



2015 Peer Forum and Membership Meeting Agenda

Arnold & Porter LLP
Paul Porter Conference Center, 10th Floor
555 12th Street NW
Washington, DC

Agenda – Day One

1st Day: **Wednesday, May 27, 2015**

8:30 am **Registration & Continental Breakfast**

9:00 am **Introductions, Review of Agenda and Key Issues**

Facilitator: Jane Henderson, Board Chairman

9:30 am **Topic: Telling the CDFI Bank Story**

Facilitators: Dom Mjartan, moderator (Southern Bancorp), Becca Hoeft (Sunrise Banks), Brian Blake (Spring Bank), Rob Blackwell (American Banker)

Communicating the unique “value add” of a CDFI bank to its customers, community stakeholders, investors and regulators can be challenging. CDFI banks must make creative and cost effective choices. Panelists will share some examples of successful use of paid and social media, working with news media, and other strategies for reaching the target audience.

10:45 am *15 minute break*

11:00 am **Topic: Intersection between CDFI Banks and Impact Investing**

Facilitators: Jane Henderson, moderator (Virginia Community Capital), Catherine Godschalk (Calvert Foundation), Gil Crawford (MicroVest), Ron Homer (RBC Global Asset Management)

Impact investing is a growing trend within the U.S. and international investor community. The panel will provide an overview of the new opportunities impact investing presents for CDFI banks raising capital.

12:00 noon **Lunch**

1:15 pm **Honorable Mary Schapiro, Advisory Board Member, Promontory Financial Group**
Introduction by Bob McGill (Neighborhood Bancorp & CDBA Founding Board Chairman)

Mary Schapiro, former chairman of the U.S. Securities and Exchange Commission and the Commodity Futures Trading Commission, will share her observations on

the current regulatory and policy environment, and provide insights on how CDFIs can work within this environment to promote opportunities in communities that have not yet seen economic recovery. As Vice President of Promontory Financial Group's Advisory Board of Directors, Ms. Schapiro will also discuss the 2015 Promontory Empowerment Awards.

2:00 pm

Session Member Discussion: Launch of HUD FHA Multifamily Preservation Guarantee Program for CDFIs

Facilitators: Bob Cooper, moderator (OneUnited Bank), Diana Talios (Office of Multifamily Housing, Federal Housing Administration), Rebecca Humphries (Neighborhood National Bank)

HUD is launching a new adaptation of FHA risk-sharing to provide more capital to small multifamily properties by expanding its Section 542(b) program to include lenders that are CDFIs. More than a third of households in this country rent their homes. Of those, about one-third live in small properties of 5-49 units. The HUD guarantee is designed to provide reliable access to new financing for renovations or capital improvements. HUD officials will outline the new initiative with CDFI banks providing feedback how the tool can best work for the sector.

3:00 pm

15 minute break

3:15 pm

Topic: Innovations in Financial Literacy

Facilitators: Bob Jones, moderator (United Bank Alabama), Bill Keller (Community Bank of the Bay), Dan Skaff (Beneficial State Bank)

Building wealth and financial health in low and moderate income households often requires financial literacy. CDFI bank practitioners will share new innovations and strategies for reaching and building household financial management skills.

4:15 pm

Update from the CDFI Fund

Speaker: Annie Donovan (Director of the CDFI Fund, US Department of Treasury) with Questions & Answers from Peer Forum participants

Introduction by Jeannine Jacokes (CDBA)

In December 2014, Annie Donovan was appointed as the new Director of the CDFI Fund. Holding the unique distinction as the first Director to have been a CDFI practitioner, Annie will briefly outline the CDFI Fund's priorities, and will ask the CDFI banks about their priorities, concerns and issues.

5:15 pm

Adjournment

7:00 pm

**Restaurant – Proof @ 775 G Street NW, Washington DC 20001
(Cocktails start at 6:00 pm)**



2015 Peer Forum and Membership Meeting

Agenda – Day Two

2nd Day: **Thursday, May 28, 2015**

8:00 am **Continental Breakfast**

8:30 am **Membership Meeting**

- Treasurers Report
- Board Elections
- CDBA Strategic Plan
- Open Forum – Discussion on Issues Identified by CDFI Banks

10:00 am **Topic: Combating Payday and Predatory Lending: A Discussion with Consumer Financial Protection Bureau on Small Dollar Loan Regulatory Proposal**

Facilitators: Kelly Cochran, Assistant Director for Regulations (CFPB), David Reiling (Sunrise Banks), Huey Townsend (Guaranty Bank)

Payday and other predatory lenders are a significant and growing threat in communities served by CDFI banks. Numerous CDFI banks have developed loan products that provide responsible alternatives. Representatives from the Consumer Financial Protection Bureau (CFPB) will outline a draft of its pending rule on Small Dollar loans that are intended to curb abuses. CDFI bank practitioners will provide feedback to the proposed rule and discuss the challenges of and successes in delivering these products.

11:00 am 15 minute break

11:15 am **Topic: Financial Inclusion – How Can Treasury Support Community Development Banks to Deliver Financial Services to LMI Communities?**

Facilitators: Donna Gambrell moderator (Southern Bancorp), Amias Gerety, Assistant Secretary for Financial Institutions (US Treasury), Melissa Koide, Deputy Assistant Secretary for Consumer Policy (US Treasury), Bill Dana (Central Bank of Kansas City), Max Yates (BankPlus)

Financial inclusion is a top priority for Treasury, domestically and internationally. Through a facilitated discussion with senior Treasury officials, this session will provide the opportunity for CDFI banks to discuss how the Treasury Department can assist the CDFI bank sector in promoting financial inclusion and delivering new products and services while facing increased competition from nonbank providers.

12:30 pm

Lunch

1:30 pm

CDFI Bank Mergers & Acquisition: Opportunities, Challenges and Lessons Learned

Facilitators: Darrin Williams, moderator (Southern Bancorp), Michael Pugh (Carver Federal Bank), Bob Hughes (Finance & Thrift), Alden McDonald (Liberty Bank)

In an era of tighter margins, more banks are exploring mergers and acquisitions as strategy for staying competitive while filling the increasing bank deserts driven by bank consolidation. Any merger or acquisition involves a range of complex issues. Given the community focus of CDFI banks, facilitating such a transaction can be more complex than for a traditional bank (e.g. managing culture change, understanding new markets and customers, CDFI or Minority Depository eligibility). CDFI bank executives will share the experiences in merging with other banks or acquiring banks and branches.

2:45 pm

Honorable Maria Contreras-Sweet, Administrator, Small Business Administration

Introduction by Brian Argrett (City First Bank of DC)

Sworn in as the 24th Administrator of the U.S. Small Business Administration, Ms. Contreras-Sweet has roots in the CDFI bank sector as the former Chief Executive Officer of ProAmerica, a certified CDFI bank focused on the Hispanic community in Los Angeles. Ms. Contreras-Sweet will discuss the agency's efforts to streamline and make its programs promote the work of CDFI banks, Minority Depository Institutions, and other small lenders.

3:30 pm

Evaluation, Wrap Up

3:45 pm

Peer Forum Adjournment

CDCI-CPP Session

4:00 pm

CDCI Update & Discussion of Capital Markets for CDFI Banks

Speakers: Tim Bowler, Assistant Secretary for Financial Stability and Mark Kaufman, Senior Advisor to the Deputy Secretary

Introduction by Jeannine Jacokes (CDBA)

Numerous CDFI banks are participants in the US Treasury's Community Development Capital Initiative (CDCI) or Capital Purchase Program (CPP). As the Office of Financial Stability works to wind-down initiatives created under the Troubled Asset Relief Programs (TARP), it has engaged in a series of discussions with the CDFI banks through the Community Development Bankers Association (CDBA) and the National Bankers Association (NBA). Treasury officials will outline and answer questions about its proposal on disposition and/or management of its CDFI bank portfolio.

4:45 pm

CDCI Discussion (Banks Only)

Adjournment



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Banking in America



5500 Banks



Banking in America



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Brand Research



- Employees
- Customers
- Community leaders and partners
- National leaders

NPS (Net Promoter Score)

“On a scale of 1 to 10 (with 1 being UNLIKELY and 10 being VERY LIKELY), how likely are you to recommend Southern Bancorp to a friend or neighbor?”

Over **70%** of
customers responded
Very Likely or *Likely*

...giving Southern an
NPS of **58.5**

Compared to others:

- Apple 77
- Costco 71
- **Southern Bancorp 58.5**
- Bank of America 29
- Morgan Stanley 28
- Citigroup 6

- **Average U.S. bank
13**

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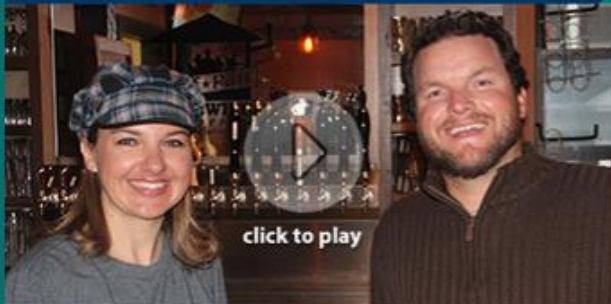
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Welcome to First Southwest Bank Online

We're thrilled that 2015 is the year we introduce our communities to the bank's Community Development Financial Institution (CDFI) designation. This rare honor is determined by the United States Treasury and allows us to serve our region like never before.

The certification encourages investment in projects with broad benefits – in education, housing, health care, infrastructure and other vital services. We can now expand economic opportunity to business innovators and social entrepreneurs who have big ideas. As always, we want to know more about you — your vision, dreams, and professional and personal goals. [Let's talk.](#) 970.442.5054

Kent Curtis, Chief Executive Officer

Featured Product



Click on the image for more information about our most popular checking product.



For More Information About CDFI and How
We Are Helping To Grow All Our Communities,
[Click Here.](#)

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PEOPLE USING BUSINESS AS A FORCE FOR GOOD

DAVID REILING
Sunrise Banks CEO

NAMED TWICE BY TRUST ACROSS AMERICA AS A "TOP 100 THOUGHT LEADER IN AMERICA".

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Important Message:

The bank will be closed on **Monday, May 25th, 2015** in observance of Memorial Day.

[Click here to view cut-off times for ACH, wires, and online transfers.](#)

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Cupcakes Are On The Rise With The Help Of Sunrise

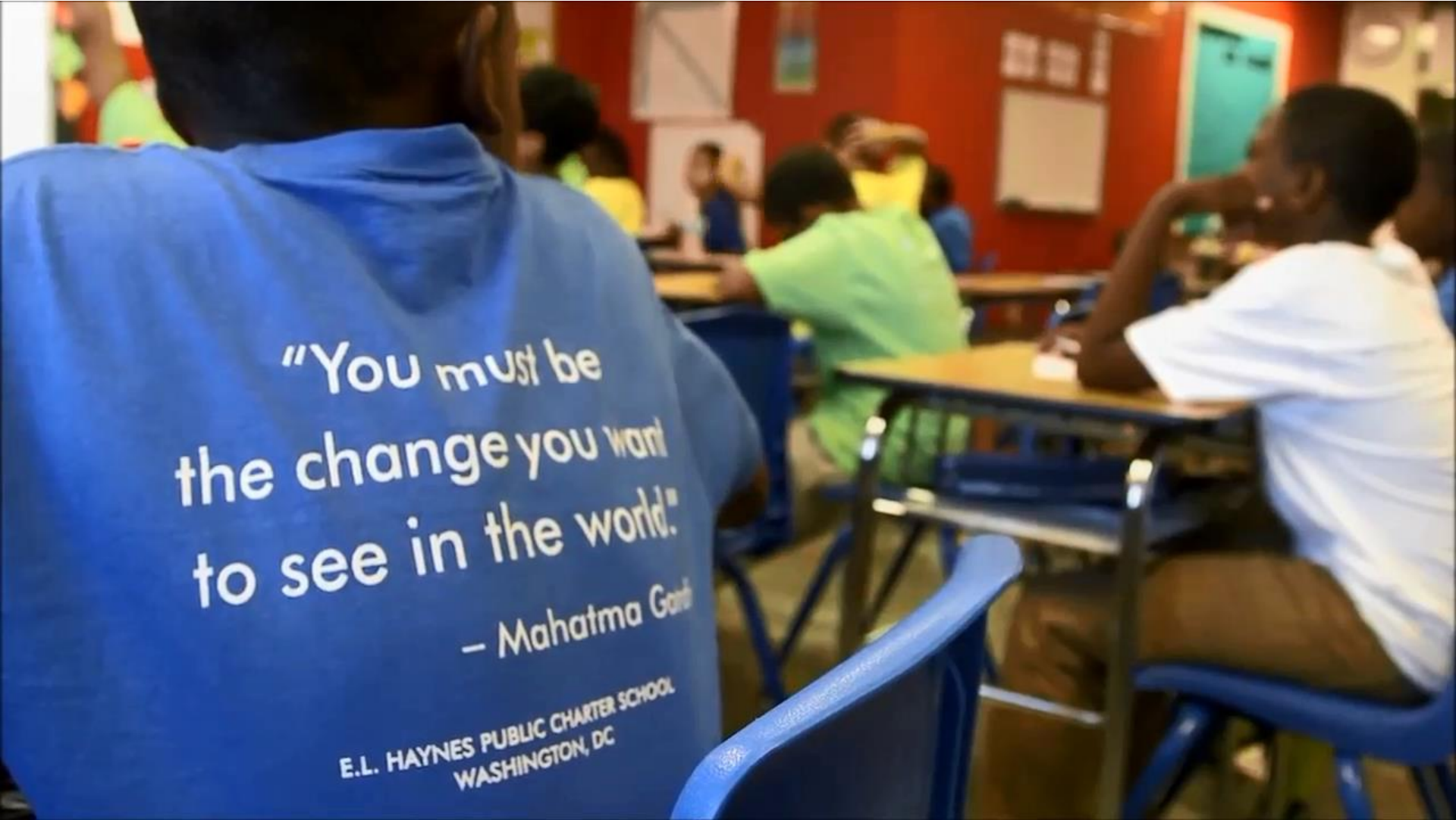
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Carver Federal Savings Bank

14 April · 🌐

Carver is Lending in the Community

Harlem RBI was looking for a Community Development Financial Institution (CDFI) to help build their DREAM Charter School in East Harlem. Carver provided \$1.7 million in bridge financing to make that dream a reality.

For more information, we invite you to call our Lending Specialists at 718.230.2900 or email us at Lending@carverbank.com.... [See More](#)



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Glen Jones @HendersonPres · May 20

Thank you @southernbancorp & @arkpromise for providing an opportunity for these future Reddies! #HSU



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One Community. One Bank. OneUnited. 

OneUnited Bank is an African-American-owned Massachusetts-chartered trust company headquartered in Boston, Massachusetts. The Bank is also a Community Development Financial Institution (CDFI) as designated Treasury Department. The Bank has achieved consistent profitable growth through both bank acquisitions and organic loan and deposit growth. The Bank has provided innovative products and services to fulfill its community development mission in the urban communities of Boston, Miami, and Los Angeles. OneUnited Bank continues to be integrated into the social and economic fabric of each community in every respect from not-for-profits, small business, affordable housing, churches, etc.

OneUnited implemented a plan that focuses on its core strengths. It is the only African-American owned bank with significant acquisition and integration experience, one of a small pool of banks that is designated as a CDFI with a strong financial performance and the only black owned bank with fully operational online banking capability. OneUnited has built a national brand through many innovative initiatives including:

- ☑ Lending almost \$1 billion over the past five years with the majority to low to moderate income communities, yet sustaining minimal losses. The Bank has received the largest Bank Enterprise Award from the U.S. Department of Treasury for five straight years for its community development lending.
- ☑ Providing extensive financial literacy training to urban communities including offering Money Smart Workshops on budgeting, credit and promoting the importance of savings.
- ☑ Launching the first Black-owned internet bank in an effort to build wealth and encourage savings within


OneUnited Bank employ




Teri Williams Cohee
President & COO

[See ho](#)


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dailybriefing

1 Asset Size Is Irrelevant, Community Bankers Insist
Not all bankers agree that community banks need to bulk up to better absorb compliance costs and compete with larger banks. At a panel at American Banker's Regulatory Symposium, three CEOs argued that small banks can thrive by remaining hyperfocused on the communities they serve, while continually finding ways to grow revenues and control expenses. **Page 4**

2 NYC Bank Tellers Charged with Identity Theft
Three New York bank tellers have been arrested and accused of participating in an identity theft ring, state Attorney General Eric Schneiderman said last Tuesday. **Page 3**

3 Senate Likely to Take Up Reg Relief Next Year
There is a good chance legislation that would provide regulatory relief to small banks and address concerns about which banks are systemically important could be wrapped in the same Senate bill next year. **Page 2**

4 TechXpress E-Commerce Unit Sold
SpentSmart Networks has purchased the e-commerce solutions division of TechXpress and plans to integrate the company's online and mobile services with its existing loyalty program offerings. **Page 18**

5 Dorco Eyeing \$229 Million Tax Refund
Doral Financial, the holding company for Puerto Rico's No. 2 mortgage lender, may soon find out whether a San Juan judge agrees it is owed a \$229.9 million tax refund the government has refused to pay. **Page 5**

6 1st Capital Appoints Chief Banking Officer
1st Capital Bank in Monterey, Calif., has appointed a chief banking officer who will take on most of the responsibilities of its recently departed chief administrative officer. **Page 3**

7 Privacy Notice Service for Banks Launched
PrivacyCheq, a financial technology company in York, Pa., has launched a service that hosts streamlined versions of banks' privacy notices that can be pushed out to smartphones, tablets and desktops. **Page 18**

8 Home Depot Breach Unfazes Investors
Though Home Depot's recent data breach compromised 56 million payment cards — more than the 40 million in Target's incident — the company isn't predicting a hit to revenue and



SOS: Cyberthreats are "urgent," FDIC Chairman Gruenberg warned, but today's IT is "beyond our scope of knowledge," banker H. McCall Wilson Jr., said.



FDIC Chief Discusses Anti-Hacker Strategies

Regulators crafting joint standards for cybersecurity

By Jon Adler

The volume and types of on-line attacks against financial institutions have forced cybersecurity to the top of technology issues facing banks and regulators, the head of the Federal Deposit Insurance Corp. said Monday.

Speaking at American Banker's Fourth Annual Regulatory Symposium, FDIC Chairman Martin Gruenberg said Internet threats are an "urgent" challenge for banks, and that regulators are in the process of assessing the readiness of both banks and the supervisory agencies to deal with attacks.

"In an increasingly interconnected banking environment, Internet cyberthreats are rapidly becoming the most urgent category of technological challenges facing our banks," he said. "The large number and sophistication of cyberattacks directed at financial institutions in recent years does require a shift

See page 7

Banks Experiment with Apps for the Underbanked

By Pwery Crossman

Some banks are using mobile technology to answer a big challenge from regulators: how to offer consumers outside the mainstream more products and services.

One bank in a poverty-stricken section of the Mississippi Delta, surrounded by check cashers on nearly every corner,

is figuring out how to serve the underbanked with a combination of state-of-the-art technology and personal service, yet it complains that regulatory constraints and reams of disclosures get in the way. Others, like BBVA Compass, are just starting to design mobile apps for the underprivileged.

About 8% of U.S. households are unbanked and another 20% are underbanked, according to the Federal Deposit Insurance Corp., which will publish a report this fall about expanding

See page 16

newsmaker



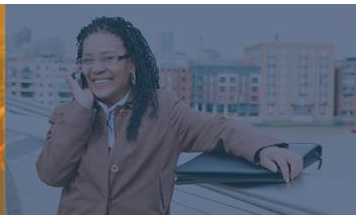


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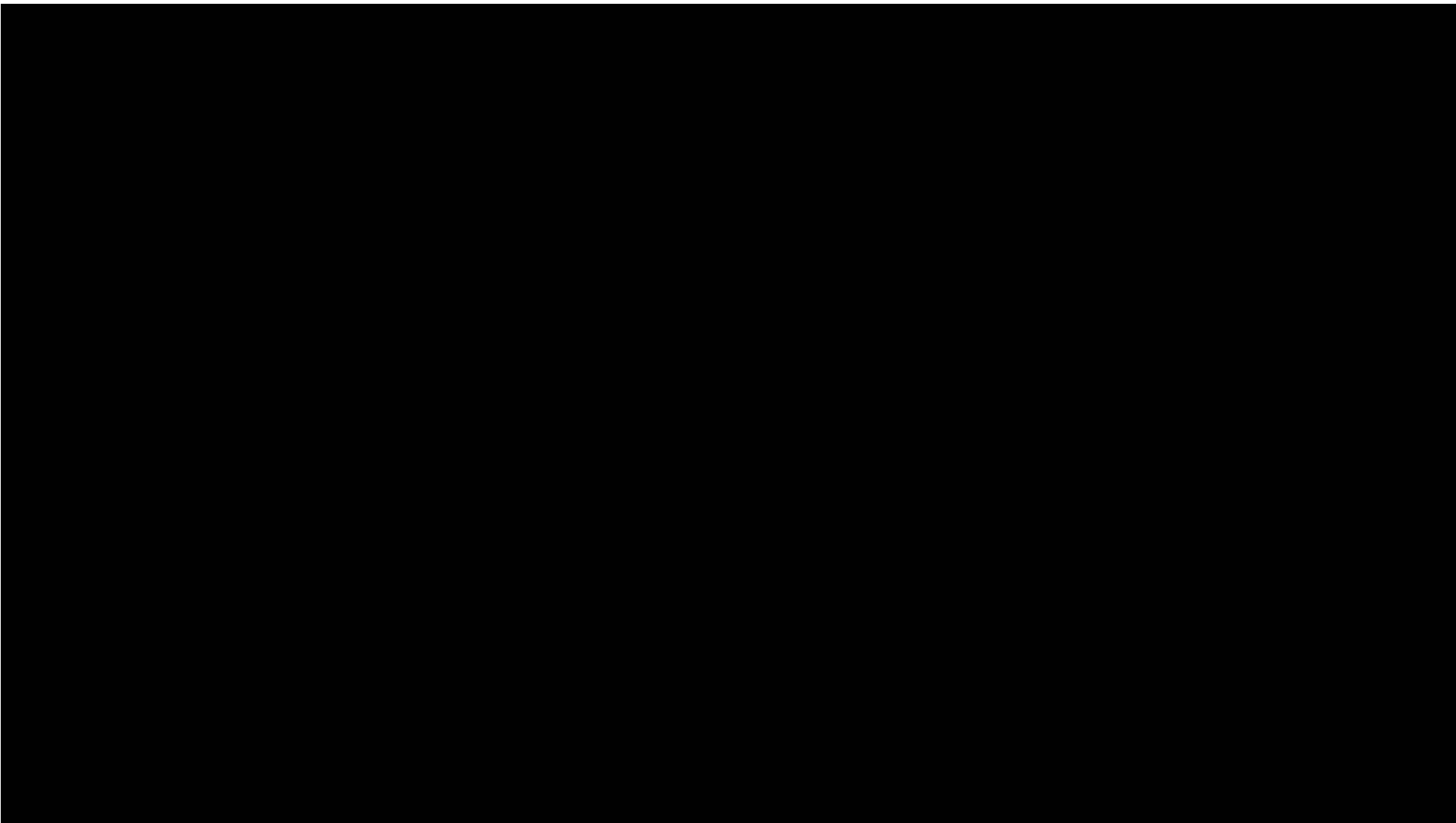


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PAY IT FORWARD 2014



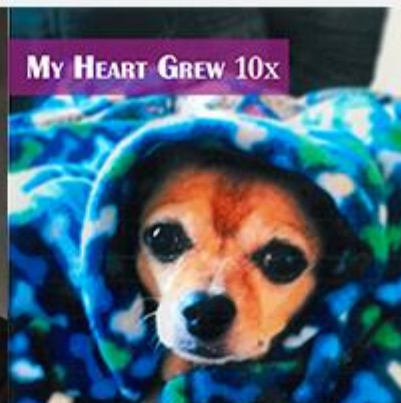
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OF
ANIMALS



LIGHTING IT UP!



POWER OF 100



MY HEART GREW 10x



I PAID IT FORWARD

THE RED KETTLE

IMPACT MULTIPLIED.



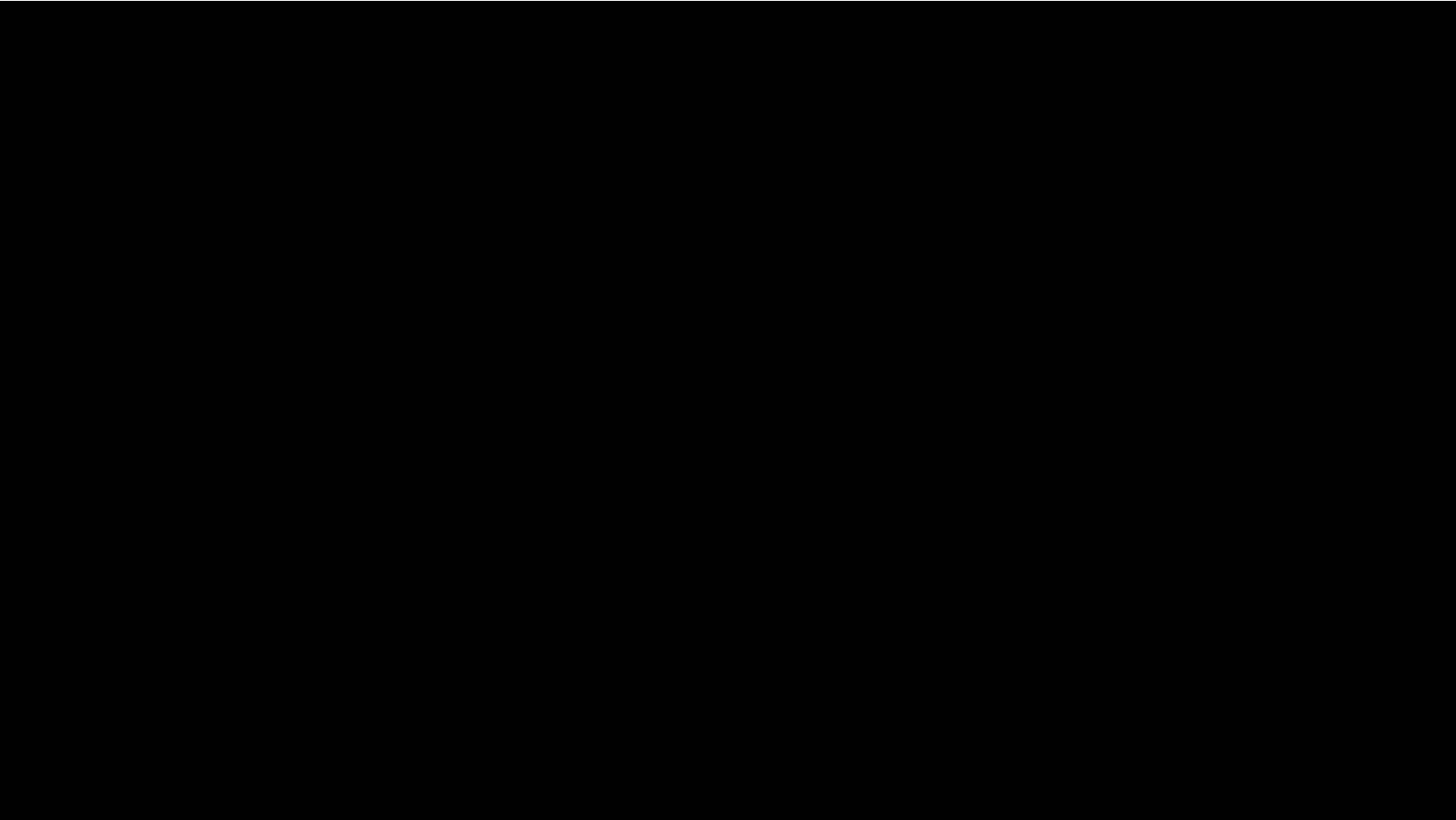
SHARING THE IMPORTANCE
WITH CHILDREN



DOGS ON
DEPLOYMENT



BRIGHTENING
CHRISTMAS



CRA

In 2014, Sunrise Banks was evaluated under the Community Reinvestment Act (CRA).

CRA evaluates our record of meeting the credit needs of our entire community, including low and moderate-income neighborhoods consistent with safe and sound operations.

NONPROFIT DONATION RECIPIENTS IN 2014

The Link Playworks
The Works
Smart Home
Chapel, Inc.
Daily Bread
Youth Farm
Urban Roots
Free Arts MN
Accessibility
The City Clinic
Urban Ventures
Women Veterans
Whitaker Alliance
Urban Renaissance
Bermap Community
African Housing Inc.
People Serving People
Minnesota Land Trust
Jewish Family Services
Housing Cultural Center
First Children's Finance
Lutheran Social Services
Shoreland Housing Services
Learning House of St. Paul
Marick Community Services
Children's Defense Fund of MN
Children's Home Society of MN
Neighborhood Home Partners
Two Cities Medical for Humanity
Northside Achievement Zone (NAZ)
Neighborhood Development Center
Saint Paul Public Schools Foundation
Latino Economic Development Center
Phillips 6641 Neighborhood Organization
Big Brothers Big Sisters of the Greater Twin Cities
Twin Cities Habitat for Humanity - Entrepreneur's House
Metropolitan Economic Development Association (MEDA)
Metropolitan Consortium of Community Developers (MCCD)

EMPLOYEES



FINANCIAL LITERACY

Sunrise Banks offers Financial Choice to its customers and employees. Financial Choice is a financial counseling program through Lutheran Social Services.



Sunrise employees in partnership with local nonprofit organizations facilitated financial literacy training to over 160 individuals in the community in 2014.

GLOBAL ALLIANCE FOR BANKING ON VALUES

Sunrise continues to be a member of the Global Alliance for Banking on Values. GABV is a network of the world's leading sustainable banks that use finance to deliver sustainable development for underserved people, communities, and the environment.

GIVING BACK (VIDEO)

Giving Back



NMTC

Sunrise Banks received a \$38 million New Markets Tax Credit allocation award from the CDFI Fund.

The purpose of the New Markets Tax Credit (NMTC) Program is to spur new or increased investments into low-income communities.

PEOPLE BASED PRODUCTS



PLACE BASED PRODUCTS

Sunrise Banks achieves its mission to empower the underserved through products located in the Twin Cities of Minneapolis and Saint Paul, Minnesota.

Sunrise offers a full suite of products and services designed to meet the needs of business and personal customers.

Products and services include, but are not limited to:

- Deposit Accounts, including the Socially Responsible Deposit Fund (SRDF)
- Consumer Lending
- Commercial and Industrial Loans
- Small Business Administration Loans
- New Markets Tax Credit Loans
- Cash Management

SRDF

Sunrise's Socially Responsible Deposit Fund (SRDF) allows any deposit accounts to be used for positive change in our community. SRDF funds are leveraged to make loans that benefit our community, such as affordable housing development, nonprofit organizations, and small business lending.



25% of all deposit accounts or \$117 million is designated to the SRDF.



SUNRISEBANKS.COM/KICKIT

IT'S TIME TO GIVE BANKING A SWIFT KICK IN THE PANTS



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Impact Investing 101

Catherine Godschalk, Calvert Foundation

Catherine.Godschalk@calvertfoundation.org

Investment philosophies focused on social impact have many names...

- Socially Responsible Investing
- Sustainable and Responsible Investing
- ESG (Environment, Social, Governance) Investing
- Impact Investing
- Socially Conscious Investing
- Double or Triple Bottom Line Investing
- Ethical Investing
- Mission-related Investing
- Green Investing
- Values-based Investing

Investors interested in social AND financial returns are numerous and diverse.

Individuals

Foundations

Religious Institutions

Banks and Credit Unions in low- and middle-income communities

Venture Capitalists &
Private Equity Investors

Family Offices

Institutions

Colleges and Universities

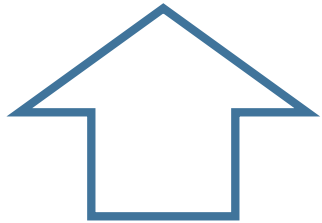
Pension Funds

Money Managers

Investment Management Firms

The industry is growing rapidly, and expected to continue on this path.

The total US-domiciled assets under management using socially responsible strategies **expanded from \$3.74 trillion at the start of 2012** to **\$6.57 trillion at the start of 2014,** an increase of **76%.**



These assets translate into **1 out of every 6 dollars** under professional management.

The industry has three main segments:

- Environmental, Social & Governance (ESG) Integration
- Shareholder Engagement & Advocacy
- Impact Investing

Impact investing aims to improve communities underserved by conventional financial services.

- Impact investments are made:
 - with the intent to deliver both social AND financial returns;
 - in multiple asset classes and are often private investments; and
 - into companies, organizations and funds often focused on low-income communities, in both developed and emerging markets.

The ultimate goal of community investing is to enable a sustainable solution to the world's most pressing social challenges by empowering people left out of the financial mainstream.

Defining characteristics of impact investing:

Financial
Return

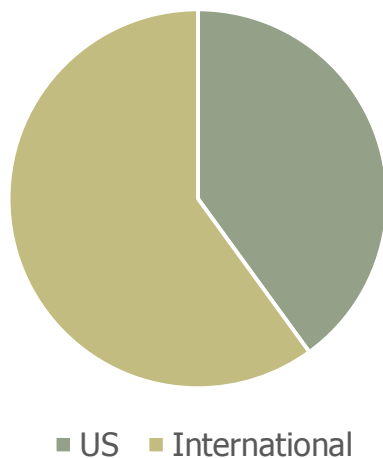
Intentionality

Measurable
Impact

However you size it, still small relative to \$210 trillion capital markets

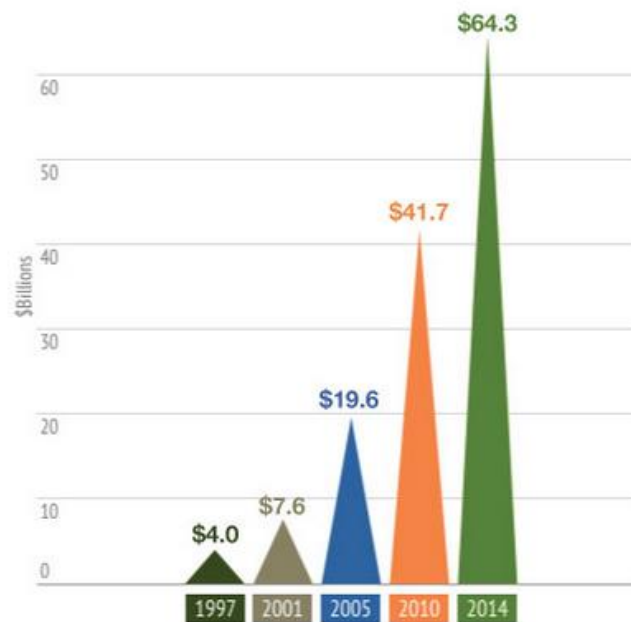
JP Morgan Global Social Finance and GIIN 2015 Impact Investor survey: 145 fund managers, DFIs, banks, foundations, pension funds, insurance companies, and family offices reported \$60B in AUM.

Geographic Distribution of Impact Investments, 2015



US SIF: A total of 880 community investing institutions, including community development banks, credit unions, loan funds and venture capital funds, collectively manage \$64.3 billion in assets.

Community Investing Growth 1997–2014

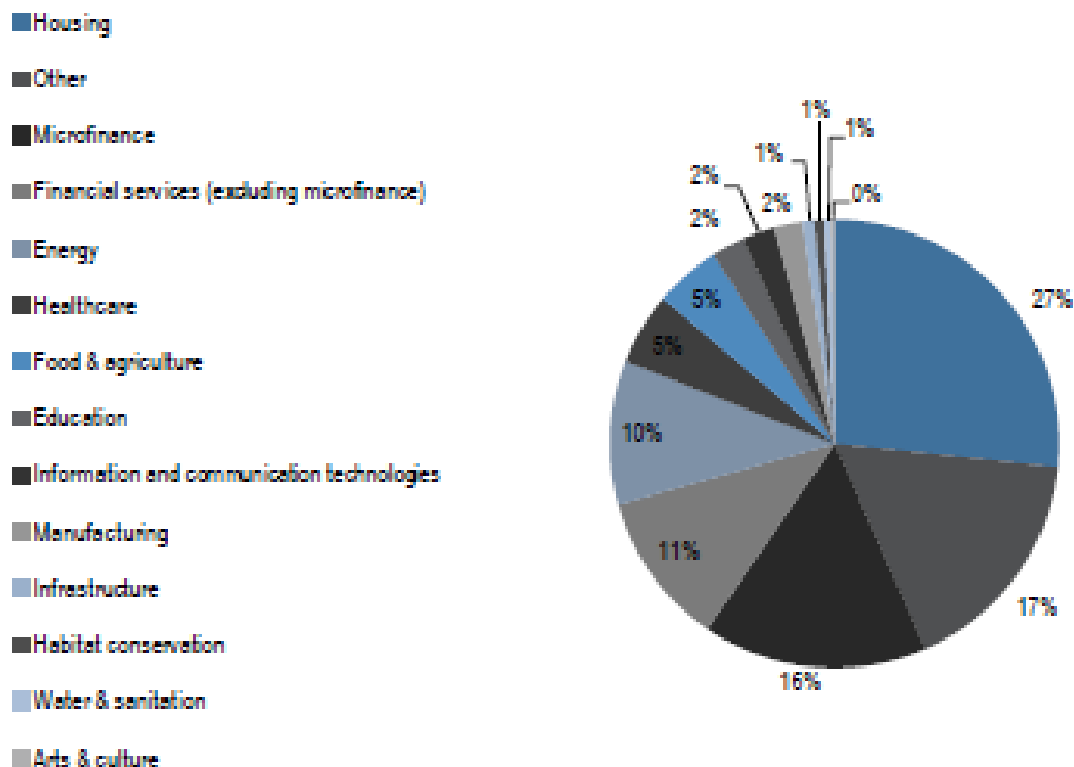


Source: J.P. Morgan and GIIN, Eyes on the Horizon: Impact Investor Survey

Broad sector diversity, with housing, microfinance, and financial services majority of impact investing AUM

Assets Under Management by Impact Sector

n = 145; AUM-weighted average; Total AUM = USD 60bn



About Calvert Foundation



- Calvert Foundation is a 501(c)(3) organization that has been a pioneer in the impact investing space.
- In 1995, Calvert Foundation created the Community Investment Note, a fixed income product through which investors can help provide economic opportunities around the world.
- In almost 20 years, more than 15,000 investors have collectively invested over \$1 billion dollars.

Calvert Foundation's Impact



Over the past three years alone, our investors have enabled us to create the following impacts:

80

Countries served

120,000

Microfinance
customers served

3,400

Affordable housing
units financed

3,800

Jobs created or
maintained

"My interest and action lie in doing things where there's a *multiplier effect*. I know that my investments make an *impact over and over*, in communities where people live and work everyday."

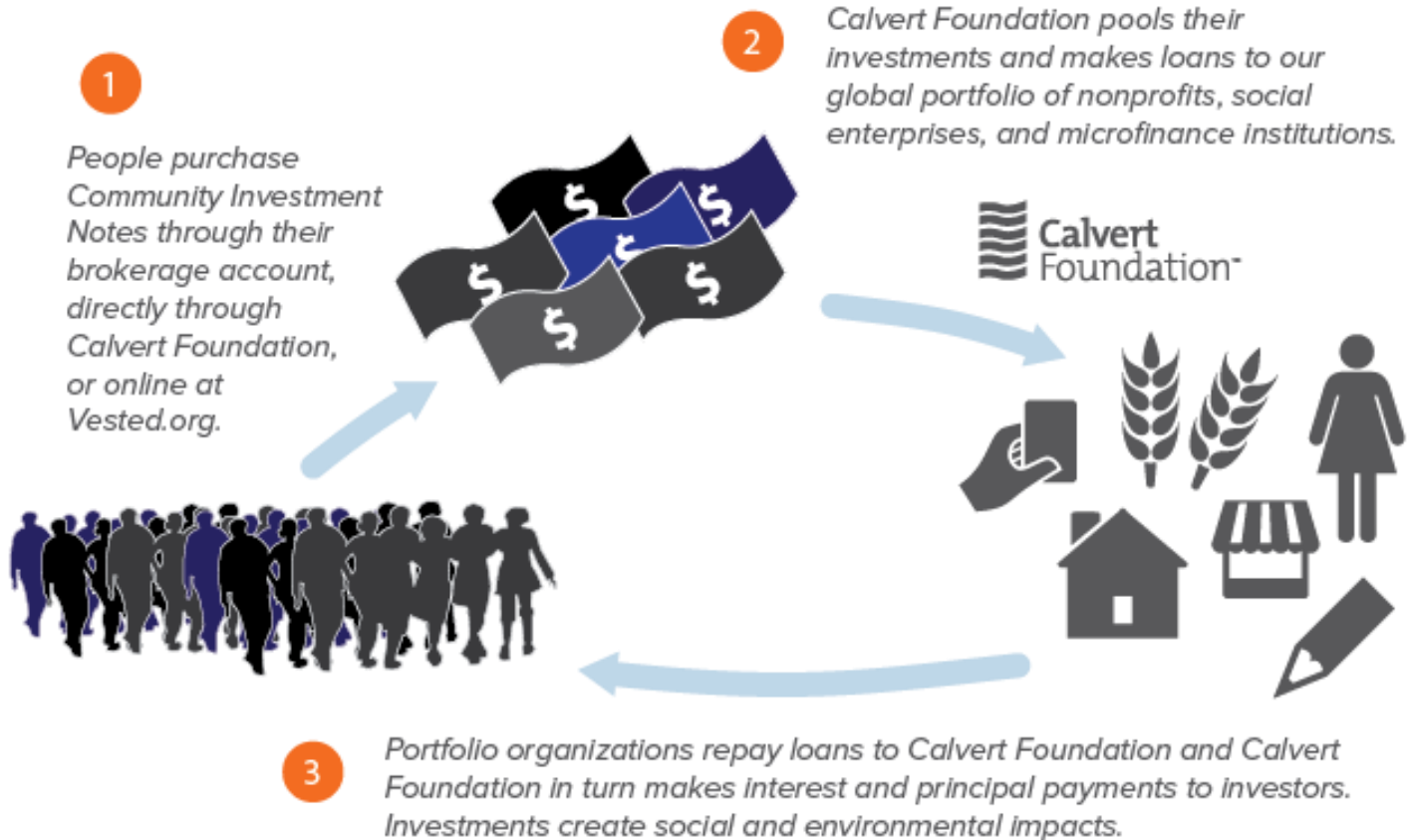
-- Tim Wheeler, Durango, CO Small Business Owner and Investor since 1995

Calvert Foundation focuses its investment on specific issues areas:

- Calvert Foundation's Community Investment Note investors can support:
 - Affordable Housing
 - Education
 - Small Business
 - Women's Empowerment & Clean Energy (WIN-WIN)
 - International Microfinance
 - Fair Trade
 - Ours to Own: Denver
 - Ours to Own: Twin Cities
 - Ours to Own National



How impact investing works at Calvert Foundation:



Additional Impact Investing resources:

- [The Forum for Sustainable and Responsible Investing \(US SIF\)](#) – A professional association focused on sustainable, responsible and impact investing that offers a financial director of investment products
- [Global Impact Investing Network \(GIIN\)](#) – Organization dedicated to improving the effectiveness of impact investing that offers resources for investors
- [Impact Assets 50](#) – A selected list of 50 impact investing fund managers
- [Invest for Values](#) – A resource on the different investment products that align investors' money and values



MICROVEST
PURPOSEFUL INVESTING

CDBA Forum: Intersection between CDFI Banks and Impact Investing

Gil Crawford, CEO & Co-Founder, MicroVest
May 27, 2015

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About MicroVest



MicroVest was founded in 2003 to exploit a unique arbitrage opportunity in emerging markets

- Investing in Low Income Financial Institutions (LIFI's) that serve the world's productive poor
- Above \$338 mm AUM¹
- Solid 10+ year track record
- Flagship Fund: Risk adjusted returns with monthly liquidity

High touch due diligence

- MicroVest 3 C's methodology
 - Country – top-down macro view
 - Character – tone from the top, governance and ethics
 - Credit – bottom-up analysis of underwriting process, financial performance and capital structure

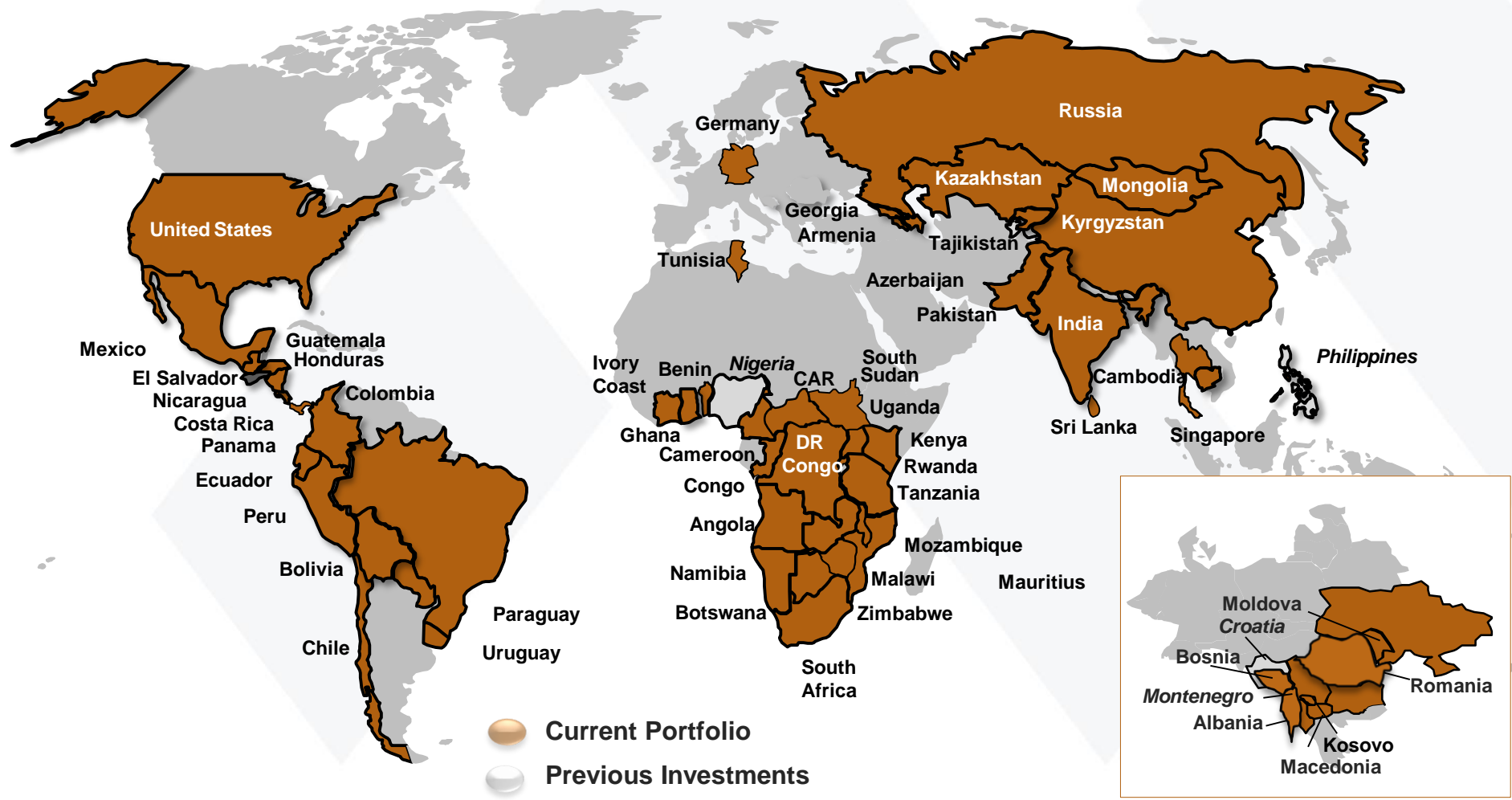
1) as of March 31st, includes undrawn commitments

Activity Map



MICROVEST
PURPOSEFUL INVESTING

Approx. \$658m disbursed to more than 200 financial institutions in 60+ countries since 2003



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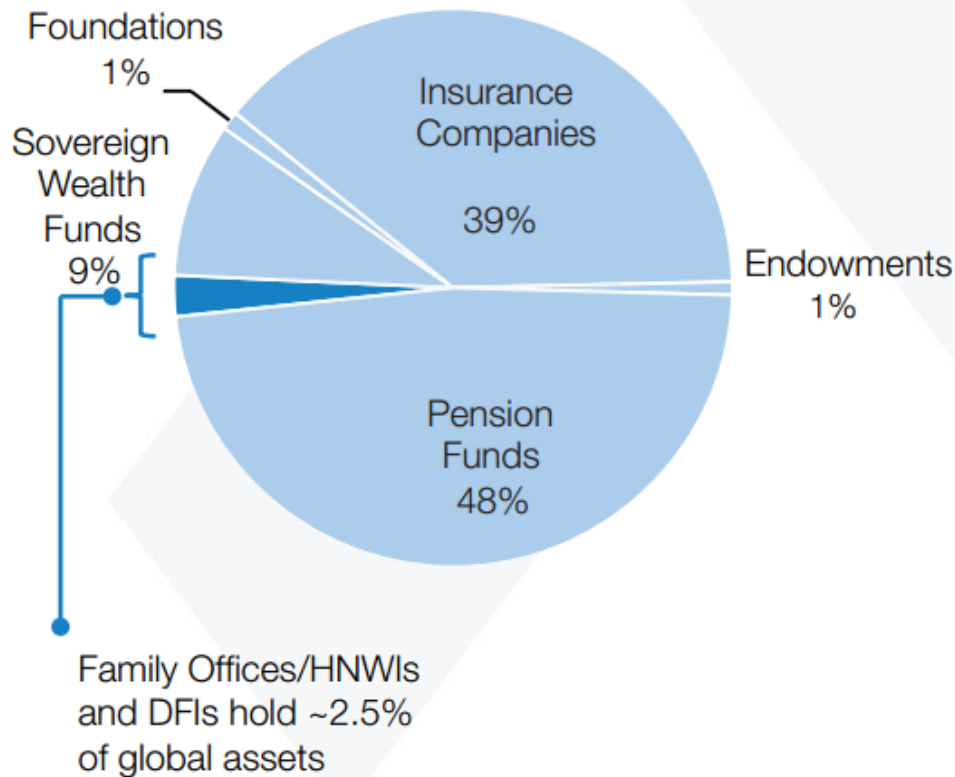
Unlocking Global Wealth



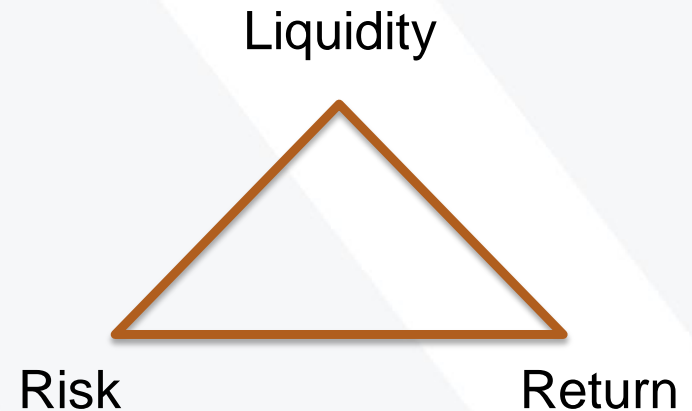
MICROVEST
PURPOSEFUL INVESTING

In order to unlock global wealth, products have to produce risk-adjusted returns within the “iron triangle”. PRI/MRI investments are not able to mobilize enough capital.

Distribution of Global Asset Ownership, by Investor Type, 2011



Iron Triangle



Source: World Economic Forum.



GABV Overview

- The Global Alliance for Banking on Values (GABV), founded in 2009
- Independent network of 25 financial institutions
- Shared mission to use finance to deliver Sustainable
 - Economic
 - Social
 - Environmental development
- Operating in 30 countries around the globe
- Serving 20 million customers with up to USD 100 billion of combined assets under management

Sustainable Banking

- Strong connections to their communities and markets,
- Deposit-taking
- Robust, flexible operations
- Profitable
- Self-sustaining
- Resilient to market disruptions
- Serving the local needs, local opportunities
- Triple bottom line mission
 - Economic resiliency
 - Environmental regeneration
 - Social empowerment
- Transparent and inclusive governance





**RBC Global
Asset Management**



The Access Capital Investment Strategy

A disciplined Fixed Income Approach to Community Investing

Ronald A. Homer

Managing Director, Institutional Portfolio Manager

RBC Global Asset Management (U.S.) Inc.
Minneapolis | Boston | Chicago
800.553.2143 | www.rbcgam.us

Why Impact Investing?

We believe in making a difference

We present investors with excellent opportunities to help **build stronger communities** through fixed income investments offering **safety, liquidity, and competitive returns**. Tailoring a portfolio of these high-quality securities to the specific needs and values of an investor provides the potential to **achieve desirable financial outcomes** and facilitates the allocation of capital to **targeted communities**.



Broad SRI Approaches

- **Negative screening (prohibited countries, industries, practices)**
- **ESG (environmental, social and governance practices considered)**
- **Impact Investing (proactive community development, ETI, climate change, mission related)**

Impact Investment Sectors

- **Venture Capital**
- **Private Equity**
- **Real Estate**
- **Fixed Income**

Fixed Income Impact Investment Asset Owners

- Banks
- Foundations and Endowments
- Insurance Companies
- Public Pension Plans
- State and Municipal Reserve Accounts
- Family Offices and High Net Worth Individuals



Fixed Income Investment Needs

- **High Quality**
- **High Liquidity**
- **Market-Based Risk-Adjusted Return**
- **Scalability for Portfolio Size**

Fixed Income Impact Benefits

- Homeownership and Rental Housing
- Healthcare and Education
- Small Business and Job Creation
- Local Infrastructure



High Quality Fixed Income Impact Securities

- **Customized Agency MBS**
- **Agency CMBS (GNMA project loans, FNMA DUS Bonds, SBA, USDA and other U.S. guaranteed loans)**
- **Taxable Municipals (BABS, Housing, Education, Healthcare, Infrastructure)**

Fixed Income Impact Investment Portfolio Construction

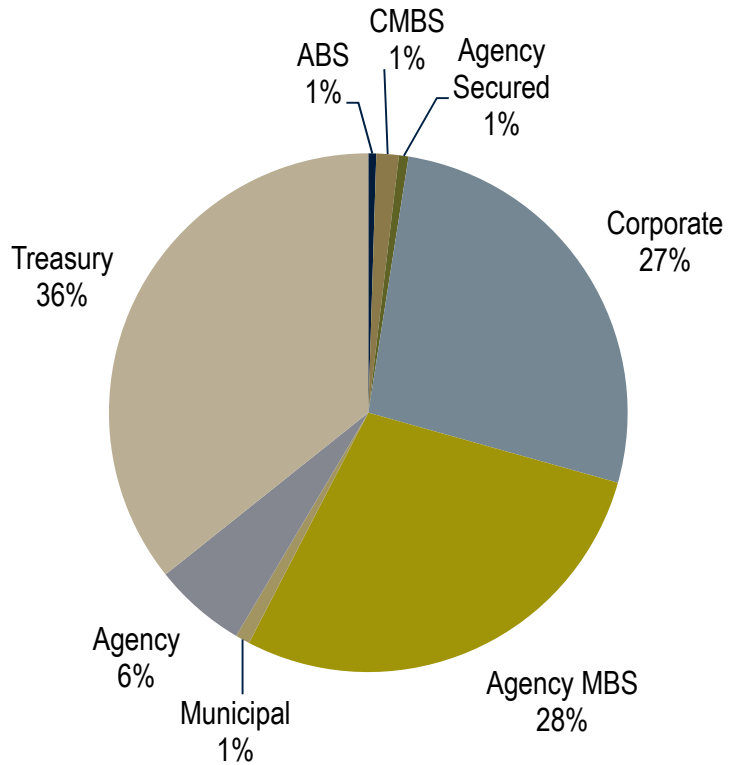
Replace:

- Generic Agency MBS with Customized Impact Agency MBS
- Treasuries, Agencies and CMBS with Impact Agency CMBS
- Corporates with Impact Taxable Municipals

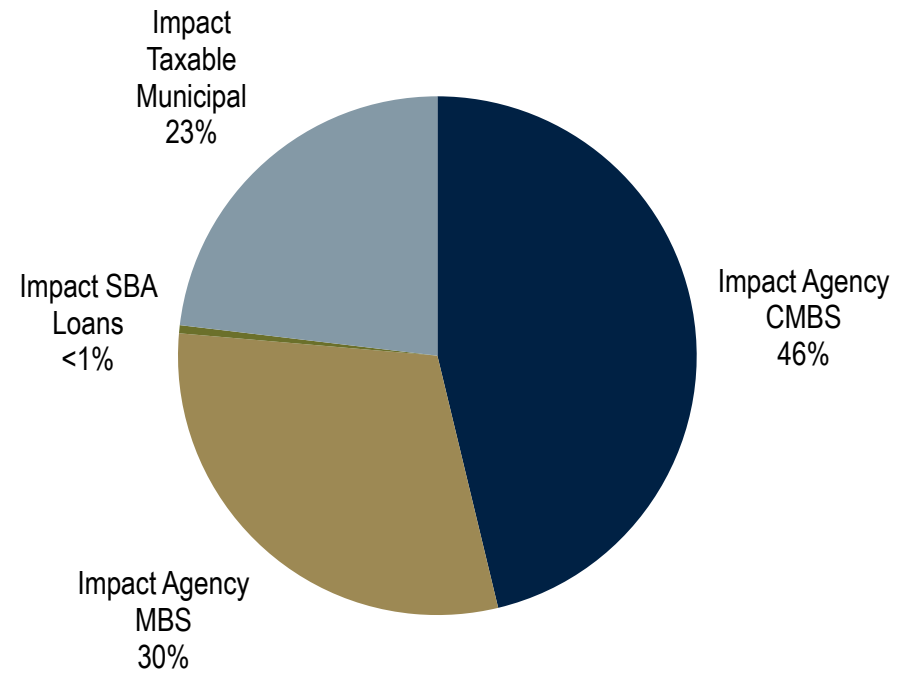


Sample Fixed Income Impact Investment Portfolio

Barclays U.S. Aggregate Bond Index



Sample Impact Portfolio*



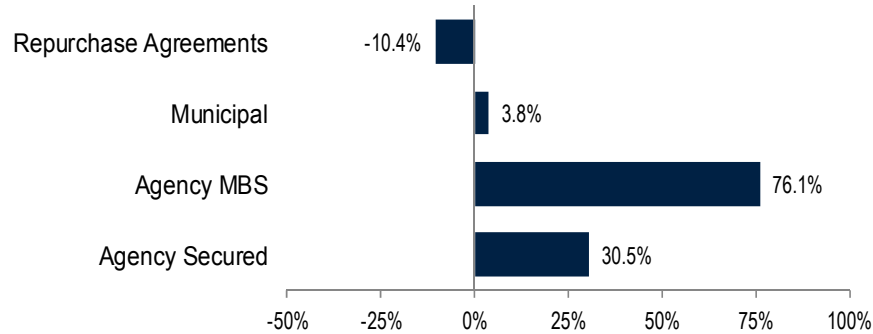
As of 3.31.15
 Source: Barclays *This information is presented for illustrative purposes only.

Potential Impact Portfolio Characteristics

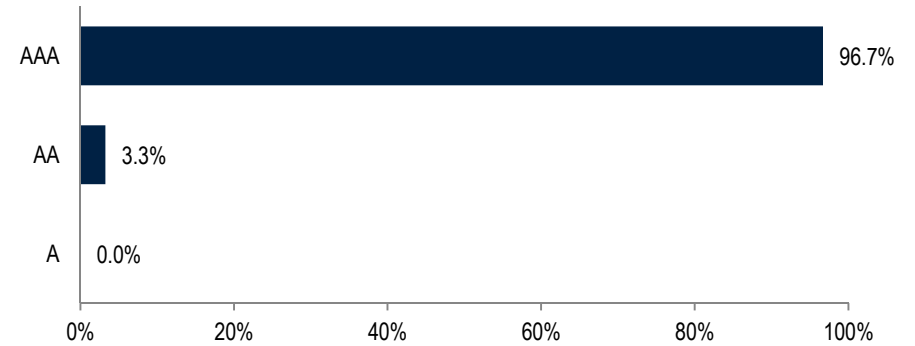
- **Higher Quality Bias**
- **Highly Liquid and Transparent**
- **Stable Cash Flow Profile**
- **Strong Performance in Distressed Periods**
- **Higher Degree of Tracking Error**

Tailored Portfolio

Sector Distribution



Credit Distribution



	RBC GAM Impact Strategy	Barclays U.S. Aggregate Bond Index
Characteristics	Community Investment Portfolio	Broad Market
Effective Duration	3.05 years	5.18 years
Yield to Maturity	2.01%	1.88%
Average Maturity	4.69 years	7.12 years
Average Quality	AAA	AA
Convexity	-1.20	0.10
Treasury OAS*	+34 bps	+41 bps

As of 3.31.15 Source: Citigroup Yield Book

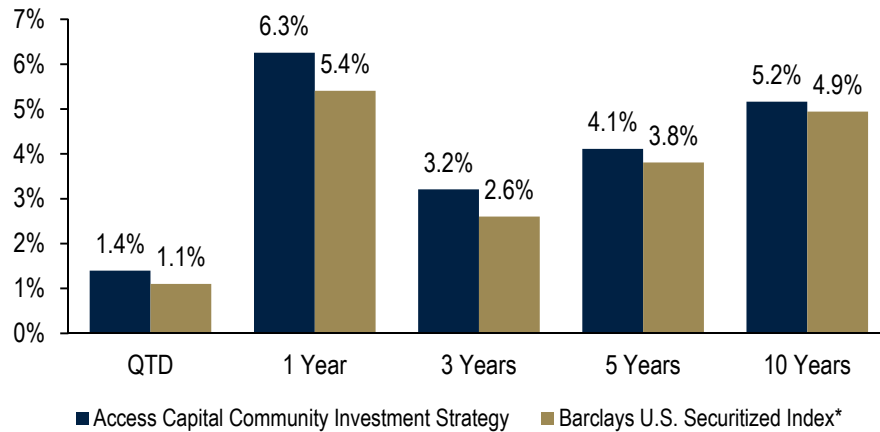
Sector and Credit Distribution charts are based on a representative account. Such data may vary for each client in the strategy and is subject to change. The representative account is the account in the composite that RBC GAM-US believes most closely reflects the current portfolio management style for this strategy. Credit distribution is based upon the average of the current ratings assigned to each security in the portfolio by Moody's, Standard and Poor's and Fitch. If any agency does not provide a rating, an average of the agencies providing a rating is used. If there are no ratings for a security it will be listed as Not Rated (NR).

*OAS (Option-Adjusted Spread): The price of an option compared to the spot rate of Treasuries; methodology using option pricing techniques to value the imbedded options risk component of a bond's total spread. Imbedded options are call, put or sink features of bonds. Information presented above represents the Access Capital Community Investment Strategy. This information is for illustrative purposes only to highlight the various spreads for various types of fixed income investments that may appear within this investment strategy as of a specific date. It does not represent any specific security and these spreads will vary depending on interest rate and changes within the overall market.

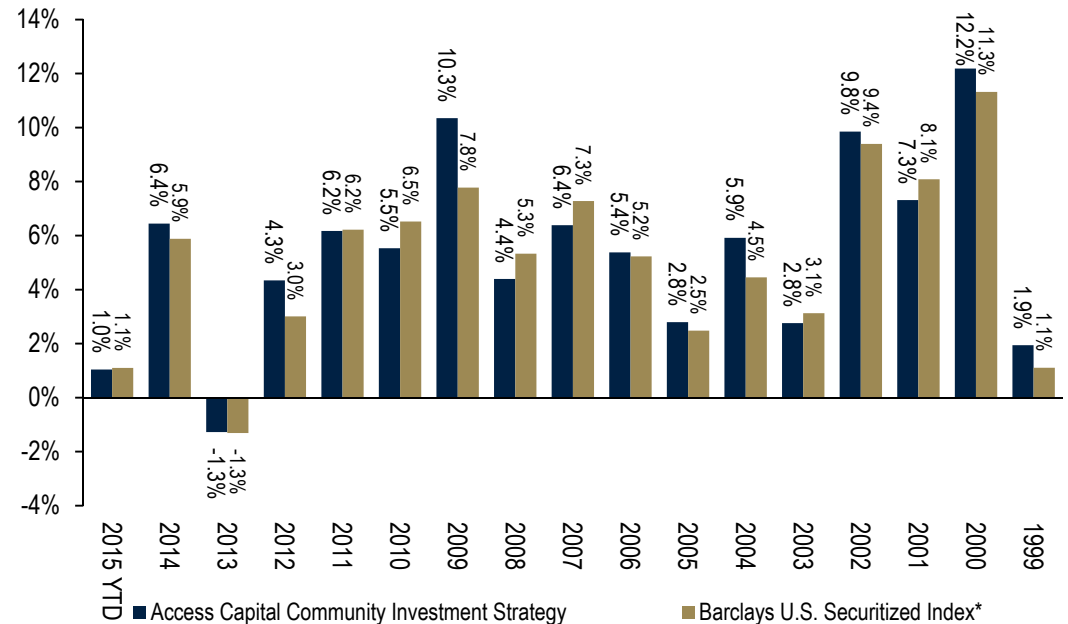
Impact Strategy Performance

Trailing and Annual Periods as of March 31, 2015

Trailing Return Periods



Annual Return Periods



As of 3.31.15

The benchmark was changed on 7.1.08 from a blend of 80% Merrill Lynch Mortgage Index/20% Merrill Lynch U.S. Treasury Index to Barclays U.S. Securitized Index to more accurately reflect the strategy. Presented returns link the Barclays U.S. Securitized Index returns after 7.1.08 to the previous benchmark prior to that date.

Returns are presented gross of management fees and include the reinvestment of all income. All returns for periods greater than one year are shown on an annualized basis. Inception of the performance record is June 30, 1998. This information is presented as supplemental to the "Performance Presentation & Disclosures" in the appendix. The appendix contains additional GIPS®-required disclosures and important information regarding calculation of performance data and includes net of fees performance returns. Past performance is not a guarantee of future results.

Performance Presentation & Disclosures Appendix

Access Capital Community Investment Strategy as of March 31, 2015

Annualized Returns

Composite and/or Benchmark	QTD	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Composite - Gross of Fees	1.40	1.40	6.25	3.21	4.11	5.08	5.17
Composite - Net of Fees	1.30	1.30	5.83	2.76	3.61	4.52	4.52
Access Community Investing Benchmark	1.10	1.10	5.41	2.60	3.81	4.47	4.94

Annual Returns

Year	Composite Return Gross of Fees	Composite Return Net of Fees	Benchmark Return	# of Portfolios	Composite Dispersion	Composite 3-Year Standard Deviation	Benchmark 3-Year Standard Deviation	Composite Assets (millions)	Total Firm Assets (millions)
2005	2.80	1.99	2.48	1	N/A	3.82	2.82	452.8	135,371.2
2006	5.38	4.57	5.23	1	N/A	2.96	2.57	462.1	158,983.2
2007	6.39	5.47	7.28	1	N/A	2.60	2.46	506.9	207,926.9
2008	4.40	3.63	5.33	2	1.31	2.93	3.25	632.2	164,090.1
2009	10.35	9.63	7.78	2	0.61	2.81	3.31	678.7	228,136.6
2010	5.53	4.93	6.52	4	0.09	2.81	3.21	669.6	252,397.6
2011	6.17	5.57	6.22	2	0.40	1.96	2.12	693.9	244,857.4
2012	4.34	3.78	3.01	2	0.16	1.56	1.64	751.3	279,416.3
2013	-1.27	-1.66	-1.31	3	N/A	1.98	2.00	770.3	296,003.0
2014	6.45	6.02	5.88	4	0.32	2.19	2.17	892.3	302,064.4
YTD 2015	1.40	1.30	1.10	4	0.17	2.26	2.21	920.0	292,363.9

(Performance Presentation and Disclosures continued on the next page)



Performance Presentation & Disclosures Appendix

Access Capital Community Investment Strategy as of March 31, 2015

Description of the Firm: For the purposes of Global Investment Performance Standards (GIPS®), RBC Global Asset Management is the asset management division of Royal Bank of Canada (RBC), operating under the following brands: RBC Global Asset Management (RBC GAM) in Canada, the U.S. (institutional), the U.K. and Hong Kong; Phillips, Hager & North Investment Management (institutional); and BlueBay Asset Management (institutional). With offices around the world, RBC GAM offers a full range of global investment solutions in cash management and fixed income, equity, balanced, alternative and specialty investment strategies through mutual funds, hedge funds, pooled funds and separately managed accounts. The RBC GAM group of companies has more than C\$351 billion (US\$302 billion) in assets under management as at December 31, 2014. RBC purchased Phillips, Hager & North Investment Management, including the assets of BonaVista Asset Management, on May 1, 2008, and BlueBay Asset Management on December 17, 2010. A complete list and description of the firm's composites and performance results is available upon request.

3-Year Standard Deviation: Periods with less than 3 years of data will show "N/A".

Compliance Statement: RBC GAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RBC GAM has been independently verified for the periods January 1, 2002 through December 31, 2013.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Access Capital Community Investing Strategy composite has been examined for the periods January 1, 2002 - December 31, 2013. The verification report(s) is/are available upon request.

Composite Description: The Access Capital Community Investment Strategy Composite consists of accounts that invest in a strategy of economically targeted investments (ETI) with a community development focus. Portfolios in the composite may be invested in municipal securities not included in the benchmark.

Benchmark: The Access Community Investing benchmark consists of the Barclays U.S. Securitized Index, which is an unmanaged index that tracks the performance of the residential mortgage, commercial mortgage and asset-backed sectors of the U.S. fixed income market. We changed the benchmark from a blend of 80% Merrill Lynch Mortgage Index/20% Merrill Lynch U.S. Treasuries 1-10 Year Index on July 1, 2008 to more accurately reflect the current strategy. Index returns link the Barclays U.S. Securitized Index returns after July 1, 2008 to the previous benchmark prior to that date. Index returns are provided for comparison purposes to represent the investment environment existing during the time periods shown. An index is fully invested, includes the reinvestment of dividends and capital gains, but does not include any transaction costs, management fees, or other costs. Holdings of each separately managed account in a composite will differ from the index. An investor may not invest directly in an index.

Gross of Fees: Gross of fees performance returns are presented before management fees, but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable.

Net of Fees: Net of fee performance is calculated using the maximum stated annual fee of 0.40% applied monthly. Prior to January 1, 2013 net of fee performance was calculated using

actual fees. For the registered fund included in the composite, performance was further reduced by all fund expenses from composite inception through September 30, 2008.

Creation Date: This composite was created on October 2, 2006 and has an inception date of July 1, 1998.

Minimum Account Size: There is no minimum account size for this composite.

Derivatives Leverage and Short Positions: Portfolios in the composite may employ the use of over the counter and exchange traded derivatives where investment guidelines allow. Derivatives contracts such as, but not limited to, U.S. Treasury bond futures, Eurodollar futures, interest rate futures, and interest rate swaps may be used for hedging market risk and to manage and adjust duration profiles. Derivatives are never used for speculative purposes, however, they may represent a significant percentage of the portfolio when calculated using the notional amount. The registered fund in the composite may use leverage by entering into reverse repurchase agreements. The use of leverage increases investment risk and is limited to 33 1/3% or less of total market value. Short positions are not used, with the exception of the aforementioned derivative and leverage strategies.

Cash Flow Policy: Composite policy requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of at least 10% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the first full month of being fully invested. Prior to January 1, 2013 accounts were not removed from the composite if there were fewer than three accounts in the composite. Additional information regarding the treatment of cash flows is available upon request.

Performance Calculations: Results are based on all fully discretionary accounts meeting the composite definition, including those accounts no longer with the firm. Returns are shown in U.S. Dollars, and include the reinvestment of all income. Additional information regarding policies for valuing portfolios, calculating performance, and preparing presentations is available upon request. Past performance is not indicative of future results.

Fee Schedule: 0.40% on first \$25 million of assets; 0.30% on next \$25 million of assets; 0.25% on assets over \$50 million. Advisory fees are described on this page and in Form ADV Part 2A. RBC GAM reserves the right to negotiate all advisory fees.

Composite Dispersion: The composite dispersion of annual returns is indicated by the performance of individual accounts representing the equal weighted standard deviation of returns. Dispersion of returns is calculated for portfolios included in the composite for the full year.

Composite History: This composite was redefined as of October 1, 2013 to include all accounts with an ETI focus. Prior to that date, only accounts that utilized primarily mortgage-backed securities were included in the composite. RBC GAM acquired substantially all of the assets of Access Capital on July 31, 2008. Access's investment professionals became RBC GAM employees, and the management team remained substantially intact after the transition. Performance presented through October 2, 2006 is for a registered fund acquired with Access Capital, who utilized a different sub-advisor from 2001 through 2006. RBC GAM (US) was the sub-advisor for the strategy beginning October 2, 2006 through the acquisition date. Prior to July 1, 2008, this composite was named the Community Investment Equity Composite.

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Section 542 FHA Risk Sharing Programs

CDBA Peer Forum Panel
May 27, 2015

Risk Sharing Program Overview

Background: Section 542 of the Housing and Community Development Act of 1992 established the two pilot risk sharing programs:

1. 542(b) Qualified Participating Entity (QPE) Risk Sharing Program
2. 542(c) Housing Finance Agency (HFA) Risk Sharing Program

Section 235 of HUD's FY 2001 Appropriations Act, Public Law 106-377, converted the pilot program into a permanent multifamily insurance program. Unit allocations and reservation of credit subsidy are no longer in effect.

Traditional FHA Programs vs. Risk Sharing

The Risk Sharing program differs from FHA's traditional mortgage insurance programs in that in the Risk Sharing programs:

- FHA assumes only a portion of risk, rather than all;
- FHA delegates loan processing and asset management functions to the HFA or QPE;
- FHA has more stringent eligibility standards for lender participation and sets larger reserve requirements that reduce counterparty risk.

Section 542 Program Requirements

- The Risk Sharing Program is entirely affordable production.
- All projects insured under the Risk Sharing Program must qualify as affordable housing as defined in the LIHTC Program:
 - 20 percent or more of units occupied by families whose income is 50 percent or less of the area median income; or
 - 40 percent (25 percent in New York City) or more of units are occupied by families whose income is 60 percent or less of the area median income.

542(c) HFA Risk Sharing Program

Provides credit enhancement to state and local housing finance agencies' (HFA) bond and debt issuances through FHA mortgage insurance.

- Currently 35 HFAs participate in the 542(c) Program.
- The HFA and HUD share risk on a transaction level. Underwriting and asset management responsibilities are delegated to the HFA.
- HFA benefits: higher bond ratings resulting in lower borrowing costs and savings passed on to borrowers and tenants.
- HUD benefits: reduced risk at the transaction level, increased affordable housing production and significantly reduced staff resources.

542(c) HFA Risk Sharing - How the Program Works

- Qualified HFAs authorized to underwrite, process, and service loans, and to manage and dispose of properties.
- HFAs enter into Risk Sharing Agreements with HUD; HFA contracts to reimburse HUD for a portion of loss on any claims.
- HFAs approved at the following risk level percentages:
 - Level I – 50/50 shared risk: HFA uses its own underwriting standards; or
 - Level II – 90/10 or 75/25 shared risk – HFA uses underwriting standards, loan terms, and conditions approved by HUD; or
 - Combined levels of I & II – HFA approved to use both levels.

Approximately 2/3 of portfolio are Level I transactions and 1/3 are Level II. Claim rates do not vary significantly between Level I and Level II.

- Over the life of the program no HFA has failed to meet its reimbursement obligation.
- There have been 38 claims on over 1000 transactions.

542(c) HFA Risk Sharing Performance

The Risk Sharing program performance compares favorably with overall performance of all FHA Multifamily Programs for the period FY 2011-FY 2013. Performance in this period supports the value of the risk sharing approach with its reliance on delegated decision-making based on shared risk.

Fiscal Year	Active Loans		Full Claims				
	Beginning of Year		Counts		Dollars		
	Count	UPB (millions)	Count	Rate	Total (millions)	Rate	Average (millions)
All FHA Multifamily Programs							
2011	9,966	\$45,489	51	0.23%	\$159	0.35%	\$ 7
2012	10,221	\$51,498	19	0.19%	\$189	0.37%	\$10
2013	10,556	\$60,113	11	0.11%	\$ 94	0.16%	\$ 9
Section 542(c) HFA Performance							
2011	962	\$4,979	1	0.10%	\$1	0.02%	\$1
2012	1012	\$5,249	0	0.00%	\$0	0%	\$0
2013	1038	\$5,410	1	0.10%	\$0.55	0.01%	\$1

542(b) QPE Risk Sharing Program

- Current QPE participants are Fannie Mae and Freddie Mac.
- Provides reinsurance as a form of credit enhancement. The reinsurance occurs after the original financing as taken place.
- Similar to mortgage insurance it reduces the GSE risk exposure by committing federal government to pay portion of any losses.

542(b) QPE Risk Sharing Program Accomplishments

HFA	# of loans endorsed	\$ amount of endorsements
Fannie Mae	198	\$831 million
Freddie Mac	138	\$1.00 billion
NYCHDC (FFB)	1	\$72 million

FISCAL YEAR	# of loans endorsed	\$ amount of endorsements
2011	22	\$189 million
2012	41	\$453 million
2013	40	\$312 million
2014	14	\$306 million



542(b) QPE Risk Sharing Program

How the Program Works

- The QPE assumes all up front costs relating to the mortgage loan and any risks related to construction;
- HUD does not reinsure construction loans;
- HUD does not reinsure the mortgage loan until project has been completed and is at least 50% occupied. QPE establishes and is solely responsible for the application, origination, servicing, delinquency resolution, and loan disposition standards in accordance with Risk Sharing Agreement;
- QPE is required to notify HUD of any changes to its standards and procedures.

542(b) QPE Green Risk Sharing Initiatives

- To preserve older affordable properties and encourage installation of energy-saving features, in 2011 Multifamily Housing created a version of the 542(b) Risk Sharing Program called Green Risk Sharing.
- In return for making units affordable and at least 5% of loan proceeds used for energy retrofits identified in a Green Needs Assessment, HUD and QPEs will share risk on loans that offer more favorable LTVs and Debt service coverage, but require higher MIP than traditional QPE 542(b) loans.

542(b) Small Buildings Risk Sharing Initiative (SBRS)

OBJECTIVES:

- Increase the supply and preservation of affordable small properties. Small properties face significant obstacles accessing fixed rate, long term financing.
- Attract new lenders to this underserved segment of the market with inclusion of high capacity CDFIs, or non-profit, or public or quasi-public agencies (Mission-Based Lenders).

542(b) Small Buildings Risk Sharing Initiative (SBRS)

OBJECTIVES (continued):

- Support affordable housing while minimizing risk to FHA Insurance Fund (under MAP loans, FHA assumes 100% of claim/insurance risk; under Risk Sharing loans, FHA assumes 50% of the claim/insurance risk).
- Utilize existing Risk Sharing program platform that allows delegated processing, decision making, and closing procedures to enhance the delivery of affordable housing in local markets.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Program Overview

- Lenders share risk 50/50 with HUD
- Projects must qualify as affordable housing, consistent with Section 42 LIHTC Program: 20% of the units restricted to households at 50% AMI, or 40% of the units restricted to households at 60% AMI.
- Eligible properties are 5 -49 units
- Loan amounts are limited to \$3,000,000.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Program Overview (continued)

- Lender's first year in the program: limited to 20 loans or \$50 million in closed loans.
- SBRS is a preservation initiative: new construction is not permitted. Substantial rehabilitation and refinance only.
- Loans may be 'insured upon completion' or 'insured advances'.
- MIP will be published in the Federal Register.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Program Overview (continued):

- Lenders (QPEs) use their own underwriting standards, loan terms and conditions; asset management and servicing policies as disclosed and approved by HUD in its application to the Risk Sharing Program.
- Project applications for firm approval are processed in HUD's Regional/Satellite office in the geographical area where the property is located.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Program Overview (continued):

- Property management and servicing is the responsibility of the lender.
- In the event of a claim, HUD pays 100% of the unpaid principal balance upfront. The lender issues a 5-year debenture to HUD, and has up to 5 years to reach final settlement and share 50/50 in the profit or loss with HUD.
- Compliance with Davis Bacon is not required for 542b.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Application Requirements

Two stage process for lender applications to participate in SBRS:
Pre-Qualification and Final Application

Pre-Qualification stage:

- Applicant demonstrates it meets organizational requirements for “Mission Based Lenders”
 - Certified as a CDFI by the CDFI Fund or
 - Mission based: non-profit, quasi –public, or public agency
- Lending experience for production and preservation of affordable multifamily housing.
- Certifications of compliance with Fair Housing and Civil Rights requirements.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Application Requirements (continued)

Pre-Qualification Stage (continued)

Financial Capacity Standards

- Minimum net asset ratio of 20%;
- Net income from best 3 of past 5 years;
- Minimum loan loss reserve ratio of 30%;
- Operating liquidity of 1.0 for previous 2 years.

Pre-Qualification lender applications will be reviewed in approximately 30 days.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Application Requirements (continued)

Final Application Stage

Must be submitted no later than 90 days after lender is notified of pre-qualification approval. Applications will include (in part*):

- Approval as FHA non-supervised mortgagees;
- Narrative with organizational history, mission, demonstrable multifamily affordable lending experience, technical capacity, mortgage credit, underwriting, servicing and monitoring procedures;
- Environmental: projects must comply with requirements of 24 CFR Part 50; describe experience with environmental review process;
- Appraisal functions: completed by Certified General Appraisal in accordance with USPAP;
- 3 years audited financial statements.

***Complete details will be on HUD's website with a link in the Final Notice.**

542(b) Small Buildings Risk Sharing Initiative (SBRS) Proposed Significant Changes since 2013 Initial Notice:

- **Pool of eligible lenders will be expanded**, from the original “CDFIs, Nonprofit, Public, or Quasi-Public loan funds with affordable housing purposes” to include FHA MAP-qualified lenders, applications accepted 6 months after program opens;
- **Added a \$50MM/20 Loan Limit per lender for year 1**; upon evaluation of the program and assessment of risk, HUD may remove this limit;
- **Equity Take-Outs or “cash out” are permitted**, but cannot exceed the scope of work paid for from the Risk Sharing loan. All capital needs in Capital Needs Assessment (CNA) must be addressed either through scope of work and/or adequate reserves for the life of the loan.

542(b) Small Buildings Risk Sharing Initiative (SBRS) Proposed Changes since 2013 Initial Notice (continued):

- **Loan amount is limited to \$3 million**, or \$5 million in high cost areas as designated by HUD.
- **Eligible projects must consist of 5 or more units.** In the Initial Notice, eligible projects were either 5-49 units (no loan size limit), or for projects with more than 49 units, the loan amount could not exceed \$3 million.
- **Minimum financial capacity requirements** added.

Target date to publish is June 2015. Complete information for “Application Requirements” and “Program Details” will be posted on HUD’s Multifamily website with the link in the Final Notice.

Community



BANK OF THE BAY

Since 1996 Oakland, CA

Findley Reports
Super Premier Performer

Rated 5 Stars
by Bauer Financial

The Hidden Genius Project trains and mentors underserved black male youth in technology creation, entrepreneurship, and leadership skills.



MindBlown Labs

MBL

Key Program Features

- Over 300 students served
- Training in software development
- Tech career exposure
- Extensive practice in problem solving
- Holistic leadership development

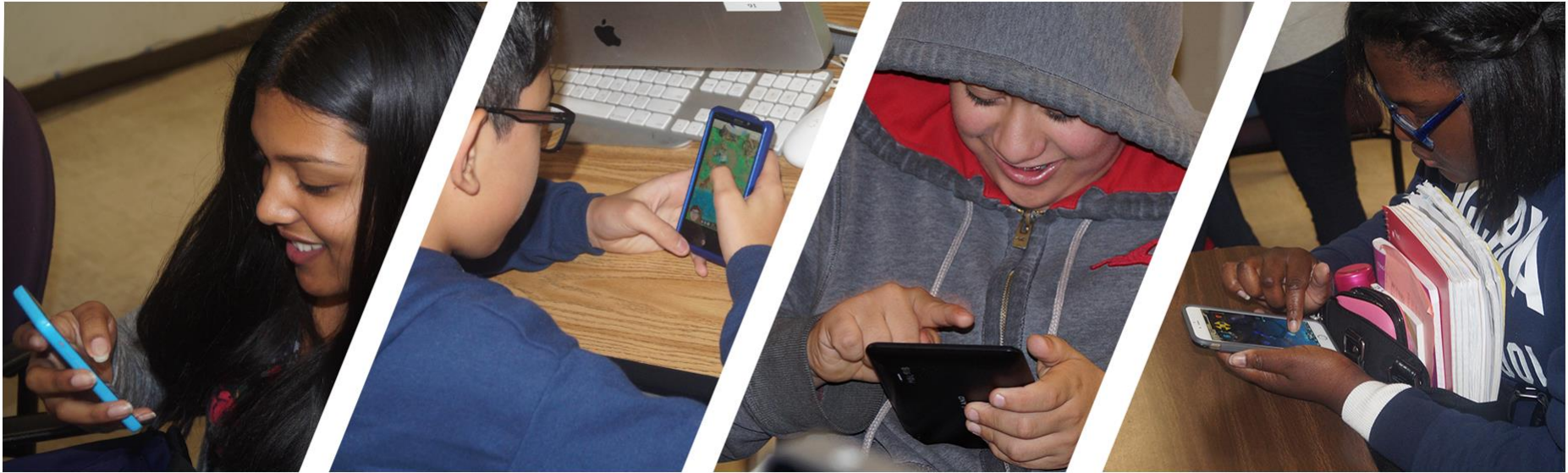


MindBlown Labs

MBL

CBB engaged shareholders with a Hidden Genius Project presentation at annual meeting

MindBlown Labs



MindBlown Labs is an education technology company that creates highly interactive, experiential learning tools to empower young people to make better life decisions. Their first financial capability solution is Thrive 'n' Shine, a captivating mobile app/game that teaches teens and young adults about personal finance.

CBB provided office space to HGP and Mindblown Labs for two years

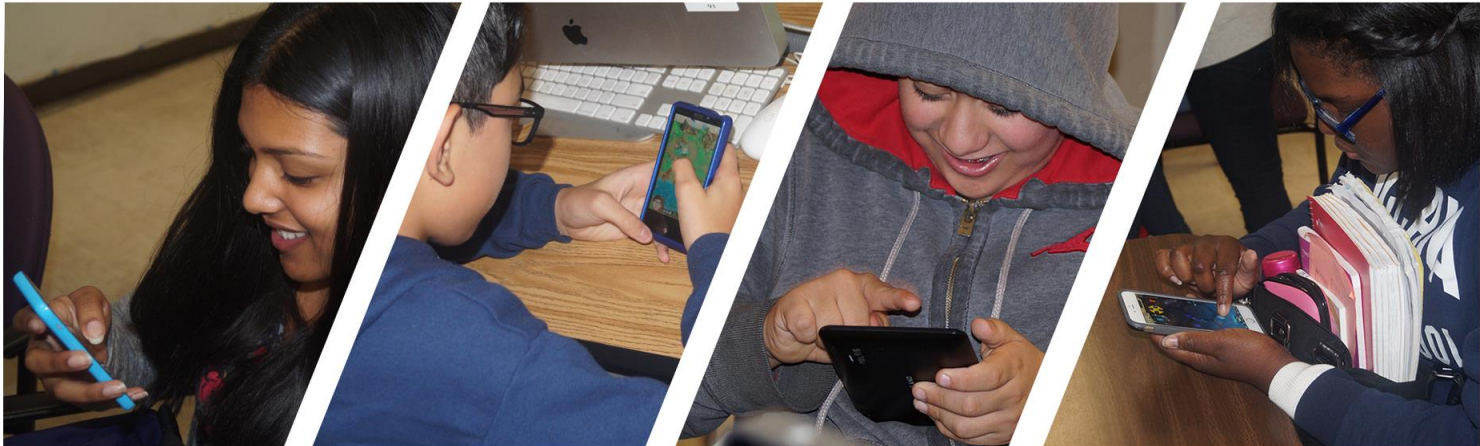


Fun | Mobile | Financial Education Game:

THRIVE 'N' SHINE

CBB sponsors unlimited free downloads of Thrive 'n' Shine - a fun mobile app that empowers teens with critical money management skills. Coupled with a flexible, experiential learning curriculum, it is the perfect tool to help students relate to, and actually experience, important financial concepts.

LEARNING OUTCOMES



Auto Loans



Bankruptcy



Budgeting



College Education & Earning Potential



Credit Cards



Credit Score



Emergency Fund



Insurance



Saving



Mortgages



Student Loans



Taxes



Time Value of Money

Benefits & Results



Branding

Be branded in and affiliated with a cutting-edge game.



Financial Capability

More effectively provide personal finance education to teens and young adults.



Relationships

Build relationships with the next generation.



Differentiation

Communicate the value and benefits offered by your financial institution.



Engagement

Better engage and retain teens and young adults.



363

Users

2,905

In-Game Visits

5,113

Challenges

build something beautiful. |



beneficial state bank

beneficial state bank

Dan Skaff | Co-CEO & President
CDBA Annual Conference, Washington D.C.
May 2015

About Us

The intersection of banking and social good.

Beneficial State | beneficialstate.com

- **Social enterprise bank founded in 2007** with a triple bottom-line focus of **social justice, environmental resilience and financial sustainability**
- **A state chartered, for-profit bank** whose economic interest is **owned entirely by a nonprofit**
- **We have grown to approximately \$550mm in assets** and operate in California, Oregon and Washington
- **Three time B Corporation “Best for the World” Honoree**, and recipient of the **California Prize for Service and a Common Good**



Our Approach to Consumer Empowerment and Financial Access

Partner with innovative, mission-aligned technology companies to deliver a path out of the payday lending trap

LendUp | lendup.com

- A provider of a technology-forward, online alternatives to pay-day lending; 300,000 loan and \$100mm to date
- Loans have declining rates and larger limits based on positive behavior
- Free financial education
- Opportunity to build credit and migrate to mainstream borrowing opportunities
- Backed by Google, Kleiner Perkins, Andreessen Horowitz, QED and Eagle Cliff Partners



“The LendUp Ladder reflects their commitment to fix what they think is broken about payday. By earning points, LendUp borrowers can move up the LendUp Ladder and gain access to more money at lower rates over time. Completing actions such as on time loan repayment or taking our free credit education courses are just a couple of the ways borrowers can earn points!”



Our Results

With LendUp, we are able to offer healthy, transparent consumer loans to low-income households

LendUp Platinum Level Loans

- Borrowers qualifying for sub-36% APRs
- Online application for loans of \$750-\$1,000 for up to one year
- 50% participation by Beneficial State
- 1,200 loans to date; 6.5% past dues

Personal Builder Loan

- If approved, your loan within 1-3 business days
- Access repayment terms from 9-12 months
- Loans 100% funded by Beneficial State

L Card

- Unsecured credit card for sub 660 FICO borrowers
- Trust Card – 19.9% APR; \$36 fee; \$300-\$500 line
- Opportunity Card– 29.9% APR; \$60 fee; \$300-\$500 line
- Rates can drop 10% and limits double with positive behaviors- including financial education
- Ultimate goal is to qualify borrowers for a mainstream, unsecured credit card at 9%-15% APR



Added Benefit: Building Financial Health

Empowering our borrowers with knowledge & tools.

LendUp's Credit Education Series

- Offering lower cost of capital for LendUp's borrowers who become lower risk via financial education
- Courses include: Credit Building Unveiled, Know Your Rights, True Cost of Credit, Road-map to Your Credit Report, Build Your Credit: Ladder to Success, and How to Protect Yourself Online
- Anyone can take the series at lendup.com/education



What We Believe

We believe that money should serve people, not the other way around. So we're building a better future with our customers by building a better banking system: Beneficial Banking. The future we're creating together will strengthen our local communities, improve quality of life for each of us, and be reflected in widespread gains in social equity and environmental renewal.



Thank you!

Personal Builder Loan | www.beneficialstate.com/personalbuilder
LendUp | www.lendup.com

build something beautiful. |



beneficial state bank

CDBA 2015 Peer Forum

May 28, 2015

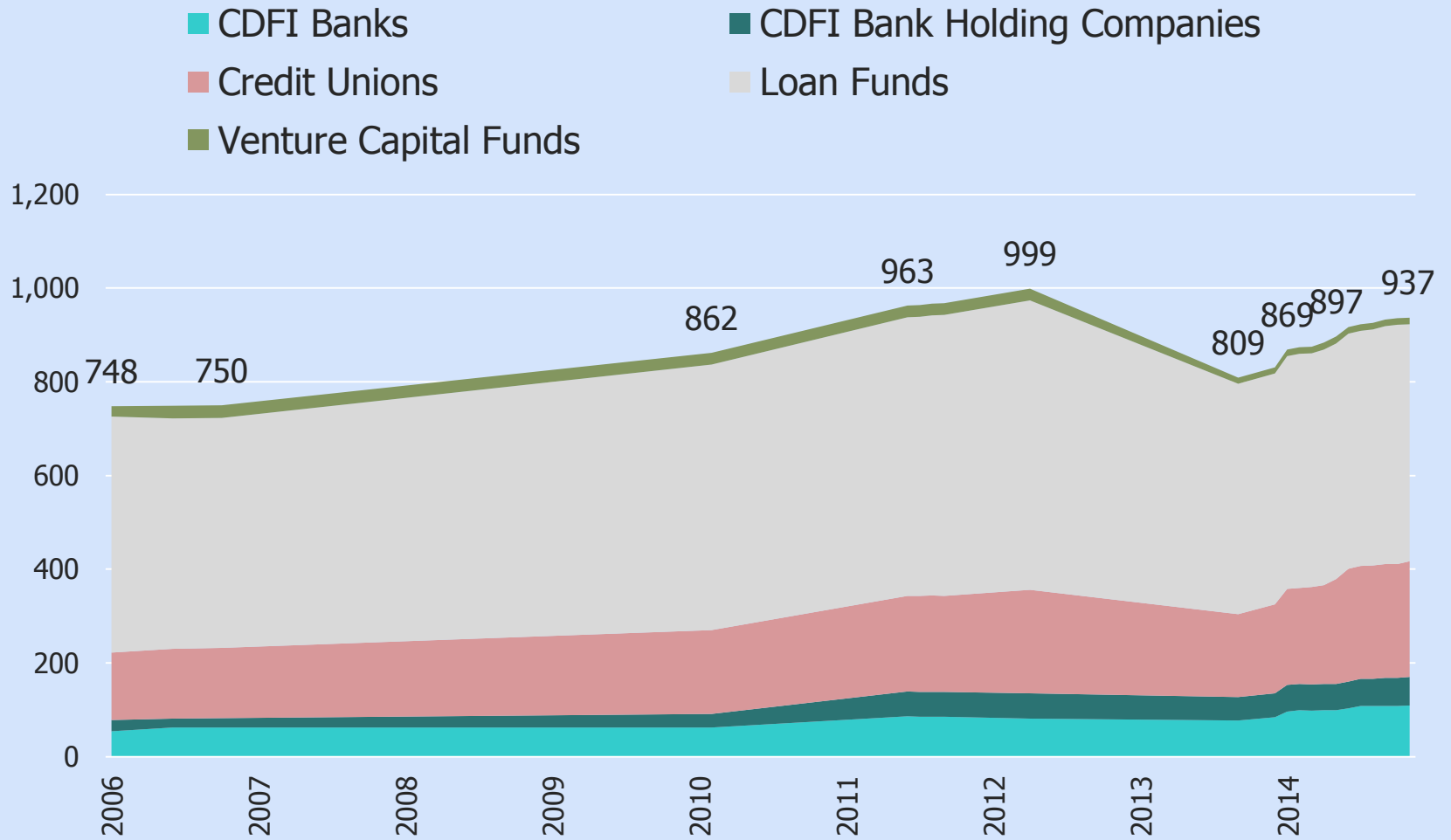
Jane Henderson



CDFI Institution Types

Community Development Institution	CD Banks	CD Credit Unions	CD Loan Funds	CD Venture Capital Funds
Structure	For-profit, depository	Non-profit, Cooperative, depository	Primarily nonprofit; some for-profit depository	Typically for-profit depository
Regulation	FDIC, Federal Reserve, OCC, OTS, and state banking agencies	National Credit Union Administration	Unregulated	Unregulated
Capitalization Structure	Insured deposits and equity	Insured deposits, secondary capital, and equity	Unsecured and secured debt, EQ2, and grants	Equity and equity-like debt
Sectors Served	Loans and depository services for individual & commercial customers; retail financial services	Loans & depository services for individuals /members; retail financial services	Loans for housing, microenterprise, small business, community facilities, and commercial real estate	Equity and debt with equity features to small and mid-sized businesses with high growth potential and social impact

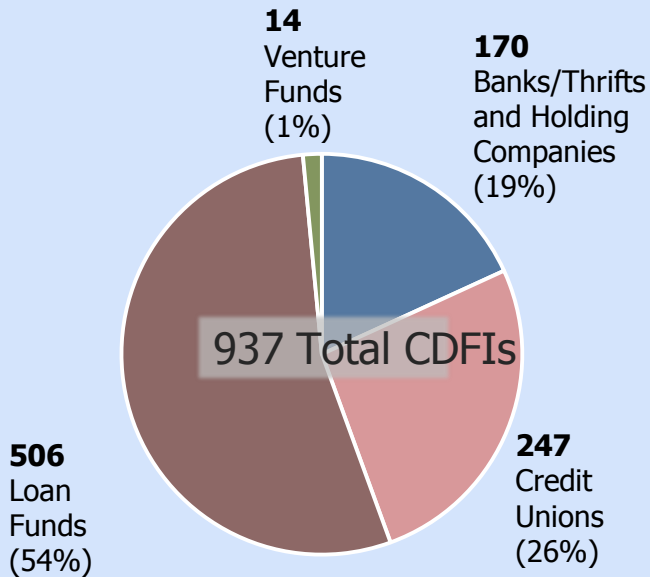
Number of Certified CDFIs



Source: CDFI Fund Lists of Certified CDFIs 2006-2015

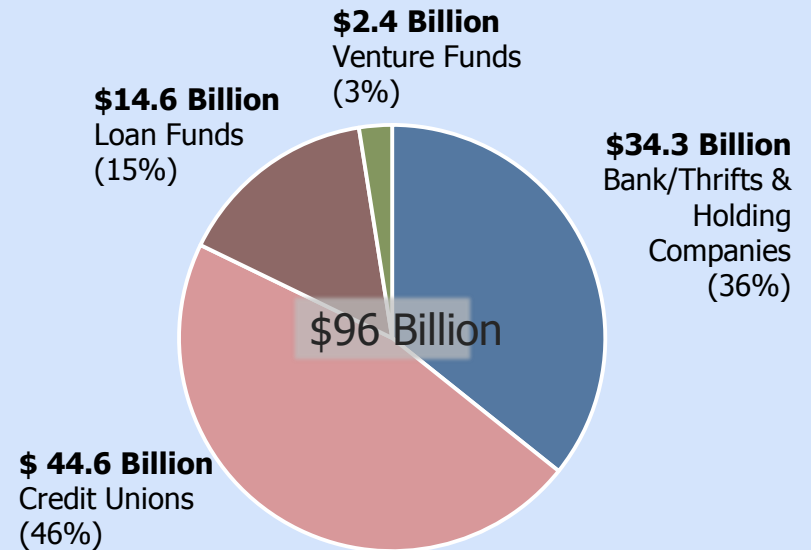
CDFI Sector by Type and Assets

CDFIs by Number



Source: CDFI Fund, February 28, 2015

CDFIs by Total Assets



Source: FDIC Q4 2014, National Federation of Community Development Credit Unions Q4 2014, Opportunity Finance Network 2013, Community Development Venture Capital Alliance 2014

Top 5 States CDFI By Type

Rank	Credit Unions	Banks	Loan Funds	Venture Capital Funds
1	Missouri (27)	Mississippi (31)	California (44)	Massachusetts (2)
2	Louisiana (19)	Louisiana (12)	New York (44)	Pennsylvania (2)
3	New York (16)	California (12)	Minnesota (24)	States with a Venture Capital Fund
4	Texas (14)	Illinois (8)	Pennsylvania (22)	Maine New York Kentucky Oklahoma Illinois
5	California (13)	Alabama (5)	Massachusetts (20)	New Mexico Louisiana California Minnesota

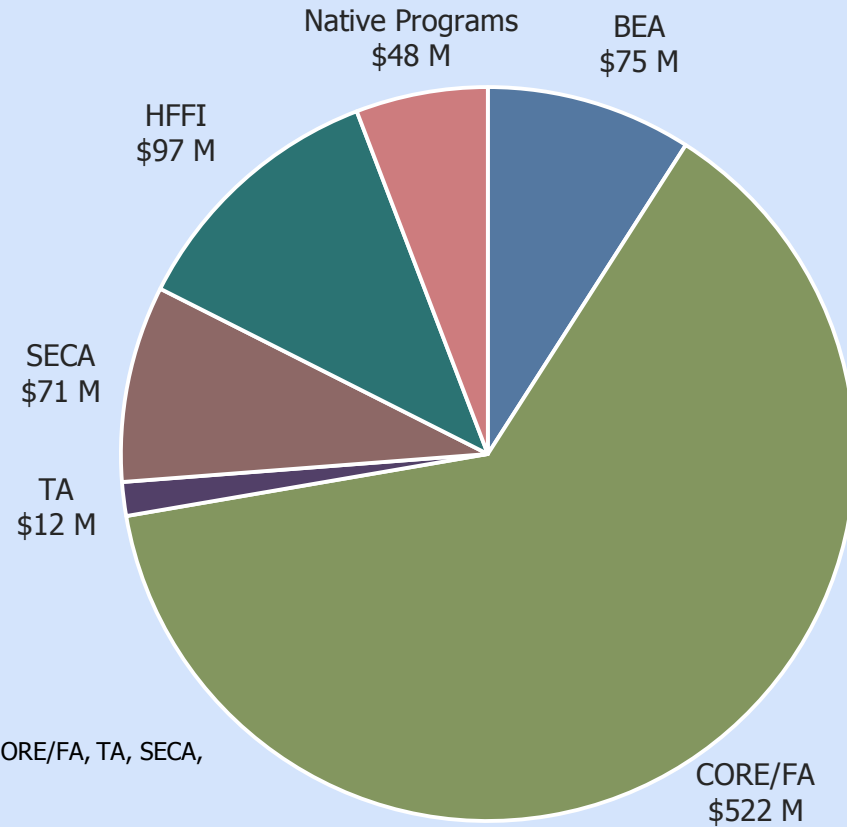
Source: CDFI Fund Lists of Certified CDFIs February 28, 2015

CDFI Bank Sector by Total Assets

	Smallest	Largest	Mean	Median
Bank	\$14.6 Million	\$2.5 Billion	\$303.9 Million	\$220.2 Million
Credit Union	\$43,035	\$5.99 Billion	\$176.9 Million	\$25 Million
Loan Fund	\$300,000	\$1.2 Billion	\$47.8 Million	\$15.2 Million
Venture Capital Fund	\$ 5 Million	\$150 Million	\$30 Million	\$24 Million

Source: FDIC Call Report Data, Q4 2014

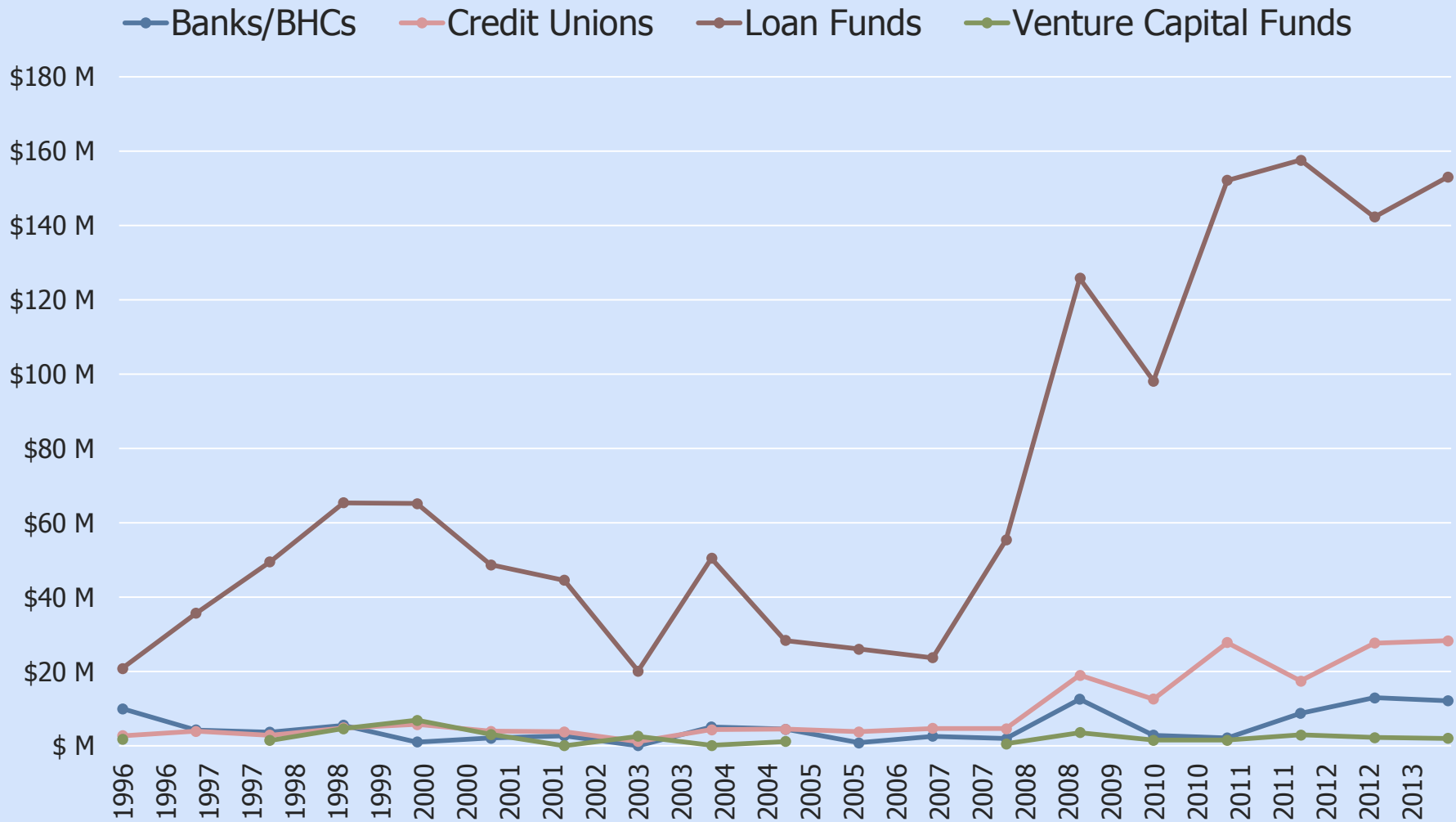
CDFI Fund Awards, 2011-2014



CDFI Program includes CORE/FA, TA, SECA, HFFI & Native Programs

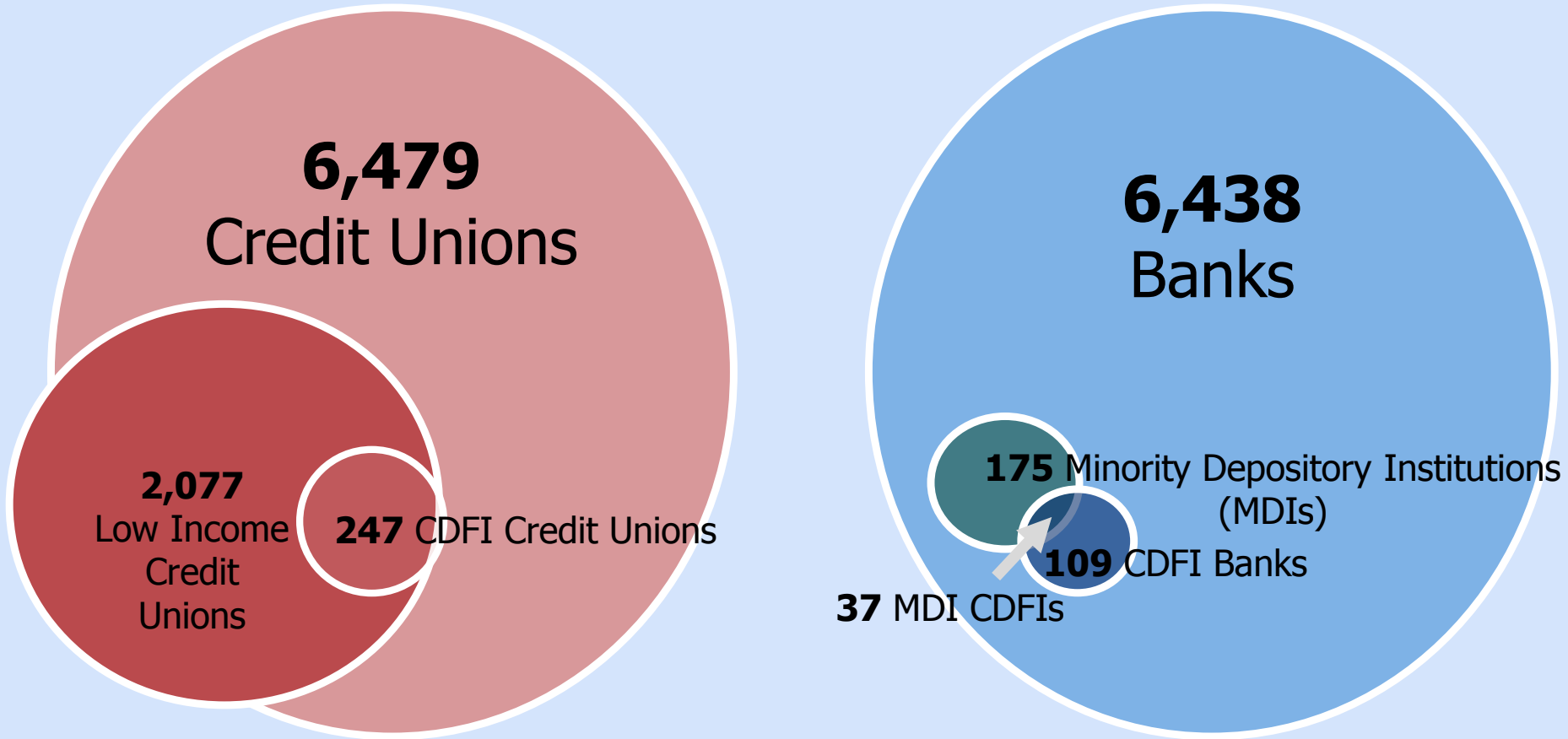
Source: CDFI Fund, 2011-2014

CDFI Program Award Distribution by CDFI Type



Source: CDFI Fund, 1996-2014

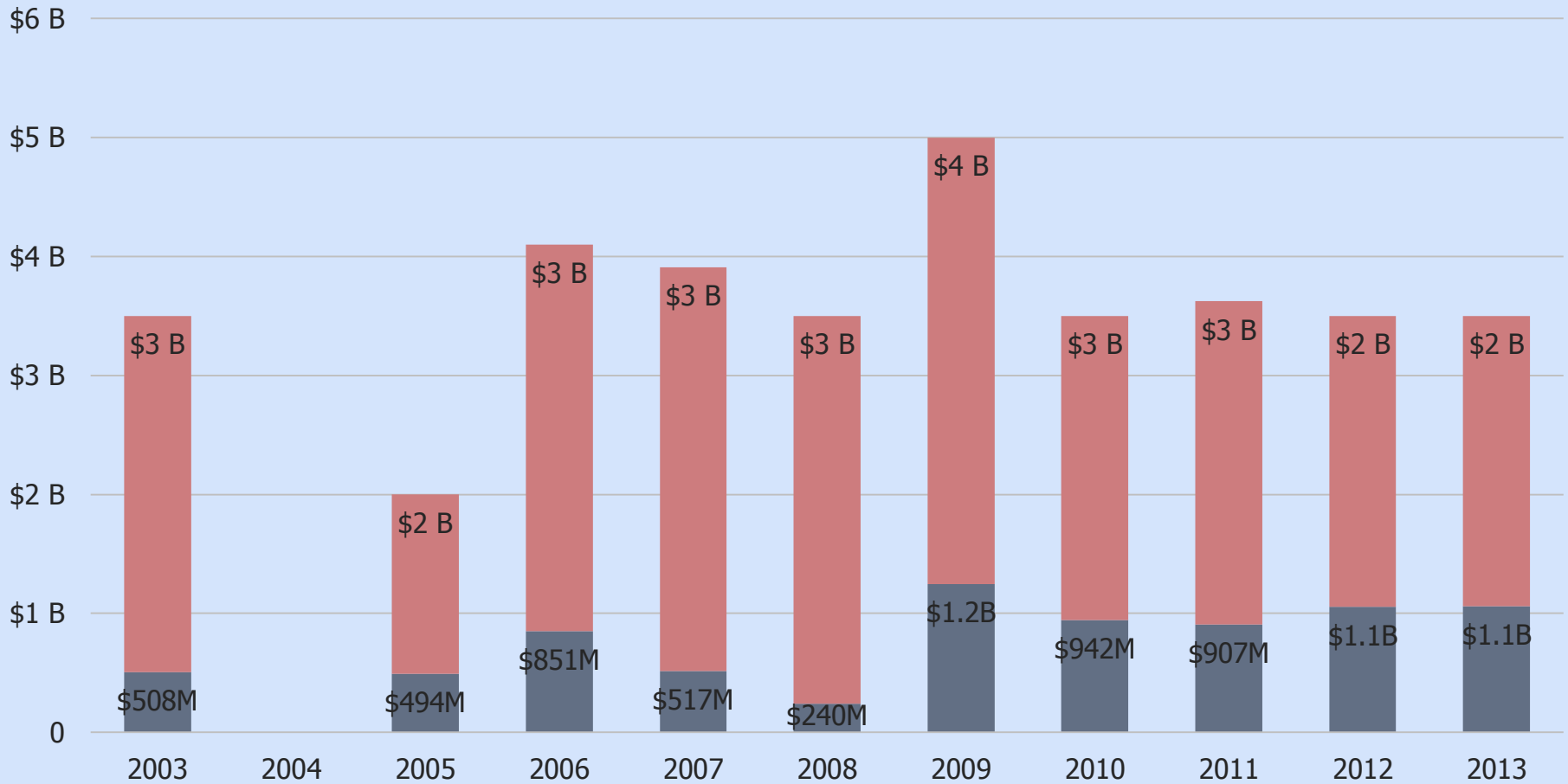
Regulated CDFIs Industry Size



Source: CDFI Fund Lists of Certified CDFIs February 28, 2015, FDIC Institution Directory, NCUA

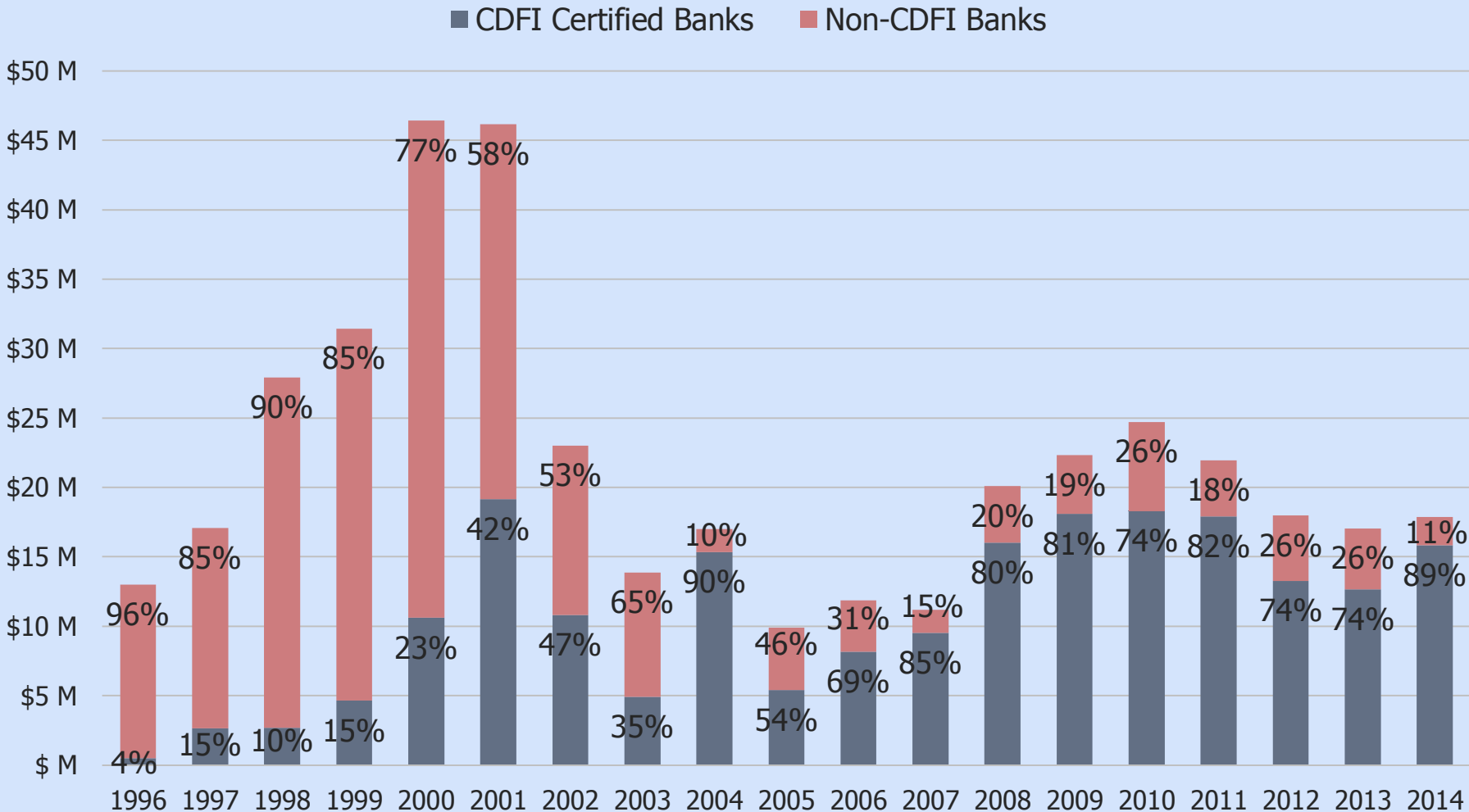
NMTC Distribution to CDFIs

■ Allocation to CDFIs ■ Allocation to Non-CDFIs



Source: CDFI Fund, 1996-2013

BEA Distribution to CDFI Banks



Source: CDFI Fund, 1996-2014

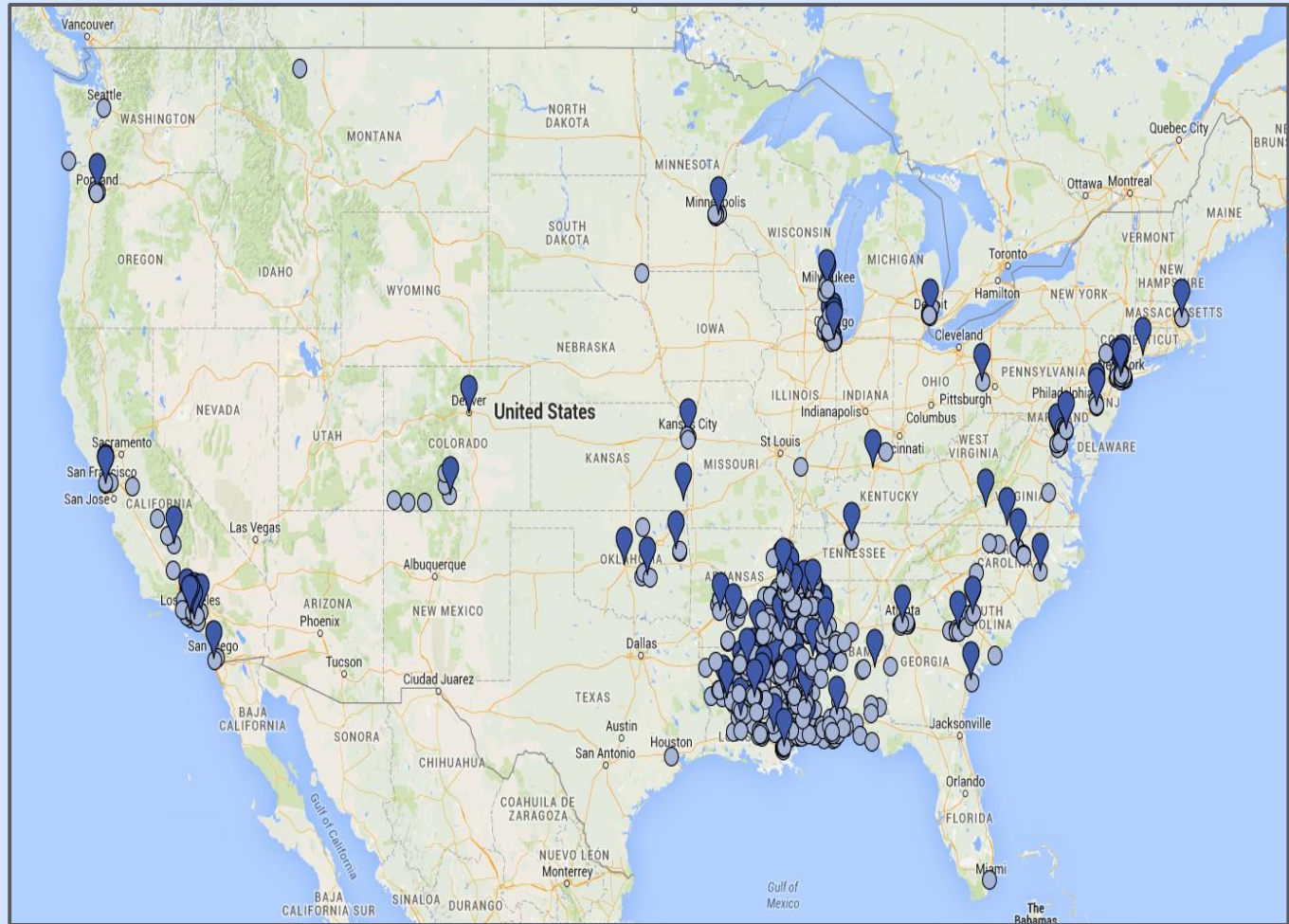
Map of all CDFI Bank Branches

109: CDFI Banks

755: CDFI Bank Branches

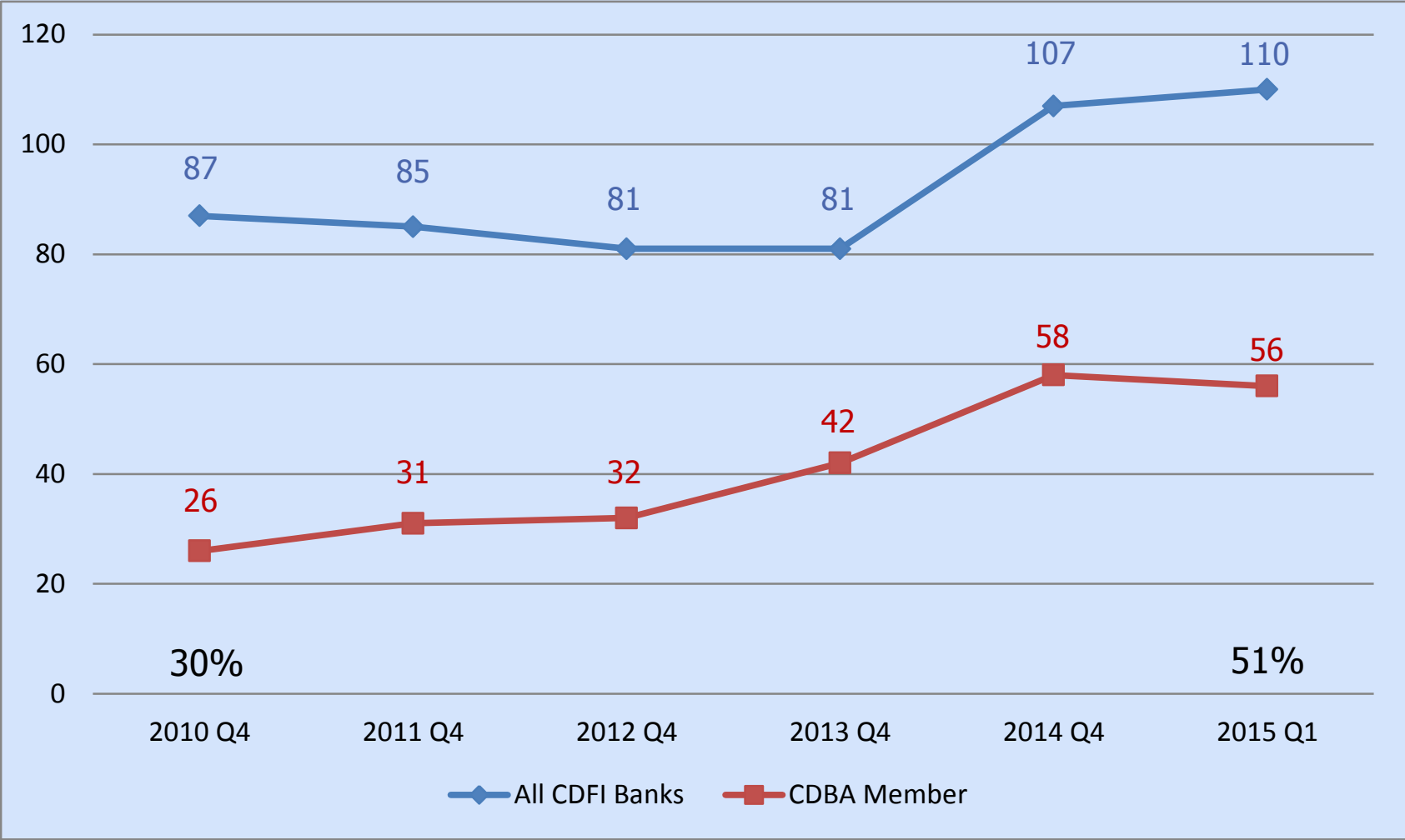
Top States for CDFI Bank Certifications

- 31 - Mississippi
- 12 - California
- 12 - Louisiana
- 9 - Illinois
- 6 - Alabama
- 5 - New York



Source: FDIC Bank Offices 2015, Google Maps

CDBA Membership vs. All CDFI Banks



CDBA Strategic Plan 2015-2017

Goal #1 - Membership

Grow membership to represent the substantive majority of the CDFI Banks by the end of FY 2017. To do this, CDBA will:

- Ensure a diverse membership that is representative of the entire Community Development Bank Industry.
- Develop and implement an effective method of integrating new members into the Association.
- Encourage banks with a primary mission to serve low income markets to become CDFI certified, especially in geographically underserved states.
- Implement and market Associate Membership.

Break-Out Group

- 1. What added value attracted you to CDBA?**
- 2. How would you engage other banks?**
- 3. Other specific activities?**

Goal #2 – Advocacy & Communication

CDBA will be the voice and champion of Community Development Banks. We will advocate on behalf of the CDFI Banking sector for improved access to funding and to tailor the regulatory environment to be appropriate for our business model.

- Communicate to policy makers, capital sources, the financial services industry, and the CDFI sector that Community Development Banks are financially successful and impactful in serving low income people and places.
- Advocate on behalf of the CDFI Banks with the CDFI Fund to: (1) protect and increase BEA funding; and (2) expand CDFI bank participation in other CDFI Fund programs.
- Educate regulators about the CDFI Bank business model and its unique challenges and opportunities.

Break-Out Group

1. What are the major Advocacy issues CDBA should focus on? with:

- **Congress**
- **Regulators**
- **CDFI Fund / Treasury Department**

Goal #3 – Education, Best Practices & Networking

Expand the peer networking, training and educational opportunities for CDBA members.

- Develop and implement opportunities for peer learning and member interaction at all levels of bank staff and Board.
- Assist members in communicating to stakeholder about the impact they generate.

Break-Out Group

1. **What topics should peer learnings focus on?**
2. **What education and best practices would be of most interest to members?**
3. **What do you need from CDBA to help you communicate industry impact?**
4. **What are the communication methods most needed from CDBA?**

Goal #4 – Improve Access to Capital

Develop and implement a strategy to help members access capital sources

- Undertake a study of the capital models in the Community Development Banking sector and make recommendations for new feasible ways of raising capital.

Break-Out Group

1. **Greatest challenges and opportunities in attracting new capital to CD banks?**
2. **Ideas for “selling” the industry opportunity to potential capital sources?
Who are the sources?**

Goal #5 - Governance

Develop the CDBA governance structure that preserves the brand as the organization grows.

- Enhance the board recruitment and nomination process to insure board diversity and effectiveness.
- Develop the Board Committee structure to help implement this plan and keep the organization strong.
- Ensure that all the members have a voice in the association.

Break-Out Group

1. How can we best engage ALL of our members in advancing the industry?
2. Ideas to ensure all members have voice?

Goal #6 – Sustainability: Financial & Staff

Build a sustainable organization both staff and financially.

- Throughout the three years of this plan, CDBA will build the appropriate structure of staff and consultants to be able to implement the goals of this plan.
- The organization will build a sustainable business model that supports reasonable growth in expenses and ensures ongoing surpluses.

Break-Out Group

1. Ideas for revenue for the CDBA?

May 2015

CFPB's Proposals Under Consideration for Payday, Vehicle Title, and Similar Loans



CFPB's Rulemaking Process To Date

- The CFPB is considering rulemaking proposals addressing payday, vehicle title, and similar lending.
 - ⇒ The proposals focus on consumer harm related to unaffordability and certain collection practices with respect to this lending market and do not foreclose the possibility of additional rulemaking by the Bureau in this area.
- The Bureau published an outline of the proposals in March 2015 as part of the small business review process required under SBREFA.
 - ⇒ Bureau officials are continuing to gather information and feedback on the proposals from all types of stakeholders.
- The Bureau anticipates that a formal notice of proposed rulemaking (NPRM) will be published later this year.

Rulemaking on Payday, Vehicle Title, and Similar Loans

Coverage

- ⇒ Short-term loans (45-days or less)
- ⇒ Certain longer-term loans (cost over 36% and account access or vehicle title)
- ⇒ All creditors, including banks, credit unions, non-depository lenders (online and storefront)
- ⇒ The proposals would not cover overdraft services, real-estate secured loans, credit cards, student loans, and most pawn loans.

The proposals

- ⇒ Lenders would be required to take steps to make sure that consumers can repay their loans
- ⇒ Lenders would be subject to certain limitations on practices associated with collecting payment on these loans

SHORT-TERM LOANS

Requirements for Short-Term Loans

For loans with a duration of 45 days or less, lenders would have two options:

- 1) determine that the consumer has the ability to repay without reborrowing; or
- 2) adopt certain protections to help make sure that consumers can repay the debt over multiple loans.

Ability-to-Repay Determination

Lenders would need to consider and verify consumer financial information:

- Consumer income
- Major financial obligations
 - ⇒ Housing
 - ⇒ Debt payments
 - ⇒ Other legally-obligated payments (e.g., child support)
- Borrowing history on covered loans
 - ⇒ With the same lender and affiliates
 - ⇒ With other lenders by checking commercially available reporting system

Lenders would need to reach a determination that the consumer has the ability to repay the loan:

- The consumer has enough residual income to make payments on the loan and meet living expenses.
- The consumer can repay without reborrowing in 60 days past the duration of the loan.

ATR Determination: Presumptions

Restrictions on Sequential Borrowing of Short-Term Loans

- “Sequence” of loans is a series of loans in which each is taken within 60 days of the preceding loan

Presumption of Inability to Repay

- Applies when borrower seeks second and third covered short-term / longer-term loan with balloon from any lender within 60 days of the prior loan
- Presumption of inability to repay a similarly structured loan if the borrower had a short-term loan outstanding within the past 60 days
 - ⇒ Lenders cannot extend another short-term loan for 60 days unless the consumer can verify a change in circumstances.

Conclusive Presumption of Inability to Repay

- Conclusive presumption of inability to repay after the third loan in a sequence
 - ⇒ Lenders cannot extend another short-term for 60 days after the third loan in a sequence, regardless of circumstances.

Alternative Requirements

Screening Requirements

- Verify consumer income
- Determine that the consumer is not already in a cycle of debt:
 - ⇒ No other covered loans outstanding
 - ⇒ Within a rolling 12-month period no more than 90 days indebtedness on covered short-term loans and no more than six covered short-term loans

Structural Conditions

- Maximum \$500 principal
- Duration of no more than 45 days
- No security interest in a vehicle title
- 60-day cooling off period after the 3rd loan in a sequence
- The CFPB is considering two options to taper off indebtedness:
 - ⇒ Lenders offer consumers an off-ramp at the end of 3 loans, if the consumer is unable to repay; or
 - ⇒ Lenders reduce the principal of each subsequent loan so that the debt amortizes over three loans.

LONGER-TERM LOANS

Requirements for Longer-Term Loans

Longer-term loans covered by the CFPB's proposals are those loans and lines of credit with a contractual duration longer than 45 days

- a) With an all-in APR greater than 36 percent; and
- b) Where the lender obtains repayment through access to the consumer's account or takes a security interest in the consumer's vehicle.

Lenders would have two options for extending covered longer-term loans:

- 1) determine that the consumer has the ability-to-repay without reborrowing; or
- 2) adopt certain protections to help make sure that consumers can repay the debt.

Ability-to-Repay Determination

Lenders would need to consider and verify consumer financial information:

- Consumer income
- Major financial obligations
 - ⇒ Housing
 - ⇒ Debt payments
 - ⇒ Other legally-obligated payments (e.g., child support)
- Borrowing history on covered loans
 - ⇒ With the same lender
 - ⇒ With other lenders

Lenders would need to reach a determination that the consumer has the ability to repay the loan, meaning:

- The consumer has enough residual income to make each payment on the loan and meet living expenses.

ATR Determination: Presumptions

Presumption of Inability to Repay for Refinanced Loans

- Lenders would be required to presume that a consumer lacks the ability to repay a covered longer-term loan with terms similar to the loan being refinanced, if
 - ⇒ The consumer was, at the time of refinancing, delinquent or had recently been delinquent on the loan being refinanced
 - ⇒ The consumer indicated that she was unable to make a scheduled payment or that the loan being refinanced was causing financial distress
 - ⇒ The refinancing permitted the consumer to skip or pay a lesser amount than a payment that otherwise would have been due
 - ⇒ The loan being refinanced is in default
- To rebut the presumption, lenders would need verified evidence of a change in circumstances indicating that the consumer has the ability to repay the new loan.

Alternative Requirements: NCUA-type Loans

Screening Requirements

- Verify consumer income
- Determine that the consumer is not already in a cycle of debt:
 - ⇒ No other covered loans outstanding
 - ⇒ No more than 2 NCUA-type loans over a rolling 6-month period.

Structural Conditions

- Maximum \$1,000 principal
- Repayable in at least 2 payments
- Duration of between 45 days and 6 months
- Cost no more than 28% interest and maximum \$20 application fee

Alternative Requirements: Max. PTI Loans

Screening Requirements

- Verify consumer income
- Determine that the consumer is not already in a cycle of debt:
 - ⇒ No other covered loans outstanding
 - ⇒ No more than 2 maximum PTI loans over a rolling 12-month period

Structural Conditions

- Periodic payment is no more than 5% of the consumer's expected gross income during the same period
- Repayable in at least 2 payments
- Duration of between 45 days and 6 months
- No fees for prepayment of the loan

PAYMENT COLLECTION PRACTICES

Notice Requirement

Notice Prior to Attempting to Collect Payment

- Lender would need to give notice 3 days prior to attempt to collect payment from a consumer's checking, savings, or prepaid account
- Information that would be contained in the notice:
 - ⇒ Exact amount and date of upcoming payment attempt
 - ⇒ Payment channel
 - ⇒ Breakdown of the application of payment amount to principal, interest, and fees
 - ⇒ Loan balance remaining if payment attempt succeeds
 - ⇒ Name, address, and toll-free number for the lender
 - ⇒ For signature checks and RCCs, the check number associated with the payment attempt

Limitation on Attempts to Collect Payment

Maximum 2 Attempts

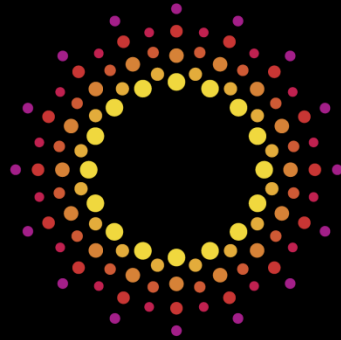
- Lenders would be prohibited from attempting to collect payment from a consumer's account after two consecutive attempts have failed.
- After hitting the limit, a lender would be permitted to obtain a new payment authorization from the consumer.

Applicability

- All methods of attempting to collection payment from a consumer's checking, savings, or prepaid account, including
 - ⇒ Post-dated signature check
 - ⇒ ACH entry
 - ⇒ Remotely created checks
 - ⇒ Payments run through the debit network
 - ⇒ Any other means of collecting payment

NEXT STEPS

SUNRISE



BANKS

TRUECONNECT

For Life's Unexpected Moments



Financial Stress – What Employers & Employees Are Saying

- 78% “My employees are less productive at work while worrying about money”
- 58% “My employee’s financial troubles contribute to absenteeism”
- 53% “I am very concerned about having enough money to make ends meet”
- 40% “I live paycheck to paycheck”



TrueConnect

- 1 year full amortizing consumer installment loan
- Loan Amounts: \$1,000 - \$1,500 - \$2,000
- No fees
- 24.99% APR
- No prepayment penalty
- Automatic payment from payroll
- Fully automated application & origination system
- No credit bureau
- Free access to credit/budget counseling
- Maximum borrowing amount 8% annual wages or \$3,000

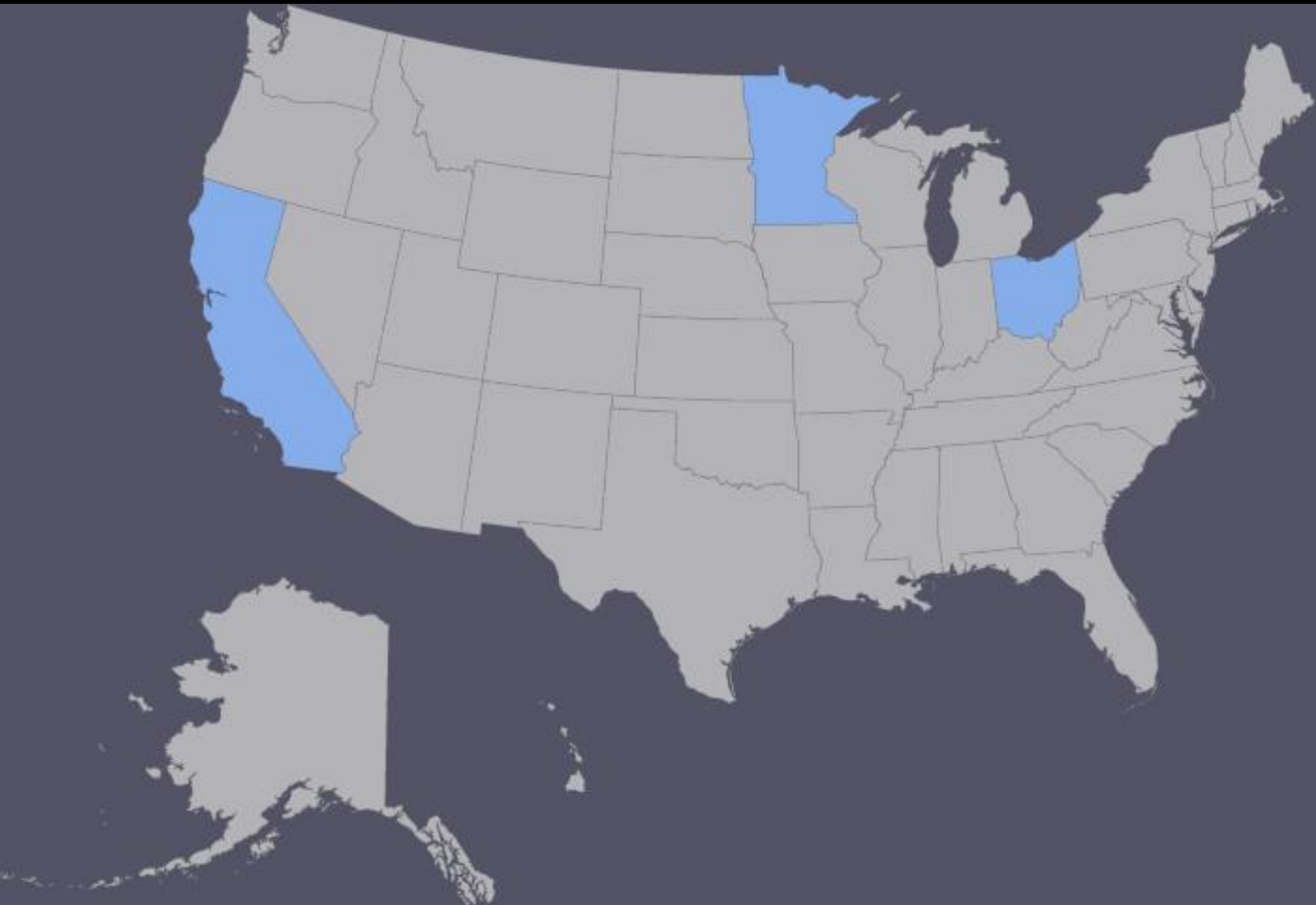
TRUECONNECT

For Life's Unexpected Moments

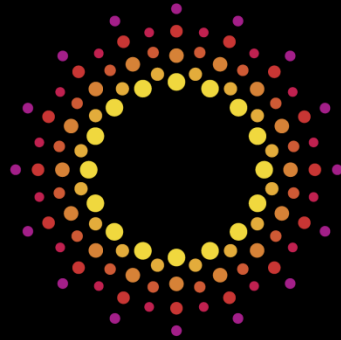


Lutheran Social Service
of Minnesota

for changing lives



SUNRISE



BANKS

Guaranty Bank & Trust Co. Small Loan Program



Educational Qualifications for New Horizon Small Loan Program

Minimum required classes under Healthy; Wealthy & Wise Program are the **first six topics as follow:**

- Health and Wealth
- Saving
- Finding Extra Income
- Smart Goals
- Budgeting
- Establishing Credit

Minimum required classes under FDIC's Money Smart for Adults:

- Bank on It
- Check It Out
- Borrowing Basics
- Money Matters
- Pay Yourself First
- Financial Recovery

NEW HORIZONS

(A Small Loan Program for the Unbanked and Under-banked)

Loan amount	\$500 - \$2,000 (Dependent on Debt-to-Income ratio)
Minimum credit score	500 up to \$1,000 and 600 from \$1,001 to \$2,000 (Not having a credit score is acceptable for requests up to \$1,000 if all other criteria are met.)
Maximum Debt-to-Income ratio	40%
Terms	9 to 24 months
Interest rate	13%



Additional Requirements/Stipulations

1. Borrower(s) must have evidence of completion of a financial education course (bank approved) within previous 2 years.
2. Medical collections will be exempt, but must not exceed \$10,000 in total.
3. Prior charged off balances and non-medical collections must not exceed \$5,000 in total.
4. No foreclosures, repossessions or judgments can be filed in past 2 years. Bankruptcies filed in the previous two years must be completed.
5. Half of the loan proceeds will be deposited in GB&T savings account which will be held as collateral on the loan. The other half of the proceeds will be deposited into a GB&T checking account and will be available for immediate withdrawal.
6. Loan payments will be automatically drafted from the checking account.



Additional Requirements/Stipulations

7. Direct deposit to the checking account of any government benefits will be required.
8. A current and valid government issued picture identification and proof of residency will be required.
9. If Federal or State tax liens have been levied, this loan cannot be extended unless applicant shows proof of payment.
10. This loan can only be extended to applicants of legal contractual age. (MS state law is 21 years of age)
11. Applicants must have a consistent source of income.



Results

- Have 17 banks in the education program and making small loans.
- Partnered with numerous non-profits and community organizations.
- Charge-off rate of 2.3%
- Some participants increasing their credit score over 42 points in one year.
- Designed to build credit, start savings program, and learn to handle finances.

CDBA Peer Forum ***Financial Inclusion***

BILL DANA- MAY 26, 2015



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Prepaid Debit Cards for the Underbanked



- Cards are reloadable with minimal fees
- Point of sale accessible – national and international
- Cards cannot be overdrawn
- Track spending, plan budgets, access balance all online
- No charge for ATM withdrawals within our network
- Cheaper than cashing checks and purchasing money orders
- Immediate liquidity – funds that are direct deposited are available right away. No waiting for your check to clear.
- Text and email alerts for balances
- Shop online, pay bills, buy groceries, gas, and more



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Prepaid Debit Card Fees and Features



	<i><u>General Purpose Reloadable</u></i>	<i><u>Payroll Cards</u></i>
Purchase Fee	\$4.95	\$0.00
Monthly Fee	\$3.00	\$0.00
ATM Fee	\$1.50	\$0.00 per pay period
No Overdrafts	✓	✓
No Credit Check	✓	✓
No Check Cashing fees	✓	✓
Easy on line access	✓	✓
Budget features	✓	✓
SMS Text alerts	✓	✓



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Underbanked Checking Account



- No Telecheck or Chex Systems call
- Electronic account
- FREE
 - ❖ e-statements,
 - ❖ ATM transactions,
 - ❖ debit card,
 - ❖ unlimited transactions,
 - ❖ on line banking,
 - ❖ mobile banking,
 - ❖ bill pay
- \$100 Minimum balance
- No Service Charge



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Next Step KC Loan Program



NextStepKC

Partnering to build strong families – one financial step at a time



LIVE UNITED
United Way

United Way of
Greater Kansas City
unitedwaykc.org

Small Dollar Loan Program

- Alternative to payday loans
- Refined underwriting standard that keeps improving
- 20 partners who provide initial underwriting
- Donations support the losses in the form of a guarantee to bank
- 36% APR-- Split with the Facilitator
- Guaranteed 128 loans in 2014, 75 of which were new loans
- Total dollars \$76,000-- Average loan size is \$500
- Default rate: 9%
- 70% of our clients are low-to-moderate income
- Six Counties served



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Reducing the Reliance on Payday Loans



Fair Alternatives Thru Easy Access

- **On line loan applications**
 - ❖ Possibly a CDFI bank portal?
 - ❖ To include CDBA banks
 - ❖ CDFI Banks
 - ❖ CDFI Credit Unions
 - ❖ Employers
- **Well advertised**
- **Well funded**
- **Selecting only the right borrowers**
- **Multiple load options**
 - ❖ Checking Accounts
 - ❖ Paper check
 - ❖ Prepaid Cards



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Thank You

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Financial Inclusion

Key Findings in the Fed Survey

- **Mobile phones are in widespread use**
 - 87% of the U.S. adult population has a mobile phone
 - 71% of mobile phones are smartphones
- **The ubiquity of mobile phones is changing the way consumers access financial services**
 - **39%** of all mobile phone owners with a bank account have used mobile banking in the past 12 months
 - **52%** of smartphone owners with a bank account have used mobile banking in the past 12 months
- **The most common use of mobile banking is to:**
 1. Check account balances (94%)
 2. Transfer funds between accounts (61%)
 3. Receive text alerts (57%)
- **51% of mobile banking users have deposited a check using their mobile phone in the 12 months prior to the survey (up from 38 percent in 2013)**

Financial Inclusion

Key Findings in the Fed Survey

- **Mobile phones are prevalent among unbanked and underbanked consumers.**
 - The share of consumers who are unbanked is 13%, and the share who are underbanked is 14%.
 - 67% of the unbanked have access to a mobile phone, 65% of which are smartphones.
 - 90% of the underbanked have access to a mobile phone, 73% of which are smartphones.
 - 48% of underbanked consumers had used mobile banking in the 12 months prior to the survey.

Financial Inclusion

Key Findings in the Fed Survey

Challenges:

- Residents of more rural areas have a lower incidence of mobile banking use than residents of more urban areas
- Residents of more rural areas have a lower incidence of mobile payments use than residents of more urban areas
- 33% of residents in non-metropolitan (non-metro) areas reported using mobile banking services in the prior 12 months, compared with 39% of respondents in metropolitan (metro) areas.

Payroll Solutions

BankPlus realizes the vital impact that businesses have in our community. With this in mind, we welcome the opportunity to assist our business customers with a complete suite of products and services that will help you effectively and efficiently manage your payroll process. You may have employees that already have an established bank account, employees that desire to initiate a bank account, or employees who do not want or may not qualify for a bank account. With BankPlus Payroll Solutions you now have the opportunity to enjoy a complete direct deposit solution that meets the individual needs of every employee.

▶ **e-BankPlus for Business Direct Deposit**

You can offer Direct Deposit of Payroll to your employees who already have an established checking account. Direct Deposit through e-BankPlus for Business allows you to pay employees electronically by depositing payroll directly into their checking accounts — either at BankPlus or another bank. BankPlus is proud to offer this feature free to all business customers.

▶ **GroupPlus**

BankPlus would like to introduce you to GroupPlus, a personal banking program available to participating businesses. With GroupPlus, your employees can enjoy the convenience of payroll direct deposit. In addition, they will receive a totally free personal checking account featuring:

- ▶ Free personal online banking and bill pay
- ▶ BankPlus2GO mobile banking
- ▶ ATM fee rebates and their
- ▶ First order of standard checks FREE

Other advantages of banking with BankPlus include; 62 BankPlus offices in 34 Mississippi communities, most with extended drive-through hours of 7a.m.-7p.m. Monday – Friday, same day posting until 7 p.m., seventy 24-hour ATM's, plus the excellent customer service of BankPlus.

▶ **BankPlus PayrollPlus Card**

The BankPlus PayrollPlus Card allows you to offer employees who do not want or may not qualify for a checking account an option for direct deposit. The PayrollPlus Card offers your employees the convenience and security of receiving their pay on a VISA® Debit Card without undergoing a credit check. Employees may access funds 24/7 at any VISA ATM or anywhere VISA is accepted. They can also utilize the cash back feature at participating VISA merchants. They will no longer have to pay high check cashing fees and can enjoy the security of not carrying cash.



FOR MORE INFORMATION

Call today to find out more about our BankPlus Payroll Solutions and how this program can meet your company's payroll needs. Contact a BankPlus Account Representative or Cash Management Sales Specialist: (601) 607-4273 or CMRS@BankPlus.net.





Introducing The New BankPlus Visa PayrollPlus Card

EMPLOYEE BENEFITS

Rather than getting a paycheck, your pay is automatically deposited to the card and immediately available for you to access on payday—no matter where you are. You will no longer need to make a trip to your employer to pick up a paycheck and take it to a bank.

Easy Access to Your Money

Each pay period, your wages will be automatically deposited to your card. No more waiting on a payroll check and dealing with the costs and time to cash checks. You will have immediate access to your money - no matter where you are.

Saves Time and Money

You will have access to FREE and unlimited customer service. Once enrolled, you can call the number on the back of your card, 888-621-1397 to access your balance at any time. Speak to a live agent or access the automated agent. Online card management is FREE and gives you the ability to manage your account profile and PIN. Visit www.payment-card.com to learn more!

Convenience and Worldwide Acceptance

You can use the card to make purchases everywhere Visa® cards are accepted, and get cash when you need it at ATMs. You can also get Cash Advances at any Visa member bank or cash back when you make a purchase at Visa merchants with PIN terminals.

Safe and Secure

You will enjoy the safety of having your money on a Visa Prepaid Card. You will no longer have to carry large amounts of cash, and Visa's Zero Liability Policy protects you against unauthorized purchases.

Better Money Management

You'll be able to track your spending online at www.payment-card.com. You'll also have the option to receive text messages of your balance every time you use your card, or receive a printed personal monthly statement of your card activity.

CARDHOLDERS ENJOY PREMIUM BENEFITS:



FREE Visa Signature transactions worldwide



FREE Customer Service Calls 24/7



Load cash to your card at thousands of Visa ReadyLink location nationwide



Get text alerts on transaction activity and balance inquiries



Online bill pay



Add more Cards to your account for family



This card is issued by CenterState Bank of Florida, NA pursuant to a license from Visa USA. to be used wherever Visa debit cards are accepted.



Mobile Banking Solutions

With so many mobile banking solutions available to BankPlus customers, it has never been easier to keep up with your finances anytime, anywhere.

Our FREE* mobile banking solutions give you the power and security of your online banking account through the convenience of your smart phone or tablet device.

- **Smartphone Apps**

Get account access when and where you need it, in the palm of your hand (Available for Apple and Android devices)

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Tap into the app that's designed for your tablet's screen size and touch technology

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Quickly check balances, view recent history and transfer funds through SMS messaging

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Access your account information, transfer funds and pay bills from any mobile device that has web browsing capabilities and a data plan.

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FREE Mobile Deposit. It is as easy as Tap. Snap. Deposit.

Mobile Banking

It has never been easier to keep up with your finances anytime, anywhere.

ValuePlus Free Checking

Unlimited transactions and

no monthly service charges.

Only the best checking in town.



MobileAlerts

Help reduce fraud and monitor your CheckCard purchases anytime, anywhere with the MobileAlerts App, powered by Visa.

With the MobileAlerts App you have the ability to monitor your account for fraudulent activity as well as your own spending habits—all in near real-time. This

For added security and convenience, you can choose to receive your alerts via:

- Text message
- Email
- Push notification
- Or all three if you choose

Each alert contains important information, including:

- Purchase amount
- Merchant name and location (if available)
- Last four digits of the BankPlus Visa CheckCard used to make the purchase.

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