



National
Community Capital
Association

Financing Fund

Product Description

National Community Capital's Financing Fund offers an opportunity to investors interested in providing performance-based financing to CDFIs on a national level. National Community Capital accepts senior debt, subordinate debt, equity equivalent or equity grant investments. Investments tend to have a minimum size of \$100,000, a minimum term of 5 years and pay 1% to 3% interest. Investments are pooled into the Financing Fund and used to provide loans, subordinated debt, and equity investments to National Community Capital Member CDFIs throughout the country. Most funds are disbursed to CDFIs as unsecured, senior loans of \$250,000 to \$1,000,000 with terms of 5-10 years and rates of 4% to 4.75%. The CDFIs, in turn, make loans to small businesses, developers of affordable housing, nonprofit service providers, and others that create jobs or housing, or promote economic development in disadvantaged communities.

Investor risk is mitigated through active and experienced fund management, detailed Financing Fund Policies and Guidelines, rigorous underwriting, thorough quarterly monitoring of all investments, loan loss reserves tied to portfolio analysis, and National Community Capital's strong asset base. **National Community Capital's Financing Fund has never experienced a delinquency greater than 30 days or a loss.**

Target Customer

Current and prospective investors 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 has been financing CDFIs for more than ten years, providing cumulative financing to CDFIs of more than \$50 million. As of September 2005 the Financing Fund had assets of approximately \$35.5 million with \$32 million outstanding in loans and investments to CDFIs. National Community Capital's Statement of Financial Position showed a net asset to total asset ratio of 27%, while net assets plus equity equivalent investments to total assets is greater than 60%.

For More Information

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