

NACDLF

NATIONAL ASSOCIATION OF COMMUNITY DEVELOPMENT LOAN FUNDS

Testimony Before The Commerce and Economic Development Committee on Senate Bill 10

**Presented by Mark Pinsky
Executive Director**

**National Association of Community Development Loan Funds (NACDLF)
September 17, 1997**

Good Morning. My name is Mark Pinsky. I am Executive Director of NACDLF, a national financial intermediary representing 49 Member community development financial institutions (CDFIs) and 122 Associates—organizations and individuals who support NACDLF's work. Three of NACDLF's 49 Member CDFIs are based Pennsylvania — Community Loan Fund of Southwest Pennsylvania in Pittsburgh, Community First Fund in Lancaster, and Delaware Valley Community Reinvestment Fund in Philadelphia. NACDLF's offices are in Philadelphia.

I also serve as Chairman of the Coalition of Community Development Financial Institutions, which represents more than 350 CDFIs in all 50 states. The Coalition represents Community Development Banks, Community Development Credit Unions, Community Development Loan Funds, Community Development Venture Funds, and Microenterprise Funds. The Coalition, which is an independent project of NACDLF, is also based in Philadelphia.

Let me first commend this Committee and Governor Ridge for taking the initiative to develop a top-rate program to strengthen and support CDFIs in Pennsylvania. I think the idea will work well here.

Today I would like to offer a national perspective on CDFIs and on government initiatives to assist CDFIs. In addition, from my organization's experience in financing CDFIs, I will try to suggest key principles that have contributed to the success many CDFIs have achieved working in some of the nation's poorest and most disenfranchised communities. Finally, I will be glad to answer any questions the Committee may have about my comments regarding the proposed Pennsylvania Community Development Bank (PACDB).



FINANCING CDFIs

Today NACDLF manages \$11 million and has loaned and committed more than \$10 million to Members. NACDLF has never had a late payment on a loan and has experienced no losses. In addition, through its Equity Grants program, NACDLF has provided more than \$2.3 million in "permanent capital" grants.

TRAINING & TECHNICAL ASSISTANCE

NACDLF is a leading provider of training and technical assistance to CDFIs. In addition to its Annual Training Conference, which this year will take place November 12-15 in Burlington, VT, NACDLF offers Targeted Trainings, customized technical assistance, and a series of technical resource publications. Background information on some of these activities is attached.

PUBLIC POLICY

NACDLF is an advocate for CDFIs and for the people they serve. NACDLF seeks to increase socially responsible investing and foster financial system reform to increase the flow of capital to distressed and disinvested communities. As financial institutions with demonstrated track records of successful lending and investing in underserved markets, NACDLF and its Members work to shape public policies that give poor people fair access to economic opportunity.

Let me mention two public policy initiatives:

- ◆ NACDLF played a major role in the creation and policies of The CDFI Fund, the first federal program committed to building the CDFI industry. The Fund has dramatically altered the capacity and role of CDFIs in meeting the needs of people in need in the United States.
- ◆ NACDLF's 1996 paper, "The Parallel Banking Industry and Community Reinvestment," explained how nonbanks rely on taxpayer backing and argues that they should meet some type of community investment requirements. The paper concludes with a call for public dialogue on ways to do this. On October 24th, NACDLF will sponsor a one-day forum in Washington, DC, on the impact of financial modernization on poor people.

ensure that whatever the federal government did was not harmful to CDFIs or, more important, to the people CDFIs serve.

Our fear was a top-down, bureaucratic program that used a cookie-cutter approach to churn out community development financing organizations without regard to local market needs and conditions.

In early 1993, we issued a paper, "Principles of Community Development Finance and Key Proposals for Federal Support," as our contribution to the debate that would continue through 1994. That paper offered six principles that framed the ensuing discussion and shaped The CDFI Fund. I urge you to consider five of these principles (which I have paraphrased here to fit the state model) as you prepare to act on Senate Bill 10:

1. **To be effective, a government program must support a spectrum of institutions that have the following common attributes:**
 - ◆ Offer financing to low- and moderate-income people, small businesses, and community development projects whose need for credit is not otherwise being met;
 - ◆ Provide the necessary technical assistance to borrowers to ensure the success of financing and to expand the capacity of borrowers;
 - ◆ Make credit decisions within their own institutions so that local, regional, or state factors, as appropriate, receive appropriate weight;
 - ◆ Foster community-wide economic and social development; and
 - ◆ Empower disenfranchised individuals and communities to gain self-sufficiency.
2. **A government program should fit with a broad strategy for community revitalization that includes business development, economic development including nonprofit facilities, and housing.** At the state level, the Pennsylvania Community Development Bank should dovetail with the work of, for example, the Pennsylvania Housing Finance Agency, the Community Revitalization Grant Program, Emergency Shelter Grants, and the HOME Investment Partnership. Most CDFIs do not attempt to meet all of the local community needs but instead work closely with community partners.
3. **A government program should be developed "bottom-up" rather than "top-down."** In part because of the federal CDFI Fund, there is a growing network of successful CDFIs at work in Pennsylvania and around the nation. Rather than trying to re-invent good ideas, PACDB should build on the substantial experience of CDFI practitioners.
4. **Emphasize expansion of existing CDFIs rather than simply undertake wholesale efforts to create new ones.** The Governor's proposal seems to recognize the potential of established CDFIs, the need to strengthen the statewide CDFI network, as well as the importance of a statewide infrastructure to build CDFI capacity and increase CDFI resources.
5. **Recognize that successful CDFIs are built over time and with incremental performance-based financial support.** The most successful CDFIs have developed gradually. Development finance is a highly specialized enterprise requiring uniquely

I know that officials in the Ridge Administration and Members of this committee recognize that in creating PACDB the state will face many challenges. First, PACDB must maintain its own operational integrity by ensuring that banks and other corporations investing in the PACDB understand that they are making a business investment and not a politically-motivated one. Second, PACDB must ensure that investors “buy in” upfront to the underwriting and assessment criteria that the Bank will use so that PACDB can operate without confusion or conflict. Third, borrowers from PACDB must understand the business nature of their relationship to the Bank. The Bank must operate as a bank, with a pattern and expectation of repayment.

The proposed PACDB also must be careful not to confuse its programmatic goals with the needs of the people it aims to serve. Over time, good CDFIs evolve. Housing lenders may begin business lending. Business lenders may take on equity financing. Business owners may realize that there is inadequate local affordable housing for their workers, and a business-financing CDFI may take up housing finance. While the PACDB is clearly intended to encourage business financing by CDFIs, those same CDFIs may also engage in other activities. The PACDB must not restrict the ability of individual CDFIs to respond to local market conditions.

In assessing its success, the PACDB should rely on a performance-based system that (a) builds stronger CDFIs that (b) better serve the people in their markets. To this end, the Bank should focus on outcomes and stay clear of the trap of micromanagement. A government-led program can ensure accountability without loan covenants, management involvement, and governance activity that impose unnecessary red tape on CDFIs.

Finally, in starting a state program to develop and support CDFIs, the state must recognize that this is a long-term proposition. Even if the impossible were possible and the state could quickly “grow” 20 or 30 CDFIs into effective institutions in a short period, CDFIs are not quick fixes for anything. Community development finance requires patience, persistence, and faith. When you begin lending or investing in severely distressed communities with the goal of rebuilding the economic and social fabric of those communities, you better plan to stay there for a while.

In closing, let me thank the Committee for this opportunity to present my views on the proposed Pennsylvania Community Development Bank. I would be pleased to answer any questions you may have now or at a later time.

NACDILF Membership at 9/12/97

NACDILF MEMBERS	CONTACT INFORMATION			LENDING INFORMATION
	MAIN OFFICE LOCATION	CONTACT	PHONE/FAX	
Alternatives Federal Credit Union	307 West State Street Ithaca, NY 14850	Bill Myers, Manager	607/273-4611 - P 607/277-6391 - F	HB Tompkins County, NY
Anawim Fund of the Midwest	7115 North Avenue, Suite 253 Oak Park, IL 60302-1002	Jim Florio, Executive Director	708/848-2073 - P 708/848-3938 - F	B IL, WI, IA, MN
Boston Community Capital	30 Germania Street Jamaica Plain, MA 02130	Dewitt Jones, Executive Director	617/522-6768 - P 617/522-7786 - F	HB Metro Boston, MA
Capital District Community Loan Fund	340 First Street Albany, NY 12206	Bob Radtzi, Fund Manager	518/456-8586 - P 518/465-0623 - F	HB Metro Albany, NY
Cascadia Revolving Fund	119 First Avenue, South, Suite 100 Seattle, WA 98104	Shaw Carnale, Executive Director	206/447-9226 - P 206/882-4804 - F	B Washington, Oregon
Chicago Community Loan Fund	343 South Dearborn, Suite 1001 Chicago, IL 60604	Katie Pravera, Executive Director	312/922-7381 - F 312/922-7381 - F	HB Metro Chicago, IL
Coastal Enterprises, Inc.	P. O. Box 268 Wiscasset, ME 04578	Ron Phillips, President	207/892-7552 - P 207/892-7308 - F	BH Maine
Common Wealth Revolving Loan Fund	1221 Elm Street Youngstown, OH 44505	Mark Whipkey, Fund Coordinator	330/744-2667 - P 330/744-1819 - F	HB Northeast Ohio
Community First Fund	PO Box 524 Lancaster, PA 17608-0524	Olym Letman, Executive Director	717/393-2351 - P 717/290-7936 - F	BH Lancaster County, PA
Community Loan Fund of SW Pennsylvania	48 South 14th Street Pittsburgh, PA 15203	Mark Peterson, Executive Director	412/381-9865 - P 412/381-6223 - F	BH Metro Pittsburgh, PA
CSP of West Alabama's CDLF	601 17th Street Tuscaloosa, AL 35401	Nick Underwood, Fund Manager	205/52-5429 - P 205/58-7229 - F	BH West Alabama
Cooperative Fund of New England	PO Box 412 Hartford, CT 06141-0412	Rebecca Durn, Executive Director	910/395-6008 - P 910/395-6008 - F	BH New England
Cornerstone-Homesource Regional Loan Fund	4144 Crossgate Drive, Suite 140 Cincinnati, OH 45226	Margie Spirey, Executive Director	513/985-0774 - P 513/985-0774 - F	H Metro Circ., OH, North, KY
Delaware Valley Community Reinvestment Fund	924 Cherry Street, Third Floor Philadelphia, PA 19107	Jeremy Nowak, Executive Director	215/925-1130 - P 215/923-4784 - F	HB Metro Philadelphia, PA
Enterprise Corporation of the Delta	308 East Pearl Street, 4th Floor Jackson, MS 39201-3408	William Byrum, President	601/944-1100 - P 601/944-0808 - F	B Delta regions of AR, LA, MS
Federation of Appalachian Housing Enterprises	PO Drawer B Berea, KY 40403	David Lolis, Executive Director	606/986-2321 - P 606/986-5836 - F	H Central Appalachia
First State Community Loan Fund	300 Delaware Avenue, Second Floor Wilmington, DE 19801	Caroline Gladin, Executive Director	302/652-6774 - P 302/429-1061 - F	HB Delaware
Greater New Haven Community Loan Fund	171 Orange Street, Third Floor New Haven, CT 06510	Carla Weil, Executive Director	203/789-8690 - P 203/865-6475 - F	H Metro New Haven, CT
HEAD Community Loan Fund	PO Box 504 Berea, KY 40403	Jay Thesing, Fund Manager	606/986-3283 - P 606/986-5836 - F	B Central Appalachia
Housing Assistance Council	1025 Vermont Avenue, NW, #306 Washington, DC 20005	Moises Loza, Executive Director	202/842-8600 - P 202/347-3441 - F	H National
Illinois Facilities Fund	300 West Adams Street Chicago, IL 60606-5101	Trinila Logue, Executive Director	312/629-0060 - P 312/629-0065 - F	B Illinois
Impact Seven, Inc.	651 Garfield Street Almena, WI 54805	Bill Bay, President	715/357-3334 - P 715/357-6233 - F	BH Wisconsin
Institute for Community Economics RLF	57 School Street Springfield, MA 01105-1331	Greg Ramo, Executive Director	413/746-9660 - P 413/746-9862 - F	HB National
Lakota Fund	PO Box 340 Kyle, SD 57752	Dani Not Help Him, Director	605/455-2500 - P 605/455-2585 - F	B Pine Ridge Reservation
Leviticus 25:23 Alternative Fund	828 Midcan Avenue Yonkers, NY 10704-4103	George C. Schmitz, GSC, Executive Director	914/237-3306 - P 914/237-3916 - F	HB NY, NJ, CT
LEAF (Local Enterprise Assistance Fund)	20 Park Plaza, Suite 1127 Boston, MA 02116	James Magson, Executive Director	617/542-5363 - P 617/338-2788 - F	B National
Low Income Housing Fund	74 New Montgomery St., Suite 250 San Francisco, CA 94105	Daniel Leibson, President	415/777-9804 - P 415/777-9195 - F	HB National
MACED	433 Chestnut Street Berea, KY 40403	Paula Bowman, Dir. Business Development	606/986-2373 - P 606/986-1299 - F	B Central Appalachia, KY

CHANGING COMMUNITIES

changing needs

National Association of Community Development Loan Funds' 13th Annual Training Conference

November 12-15, 1997

Curriculum Committee

Amy Amatangelo,
Boston Community Capital

Bob Radliff,
Capital District Community
Loan Fund

Rebecca Dunn,
Cooperative Fund of New
England

Carla Weil,
Greater New Haven
Community Loan Fund

Marty Belin,
Self-Help Ventures Fund

Klara Grape,
Institute for Community
Economics RLF

Monica Terkildsen,
Lakota Fund

Milder Villegas,
Montréal Community Loan
Association

Betsy Black,
New Hampshire
Community Loan Fund

Shelly Haack,
Rural Community Assistance
Corporation

Will Belongia,
Vermont Community Loan
Fund, Inc.

General Conference Information

Conference Location and Lodging

Radisson Hotel Burlington
60 Battery Street
Burlington, VT 05401
\$69+tax/night single; \$79+tax/night double
(802) 658-6500

Check-in time: 3:00 pm; Check-out time: 12 noon

Reservation Deadline: October 21, 1997.
Reservations made after this date will be accepted
at the Conference rate on an as-available basis.

Airlines Reservations/Group Rate

Special group rates are available for airline reservations made through River City Travel. Contact Suzanne Brown at (800) 937-2140. United Airlines and USAirways are offering a group rate of 5% off the lowest rate at time of booking and other promotional fares may be applicable. Be sure to mention the NACDLF Conference when making your travel arrangements through Suzanne.

United and USAirways have daily flights using full-sized planes. Several other airlines also fly into Burlington but may not offer full-sized planes.

A complimentary shuttle is available from the airport to the Radisson Hotel.

Except as explicitly noted in the program, all travel and accommodation arrangements and expenses are the full responsibility of the registrant.

What You Need to Know About Burlington

The average temperature in Burlington in mid-November is 35°-40° F.

Dress is casual, *not business casual*

What You Need to Know if Going to Montréal

As you can see on the following page, NACDLF's 13th Annual Training Conference is international! If you are going to Montréal, proof of U.S. citizenship is required. Valid identification includes a U.S. passport, birth certificate, naturalization papers, or alien registration card.

If you wish to fly directly into Montréal's Dorval International Airport, a reduced fare has been negotiated with Canadian Airlines, and a list of accommodations is available. Contact NACDLF for further information.

**To register for Community Field
Trips and Sessions, use the form on
page 7.**

NOTE: AGENDA SUBJECT TO CHANGE

Continental
Breakfast
7:30 am - 8:45 am

8:00 am
address by
Vermont Governor
Howard Dean

Conference
registration begins
at 7:30 am.

Thursday Morning Sessions

9:00 am - 12 noon

Writing a Winning Proposal

This session is for CDFI staff who have primary responsibility for developing funding requests. In this interactive session, a panel of funders will discuss the elements of a successful funding proposal and field questions from participants.

Basic session for new CDFI capitalization and development staff.

CDFI Board Development

Anne Peyton, former Board Member, Vermont Community Loan Fund, Inc.

New nonprofit CDFI Board Members will learn the technical skills necessary to effectively participate in their new capacity, with particular emphasis on their leadership roles.

Basic session for new CDFI Board members.

Anatomy of a Microenterprise Loan Decision

Suzanne Cunningham, Vice President, Northeast Entrepreneur Fund & Mary Mathews, President, Northeast Entrepreneur Fund

This session will provide you with the tools to analyze microbusinesses with emphasis on the "soft" aspects of making a microbusiness loan decision.

Basic session for experienced housing lenders and others who are new to microbusiness lending.

Expanding & Redefining Programs, Part 1

Andrea Levere, Vice President, Corporation for Enterprise Development

This interactive two-part session will discuss the strategic and mission implications of programmatic decisions—responding to competition, increasing lending capacity, and changing relationships with financial institutions.

Participants will be required to complete

an organizational assessment form, which involves a brief review of all aspects of your organization, prior to the session. The assessment will be the focus of a small-group exercise during the session.

Advanced session for CDFI senior staff and Board members.

NOTE: Due to the popularity and strict enrollment limitations of this session, no more than two persons may attend from any one organization.

Strategic Planning Discussion

Dave Martin, President, Northland Institute & Tom Renier, President, Northland Foundation

Join your peers in a frank discussion of how the strategic planning process is handled. What is the planning process? What staff is involved? How often is the plan reviewed? How do you know if you are meeting your plan's objectives?

Advanced session for CDFI senior staff and Board members.

Thursday Afternoon Sessions

2:00 pm - 5:00 pm

Managing Technology

Lauren-Glenn Davitian, Executive Director, CCTV, CyberSkills

This hands-on training at CyberSkills lab will show you how to best use systems technology. The sessions is especially geared for small organizations and those just making the transition to computerized systems.

Basic session especially for CDFI Executive Directors with small staffs.

NOTE: Because this session is held off-site, it is limited to 10 people. Transportation will be provided.

Lending to Childcare Providers

Laura Benedict, Director, North Carolina Community Facilities Fund & Wanda James Speight, Director of Lending, Delaware Valley Community Reinvestment Fund

Learn how to evaluate prospective childcare borrowers, ask the right questions, and focus your fact-finding and underwriting on the key aspects of this burgeoning industry. For-profit and nonprofit providers will be covered in this session.

Basic session for business and facilities lenders.

Deciphering Real Estate Appraisals

Joe Simmons, Program Manager, Lending, Low Income Housing Fund

If you have ever been confused by a real estate appraisal and need to understand

not only how to interpret the information it provides but also assure that it will meet your needs, come learn all about it. Attention will be given to how the special characteristics of low income housing and community facilities, such as subsidies, contract income, rent and land use restrictions, and ground leases are valued in the appraisal report.

Intermediate session for housing and facilities lenders.

Business Loan Underwriting, Part 1

Marty Belin, Commercial Lender, Self-Help Ventures Fund & Phebe Royer, Loan and Investment Officer, Coastal Enterprises, Inc.

This intensive two-part session will challenge you to underwrite business loans and recommend appropriate structures that meet all parties' needs, through the use of case studies and group work.

Intermediate/advanced session for experienced business lenders.

Expanding & Redefining Programs, Part 2

Andrea Levere, Vice President, Corporation for Enterprise Development

This interactive two-part session will discuss the strategic and mission implications of programmatic decisions—responding to competition, increasing lending capacity, and changing relationships with financial institutions.

Participants will be required to complete

an organizational assessment form, which involves a brief review of all aspects of your organization, prior to the session. The assessment will be the focus of a small-group exercise during the session.

Advanced session for CDFI senior staff and Board members.

NOTE: You must attend Part 1 of this session as well.

Due to the popularity and strict enrollment limitations of this session, no more than two persons may attend from any one organization.

Best Practices: Identifying and Using Performance Principles for Nonprofit CDFIs

Rosalie Cates, Director, Montana Community Development Corporation & Margaret B. Lehr, Director of Strategic Initiatives, NACDLF

A facilitated discussion to introduce and invite CDFI practitioners and others to participate in NACDLF's Best Practices Project, an effort to capture, document, and disseminate the experience and expertise of nonprofit CDFIs to strengthen the CDFI field. In its current work, the Project is identifying "Performance Principles" that underlie the work of most successful CDFIs and exploring how CDFIs pursue these principles through "best" practices. This Project is an expansion of NACDLF's seminal

Lunch
12:15 pm - 1:45 pm
NACDLF Board
Candidate
Speeches

Dinner
6:00 pm - 8:00 pm
Conference
keynote address.

Remarks will be
made by U.S.
Representative
Bernard Sanders.

The keynote
address will be
delivered by
Winona LaDuke,
White Earth Land
Recovery Project
(invited).

Friday Morning Session

9:00 am - 11:00 am

NACDLF Annual Membership Meeting.

All are welcome to attend.

Friday Early Afternoon Sessions

2:00 pm - 3:30 pm

Portfolio Monitoring and Management

Eva Clarke, Loan Fund Manager, Boston Community Capital

Session participants will discuss and share their methods of monitoring and tracking the strength of their loan portfolios and use of performance indicators.

Intermediate session for experienced lenders.

Partnerships and Participations with Banks

David Berge, Director, Vermont National Bank's Socially Responsible Banking Fund & Mary Rogier, Program Manager, Operations, Low Income Housing Fund

Participants in this strategic level discussion will share ways in which they have partnered with banks and discuss other possible ways that banks and nonprofit CDFIs can form strong-working relationships. Participants in this session will receive a brief questionnaire about their own partnering activities and issues they would like to address.

General session for CDFI lenders, fund managers, and operations staff.

Mission and Values: Dilemmas of Community Development

Greg Ramm, Executive Director, Institute for Community Economics

This session will explore the dilemmas of using community economic development strategies to help achieve social, political, and economic justice. How do we combine the practical work of helping create businesses, jobs, affordable housing, and community services with effective community organizing that challenges the socio-economic inequities facing communities? These and other questions, will be raised during this participative discussion. General session for all levels.

Alternatives Federal Credit Union—An NACDLF Member Profile

Bill Myers, Manager, Alternatives Federal Credit Union

One of our newest Members will share their philosophy of community development and how they fulfill their mission as a regulated CDFI.

General session for all Conference attendees.

Financial Forecasting for CDFIs

Katherine Stearns, Director of Member Programs, NACDLF

This session will guide you through the process of developing financial projections that integrate the goals and financial needs of the entire organization—operations, lending, and capitalization.

Advanced session for CDFI operations and financial staff.

Changing Communities, Changing Needs

Interactive, high-level panel discussion of the Conference theme—how have the needs of communities served by the nonprofit CDFI field changed and have we responded to these community dynamics?

General session for all levels.

1992 work on performance criteria for Community Development Loan Funds.

Intermediate/advanced session is for CDFI senior staff, investors, and funders.

Developing and Managing a Capital Campaign

Anne Peyton, former Board Member, Vermont Community Loan Fund, Inc.

Learn the process for developing a capital campaign that meets your organization's lending and growth objectives and how it fits with your annual giving program.

Advanced session for experienced CDFIs capitalization staff.

What is Impact?

This session will feature a panel discussion of the long-term social impact of community development financing. The panel will address the meaning and measurement of impact beyond housing units and numbers of jobs created.

General session for all levels.

Continental
Breakfast
7:30 am - 8:45 am

Lunch
12:15 pm - 1:45 pm
Roundtable
Discussions
Tables will be identified by topic, such as NACDLF Member Programs, The Role of Venture Capital for CDFIs, LIMAC's Long-Term Fixed-Rate Mortgage Program, and Charter Schools.

If you would like to host a discussion, please contact Daphne Smith at NACDLF with your suggested topic.

Friday Late Afternoon Sessions

3:45 pm - 5:15 pm

Virtual Communities

Dan Solomon, Consultant, Flying Kite Communications, Inc.

Facilitated discussion exploring how new computer technology can aid an organization's communication both internally and with others.

Basic session primarily for CDFI Executive Directors.

Housing Assistance Council (HAC)—An NACDLF Member Profile

Moises Loza, Executive Director, Housing Assistance Council

Join HAC's staff as they share information about this Member's 25 year plus history of financing housing for the nation's poorest rural communities.

General session for all levels.

Is it Time to Hire a CFO?

Kevin Cavanaugh, CFO, Delaware Valley Community Reinvestment Fund & Thomas K. Whisford, Treasurer, Delaware Valley Community Reinvestment Fund and Senior Vice President, PNC Bank

This session will discuss the organizational stages that lead to the need to have a Chief Financial Officer, what to look for when hiring a CFO, and what the real day-to-day duties are.

Advanced session for CDFI Executive Directors and Board Members (especially Finance Committee members), and financial staff.

Faith-based Lending

This facilitated discussion is for lenders who are "faith-based"—their primary or sole source of capital is from religious sources.

Intermediate session for lending practitioners from faith-based organizations.

Evening Event

6:00 pm - 11:00 pm
Join Vermont Community Loan Fund as they celebrate their 10th anniversary. This is a celebration you do not want to miss! There will be a live band, dancing, and a buffet at the Coach Barn at Shelburne Farms. U.S. Senator Patrick Leahy will congratulate VCLF on its outstanding achievements.

Transportation to and from the Coach Barn will be provided.



NATIONAL ASSOCIATION OF COMMUNITY DEVELOPMENT LOAN FUNDS

ANNOUNCES TARGETED TRAINING FOR COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Issues in Pollution Prevention Finance: September 22, 1997, Philadelphia, PA

This one day training will address the barriers to persuading owners of small and agricultural-based businesses to invest in pollution prevention (P2) equipment and processes. It will focus on two prerequisites for a successful P2 loan program: developing a web of industry based technical assistance providers; and finding an entry point to convince entrepreneurs to invest in P2. Training will include a demonstration of software developed by the Tellus Institute to evaluate how a P2 investment changes the business' cost structure. The trainers will be Warren Weaver of the Pennsylvania Technical Assistance Program and Ed Reiskin of the Tellus Institute.

Cost: \$150 for Members and Associates, \$175 for Nonmembers

Lenders Making the Transition: September 29, 1997, Chicago, IL

This one day training will orient lenders who have worked in the corporate sector and are making the transition to the community development finance industry. This session will help experienced lenders adapt and apply their underwriting skills to the CDFI environment, including the particular aspects of housing and business lending. The trainers will be experienced CDFI lender-practitioners.

Cost: \$150 for Members and Associates, \$175 for Nonmembers

Organizational Development for Emerging CDFIs: October 20 & 21, 1997, Dallas TX

This two day training will assist CDFI Executive Directors, top Managers, and Board leaders address the challenges of managing growth in a young and/or expanding CDFI. This session will give participants a meaningful organizational development framework for CDFIs; help participants place their organizations in this framework; explain typical obstacles and challenges and provide practical solutions to managing growth and change; and, assist participants to develop a concrete action plan for their organization. The trainers will be Adina Abramowitz, Program Manager, NACDLF Consulting Services, and Nita Melancon, NACDLF Director, Administration and Finance.

Cost: \$300 for Members and Associates, \$350 for Nonmembers

Equity Equivalents: the afternoon of October 30, 1997, San Francisco, CA

This half day training will explain NACDLF's Equity Equivalent investment product and discuss its benefits to CDFIs and banks. Equity Equivalents are a new investment product that banks can make to CDFIs; they provide advantageous CRA treatment to the bank and improve the CDFI's equity position. The session will be co-led by Margaret Lehr, NACDLF Director of Strategic Initiatives, and Evelyn Kenvin, Vice President and Community Development Lending Director, Citibank.

Cost: \$150 for Members and Associates, \$175 for Nonmembers

For More Information About These Sessions, Call Daphne Smith at NACDLF, 215-923-4754

*NACDLF Gratefully Acknowledges the Support of the Citicorp Foundation
in Developing and Delivering our Targeted Training Series*

NACDLF

NATIONAL ASSOCIATION OF COMMUNITY DEVELOPMENT LOAN FUNDS

EXPERT TECHNICAL ASSISTANCE FOR CDFIS NACDLF Consulting Services

NACDLF Consulting Services (NCS) provides expert consulting services to the Community Development Financial Institution (CDFI) industry. NCS can help your organization face the challenges of growth and performance while meeting the credit needs of low income communities. NCS consultants are themselves CDFI practitioners, including NACDLF staff, NACDLF Member staff and other consultants with relevant experience. In its consulting work, NCS draws on NACDLF's extensive knowledge of CDFI Best Practices.

Our core areas of expertise include:

- ◆ Strategic Planning and Organizational Assessment;
- ◆ Revisiting and Implementing a Mission Statement; and
- ◆ Program Development and Design, including Market Analysis.

NCS has expertise in other areas as well. We would be pleased to discuss your organization's needs.

NCS also develops and conducts *customized training sessions* tailored to the needs of your staff and/or Board of Directors. NCS has recently provided customized training for various CDFIs about "Identifying a Target Market for Business Lending" and "Analyzing Nonprofit Financial Statements Under FASB 116 and 117."

We have recently concluded engagements to:

- ◆ Implement, analyze and present a borrower and lender survey for the Delaware Valley Community Reinvestment Fund;
- ◆ Conduct a board retreat on "Mission, Market, and Means" for the Chicago Community Loan Fund; and
- ◆ Assist the City of Hollywood, Florida in designing a business loan fund using HUD funds.

If you want to learn more about NCS, contact Adina Abramowitz at 215.923.4754 Ext. 205. Adina will discuss your challenges and goals, and if appropriate, develop a proposal for a consulting engagement outlining the tasks and costs. Rates are reasonable, with discounts for Members and Associates.



A Simplified Look at CDFIs

Prepared for The Commerce and Economic Development Committee

CDFI Type	Regulated?	IRS Status	Ownership	Sources of Equity/Permanent Capital	Sources of Debt	Uses of Funds	Market Area(s)	Retail Services ?
Community Development Bank	Y	For-profit	Shareholders	Patent equity investments by foundations, corporations, banks, others; Program Related Investments	Deposits, CDs, Borrowed funds	Small business loans, housing loans (single family & multifamily), microenterprise loans, personal loans	Urban & Rural	Y
Community Development Credit Union	Y	Not-for-profit	Cooperative (owned by members)	Retained earnings, Donated capital, subordinated debt (secondary capital),	Member shares, CDs, Program related investments	Personal loans, auto loans, housing rehab and home equity loans, microloans	Urban, Rural & Reservations	Y
Community Development Loan Fund	N	Not-for-profit	Not owned	Grants	Loans from individuals and organizations, Program related investments, Loans from government	Housing loans (multifamily, cooperatives, community land trusts, single family), Small business loans, Microloans, Community facilities loans, Some equity or equity-like investments	Urban, Rural & Reservations	N
Community Development Venture Fund	N	For profit & Not-for-profit	For profits owned by shareholders, Not-for-profits not owned	Grants	Program related investments, Corporate investments, Loans from government, Lines of credit	Small business equity investments, Small business loans	Primarily rural, Some urban	N
Microenterprise Fund	N	Not-for-profit	Not owned	Grants	Program related investments, Loans from government, loans from corporations and banks, lines of credit	Microenterprise loans	Urban, Rural & Reservations	N