Overview of the CDFI Industry, OFN, and the OFN Conference

Seth Julyan, Opportunity Finance Network

OFN Conference: Highlights

- Industry Awards
- Local and National Speakers
- CDFIs in Action Tours
- OFN Connect
- Breakout Sessions
- Networking
OFN Conference: Networking

- Over 1250 attendees!
  - This is the premiere industry event. It is an opportunity to meet and network with anyone in the industry.

- Numerous networking opportunities
  - Morning and afternoon sessions
  - Breaks between sessions
  - Next Awards
  - OFN Connect
  - Native Awards
  - App

OFN Conference: App

- Easy to use
  - Build your agenda
  - Follow activity feed
  - Send email to other attendees
  - Rate sessions
What is a Community Development Financial Institution (CDFI)?

- Private, mission-driven financial institution benefitting low-income, low-wealth, and other disadvantaged people & communities
- Serves customers that cannot meet conventional collateral or underwriting requirements
- Provides innovative financing products and/or services as well as technical assistance
- Creates economic opportunity in the form of
  - Jobs
  - Affordable housing units
  - Community services
  - Financial services for the underbanked and unbanked

About CDFIs

- CDFIs lend to:
  - Community Businesses—including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing
  - Individuals

- CDFIs are 100% dedicated to delivering responsible, affordable financial products and services that benefit individuals and communities

- CDFIs are profitable but not profit-maximizing. They put community first, not the shareholder
A Bird’s Eye View of CDFIs

Source of Capital
- Regulatory Motivated Investors
- Mission Motivated Investors
- Policy Motivated Investors

Financial Return + Impact
- Equity (net worth)
- Debt Financing

Users of Capital
- Community Development Financial Institutions (CDFIs)

Borrowers
- Small businesses, microenterprise, community service providers, housing developers, commercial real estate developer, and individuals

CDFI Institution Types

Depositories
- Community Development Banks
- Community Development Credit Unions

Non-Depositories
- Community Development Loan Funds
- Community Development Equity Funds
## CDFI Institution Types

<table>
<thead>
<tr>
<th>Community Development Institution</th>
<th>CD Banks</th>
<th>CD Credit Unions</th>
<th>CD Loan Funds</th>
<th>CD Venture Capital Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>For-profit</td>
<td>Non-profit, Cooperative</td>
<td>Primarily nonprofit; some for-profit</td>
<td>Typically for-profit</td>
</tr>
<tr>
<td>Regulation</td>
<td>FDIC, Federal Reserve, OCC, OTS, and state banking agencies</td>
<td>National Credit Union Administration</td>
<td>Unregulated</td>
<td>Unregulated</td>
</tr>
<tr>
<td>Capitalization Structure</td>
<td>Insured deposits and equity</td>
<td>Insured deposits, secondary capital, and equity</td>
<td>Unsecured and secured debt, EQ2, and equity (grants)</td>
<td>Equity (and potentially debt)</td>
</tr>
<tr>
<td>Sectors Served</td>
<td>Loans and depository services for housing, business, commercial real estate, and consumer</td>
<td>Promote ownership of assets and savings for individuals; affordable credit and retail financial services</td>
<td>Loans for housing, microenterprise, small business, community facilities, and commercial real estate</td>
<td>Equity and debt with equity features to mid-sized businesses with high growth potential and social impact</td>
</tr>
</tbody>
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### Number of Certified CDFIs

- **Loan Fund**
- **Credit Union**
- **Bank or Thrift**
- **Depository Institution Holding Company**
- **Venture Capital Fund**

![Graph showing the number of certified CDFIs from 1996 to 2016](image)
Regulated Bank and Credit Union Industry Size

- 6,479 Credit Unions
  - 2,077 Low Income Credit Unions
  - 247 CDFI Credit Unions
- 6,438 FDIC Insured Banks
  - 175 Minority Depository Institutions (MDIs)
  - 32 MDI CDFIs
  - 109 CDFI Banks

Note: Developed as part of the CDFI Fund's Capacity Building Source: CDFI Fund Lists of Certified CDFIs February 28, 2015, FDIC Institution Directory, NCUA

CDFI Asset Growth

Total Assets of Certified CDFIs (Billions)

- 1995: $4
- 1999: $14
- 2003: $25
- 2007: $61
- 2012: $90+

CDFIs by Total Assets

- $2.4 Billion Venture Capital Funds
- $14.7 Billion Loan Funds
- $44.6 Billion Credit Unions
- $90+ Billion
- $37.7 Billion Banks/Thrifts and Holding Companies

Note: Developed as part of the CDFI Fund’s Capacity Building Source: FDIC Q4 2014, National Federation of Community Development Credit Unions Q4 2014, Opportunity Finance Network 2013, Community Development Venture Capital Alliance 2014

CDFI Customers

Higher percentages than conventional financial institutions to:

- 48% Women Borrowers
- 73% Low Income Borrowers
- 48% People of Color
2016 OPPORTUNITY FINANCE NETWORK CONFERENCE

CDFIhistory.ofn.org

- Evocative Oral Histories with industry pioneers
- Interactive Industry Timeline of key moments in CDFI history
- Illuminating primary-source Resources that influenced a movement and an industry
- Inspiring Videos that tell the CDFI story

OPPORTUNITY FINANCE NETWORK

Opportunity Finance Network

Leading national network of CDFIs investing in opportunities that benefit low-income, low-wealth, and other disadvantaged communities across America

- **Financing Fund**
  - $100 million+ in OFN financing to CDFIs
- **Policy**
  - Advocate for Opportunity Finance
- **Knowledge Sharing**
  - Industry conferences and research
- **Strategic Communications**
  - Brand development and marketing tactics
- **Strategic Consulting**
  - Expertise for investors, partners and CDFIs