



National
Community Capital
Association

CDFI Assessment and Rating System (CARSTM)

Product Description

CARSTM is a comprehensive, third-party analysis of community development financial institutions that aids investors and donors in their investment decision-making. CARSTM subscribers can use these high-quality, efficient, and rigorous analyses of Impact Performance and Financial Strength and Performance to guide investment decisions.

The Impact Performance analysis is an assessment of the CDFI's effective use of its financial resources to achieve its stated mission. It includes the CDFI's own evidence and data of how its activities contribute to its mission. The Financial Strength and Performance Rating uses a CAMEL (Capital, Assets, Management, Earnings, Liquidity) analysis of the CDFI to assess the CDFI's overall creditworthiness based on an analysis of past financial performance, current financial strength, and apparent risk factors. A site visit, including management interviews and a review of documents and files, is part of the ratings process.

CARSTM subscribers receive the Impact Performance rating (on a scale of AAA, AA, A, B), the Financial Strength and Performance rating (on a scale of 1 to 5) and a 15-20 page analysis of all areas examined, including financial statements and relevant ratios.

Target Customer

Current and prospective investors and donors in CDFIs including foundations, religious institutions, banks, insurance companies, pension funds, other non-bank financial institutions, as well as investment advisors for individuals and institutions.

Experience

National Community Capital is a 20-year leader in the CDFI industry, with recognized best practices at underwriting, assessing, and lending to CDFIs. National Community Capital manages its own Finance Fund, and has been financing CDFIs for more than ten years, providing cumulative financing to CDFIs of more than \$50 million.

National Community Capital launched CARSTM in late 2004 and will have analyzed and rated 17 CDFIs by the end of 2005. Fifteen CDFIs are scheduled to be rated in 2006. There are 14 investors who have subscribed to CARSTM including the Calvert Foundation, Fannie Mae Corporation, JPMorganChase Bank, Trillium Asset Management, Wachovia, and Washington Mutual. For an updated list of rated CDFIs, CDFIs scheduled for ratings, and investor subscribers, check our website at: www.communitycapital.org

For More Information

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