

# CDBA 2015 Peer Forum

May 28, 2015

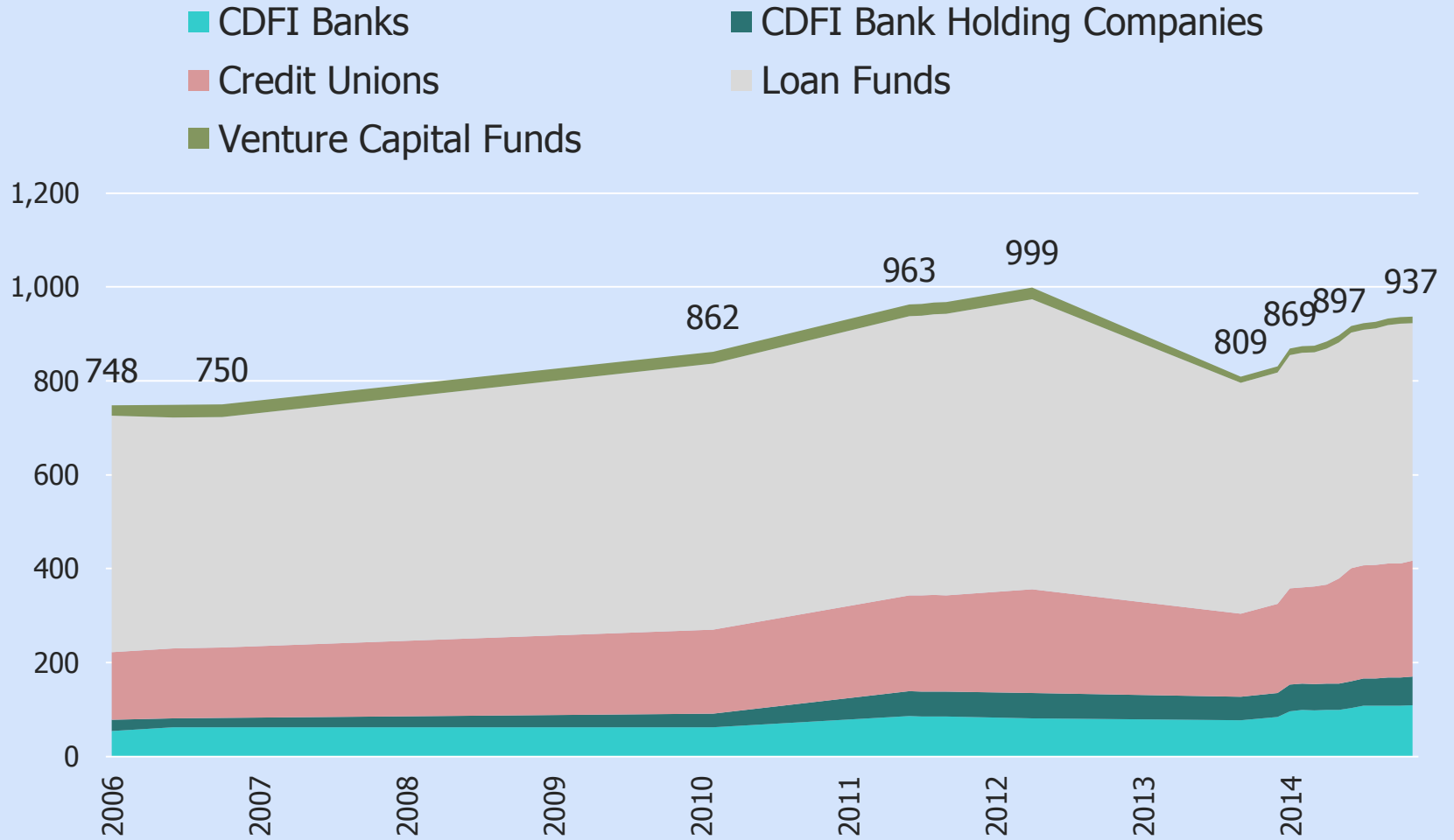
Jane Henderson



# CDFI Institution Types

| Community Development Institution | CD Banks   | CD Credit Unions  | CD Loan Funds  | CD Venture Capital Funds  |
|-----------------------------------|--|---|--|---|
| <b>Structure</b>                  | For-profit, depository   | Non-profit, Cooperative, depository   | Primarily nonprofit; some for-profit depository  | Typically for-profit depository   |
| <b>Regulation</b>                 | FDIC, Federal Reserve, OCC, OTS, and state banking agencies                                    | National Credit Union Administration  | Unregulated  | Unregulated   |
| <b>Capitalization Structure</b>   | Insured deposits and equity  | Insured deposits, secondary capital, and equity                                 | Unsecured and secured debt, EQ2, and grants  | Equity and equity-like debt   |
| <b>Sectors Served</b>             | 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 |

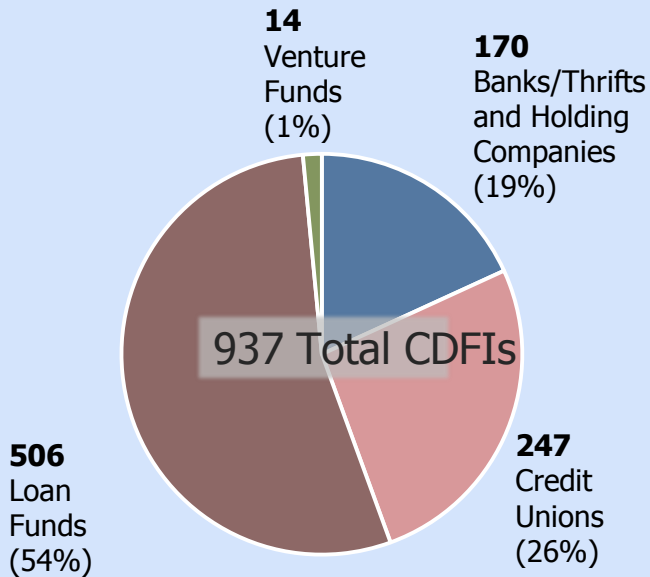
# Number of Certified CDFIs



Source: CDFI Fund Lists of Certified CDFIs 2006-2015

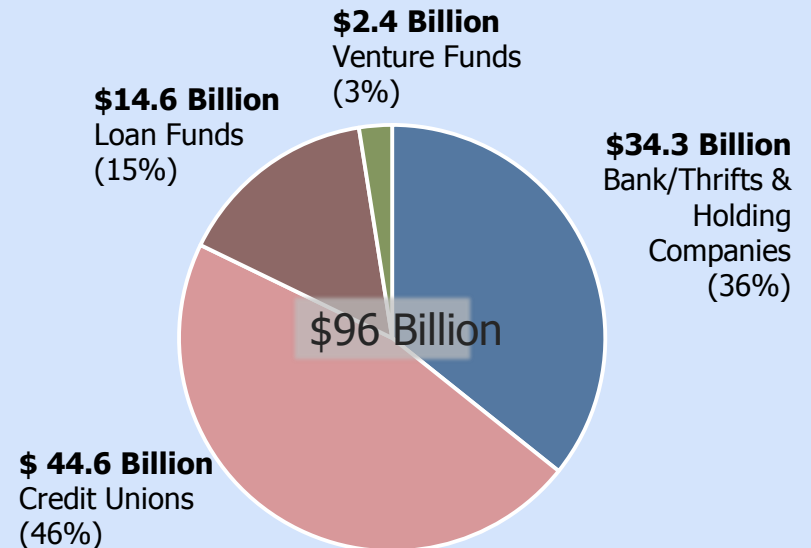
# CDFI Sector by Type and Assets

## 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<br>New York<br>Kentucky<br>Oklahoma<br>Illinois |
| 5    | California (13) | Alabama (5)      | Massachusetts (20) | New Mexico<br>Louisiana<br>California<br>Minnesota    |

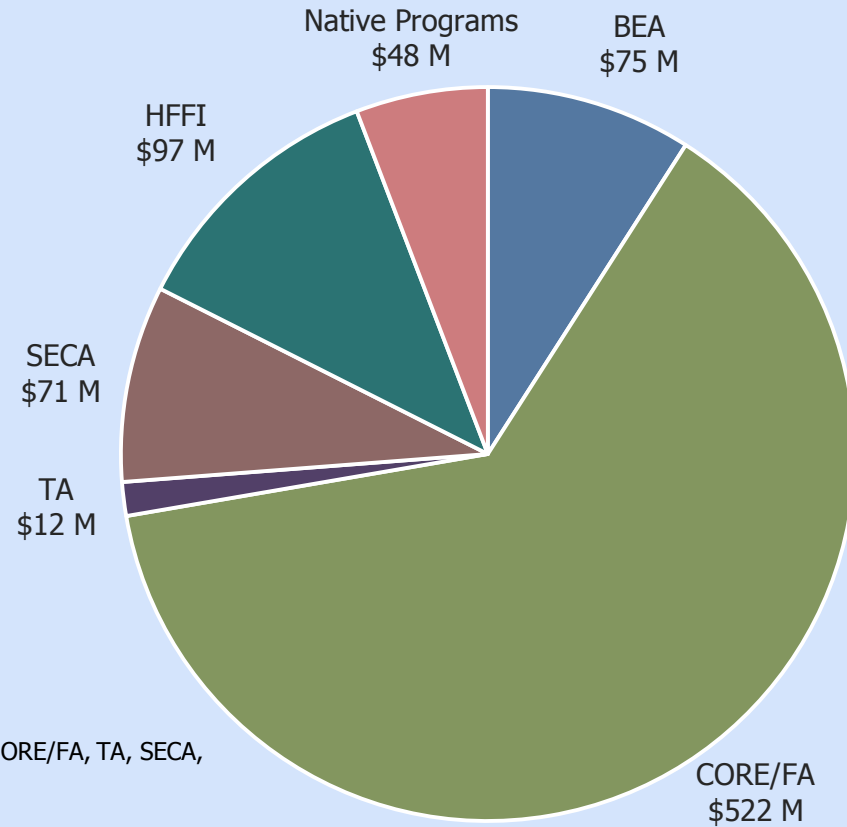
Source: CDFI Fund Lists of Certified CDFIs February 28, 2015

# CDFI Bank Sector by Total Assets

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

Source: FDIC Call Report Data, Q4 2014

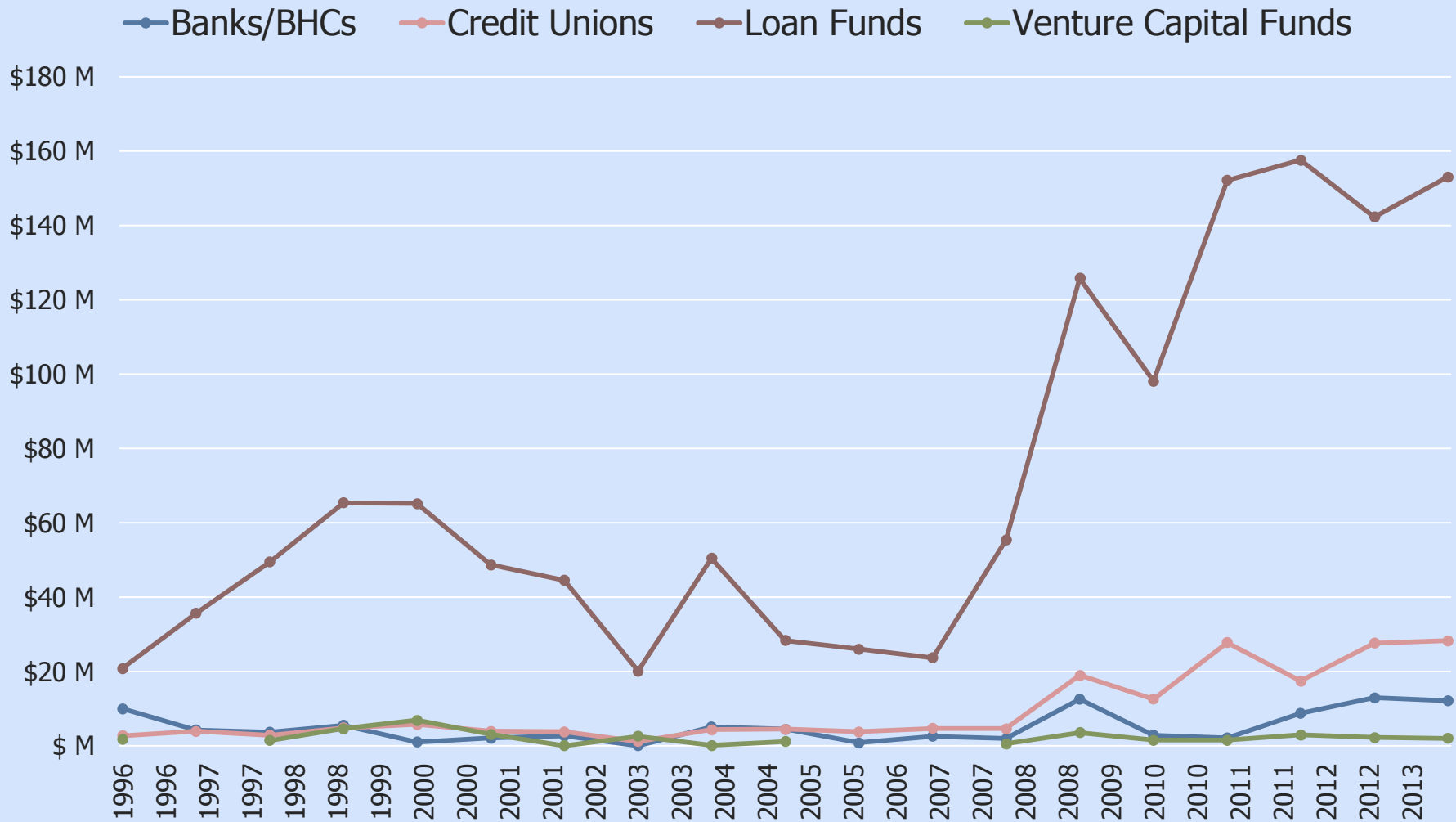
# CDFI Fund Awards, 2011-2014



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

Source: CDFI Fund, 2011-2014

# CDFI Program Award Distribution by CDFI Type

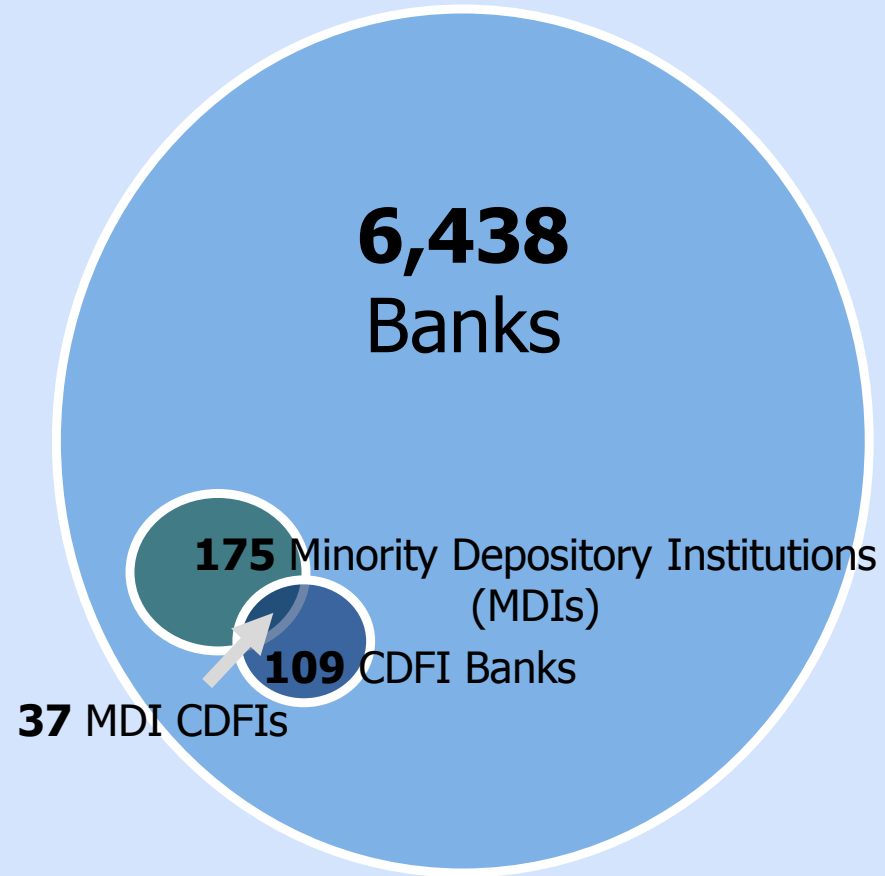
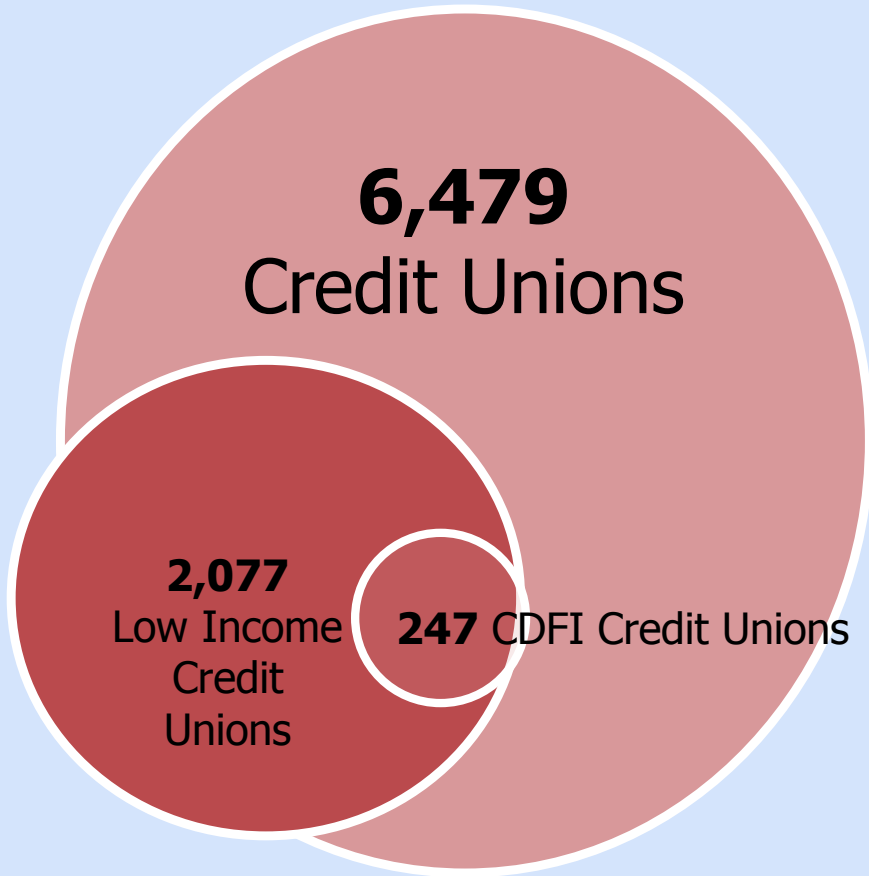


Source: CDFI Fund, 1996-2014





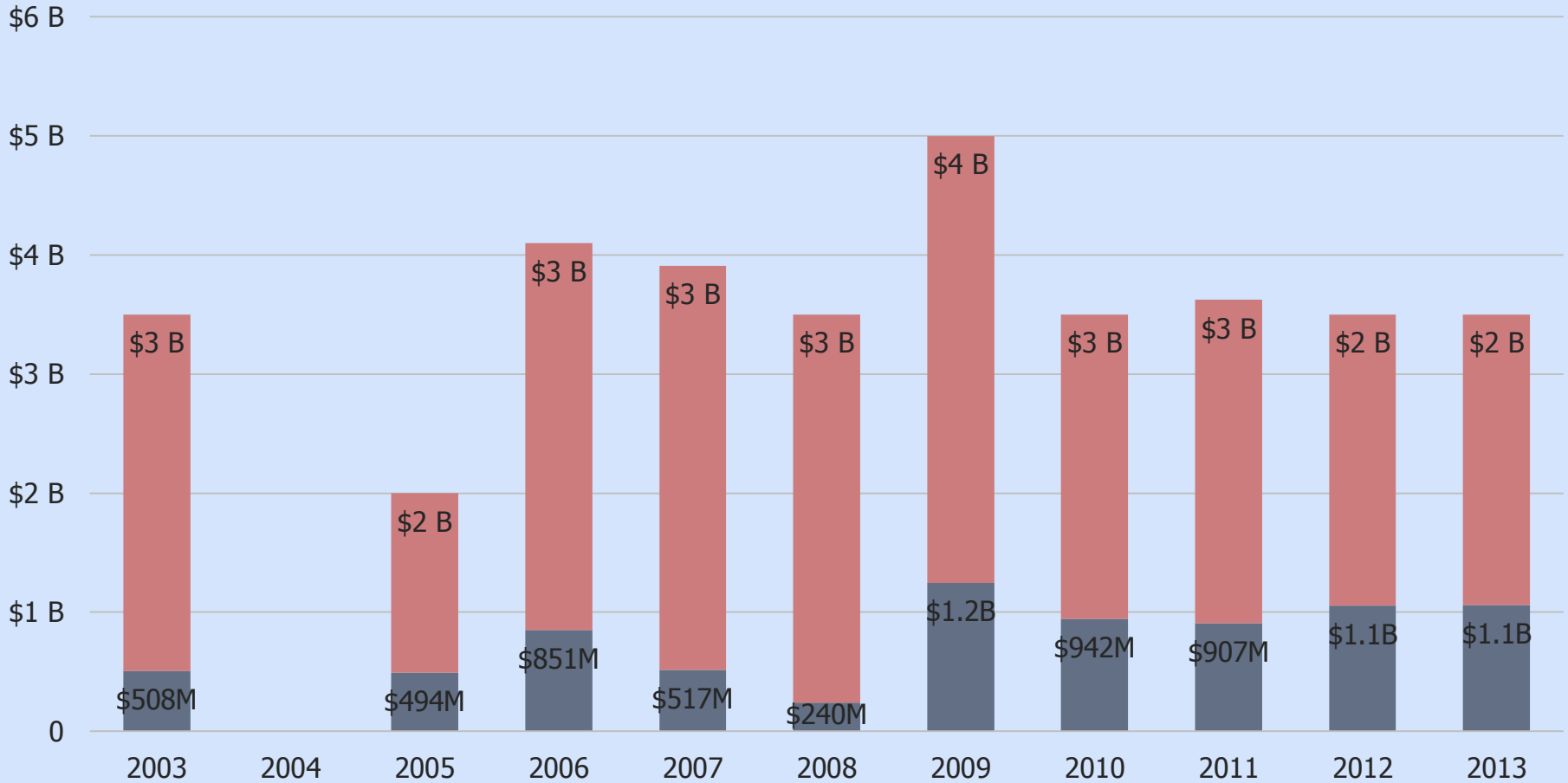
# Regulated CDFIs Industry Size



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

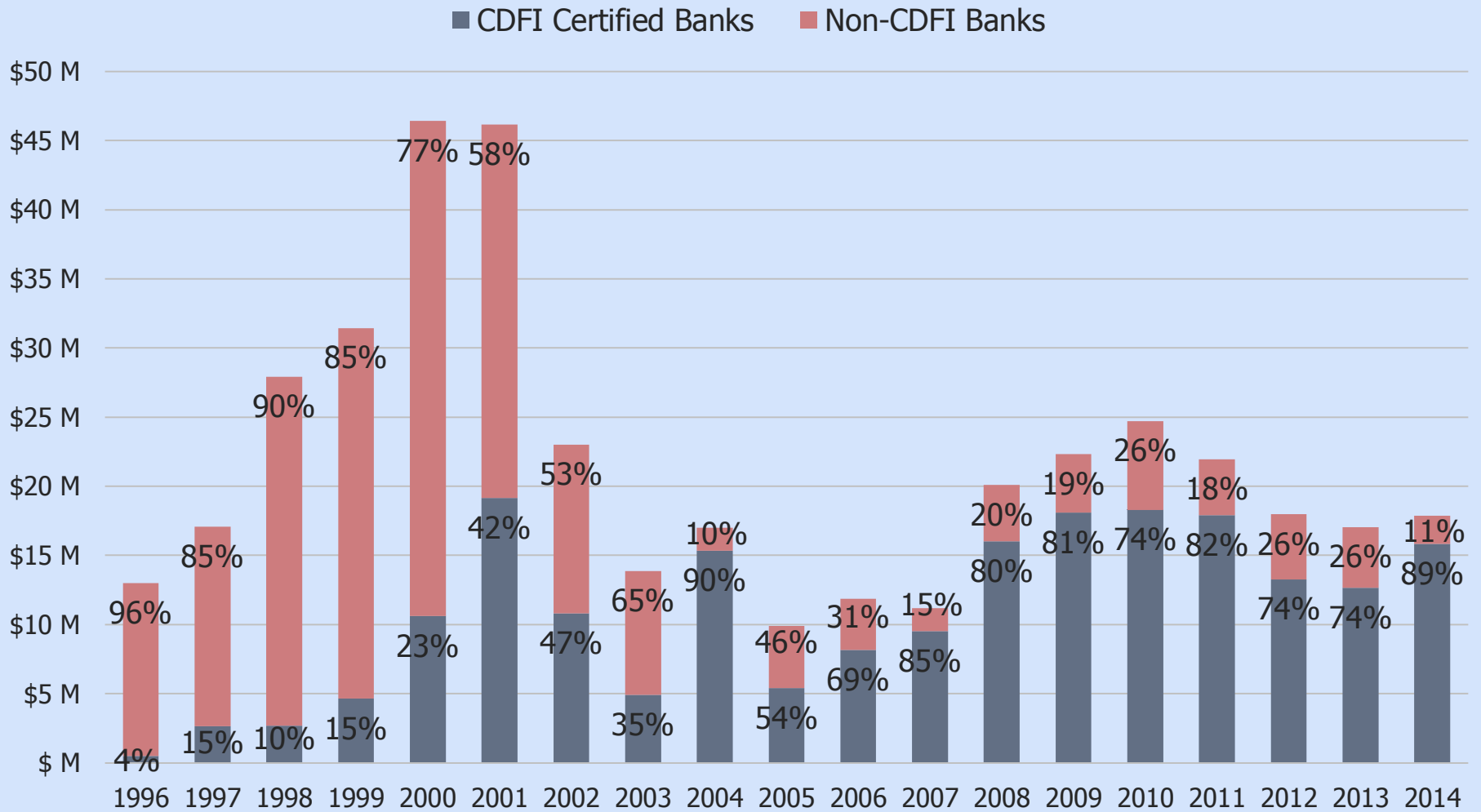
# NMTC Distribution to CDFIs

■ Allocation to CDFIs   ■ Allocation to Non-CDFIs



Source: CDFI Fund, 1996-2013

# BEA Distribution to CDFI Banks



Source: CDFI Fund, 1996-2014

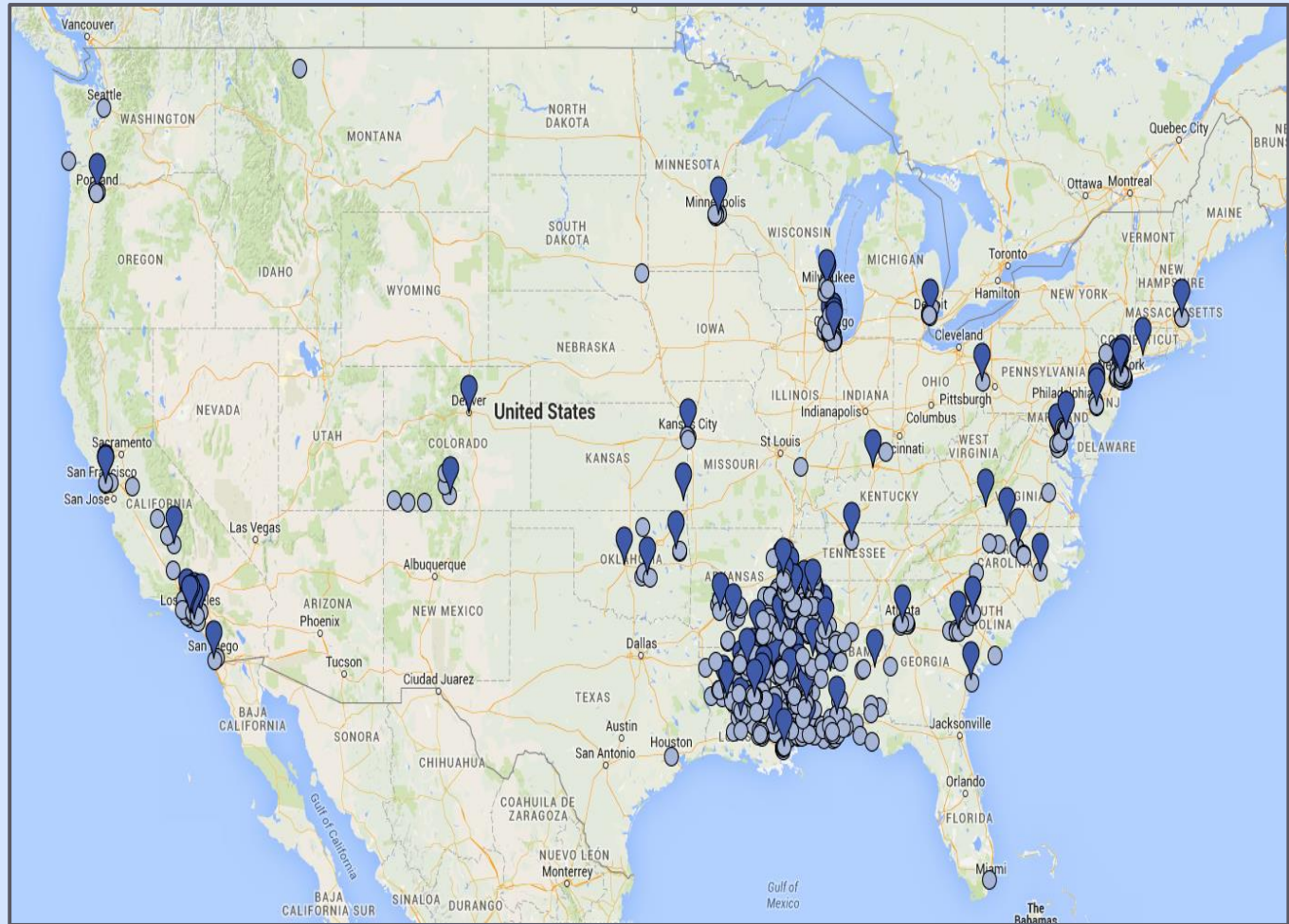
# Map of all CDFI Bank Branches

**109: CDFI Banks**

**755: CDFI Bank Branches**

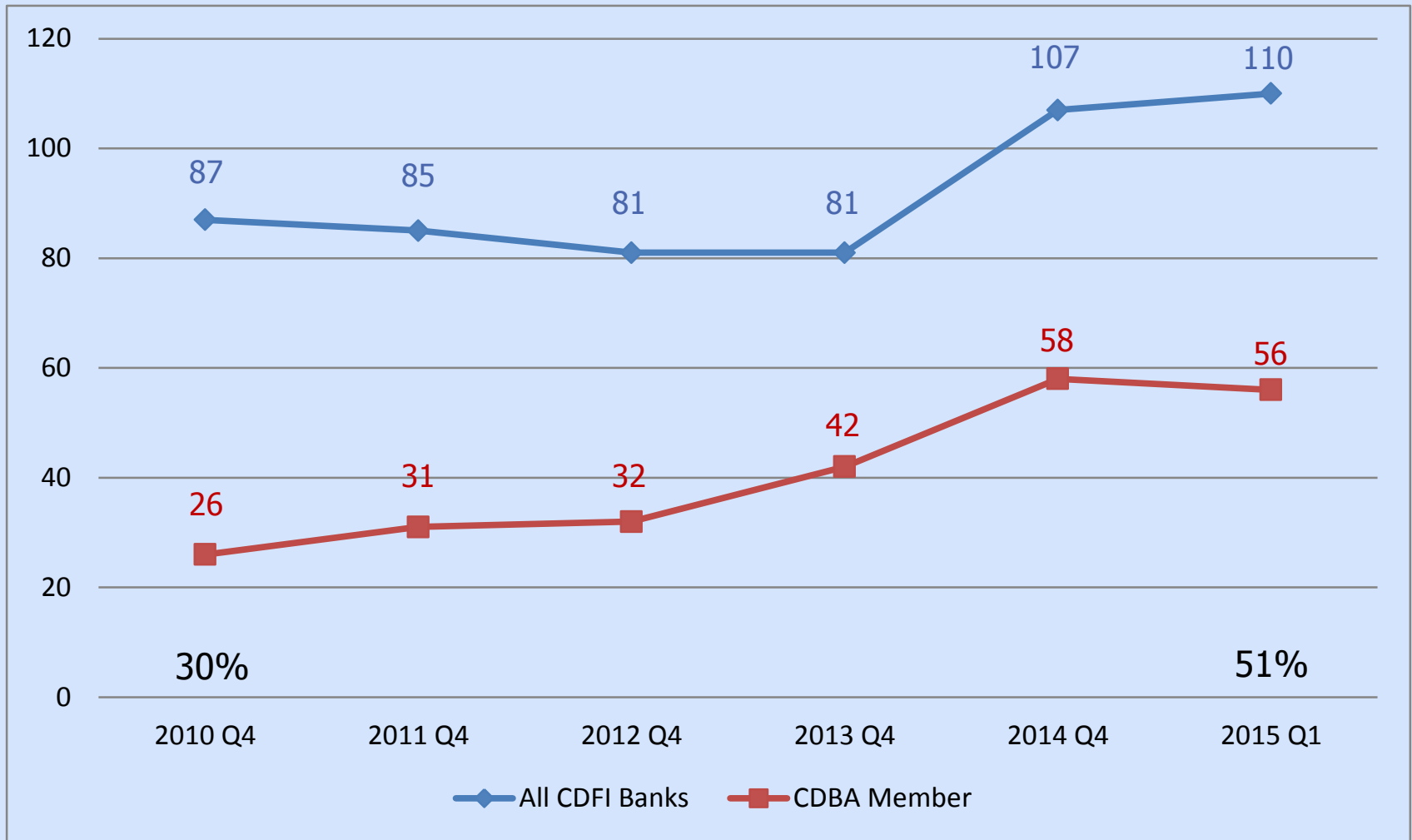
## Top States for CDFI Bank Certifications

- 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, CDDBA 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 CDDBA?**
- 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?