has made more than 100 loans in rural and urban communities across its Washington

state and northwestern Oregon market. Established in 1985, much of Cascadia's lending focuses on entrepreneurs in communities whose economies are transitioning from a traditional base in forestry or fishing. The institution promotes self-employment among displaced natural resource workers through business lending, and finances businesses involved in recycling and other environmental ventures. Cascadia is highly successful in helping borrowers access government lending programs -particularly Small Business Administration lending products -- through partnerships with other financial service providers. The CDFI Fund will provide a significant infusion of capital to Cascadia through a \$600,000 grant. This new capital will enable Cascadia to broaden its service to low-income people throughout Washington and Oregon.

Community Loan Fund of Southwestern Pennsylvania

Location: Pittsburgh, Pennsylvania
Award: \$280,000 (\$250,000 grant and \$30,000 technical assistance)
Type: community development loan fund
Service area: Pittsburgh and the nine county southwest Pennsylvania area
Products: housing development loans, small business loans and nonprofit facility loans
Contact: Mr. Mark Peterson - (412) 381-9965

Established in 1990, the Community Loan Fund of Southwestern Pennsylvania grew out of an initiative of the Pittsburgh area's Religious Leadership Forum. This regional fund serves low-income neighborhoods in Pittsburgh and 19 rural communities along the Monongahela River that are still attempting to recover from the demise of the steel industry. Serving a market in the southwest corner of Pennsylvania, the fund invests in affordable housing and small business development and expansion. As a small start up institution, the \$250,000 grant from the CDFI Fund -- along with nearly double that amount in private matching funds -- will increase the loan funds net worth by a multiple of six. Such a healthy infusion of capital will enable the Community Loan Fund of Southwestern Pennsylvania to significantly expand its services and enhance a new initiative to stimulate entrepreneurial activity in a depressed region.

Delaware Valley Community Reinvestment Fund

Location: Philadelphia, Pennsylvania
Award: \$2 million (\$1 million grant and \$1 million loan)
Type: multi-faceted community development loan fund
Service area: Philadelphia, four counties in Pennsylvania, and five counties in New Jersey
Products: mortgage loans, community development loans, training and technical Assistance
Contact: Mr. Jeremy Nowak and Mr. Donald Hinkle - (215) 925-1130

Delaware Valley Community Reinvestment Fund, created in 1985, serves the bi-state Philadelphia Metropolitan Area with a focus on the most distressed neighborhoods in Philadelphia, Chester PA, and Camden, NJ. This institution and its subsidiaries finance affordable housing, provide training and technical assistance to community development corporations, and make equity investments in businesses located in distressed communities. Delaware Valley is a national leader in developing innovative strategies to serve and stabilize disinvested communities through smart, aggressive and market-driven lending. With its strong and impressive track record, the institution's asset base has grown 25% within the past year to \$20.8 million, and attracted more than 700 investors. CDFI Fund support of \$2 million will enhance Delaware Valley's lending and investment capacity, and provide resources to further the institution's role as a leader in forging public and private sector partnerships to promote community investment.

Detroit Development Bancorporation

Location: Detroit, Michigan
Award: \$3 million equity

Type: community development bank holding company
Service area: target area on Detroit's east side
Products: full service bank. small business loans, housing loans, real estate development and enterprise development
Contact: Ms. Ellen Burzynski - (313) 824-1050

This is a new effort for a comprehensive community development bank holding company with a strategic plan to revitalize a well defined investment area on the east side of Detroit. This presents a promising approach to achieve large scale community revitalization in Detroit. The CDFI Fund's \$3 million equity investment will be a major boost to a fundraising effort that may raise up to \$20 million in capital for this startup effort. The Detroit holding company, which will be established in stages, is designed to have three subsidiaries. A full service bank in the target area will provide small business loans and housing loans. and can leverage its equity many times over through deposits. A for-profit real estate development company will initially focus on the development of 500 houses for home ownership in a 30 square block area. A nonprofit enterprise development affiliate will have three functions -- small business assistance to strengthen small manufacturers in the region and businesses in the target area, creation of a labor force development strategy to link potential workers with employers' skill needs, and homebuyer training and pre-purchase services for first time homebuyers. The Detroit based bank holding company will be a subsidiary of Shorebank Corporation.

Douglass Bancorp

Location: Kansas City, Kansas
Award: \$1.903 million (\$1.75 million equity and \$153,000 technical assistance)
Type: community development bank
Service area: Kansas City, Kansas and Missouri
Products: full service bank, housing loans and business loans
Contact: Mr. Ronald Wiley - (913) 321-7200

Founded in 1946, Douglass Bancorp is the oldest African-American owned bank west of the Mississippi River. Five years ago Douglass was in serious financial difficulty but has since engineered a remarkable financial turnaround. It is now focusing on becoming a community development bank. To help accomplish this mission. Douglas has formed an alliance with the Kansas City Neighborhood Alliance and has expanded its operations into Kansas City, Missouri. Douglass is making housing and small business loans in distressed neighborhoods with a target area encompassing the entire bi-state Enhanced Enterprise Community. The CDFI Fund's \$ 1.7 5 million equity investment will provide the bank's holding company with the capital it needs to achieve its community development objectives in revitalizing distressed neighborhoods and serving the Kansas City area's African American residents. Douglass is an important model worthy of close attention.

Enterprise Corporation of the Delta

Location: Jackson, Mississippi
Award: \$2 million grant
Type: small business loan fund
Service Area: 55 counties in the Delta region of Arkansas, Louisiana and Mississippi
Products: asset based term loans and working capital loans
Contact: Mr. William J. Bynum - (601) 944-1100

Enterprise Corporation of the Delta (ECD) is a start up loan fund serving a 55-county market area suffering from persistent and entrenched poverty. At least 16 counties in the market are served by ECD have more than 40% their residents living below poverty. ECD is a promising initiative that is taking on the

enormous challenge of helping to transform the Delta region's economy. The area's culture -- including that of its commercial lenders -continues to be oriented to the agricultural sector despite the facts that it currently employs only a small percentage of the population. EDC was established in 1994 with support from a variety of regional and national interests including foundations led by the Pew Charitable Trusts and corporate partners such as the Entergy Corporation and Wal-Mart Inc. To date, EDC has made almost 40 loans and investments to promising businesses. The CDFI Fund's \$2 million grant will help to capitalize EDC's efforts to provide financing for small manufacturers and other businesses offering employment opportunities for lower-income people. EDC is also connecting with efforts to improve workforce skills and job readiness.

Faith Community United Credit Union

Location: Cleveland, Ohio
Award: \$350,000 (\$200,000 grant and \$150,000 technical assistance)
Type: community development credit union
Service area: Cleveland' s lower east side
Products: consumer financial services and loans
Contact: Ms. Rita Haynes - (216) 271-7111

Started as a church congregation based credit union in 1957, Faith has grown into a full fledged community development credit union to better serve the low-income African-American community on the east side of Cleveland. It now has almost 2,500 members and serves its membership with consumer auto and mortgage loans. A \$200,000 grant from the CDFI Fund will provide a significant boost to its net worth, which can be leveraged many times over through increasing member and nonmember shares. Growth of capital will allow expansion of financial services to its community. Expansion of services is based on a strategic planning process supported by the Lilly Endowment and the Cleveland and Gund Foundations. The credit union intends to expand into home improvement loans and acquisition/repair loans as a strategy to turn vacant properties into owner occupied homes.

FINCA

Location: Washington, District of Columbia
Award: \$450,000 grant
Type: microenterprise fund
Service Area: Washington/Baltimore metro areas and rural Minnesota
Products: microenterprise loans
Contact: Mr. Rupert Scofield and Ms. Donna Fabiani - (202) 682-15 10

FINCA, a seasoned overseas microenterprise development organization, is adapting and bringing its "village banking" peer group lending model to the United States. FINCA will serve low income markets in the Baltimore-Washington Metropolitan Area and rural Minnesota (based in Fairbault, Minnesota). FINCA's market is comprised of low-income people who are interested in self employment. FINCA will help low-income people become business owners by teaching them business skills and providing support through peer group interaction. The peer lending model provides encouragement, market discipline, and access to loans for working capital for businesses that could not otherwise obtain financing.- In 1994, FINCA began its United States operations. The \$450,000 grant from the CDFI will enhance FINCA's lending capacity, leverage private resources, and allow it to expand to serve more domestic sites.

First American Credit Union

Location: Window Rock, Arizona
Award: \$1 million grant

Type: community development credit union
Service Area: Native-American Reservations in Arizona, New Mexico and Utah
Products: consumer financial services
Contact: Mr. Robert P. Shipe - (520) 871-4768

First American provides basic financial services to 15,000 Native-Americans throughout Arizona and part of New Mexico and Utah. Established in 1962 to serve the Navajo reservation, First American has made more than \$125 million in loans and has almost \$33 million in assets -- making it the nation's largest community development credit union. The credit union provides consumer and small business loans, which often support small agricultural ventures and production and distribution of traditional Native-American crafts. CDFI Fund support of a \$1 million will provide a substantial infusion into the credit union's net worth. This infusion will be leveraged many times over through share growth and will enhance the capacity of First American to serve members who otherwise could not access financial services. CDFI Fund support will also support new approaches to deliver financial services in often sparsely settled rural areas and low-income Native-American communities, such as use of ATMs and a possible mobile branch.

Illinois Facilities Fund

Location: Chicago, Illinois
Award: \$900,000 grant
Type: community development loan fund
Service Area: Illinois
Products: term loans for acquisition and construction of nonprofit facilities
Contact: Ms. Trinita Logue - (312) 629-0060

The Illinois Facilities Fund finances nonprofit facilities that support low income people in Chicago and elsewhere in the state of Illinois. The Illinois Facilities Fund, through the financing of day care centers, health care clinics, and other critical facilities, has improved the availability and quality of essential human services in its market area. Formed in 1988, the institution has made \$9.5 million in loans to human service agencies that otherwise lack access to conventional sources of financing. These borrowers not only provide critical services -- but are often among the largest employers in lower-income neighborhoods. The CDFI Fund will provide IFF with a \$900,000 grant. This substantial investment will help build upon their strong track record and add to their net worth resulting in greater ability to create community impact through their unique lending focus.

Kentucky Highlands Investment Corporation

Type: London, Kentucky
Location: \$450,000 grant
Award: community development venture capital fund
Service Area: nine rural county area of Appalachian southeast Kentucky
Products: equity investments in manufacturing corporations
Contact: Mr. L. Ray Moncrief - (606) 864-5175

Kentucky Highlands has changed the lives of thousands of Appalachian residents in its highly distressed nine-county market area over the past 28 years. The nine rural counties have a staggering poverty rate ranging from 30% to 45%. As a venture capital fund, Kentucky Highlands provides critical capital and hands on support needed to create jobs and businesses in its severely depressed rural community. The institution's \$40 million in risk capital investments have generated 5,200 jobs -- accounting for 40% of all manufacturing jobs in the region and 6% of the area's total labor force. The CDFI Fund's \$450,000 grant to Kentucky Highlands will provide flexible resources to enhance its investment capacity.

Local Initiatives Support Corporation

Location: New York, New York
Award: \$1 million grant for rural LISC
Type: national financial and technical services community development intermediary
Service Area: rural areas in 36 states
Products: short term loans, housing development equity and secondary market purchases
Contact: Mr. Mike Patterson - (212) 455-9800

LISC has a 15-year history of building the capacity of community development corporations (CDCs) serving low-income communities through provision of essential financial support for real estate development and operations. Traditionally this effort has been concentrated in urban centers. In a major expansion, LISC is bringing many of these services and its successful track record to emerging and experienced CDCs in non-metro areas. Rural LISC, in operation for one year, is now working with 52 selected CDCs in 36 states. Previously, many rural development entities were severely limited in their access to the financial products and technical assistance that are now available through Rural LISC. A CDFI Fund investment of a \$1 million grant will help LISC leverage additional financial support targeted to its new rural market. This support will increase the scope of the sophisticated support services provided to low-income rural communities.

Louisville Development Bancorp

Location: Louisville, Kentucky
Award: \$2,336,500.00 (\$2 million equity investment and \$3) 36,500 technical assistance)
Type: community development bank holding company
Service area: Louisville, Kentucky, west side and other selected neighborhoods
Products: small business loans. housing loans and development, enterprise development
Contact: Ms. Kim M. Burse - (502) 77/ 8-4000

In a bold approach to revitalize distressed Louisville neighborhoods, public and private sector leaders joined with community leaders to spur the formation of a comprehensive community development bank holding company. Through a strategic plan to revitalize inner city Louisville, it will serve an investment area composed of most of Louisville's low-income neighborhoods. The investment area includes Louisville's Enterprise Community as well as the largest concentration of African-American residents in Kentucky. The holding company will have three subsidiaries: a full service bank, with a focus on small business lending, home improvement loans and mortgages for multi-family development, and which can leverage its equity many times over with deposits; a real estate development company with emphasis on single family new construction and rental housing development; and, a nonprofit enterprise development center designed to foster small business development and entrepreneurial initiatives by area residents through training and specialized financial products and creating linkages between labor force training efforts and area employers. Equity from the CDFI Fund is expected to play a central role in helping to raise the capital necessary to launch this important new effort.

Low-Income Housing Fund

Location: San Francisco, California
Award: \$2.5 million (\$1.2 million grant and \$ 133 million loan)
Type: community development loan fund
Service Area: national, emphasis California, New York and Washington, DC area
Products: predevelopment and short-term gap financing
Contact: Mr. Daniel Leibsohn - (415) 777-9804

Over its 11-year history the Low-Income Housing Fund has become a national leader in community development financing. Its successful track record includes financing and technical assistance toward the development of 15,000 units of housing affordable to low-income people, leveraging \$1 billion in total development costs. More recently it has devoted increased attention to housing for people with special needs (such as the low-income frail elderly, people with AIDS, and the physically disabled). This unique lending expertise has attracted substantial demand, lending for special needs housing now comprises close to 40% of its portfolio. Originally serving the San Francisco Bay area, LIHF now has additional offices in Los Angeles and New York and has financed housing in 20 states. For projects in need of more financing than LIHF can provide directly, LIEF negotiates permanent and interim loans from banks and other conventional lenders on behalf of its nonprofit borrowers. To date, LIHF has packaged over \$70 million in such loans and manages three lending pools capitalized by close to 40 financial institutions. With \$2.5 million in financial support from the CDFI Fund, LIHF will substantially increase its capacity to respond to demand for special needs housing financing and to continue to broaden its geographic reach.

Neighborhoods, Inc. of Battle Creek

Location: Battle Creek, Michigan
Award: \$1,350,000 grant
Type: housing loan fund
Service Area: Battle Creek, Michigan
Products: first and second mortgage loans, home improvement loans
Contact: Ms. Marta Howell - (616) 968-1113

Neighborhoods, Inc. is a nonprofit organization focused on the revitalization of distressed neighborhoods in Battle Creek, Michigan. It has a strong track record of restoring housing quality and market vitality in its target areas. Since 1991 Neighborhoods, Inc. has made \$8.5 million in loans -- 304 loans for home purchases and 309 loans for home improvements. The organization helps to stabilize residential area through a coordinated strategy of providing loans, real estate development of selective properties, individual credit counseling, pre-purchase training, and community improvement activities. A \$1.35 million grant from the CDFI Fund will provide a means to provide a greater number of purchase and home repair loans affordable to lower income families. This financial support will complement Neighborhoods, Inc.'s broad base of local support which includes corporations, banks, foundations, local government and community based organizations. The W.K. Kellogg Foundation is a key supporter and partner. Neighborhoods, Inc. is an NeighborWorks7 organizations.

New Hampshire Community Loan Fund

Location: Concord, New Hampshire
Award: \$1 million grant
Type: community development loan fund and microenterprise fund
Service Area: New Hampshire
Products: short term debt, microloans to self-employed entrepreneurs
Contact: Ms. Juliana Eades - (603) 224-6669

Since its inception in 1983, NHCLF has developed a strong track record serving the low-income population of New Hampshire. Close to 200 loans with a value above \$11 million have been made. Its innovation in responding to community capital needs has resulted in national models for development finance. In particular NHCLF has pioneered and perfected financing for the purchase and conversion of mobile home parks into resident owned cooperatives. Commercial lenders in New England now entertain similar financing due to this fund's successful efforts. This success has helped to attract over \$6 million in investments to NHCLF from 350 lenders, including individuals, religious entities, philanthropies and businesses. More recently it has expanded its services to lower income people with microenterprise lending.

Through a network of community partnerships it intends to broaden this initiative throughout the state. CDFI financial support of a \$1 million grant will be a major boost for the organization's initiatives.

Nonprofit Facilities Fund

Location: New York, New York
Award: \$1 million loan
Type: community development loan fund
Service Area: national, offices in New York, Boston, Chicago, Philadelphia, and San Francisco
Products: commercial term acquisition, rehabilitation and construction loans for nonprofit facilities
Contact: Ms. Clara Miller - (212) 868-6710

This fund was established in 1980 to respond to a unique lending niche -- for organizations serving low-income communities with physical facility development needs. Initially focused on the New York City area, NFF is beginning to broaden to a more national scope to respond to demand for its financial services. NFF now has locations in Boston, Chicago, Philadelphia and San Francisco. Its 130 borrowers range from arts and cultural facilities, religious congregations' community service centers, health facilities and child care centers. Over \$11 million in loans have been made. NFF's capital comes from an equally broad range of investors, including numerous banks, foundations, other financial institutions including insurance companies, and several public entities. The CDFI Funds \$1 million loan will assist NFF in both its New York efforts and its geographic expansion.

Northeast Ventures Corporation

Location: Duluth, Minnesota
Award: \$1.25 million equity
Type: community development venture capital fund
Service Area: seven rural counties in northeast Minnesota
Products: venture capital, equity investments
Contact: Mr. Nick Smith - (218) 722-9915

Northeast Ventures was initiated by concerned local leaders in an attempt to counter the economic decline from the shrinking mining industry, the historic economic base of the region. Northeast Ventures has achieved measurable success since its start in 1990. It helps communities achieve social objectives by identifying and investing in businesses with significant growth potential. Its investments are targeted to three objectives: job creation and retention; economic diversification; and, directing profitability into local ownership. Its investments in 14 companies have helped to bring 161 full time jobs to the Iron Range region. Northeast Ventures is uniquely structured to serve its investment area, investing in smaller and younger enterprises than a typical venture capital fund would consider. It has attracted almost \$ 8 million in investment capital and over \$20 million in leveraged investments for its investees. The CDFI Fund investment of \$1.25 million in equity will substantially improve Northeast Venture's ability to serve their target market by providing greater flexibility in the size and term of their investments.

Quitman County Federal Credit Union

Location: Marks, Mississippi
Award: \$127,500 (\$ 100,000 grant and \$27,500 technical assistance)
Type: community development credit union
Service Area: Quitman County, Mississippi
Products: consumer loans, home improvement loans and small business loans
Contact: Mr. Robert L. Jackson and Ms. Alma Harris - (601) 326-4000

This credit union was formed in 1981 as a means for this remote rural county's African-American population to have access to basic financial services at affordable prices. Quitman County is typical of the state's Delta counties, majority black and very poor. Quitman County's African-American population has an astounding 56% poverty rate (almost three times the rate for the white population). Membership in the credit union has grown to 1,325 household members, close to half of the county's black households, a very dramatic sign of success. The credit union also is an important source of community education in the provision of financial counseling for consumers and the self-employed. With a CDFI Fund grant of \$ 100,000, Quitman will be able to expand its lending for home improvements and residential construction, and thus stimulate opportunity for small building contractors. The credit union's increased net worth will be able to be leveraged many times over through increased share growth. It is also considering potential expansion of their service area into two adjacent counties which are located in an Enterprise Community.

Richmond Neighborhood Housing Services

Location: Richmond, Virginia
Award: \$250,000 (\$120,000 grant and \$130,000 loan)
Type: housing loan fund
Service Area: Richmond, Virginia
Products: home repair loans, closing cost assistance and first and second mortgages loans
Contact: Ms. Greta Harris - (804) 329-2500

A community oriented developer and lender, Richmond NHS has had a measurable impact in the stabilization of the city ~ s Barton Heights neighborhood. This was achieved by a collaborative process over a 14 year period between the community, area banks and the city. A variety of financial interventions were used to restore economic vitality to this declining neighborhood, including emergency repair grants for low-income elderly home owners, down payment assistance for first time home buyers, home improvement loans at below market interest rates, and more recently second mortgages. Through its Neighborhood Ownership Works (NOW) program over 100 families have become homeowners. NOW is a local version of a model developed by Neighborhood Reinvestment Corporation and its affiliate Neighborhood Housing Services of America. RNHS makes a below market rate second mortgage behind a first mortgage from a participating partner bank. CDFI Fund financial support will expedite expansion of these successful home ownership lending programs city wide. Along with home buyer education and support from other financial investors, RNHS will be positioned to assist low-income households in becoming homeowners, and in turn strengthen many of Richmond's distressed neighborhoods.

Rural Community Assistance Corporation

Location: Sacramento, California
Award: \$1.7 million (\$900,000 grant and \$800,000 loan)
Type: community development loan fund
Service Area: 12 western states
Products: term loans for housing development, infrastructure predevelopment loans and child care facilities
Contact: Mr. William French - (916) 447-9832

A unique blend of technical and financial assistance is provided by RCAC. Its success is built upon a long track record of developing strategies and products to respond to the community development needs of low-income, rural, western populations in its 12 state service area. Since 1978 RCAC has been a technical assistance provider. It has gained a special expertise in infrastructure development, assisting small municipalities, utility districts and rural cooperatives with water and waste-water system planning, development and expansion. Over 100 communities are assisted annually with infrastructure and environmental health issues. In 1988 it became a financial intermediary, making loans for housing

development. It has since financed the development of over 2,000 units of housing. Farmworkers are a particular focus of attention. Financial support from the CDFI Fund of \$1.7 million (\$900,000 grant and \$800,000 loan) will provide RCAC substantial new resources targeted to expanding its lending capabilities to include predevelopment loans for environmental infrastructure and development loans for child care facilities.

Santa Cruz Community Credit Union

Location: Santa Cruz, California
Award: \$1 million grant
Type: community development credit union
Service Area: Santa Cruz County, California
Products: consumer loans, small business lending and farm loans
Contact: Mr. James Sudduth and Mr. Jeff Wells - (408) 425-7708

Since its inception in 1977, this community development credit union has achieved a remarkable track record. It has become a full service community development financial institution offering its members a wide variety of services -- savings, checking, credit cards, ATMs, telephone banking, and a range of lending products, consumer, real estate and business loans. These services have attracted over 6, 100 members and have grown the credit union's assets to \$20 million. Santa Cruz has become a pre-eminent credit union in providing small business loans. Over \$37 million has been lent to small businesses, cooperatives and nonprofit service providers -- generally entities that could not otherwise access loans from traditional lenders. Santa Cruz makes about \$4 million in small business and nonprofit loans annually, and over 220 such loans are currently on its books. Over 70% of these loans have been made to minorities and women. Another special lending focus is environmentally screened agricultural loans to support farm operations that practice integrated pest management techniques or sustain organic growing practices. Loans for such operations help to provide sources of products for numerous retail food cooperatives and outlets which are also borrowers. A \$1 million grant from the CDFI Fund will provide Santa Cruz Community Credit Union with capital it needs to implement its plans for a significant expansion -- a new branch office to serve the low-income, predominately Hispanic, city of Watsonville.

School Workers Federal Credit Union

Location: Charlotte, North Carolina
Award: \$150,000 grant
Type: community development credit union
Service Area: Charlotte
Products: retail services, consumer loans and-home equity loans
Contact: Ms. Sandra R. Chapman - (704) 375-5781

School Workers is one of the strongest minority run credit unions in the country. Formed in 1941 as a means for African American workers of the public school system to access credit it has grown into a \$ 10 million institution with over 2,700 members. Today members tend to be from the city's lower income west side, which is underserved by traditional lenders. Services of particular importance to members include school loans and ' small business loans. The credit union is a vehicle to help build wealth for low-income families by building assets through savings. The infusion of investment from the CDFI Fund, a \$150,000 grant, will be leveraged many times over through increasing share growth. Increased strength in the institution's net worth will enhance the credit union's ability to launch new products and services and explore ways to enhance its field of membership.

Self-Help

Location: Durham, North Carolina
Award: \$3 million grant
Type: multi-faceted community development financial institution
Service Area: North Carolina
Products: housing loans small business loans and consumer loans
Contact: Mr. Martin Eakes and Mr. Robert Schall - (919) 956-4400

Self-Help has two financing entities, Self-Help Credit Union and Self-Help Ventures Fund, which combined serves as a community development financial institution for North Carolina's distressed communities and low-income families. Launched in 1980, Self-Help aggregates resources and forges partnerships in the public and private sectors and advocates for community development issues. Self-Help Ventures provides loans to emerging small businesses and provides management assistance to commercial borrowers. Self-Help's Ventures also emphasizes housing lending. The overall track record is very impressive. Through strategic deployment of its resources and five regional offices in the state, Self-Help has helped to improve the lives of thousands of families in North Carolina. This level of achievement has been recognized by the wide range of support and investment that Self-Help attracts from corporations, banks, foundations and state and local government. This work is having significant impact in transforming conventional loan underwriting standards, and thereby creating new opportunities for low-income home ownership. The CDFI Fund's \$3 million grant will be channeled to Self-Help Ventures Fund, and will boost its equity capital and assist in elevating its development innovations to an even higher scale. Expansion of Self Help's secondary market initiative is worthy of special note. Beginning with a partnership with Wachovia Bank, and since with other banks, Self-Help has pioneered a means to create continual flow of capital to provide mortgages for low-income homebuyers.

ShoreBridge Capital

Location: Cleveland, Ohio
Award: \$1.5 million (\$750,000 equity and \$750,000 grant)
Type: inner city community development venture fund
Service Area: Cleveland, Ohio
Products: subordinated debt with equity features
Contact: Mr. Charles Rial - (216) 268-6109

This proposed community development venture capital fund presents an important model for using mezzanine capital as part of a strategy for inner city revitalization. The comprehensive program design combines an investment strategy with forging linkages between labor force development and business development and expansion. These activities will be coordinated with Cleveland's Supplemental Empowerment Zone. Subordinated debt with revenue participations will be used as a means of making venture investments in businesses with potential for growth and expansion of its employment base. ShoreBridge will particularly focus on companies that offer upward mobility for low-income workers. ShoreBridge is managed by Cleveland Enterprise Group, a nonprofit affiliate of Cleveland Development Bancorporation (which is a subsidiary of Shorebank Corporation). The infusion of \$1.5 million in investment from the CDFI Fund (\$750,000 equity in ShoreBridge, and \$750,000 grant to Cleveland Enterprise Group), along with capital from other investors, will be used for financing to bring, retain and expand the area's employment base, particularly focused on manufacturers in Cleveland's lower-income neighborhoods. This degree of innovation, -and the comprehensive nature of this endeavor makes ShoreBridge a model worthy of close attention.

Southern Development Bancorporation

Location: Arkadelphia, Arkansas
Award: \$2 million (\$1 million equity and \$1 million grant)
Type: community development bank holding company
Service Area: Southern and Eastern Arkansas
Products: full service bank, small business loans, microloans development
Contact: Mr. Brian Kelley - (501) 246-5811

This comprehensive community development bank holding company is demonstrating that a bank holding company, with appropriate affiliates and subsidiaries, can be profitable while achieving important community development objectives. Since the bank holding company purchased an existing bank in 1988 and created the multi-faceted structure, Southern has been responsible for the creation or retention of 2,300 jobs. Southern is now seeking to launch a major expansion into the Arkansas Delta. With the addition of banking operations in that region, and more resources directed to Southern's real estate development and enterprise development components, it can implement a comprehensive program directed to commercial and housing lending, real estate development, small business expansion, venture capital and microenterprise lending. The expansion will bring the focus of the bank holding company's activities into the poorest part of the state, where African-American poverty rates are 65%. CDFI Fund investment, \$1 million equity investment in Southern and \$1 million grant to its nonprofit affiliate Arkansas Enterprise Group, will help to launch this important expansion. Southern's Delta presence is expected to include a partnership with a university to advance research into rural economic development issues.

Tlingit-Haida Regional Housing

Location: Juneau, Alaska
Award: \$1.025 million (\$1 million loan and \$25,000 technical assistance)
Type: Native-American housing organization
Service Area: Southeast Alaska
Products: homeownership lending
Contact: Ms. Jacqueline L. Johnson - (907) 780-6868

Tlingit-Haida serves a unique population in a unique market. Low-income Native Americans have a particularly difficult time affording decent housing in the very high cost market of southeast Alaska. This situation is further compounded in the remote villages where a substantial number of the region's Native-Americans live. Air and boat provide the basic means of transportation between communities, which in the service area is generally not directly connected to other Alaskan communities by road. Tlingit-Haida Regional Housing has provided 73') housing units at affordable prices largely to Native-American buyers and renters since 1973. These housing opportunities are scattered among 12 rural communities. Sources of funding used to date have precluded Tlingit-Haida from pursuing its activities in urban locations. With a CDFI Fund investment of a \$1 million loan Tlingit Haida will begin home mortgage lending in the region's three urban areas, Juneau, Ketchikan and Sitka. This will be among the first sources of mortgage finance in these three markets affordable to low-income Native-Americans. Tlingit-Haida anticipates that CDFI Fund resources will be the beginning of raising capital from increasingly diversified sources so that low-income residents throughout the service area can have access to home ownership financing.

Vermont Community Loan Fund

Location: Montpelier, Vermont
Award: \$167,500 (\$150,000 grant and \$17,500 technical assistance)
Type: community development loan fund

Service Area: Vermont
Products: term loans for housing, businesses and community facilities
Contact: Ms. Jane Knodell and Ms. Nancy Wasserman - (802) 2.23-1448

This fund, started in 1987, has developed a solid track record in responding the capital needs of the state's low-income population. While relatively small in size, the fund has attracted investments from a diverse array of individuals, religious institutions, foundations and corporations. These investments have allowed the fund to grow at the average annual rate of 35%. Over \$3.7 million in 86 loans has been made, largely to developers of housing affordable for low-income families. Since 1991 VCLF has also lent for community facilities. While a statewide lender, the loan fund emphasizes serving Burlington's Old North End Enterprise Community, whose residents have a startling 33% poverty rate, with a full range of lending. A grant of \$150,000 from the CDFI Fund channeled to its housing and facilities subsidiary, will build on VCLF's track record and enhance its capacity to serve its markets.