



**Opportunity Finance Network
Board Candidate Statement
Robert Villarreal
President
Bankers Small Business CDC of California
(An Affiliate of CDC Small Business Finance)**

It is an honor to be nominated for the board of Opportunity Finance Network (OFN). Community and economic development are both my career and passion and I am here because of my father, an immigrant from Mexico who came to California in the 1940s seeking a better life for his family. A serial entrepreneur, I watched him and my mother start- and not always succeed at- several businesses, striving to make ends meet and provide a life for myself and my sisters. I know well the transformative powers of capital access, the bravery of working families, and I have spent the last twenty-five years of my life working towards the advancement of the underserved. If elected, I would bring that wealth of experience to the OFN board in our mutual pursuit of equity and economic justice.

This is why I am requesting your vote and support to be elected to the OFN board.

I am the President of Bankers Small Business CDC of California a CDFI affiliated with a larger parent corporation, CDC Small Business Finance (CDCSBF), where I am Executive VP. Together, the organizations work in providing access to capital and business advisory services to underserved communities. Over the past four decades we have provided over \$4 billion in capital to small businesses across the western United States in California, Arizona and Nevada. The CDFI, on its own, has financed over 200 small businesses in the past two decades for a total investment of \$14.1 million. The CDFI was founded as a multibank consortium in 1992. While always managed by CDC Small Business Finance, it was owned by over 24 private banks. Knowing that we needed to deepen our loan services to underserved communities, I oversaw the purchase of the CDFI by CDCSBF in 2016. In the two years since, we have launched three new loan products (including the African-American/Latino Loan Fund), published a study on Latino small businesses in California, and grew our loan portfolio over 200%.

As a board member, I would focus on three key issues that are critical to OFN members:

Capital

The way communities access capital is changing and, in order to meet these evolving needs and expectations, we need to continue to explore new and flexible sources of responsible capital. The industry has done an excellent job in raising capital from traditional financial institutions, and banks have been a great partner. However, to deepen our impact and expand the work we do as an industry, we need to diversify our capital sources. Let's find those industries, established and emerging, that have an incentive to invest in CDFIs. For example, we have started partnerships with some of these, such as the social impact investor CNote. We are also working with the insurance and health-care industry on investment opportunities. These new capital sources will allow us to be flexible and remain responsive to the needs of the communities we serve.

As an OFN Board member I would look for the organization to continue to take a leadership role in broadening the scope of capital sources for its members and support the building of new relationships across emerging industries. OFN can bring in capital from private industry that many CDFIs, regardless of size, do not, or cannot access.

Technology

Over the last several years, we have seen technology radically change the small business lending industry. As CDFIs, how can we use technology to improve our process and drive efficiencies? I still believe that we are a relationship driven business. Our capacity to understand and connect with communities is what differentiates us, makes us essential, and allows us to do our great work. But we still have CDFIs tracking information on Excel spreadsheets and using multiple platforms that do not communicate or integrate. The work that we do is critical to the communities we serve, and we cannot be left behind because of our inability to use technology to improve processes and to scale.

In its position as an industry driver, OFN can play a role in harnessing and evaluating technology, assisting its member CDFIs to do better and increase efficiencies. To ensure access to transparent, affordable capital we need to scale responsible innovation and leverage technology to improve our capacity. I was glad to see OFN participate in the Community Finance Challenge at MIT, where bright young minds were asked to creatively solve issues which we deal with daily. Many of the ideas revolved around the use of technology to address and solve the problems. Let's continue and grow that type of involvement and bring some of those new ideas to practice.

Collaborations

If we are going to make a difference in bridging the racial wealth divide and truly bring Opportunity for ALL, we need to overcome the "frenemies" dilemma, which keeps many of us at arm's length of each other. For our industry to scale and drive deeper impact, we need to work in an ecosystem of collaboration. Together, we have a stronger voice. During the financial crisis, or in fact any crisis, when our backs are against the wall, we work together to overturn funding decisions and save programs. This has made our organizations, the industry, and the communities we serve resilient in the face of adversity beyond our control. Collective impact is greater impact. Let's continue that collaborative spirit beyond crisis mode.

Collaboration works. Over the last 15 years I have been part of the Friends of the SBA Microloan. This collaborative of 20 CDFIs and mission lenders have not only protected the program, but made it stronger, increased funding allocations and passed legislation to improve the delivery of the program. Our CDFI is also part of local, regional and national collaboratives, including working with local municipalities, national lenders and regional CDFIs. We do this because working together broadens our work and impact and extends resources.

As a national convener of CDFIs, OFN is in a unique position to continue to encourage these collaborations. As a board member, I will ensure that OFN remains committed to collaborations and to providing both financial and technical resources to the collaborative models.

In addition to my work in the industry, I have considerable experience as a volunteer on other boards and committees. I am currently on the board of the Chicano Federation of San Diego County and on a statewide advocacy board, the California Reinvestment Coalition. I also served for three years on OFN's policy committee and I co-lead our policy initiatives at my organization.

If elected to the OFN board, I would bring a proven, creative approach to community economic development, a passion for economic justice and an openness to new ideas. I ask for your support and I look forward to working together in our mutual pursuit of opportunity for ALL.