

JULY 1, 2019 - JUNE 30, 2020



# CRF FISCAL YEAR 2020 annual report

CREATING A BIGGER, BOLDER,  
AND MORE INNOVATIVE VISION  
FOR ECONOMIC JUSTICE





“The economic system shuts out many people from opportunity, including access to capital and quality jobs.”

### 2020 tested our resiliency as a nation.

Together, we responded by creating and inspiring change where it was most needed: our marginalized small business communities. Together, we brought our collective strengths as financial institutions, mission-driven organizations, community partners and innovators to deliver bigger, better, and more effective lending solutions for underserved entrepreneurs — especially women and people of color — throughout the country.

This collaborative work has evolved since our inception, but our goal of leveling the playing field remains the same. We believe capital is a key ingredient for systemic improvement and economic justice. We are creating scalable, equitable opportunities for historically underserved individuals and communities to access capital and seize the opportunity to realize their small business aspirations. For people of all incomes, races, ethnicities and genders, we are cultivating new income growth, building community wealth, creating quality jobs for low-income people, and maximizing economic mobility for all.

Despite these efforts, income and opportunity gaps are wide and are continuing to widen. The economic system shuts out many people from opportunity, including access to capital and quality jobs. This has never been more apparent than it is today as small businesses struggle with the unpredictability of a crisis economy.

The COVID-19 pandemic and the social response to the tragic deaths of George Floyd, Breonna Taylor, and others, have shined a spotlight on the systemic racism that prevents people of color from accessing the same opportunities as others. Our commitment to the people, small business owners and community development organizations in communities across the country is firm: we will fight and defeat the systemic and institutional racism that still permeates and divides the country we love.

This task will not always be easy, but if we raise our voices in the name of social and economic justice, we can create real and lasting change for generations to come. Together, we can turn the challenges of 2020 into opportunities for change in the future, knowing that CRF has a vital role to play – alongside its partners – in fulfilling our mission and advancing economic justice.

We’re proud to present this annual report to highlight the work CRF has done to achieve this change and how we will press forward into the future. On behalf of everyone at CRF, thank you for your ongoing support and partnership.

**Frank Altman**  
Co-founder and CEO





“We must be bold and act decisively to create a more just and equitable system that offers equal opportunity to all.”

**The events taking place in 2020 have demonstrated the importance of acting with a purpose.**

When states and cities across the country were forced to shut down due to the COVID-19 pandemic, CRF and other Community Development Financial Institutions (CDFIs) acted swiftly and decisively to deploy emergency capital to speed recovery for small businesses and nonprofit organizations in need.

This year, we worked with community partners to provide \$633 million in capital to more than 2,500 businesses and nonprofits throughout the country, retaining 55,000 jobs in communities where local economies had faltered due to the pandemic and its business restrictions. This required a multi-level approach that harnessed partnerships with federal, state and city governments, non-profit organizations, community partners, financial institutions, and others to make emergency capital available through loan funds and social investments.

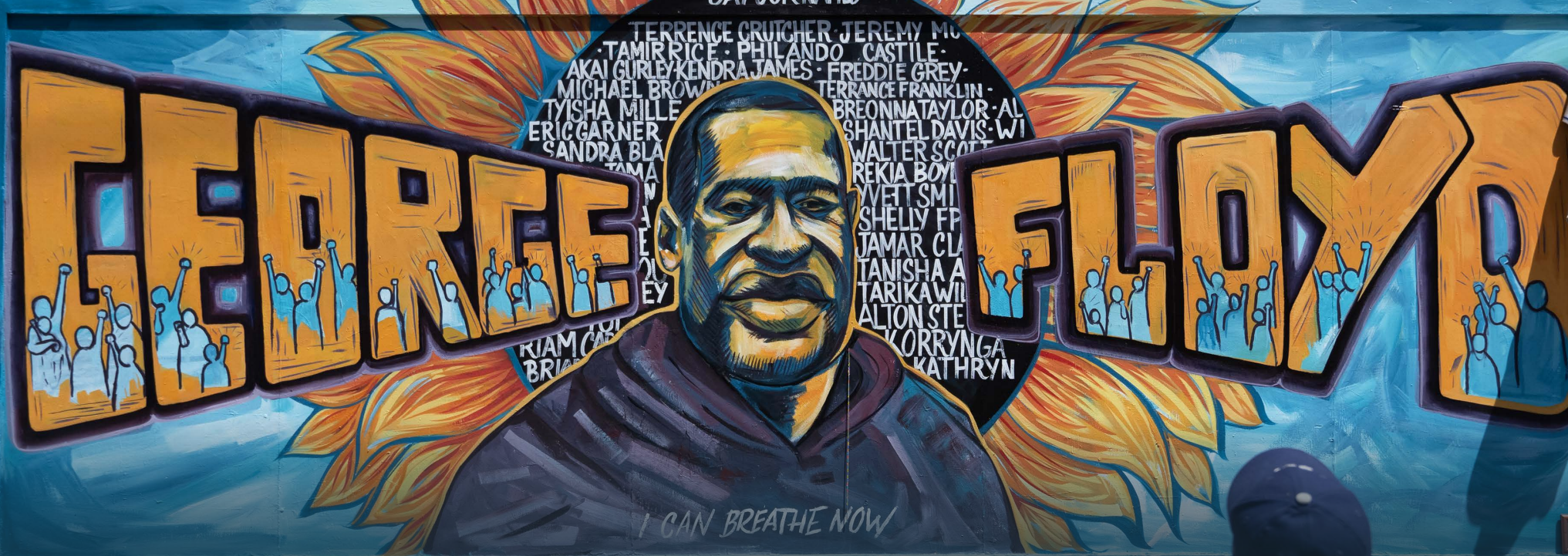
But deploying capital is not enough. We must be bold and act decisively to create a more just and equitable system that offers equal opportunity to all. We must look in the mirror and evaluate what

we are doing to create this system and determine whether we might even be contributing to its unfairness.

CRF has doubled down in our efforts to promote diversity, equity and inclusion within our own organization. These efforts are more than issuing a statement but are aimed at truly increasing cultural competency, evaluating program efficiency, examining workforce disparities and more, all in an effort to create greater equity and improve responsiveness throughout our organization.

Dismantling the current systems that discriminate against women, veterans, immigrants, and especially people of color, will not be easy, but CRF and its partners are leading the way with innovative strategies and technologies that support systemic change. Together, I know that we can create a more fair and just economic development system.

**Jennifer Anderson**  
President and CFO



## We Stand in Solidarity

Community Reinvestment Fund, USA (CRF) stands in solidarity with all those fighting for social justice, equity and transformational change. We know that the social changes taking place today will yield a lasting positive impact on the lives of millions.

Our commitment to the people, small business owners and community development organizations in communities across the country is firm: we will fight and defeat the systemic and institutional racism that still permeates and divides the country we love.

CRF will remain dedicated to supporting those who are fighting for economic, social and racial justice as together we denounce and combat racism, xenophobia and violence in all its forms.

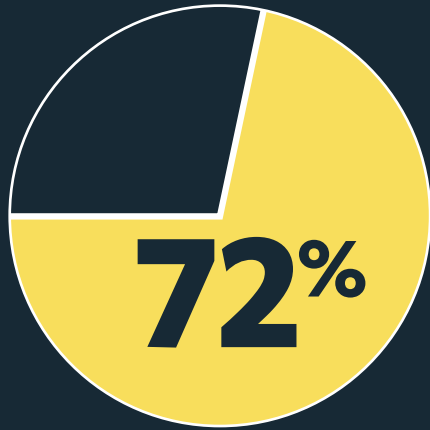
If we all raise our voices in the name of social and economic justice, only then can we create real and lasting change for generations to come.



# FY20 Required Speed, Flexibility and Agility

CRF takes a programmatic and systematic approach to solving challenges small business owners face in a crisis economy, particularly individuals who have been marginalized and shut out of the lending process. But recovery and lasting economic impact are possible when all of the players and pieces are in place. This requires tailored, responsive strategies that apply to different geographies, business types and local needs for investment.





72% of our lending volume supported organizations located in low-income communities and/or served low-income people

# FY20 OVERVIEW

## IMPACT HIGHLIGHTS

**\$633,767,135**  
in capital deployed

**54,938**  
jobs created or retained

Deployed **\$97 million** under the CDFI Bond Guarantee Program

Provided **44** SBA 7(a) loans,  
totaling **\$25,896,506**

Provided **2,429\*** Paycheck  
Protection Program loans,  
totaling **\$519 million\***

Launched recovery  
programs in **New York**  
and **Chicago**

Partners leveraged SPARK, our loan origination technology  
platform, to deploy **\$5.8 billion**

*through June 30, 2020*  
*\*through August 8, 2020*

# Paycheck Protection Program (PPP)

## Eliminating barriers to PPP financing for businesses owned by women and people of color

When the PPP loan was announced by Congress, many businesses – particularly those owned by women and people of color – found themselves shut out of the process due to a lack of information and access to the program through traditional financial institutions.

Using our established network of CDFIs and community partners, our financial technology solutions, and our expertise in deploying capital to under-represented small businesses, CRF created a process designed to speed access to PPP capital for community-based, women- and minority-owned small businesses and nonprofit organizations.

With these technology tools, partnerships, and community outreach strategies in place, CRF and its partners enabled a digital PPP application process that eliminated the need for face-to-face contact during the pandemic. Businesses owned by Black people, indigenous people and people of color – as well as nonprofits serving communities where these businesses operate – were encouraged to apply for PPP funds and used CRF's technology solutions to submit and track their PPP applications.

CRF and its partners were able to provide PPP loans to 2,429 businesses totaling \$519 million, much of the funding going to nonprofit organizations and businesses making an outsized impact on their communities. This impact would have been impossible without generous support from organizations like Goldman Sachs *10,000 Small Businesses*, Bank of America, Mastercard Center for Inclusive Growth, Kresge Foundation, Ballmer Group, PNC Bank, First Republic Bank, Wells Fargo, and U.S. Bank, N.A.



Watch our video



**\$519** million in funding

Launched  
**April  
2020**

Partners:  
**40+ CDFIs**  
and community  
organizations



**2,429**  
loans  
funded

**\$28,000** Median  
loan size

**51,045**  
jobs created/  
retained



*these statistics represent CRF's PPP lending through August 8, 2020*



# Chicago Small Business Resiliency Fund



## A public-private partnership to deploy relief capital to small business owners

With a capital commitment from Goldman Sachs and other private investors, the City of Chicago created the \$100 million Chicago Small Business Resiliency Fund (CSBRF) to provide small businesses and nonprofits with emergency cash flow during the COVID-19 pandemic.

The CSBRF provided immediate help to Chicago businesses at the start of the pandemic. The program directed \$21.6 million in loans to 861 small business borrowers, with an average loan size of \$25,116, all before October 1, 2020 as the pandemic created greater urgency for small business owners.

The City worked with CDFI partners, including Accion-Chicago and CRF, to loan CSBRF funds directly to Chicago small businesses. The City also established Small Business Resource Navigators – community-based small business support service providers – to provide one-on-one guidance to businesses to help them navigate the many available financial and support resources.

**\$100** million fund

Launched **March 2020**



**861** loans funded

**\$25,116** Average loan size

**2,022** jobs created/  
retained



*these statistics represent information as of October 1, 2020*



# New York Forward Loan Fund



## CDFIs partner with New York State to deliver critical small business financing

When Gov. Andrew Cuomo created the New York Forward Loan Fund, small businesses and non-profit organizations in the Empire State breathed a sigh of relief.

Thanks to a partnership between five CDFIs, New York State, LISC, Calvert Impact Capital and target borrowers, New York made more than \$100 million available as part of the program. CRF created and supported the loan application interface for the fund, which provided low-interest loans to small businesses, landlords and nonprofits.

With the fund, women- and minority-owned small businesses, nonprofits and multi-family housing companies that did not receive federal COVID-19 assistance are now on the road to recovery, thanks to New York State, CDFIs and community lenders that are making a difference.

**\$100**  
million fund

Launched  
**April  
2020**



**282**  
loans  
funded

**\$43,900**

Average  
loan size

*these statistics represent information as of October 1, 2020*

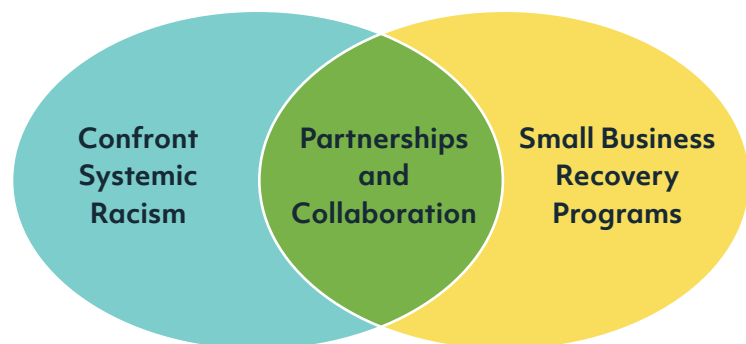
# Forward-looking and Forward-thinking

## Our focus for the next two years

We're intensifying our efforts to confront systemic racism in lending and engage with local communities, nonprofits and fellow CDFIs to create more responsive and equitable access to small business capital through partnerships that build capacity.

In an uncertain economic environment brought on by the COVID-19 pandemic, the need for community-inspired solutions is greater than ever. Accordingly, CRF and its partners continue to create and refine solutions that are driven by community needs and supported by stakeholders.

As economic growth continues to ebb and flow, these community-driven approaches to economic recovery – as part of a continuum of strategies and programs that create real and lasting change in the community economic development ecosystem – can inspire economic justice and opportunity for all. We must be forward-looking and forward-thinking. We must continue to innovate, with technology and with community engagement, and position the industry to think big and act big to solve big challenges.







# We can't do this alone

Creating a more equitable economy will require all of us. That's why CRF supports other mission-driven lenders by building their capacity and providing a suite of tools and support services including capital solutions, technology, and loan servicing capabilities. Our goal is to strengthen mission-driven lending industry players across the country in order to address the wealth gap in our country through capital availability, capital deployment and capacity-building for the entire industry.

Working side-by-side with community stakeholders and partner organizations at the local level, CRF designs innovative financial solutions that drive exponentially greater and more sustainable impact, particularly in communities with multiple challenges and barriers to capital access.

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**"We had put all of our savings into the company and we were desperate for help. When we finally heard from CRF that our loan was approved, we cried and prayed. It was a miracle."**

**Maria Palacio, Owner,**  
Progeny Coffee Farmers, Berkeley, California

# How CRF has helped

As we work to transform the community development finance system, CRF and its partners are continuing to build on the strategies and tactics we've honed and proven for 30 years: leveraging the capital markets to create stronger local economies, enhance job growth and support economic equity and mobility.



“It was disheartening when we saw that many of the PPP loans were going to large businesses. But we persevered and got funding in the second round thanks to CRF. It was a dream come true for us to receive a loan because it meant that our dream – the stores – could continue.”

**Suzanne Batlle, Owner,**  
Azucar Ice Cream Company,  
Miami, Florida and Dallas, Texas

## CRF IMPACT TO DATE



“Receiving our PPP loan was such a sigh of relief. We all spent many sleepless nights wondering whether we would have to close. Once I got the email telling us that we got our loan, I was ecstatic. I got on the phone with my employee and shared the great news. Our customers who need a bit of inspired art in their lives are also greatly appreciative”

**Nicole O'Brien, Owner**  
Unique PL8Z, Warwick, Rhode Island





# Funders and Investors

Support from funders and investors empower CRF to create catalytic change and serve people and communities across the country. We are grateful for your support.

## GRANTORS:

Ameriprise Financial  
Associated Bank  
Ballmer Group  
Bank of America Charitable Foundation  
Capital One  
TCF Bank (fka Chemical Bank)  
City National Bank  
First Republic Bank  
Goldman Sachs Foundation  
Huntington Bank  
JPMorgan Chase Bank  
Kresge Foundation  
Marquette Bank  
Mastercard Center for Inclusive Growth  
MetLife, Inc.  
New York Community Trust  
Opportunity Finance Network  
Otto Bremer Trust  
PNC Foundation  
Synchrony Bank  
Target

Target Foundation

U.S. Bank, N.A.

Wells Fargo

## INVESTORS AND OTHER SUPPORTERS:

Bank of America

Ballmer Group

First Republic Bank

Kresge Foundation

Otto Bremer Trust

PNC Bank

U.S. Bank, N.A.

“Being able to digitally access capital during this critical time helps entrepreneurs like me pivot our businesses quickly to meet the needs of a changing economy.”

**Raquel Graham, Founder and CEO,**  
ROQ Innovation, Chicago, Illinois

# Financials

Generous support from our funders and investors enabled CRF to accomplish the activities described throughout this report.

## Balance Sheet

### Assets

Cash	\$34,594,183
Loans Receivable, net	158,977,381
Accounts Receivable	21,222,977
Other Assets	21,362,918
<b>Total Assets</b>	<b>\$236,157,459</b>

### Liabilities

Accrued Expenses and Other Liabilities	\$19,067,396
Notes Payable	165,987,803
Subordinated Notes Payable	15,300,000
<b>Total Liabilities</b>	<b>\$200,355,199</b>

### Net Assets

Unrestricted Net Assets	\$30,919,819
Restricted Assets	4,882,441
<b>Total Net Assets</b>	<b>\$35,802,260</b>

**Total Liabilities and Net Assets** \$236,157,459

## Income Statement

### Revenue

Earned Revenue	\$33,715,593
Grants and Contributions	14,027,348
<b>Total Revenue</b>	<b>\$47,742,941</b>

### Expenses

Program Expenses	\$21,328,029
Management and General & Other	5,907,863
<b>Total Expenses</b>	<b>\$27,235,892</b>

**Change in Total Net Assets** \$20,507,049

Change in Unrestricted Net Assets	\$18,855,488
Change in Restricted Assets	\$1,651,561

as of June 30, 2020



# Board of Trustees

**Reza Aghamirzadeh, Chair**

*Executive Vice President/  
Head of Community Development Bank*  
Citizens Bank

**Luther Ragin Jr., Vice Chair**

**Frank Altman, CEO**

Community Reinvestment Fund, Inc.

**Laura Trudeau, Secretary**

*Board Director*  
Invest Detroit

**Steve Kent, Treasurer**

*Vice Chairman & Managing Director*  
Financial Services Investment Banking  
Piper Sandler Companies

**David Adame**

*President & CEO*  
Chicanos Por La Causa

**Michael Banner**

*President & CEO*  
Los Angeles Local Development Corporation

**Gavin Borowiak**

*Division Manager, Midwest & Gov't*  
*Not-for-profit Business Banking*  
JP Morgan Chase Bank N.A.

**Tony Brown**

*Board Member*  
Neighborhood Lending Partners

**Calvin L. Holmes**

*Executive Director*  
Chicago Community Loan Fund

**Bill Krugler**

*President*  
Milwaukee Jobs Work  
Milwaukee Community Business Collaborative, Inc.

**Kimberly Latimer-Nelligan**

*President*  
Low Income Investment Fund

**Willie F. Logan**

*Founder, CEO & President*  
Opa-locka Community Development Corporation

**Andy Posner**

*Founder & CEO*  
Capital Good Fund

**Kathy Rock**

*Board Member*  
Tenderloin Neighborhood Development  
Corporation

**Daniel Spiller**

*SVP, Chief Risk Officer-Payments*  
U.S. Bank



## ABOUT COMMUNITY REINVESTMENT FUND, USA

### Vision Statement

Transform the community development finance system so all people have the opportunity to realize their full potential.

### Mission Statement

To empower people to improve their lives and strengthen their communities through innovative financial solutions.

### Our Values

Create Equitable Economic Opportunities | Lead Through Collaboration | Transform Through Innovation  
Excel in All We Do | Act with Integrity

### Contact Us

801 Nicollet Mall  
Suite 1700 West  
Minneapolis, MN 55402  
[crfusa@crfusa.com](mailto:crfusa@crfusa.com)  
800-475-3050/612-338-3236  
[www.crfusa.com](http://www.crfusa.com)

