



CARVER BANCORP, INC.

Small Business Lending
CDBA Panel – June 1, 2016





Carver Federal Savings Bank,

- A federally chartered savings bank founded in 1948 in Harlem to serve African-American communities whose residents, businesses, and institutions had limited access to mainstream financial services.
- Carver has been designated by the U.S. Treasury Department as a Community Development Financial Institution (CDFI) because of its community-focused banking services and dedication to the economic viability and revitalization of underserved neighborhoods.
- Carver is the largest publically traded African- and Caribbean-American run bank in the United States, with nine full-service branches, six satellite ATM Centers in the New York City boroughs of [Brooklyn](#), [Manhattan](#), and [Queens](#) and access to 55,000 AllPoint ATMs nationwide.



Carver Small Business Lending

- Carver has been meeting the needs of small businesses in its footprint for over 65 years.
- We have built a large portfolio of loans to small and medium sized businesses operating in fields from healthcare to agriculture.
- As of December 31, 2015, Carver had \$77 million in business loans on its books — 13% of Carver’s entire loan portfolio — ranging in size from \$30,000 to \$4,000,000.



Capital Access Programs

- Over the past ten years, Carver has developed a niche in providing capital to certified small minority and women business enterprises (“MWBEs”). MWBEs have historically experienced difficulty in obtaining access to capital.
- Carver provides capital to companies that traditionally have difficulty qualifying for bank financing based on traditional commercial lending criteria. Firms are evaluated on the basis of credit, capacity, and character just as they would with conventional loans.
- The loans are contract based and both fund controls and technical assistance are in place to provide risk mitigation and flexibility for the customer.
- The loans range in size from \$40,000 to \$900,000 and cannot represent more than 30% of the contract amount.
- The two programs where Carver provides loans are:
 - 1) **Metropolitan Transportation Authority**
 - 2) **Bridge to Success – Empire State Development Corporation**



Metropolitan Transportation Authority

- In 2010, Carver Federal Savings Bank (“Carver”) partnered with the Metropolitan Transportation Authority (“MTA”) to launch the Small Business Loan Program (“SBLP” or the “Program”).
- The SBLP aims to provide small minority and women business enterprises (“MWBES”) enrolled in the MTA’s Small Business Development Program (“SBDP”) with loans to fund construction projects for the MTA.
- The proceeds finance transportation infrastructure and provide mobilization for small contractors.
- Together, Carver, the MTA, and TDX Construction Corporation (“TDX”) have built a program that provides MWBEs with mentorship, opportunity, and the capital necessary to seize those opportunities.
- Over the past 6 years, Carver has provided 70 borrowers with \$9,512,500 in loan proceeds, funding \$63,547,320 in MTA contracts and creating or retaining approximately 1,520 jobs.



Bridge to Success-Empire State Development Corporation


- Carver was recently recognized as the top Bridge to Success lender in New York State after lending \$1.5 million to MWBEs through this program.
- Carver has provided 5 borrowers with \$1,534,000 in loan proceeds, funding \$24MM in City and State contracts and creating or retaining approximately 576 jobs.
- These loans financed the completion of infrastructure projects in New York State and created jobs in distressed communities.



Empire State Development

Carver Cash Access


- Carver also recently launched the Carver Cash Access program, which offers loan products intended to help small businesses cover unforeseen expenses without resorting to predatory loan products.
- An eligible borrower may receive up to \$15,000 at a 15% interest rate within a few days of submitting its application.



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Community Impact Loan Fund

- The Community Impact Loan Fund was designed to provide access to capital to community based MWBEs who have capital need requirements but do not meet traditional underwriting standards yet demonstrate sufficient cash-flow to service the debt.
- This fund allows Carver to reach a marginalized yet critical customer base within our local neighborhoods.
- It also provides the bank an opportunity to give technical support where needed and leverage the visibility of these local businesses.

- To date Carver has provided \$550,000 in loans to local businesses, here are just a few:

- Carver Bank - Bank Local