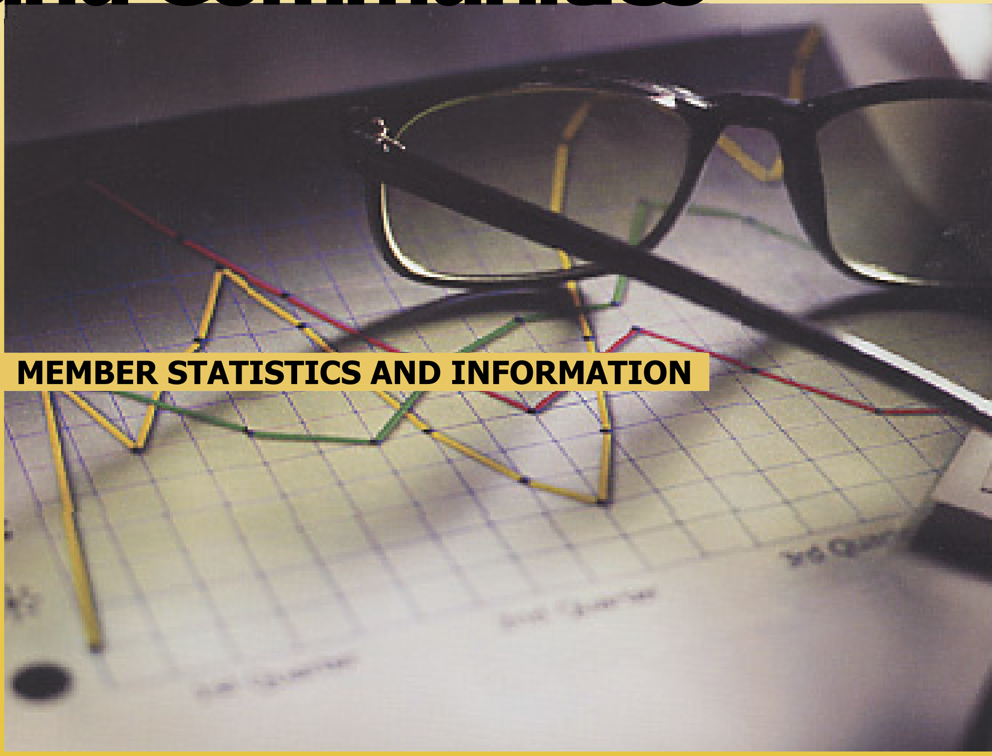
CDFIs:

Bridges between Capital and Communities



2001 MEMBER STATISTICS AND INFORMATION

National Community Capital Association

Community Development Financial Institutions (CDFIs) are financial intermediaries that have community development as their primary mission and that develop a range of strategies to address that mission. Individuals and institutions invest in CDFIs because they want their investments to provide a social as well as financial return. CDFIs, even through the recession, have proven to be a very safe investment that continue to have a tremendous impact on the communities they serve.

OVERVIEW

The data presented in this document includes information for 107 CDFIs which are Members of National Community Capital, of which 85% are community development loan funds, 9% are community development venture capital funds, and 6% are community development credit unions. It is important to note that the data represented here is based on a sub-set of the industry. As such, the trends and statistics presented here cannot be generalized.

Key 2001 Statistics

	Total (or Weighted Average)
CAPITALIZATION	
Total Capital	$1,960,644,708
Equity-to-Total Capital%	35%
Investor Losses	0
FINANCING	
Cumulative Financing*	$3,982,208,179
Total 2001 Financing*	$1,024,218,513
Total Financing Outstanding*	$1,458,522,914
Deployment	81%
Delinquency Rate > 90 days	3.3%
Net Charge-Off Ratio	0.5%
Loan Loss Reserves	4.6%
Cumulative loss rate**	2.3%
Weighted Average Rate of Loans	7.5%
OPERATIONS	
Total Assets	$2,320,925,000
Staff (Full Time Equivalent Employees)	1,583
Total Expenses	$261,412,930
Average Year began Financing	1989

* Includes loans, investments, linked deposits, and guarantees.
** Excludes indirect financing (linked deposits, loans purchased, and guarantees). Loss rates would decline to 1.3% including indirect financing.

HIGHLIGHTS

Capitalization:

- **The total capital of CDFIs continues to increase steadily.** Total capital growth at individual CDFIs (whom we had data on last year) increased at an average of 19% per CDFI.

- **CDFIs have strong equity to capital ratios.** Equity capital acts as a cushion to protect senior debt investors from losses, helps reduce CDFIs cost of funds, and enhances financing flexibility. CDFIs in our sample have equity to capital ratios totaling 35%.

- **CDFIs investors have never lost a penny of investment capital**. CDFIs have sufficient equity capital bases and loan loss reserves to absorb any losses in their portfolio.

Financing Performance:

- **CDFIs continue to put their capital to work for disadvantaged people and communities, with 81% of their capital deployed (outstanding or committed) in community development projects throughout the country.** The deployment ratio has remained steady during the past several years even as capital has increased substantially.

- **Overall portfolio quality remains high**, based on both net charge offs, delinquency rates, and cumulative losses. Net charge offs for CDFIs in our sample was 0.5% in FY 2001. This rivals the charge off ratio of commercial banks, which was 0.9% for all commercial banks, and 0.5% for commercial banks with less than $100 million in assets. The 90+ day delinquency rate for CDFIs in our sample was 3.3% and the cumulative loss rate was 2.3%.

Community Impact:

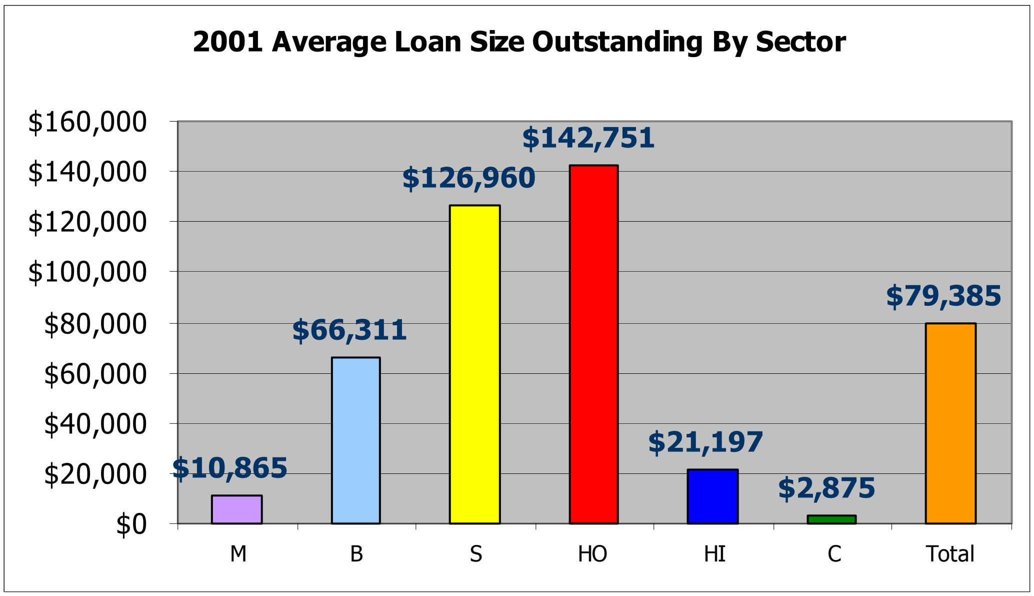
- **CDFIs invest in institutions, businesses, and people who do not have access to mainstream financial sources.** CDFI borrowers include affordable housing developers, small businesses, communities facilities and consumers. Financing by sector in FY 2001 is as follows: 48% housing, 4% microenterprise, 25% business, 18% community facilities, and 5% consumer.

- **The social outcomes of CDFIs' financing activities are substantial.** Through the end of fiscal year 2001, CDFIs in our sample provided $4 billion in cumulative financing for community development projects benefiting economically disadvantaged people and communities. This financing helped create or maintain approximately 180,000 jobs and support the development and expansion of approximately 147,000 housing units, and 2,500 community facility projects.

- **CDFIs are targeting their activities to reach the most economically disadvantaged customers.** In FY 2001, an average of 72% of our sample's clients were low-income, 49% were female, and 46% were ethnic minority.

FINANCING ACTIVITY

Fiscal year 2001 Direct Financing $ Closed By Sector	
Microenterprise	4.1%
Business	24.6%
Housing to Organization	33.4%
Housing to Individual	14.0%
Community Service	18.3%
Consumer	5.1%



HO=housing to organizations, HI=housing to individuals, B=business, M=microenterprise, S=community services, C=consumer

Type of Financing Outstanding

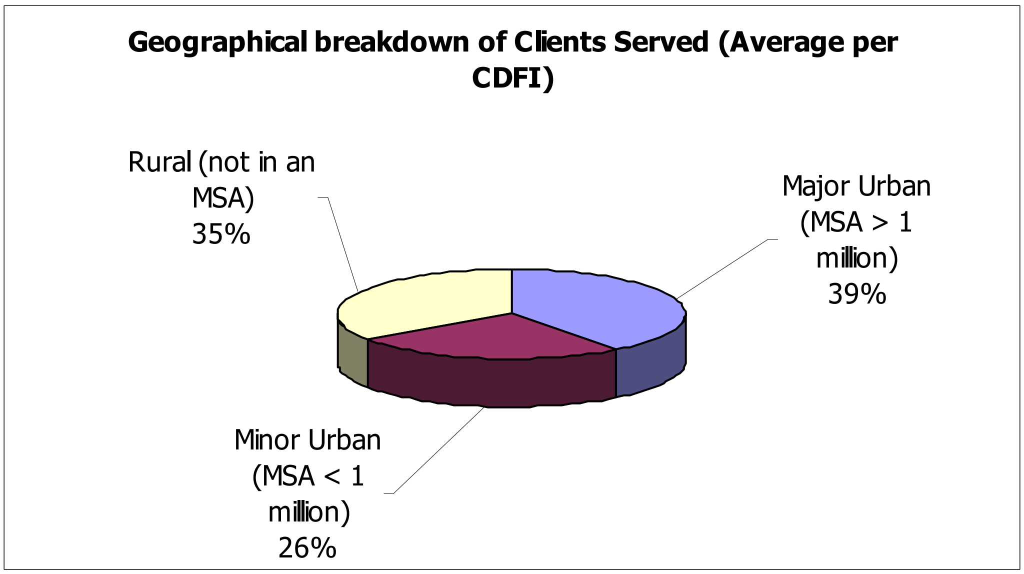
Total $ Amount Outstanding	$1,458,522,914
% in Loans	91.0%
% in Equity Investments or Debt with Equity Features	3.5%
% in Guarantees or Linked Deposits	5.5%

Average Rate and Term by Sector:

	Rate	Term (months)
Microenterprise	9.9%	46
Business	8.6%	72
Housing – Organization	6.3%	92
Housing - Individual	5.8%	195
Community Service	7.9%	93
Consumer	7.8%	38

OUTCOMES OF FINANCING

	Cumulative through fiscal year 2001
Housing Units Financed	146,784
Number of Businesses Financed	18,563
Number of Jobs Assisted (created or maintained)	179,659
Percentage Jobs for Low-Income Persons	63%
Percentage Jobs for Women	48%
Percentage Jobs for Minorities	38%
Number of Community Services Organizations Financed	2,464



Average % of Clients Served:

Minority	46%
Female	49%
Low-Income	72%

CAPITALIZATION

Sources of Investor Capital*: Loan Funds** (weighted average)	
Individuals	5%
Foundations	18%
Corporations	7%
Financial Institutions***	34%
Religious Institutions	10%
Government	16%
Other	9%

*Investor Capital includes Borrowed Funds and Equity Equivalent Investments
**Excludes Self-Help Ventures Fund because they operate a very large secondary mortgage program, which is unique in the industry. The program is capitalized substantially from the Federal Home Loan Bank. One other CDFI is excluded because of lack of breakout data.
***Financial Institutions include banks and thrifts, credit unions, and non-depository financial institutions.

Sources of Shares and Deposits: Credit Unions (weighted average)	
Individuals	61%
Foundations	3%
Corporations	3%
Financial Institutions*	19%
Religious Institutions	5%
Government	1%
Other	8%

*Financial Institutions include banks and thrifts, credit unions, and non-depository financial institutions.

About National Community Capital

National Community Capital is a network of private-sector community development financial institutions (CDFIs). The network invests in individuals, small businesses, quality affordable housing, and vital community services that benefit economically disadvantaged people and communities across the United States.

The National Community Capital network is active in all 50 states, investing and providing technical assistance, in places as diverse as South Central Los Angeles, North Camden, New Jersey, rural North Carolina, and the Pine Ridge Reservation in South Dakota.

National Community Capital Members must:

- Have a primary mission of community development and strive to have a positive impact on economically disadvantaged people and communities.
- Demonstrate a commitment to performance by acting as a disciplined lender and/or investor in community development and a responsible steward of other people's resources.
- Be private-sector financial intermediaries that use financing as an integral part of their community development strategy.
- Affirm support of National Community Capital's mission and be committed to building, growing, and improving the CDFI field.

National Community Capital provides financing for CDFIs, training and consulting for CDFIs and CDFI investors, and advocacy on behalf of the industry.

Please visit our website www.communitycapital.org for more information.