

CRF
USA®



2023

Annual Report

July 1, 2022 – June 30, 2023

Ashontay and Cori Owens
Crimson Melt

Table of Contents

01

Letter from
Leadership

Page 3-4

02

Mission, Vision, North Star
& Working Together

Page 5 - 6

03

Innovative Small Business
Lending & Impact

Page 7 - 8

04

Collective Impact
Programs

Page 9 - 11

05

Platform &
Technology Services

Page 12 - 14

06

Diversity, Equity, and
Inclusion in Action

Page 15

07

Board of Trustees

Page 16

08

Grantors and
Supporters

Page 17

09

Financials

Page 18

Letter from Leadership

Small businesses are central to thriving communities. Each day they drive innovation, create quality jobs, and provide critical goods and services. Many provide communal spaces that bring us together to share a meal, connect over a cup of coffee or catch up with friends at the local barber shop.

Put simply, small businesses weave our communities together.

It is this deep connection to community and the resilient nature of the entrepreneurial spirit that guides the work of Community Reinvestment Fund, USA (CRF), a national Community Development Financial Institution (CDFI) dedicated to complementing and amplifying the scale and effectiveness of the small business ecosystem.

CRF has a long history of bringing together members of the community to co-create innovative and responsive solutions that match the tenacity of small businesses, especially those with a history of underinvestment. Frank Altman, who co-founded CRF in 1988, established this strong collaborative company ethos and we are honored to carry this forward as we embark on our next chapter.

Despite their positive impact in community, many businesses face persistent barriers when attempting to access affordable capital and other support resources. The current uncertain market conditions exacerbated by inflation and related high interest rates have only made small business growth increasingly more complex.

Unfortunately, this story is not new for many small businesses, who, for years have navigated these challenges with inspiring resolve.

Highlights of the Year

During our fiscal year 2023, CRF worked to match this entrepreneurial determination by directly deploying more than \$26 million to small businesses across the country. This lending helped spur the creation and retention of more than 800 jobs and supported a wide range of small businesses across the United States.

As a supporting organization, CRF provides liquidity-enhancing solutions for peer CDFIs that help them maximize impact and meet the unique needs of the communities they serve. The CDFI Fund Bond Guarantee Program is a powerful tool that advances this work. During fiscal year 2023, CRF issued a \$100 million bond to a partner organization, bringing our historical issuance total to more than \$1 billion.

These efforts complement our collaborative work with public and private partners to execute innovative community-based initiatives like the New York City Small Business Opportunity Fund, the largest public-private loan fund directed at small businesses in the city's history. CRF serves as the fund administrator for the Opportunity Fund, which supported more than 600 businesses through the deployment of \$50.5 million in loans originated by eight local CDFIs during fiscal year 2023. Importantly, 75 percent of this lending supported minority or women-owned businesses and more than half of the funds went to businesses in low-to-moderate income communities in the city.

This program and others like it offer CRF and our partners a blueprint to follow as we leverage the federal government's State Small Business Credit Initiative (SSBCI). As participating jurisdictions began receiving funding approvals for SSBCI programs, CRF and our partners co-created a fully equipped model

that can be easily replicated in communities across the country.

CRF's primary goal is to ensure small businesses have access to capital whether it is through our own lending efforts or by connecting them to local CDFIs through our technology platform. We are proud to work with such a dedicated partner network and during the year we helped connect more than 2,300 small businesses across the country to partner CDFIs and business support organizations that provided critical capital and resources leveraging our platform and technology services.

Last, we recognize that our work does not just occur independently or statically, and we must continue to challenge ourselves to meet the evolving needs of small businesses. With this in mind, in 2023 we refined our focus on serving small businesses with a history of underinvestment and realigned under two business verticals centered around Lending and Platform & Technology Services. We believe that this shift will help us better serve small businesses and maximize our future impact.

A look ahead

We must continue our collaborative efforts to develop and deploy truly innovative solutions that break down the access to capital and resource barriers facing many small businesses. In addition to our ongoing SBA lending efforts, CRF is dedicated to leveraging our balance sheet in innovative ways to drive new product development beyond SBA and pilot products for CDFIs more broadly.

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Letter from Leadership

Our home state of Minnesota and its dynamic small business community remain core to our place-based work. Through innovative programs like the Minnesota Inclusive Growth Fund (MIGF), a program that provides fixed, low-interest capital and resources to small businesses, we will continue to engage with communities when invited to do so by local stakeholders.

Beyond these efforts, CRF remains committed to developing and advocating for policies that encourage investment in underserved areas and for federal and state resources that provide equitable access to capital. This is particularly important work as we look to advance our SSBCI efforts and serve more small businesses in the coming years.

Together this work will increase our collective ability to better fill access to capital gaps with innovative financial solutions, grow the capacity of the small business support ecosystem, design and manage financial programs, and enhance the distribution of capital in underrepresented communities.

We invite you to read the following 2023 annual report to learn how CRF, alongside a dedicated network of mission-driven partners, works to advance a just economy that works for all.



Matthew Roth
President and CEO

A blue ink signature of Matthew Roth, written in a cursive style.



Reza Aghamirzadeh
Board Chair

A black ink signature of Reza Aghamirzadeh, written in a cursive style.



Our Vision

A just economy that works for all.

Our Mission

To improve lives and strengthen communities through innovative financial solutions.

Our North Star

We believe small businesses are the critical source of job growth, wage growth, and reducing wealth inequities.

Working together to drive collective impact.

We believe when small businesses have access to capital and resources, they empower people, build sustainable communities and help close the racial wealth gap.

Fill access to capital gaps with innovative financial solutions

Grow capacity of small business support ecosystem

Design and manage financial programs

Enhance the distribution of capital in service of small businesses with a history of underinvestment

“

Becoming a business owner gave me the flexibility to be more influential in my community and to provide the best service to my customers

- Jason Faylor, Owner of Chase Automotive Repair





“ If you have a dream you have to go for it, otherwise it's just going to pass you by. We only have a limited time on this planet, so you better make the best use of your time.

- Ashtontay & Cori Owens,
Owners of *Crimson Melt*

Innovative Small Business Lending

Impact by the numbers

Alongside our partners and other community stakeholders, CRF is at the forefront of efforts to co-create and launch innovative financial solutions to better meet the needs of small businesses with a history of underinvestment. CRF leverages our balance sheet in innovative ways to drive new product development.

\$26,633,400

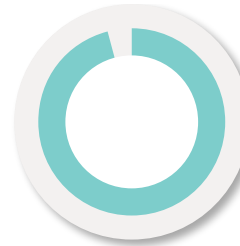
in direct funding to small businesses

45

Loans

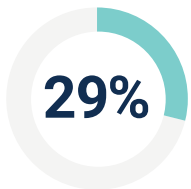
804

Jobs Created or Retained



96%

Serve people of color, women, veterans, or small businesses that are located in low-income communities



29%

Loans to Minority-owned* businesses



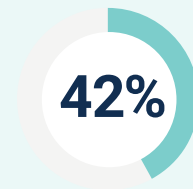
40%

Loans to Women-owned* businesses



53%

Loans to Minority-owned or Women-owned* businesses



42%

Loans to businesses located in low-income-communities

\$100M

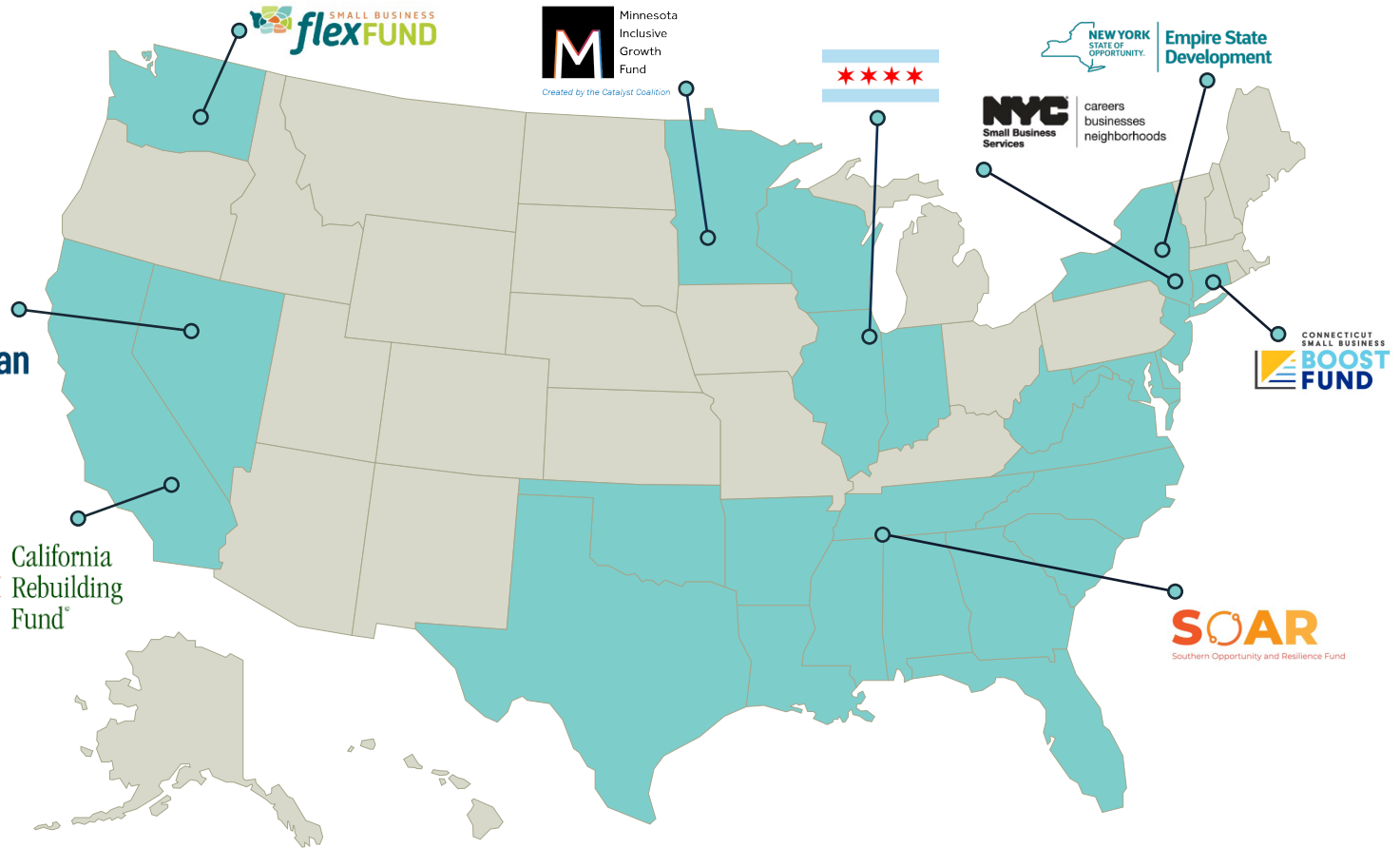
Bond issued through the CDFI Bond Guarantee Program

Collective Impact Programs

Regional Public/Private Recovery Programs

Through public/private partnerships, we co-create, design, and implement new small business solutions that scale the flow of capital and resources to entrepreneurs with a history of underinvestment.

- Battle Born Growth Microloan Program (NV)
- California Rebuilding Fund
- Chicago Small Business Resiliency Fund
- Connecticut Small Business Fund
- Minnesota Inclusive Growth Fund
- New York Forward Loan Fund
- New York Small Business Opportunity Fund
- Small Business FlexFund (WA)
- Southern Opportunity Resiliency Fund (TX, OK, AR, LA, MS, TN, AL, GA, FL, SC, NC, WV, VA, D.C., MD, DE)



TOTAL IMPACT FROM PROGRAMS

\$490.3M

Total Financed

8,726

Number of Loans

\$59,253

Average Loan Size

72%

Diverse Businesses

9

Programs Launched

* Each program since inception through June 30, 2023

Program Spotlight: Public/Private Partnership

New York City Small Business Opportunity Fund

Supporting Inclusive Small Business Recovery with a Flexible Lending Solution

CRF worked in partnership with the City of New York to co-create the groundbreaking \$75 million NYC Small Business Opportunity Fund, an innovative public-private partnership between Goldman Sachs, Mastercard Center for Inclusive Growth, and local CDFIs including Accompany Capital, Ascendus, BOC Capital, Harlem Entrepreneurial Fund, GrowAmerica, Pursuit Community Finance, Renaissance Economic Development Corporation, and TruFund.

The NYC Small Business Opportunity Fund was designed with flexible terms, including lowering barriers to application by not requiring a credit score or application fee and enabling businesses to pay off high-interest debt accumulated during the pandemic. As of June 2023, the program has successfully deployed more than \$50 million in capital to more than 600 businesses across the city's five boroughs, 75% of which went to minority or women-owned small businesses, including early-stage businesses with less than two years of operations.

- Launched: January 2023
- Fund size: \$75 million
- Designed for: Small businesses operating in New York City
- Loan size: Up to \$250,000.
- CRF role: Fund administrator, master servicer, and technology services provider

Partner Organizations



"CRF has been an invaluable partner for us as we work to transform low-to-moderate income and immigrant communities through the New York City Small Business Opportunity Fund."

Jessie Lee
Managing Director, Renaissance
Economic Development Corporation

Program Spotlight: SSBCI

Nevada Battle Born Microloan Program

Maximizing SSBCI Impact

Backed by the federal State Small Business Credit Initiative (SSBCI), the Nevada Battle Born Microloan Program offers working capital loans at fixed, competitive interest rates to small businesses. Supported by the Nevada Governor's Office of Economic Development, the program allows eligible businesses to access up to \$250,000 to purchase equipment, expand operations, hire new staff, and more.

This program leverages the unique recovery fund model structure established by Calvert Impact, GrowAmerica, and CRF during the pandemic. This structure enables participating CDFI lenders to sell eligible loans into the fund, helping them to

maximize their balance sheet and create more impact. It is also designed to be replicated by other SSBCI programs across the country and help participating jurisdictions deploy federal funding to small businesses in historically under resourced communities.

Partner organizations of the Battle Born Growth Microloan Program include Access Community Capital, Calvert Impact, Grow America, MoFi, the Nevada Governor's Office of Economic Development, Nevada Small Business Development Center, Rural Nevada Development Corporation, and CRF.

Partner Organizations



Nevada Governor's Office of
ECONOMIC DEVELOPMENT



- Launched: February 2023
- Designed for: Nevada small businesses with 100 or fewer employees and less than \$5 million in annual revenue
- Loan size: Up to \$250,000
- CRF role: Direct lender, fund administrator, and technology services provider

"This is a groundbreaking structure benefiting Nevada's small businesses seeking smaller amounts of funding particularly businesses from communities that have been underserved by traditional lenders in the past."

Karsten Heise

Senior Director Strategic Programs & Innovation at GOED and SSBCI Program Administrator

Platform & Technology Services

CRF enhances the distribution of capital and amplifies the impact and capacity of the small business support ecosystem through its platform and technology solutions.



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The gamechanger for us has not only been the volume of [small business] leads but the fact these applicants are matched to our profile, we are able to effectively reach the businesses that need us most. In addition, these leads serve as a valuable resource for understanding the specific pain points and challenges faced by small businesses. By engaging with them and listening to their needs, we are able to continuously improve our solutions and tailor them to better meet the demands.

- Ann Finnegan, Grow America (formerly NDC)

Platform & Technology Services

Tech that drives mission and makes small business finance more responsive and accessible.

CRF CONNECT

PRODUCT

CRF Connect is an online platform that brings together small businesses, CDFIs, and other mission-driven organizations. This connection helps entrepreneurs quickly access the capital and resources ideal for their specific situation and offers an efficient way for CDFIs and other business support organizations to reach more customers.

In 2023, CRF Connect matched more than 2,300 small businesses across the country to CDFI lenders and business support organizations.

CRF EXCHANGE

PRODUCT

CRF Exchange helps lenders, portfolio managers, and program sponsors facilitate the collection and transfer of data necessary for enrollment of loans, loan sales, or participations in funds or programs that serve small business capital needs. This technology provides access to secondary markets for participating lenders, helping them enhance their liquidity position and serve more small businesses while also achieving program sponsor impact goals.

In 2023, CRF continued our development of this technology and began offering it through several public/private partnership programs.

CRF INSIGHTS

PRODUCT

CRF Insights provides CDFIs with real-time data and insights about their small business customers, unlocking new possibilities for success.

Piloted in 2023, we are tremendously excited about the potential of this technology to amplify the impact of the small business support ecosystem. With access to bank accounts, transaction data, and other services granted by customers, this solution provides CDFIs the opportunity to proactively engage with their small business clients and provide individualized coaching to better set them up for long-term success. Additionally, these insights increase a CDFI's visibility into their loan portfolios, enabling them to make more intentional interventions. Lastly, CRF Insights also enables CDFIs to significantly improve impact reporting and evaluation processes to better inform new and innovative solutions that respond to the specific needs of the communities they serve.

CRF Fund Administration

SERVICE

CRF provides fund design, capital management, facilitation of loan purchase, payment remittance, fund accounting, and reporting services for public sector, corporations, foundations, and financial institution partners seeking to create and manage small business loan funds.

In 2023, CRF provided fund administration services for three regional public/private recovery programs.

Reaching New Heights

Our national network of mission-aligned partners achieved impressive milestones leveraging CRF Platform & Technology Services in 2023.

\$500M

in lending

150+

mission-driven
partners

150,000+

small businesses matched
with capital and resources

since inception through June 30, 2023

Diversity, Equity, Inclusion



CRF is committed to diversity, equity, and inclusion (DEI) and works to ensure the organization reflects the people and communities we serve. Through this commitment, CRF aims to remove bias from our work by applying social and economic justice lenses to our policies and procedures. By doing so, we aim to deliver products, services, and programs that are inclusive of the diverse communities we serve.

DEI in action

New Markets Tax Credit Program

CRF intentionally structured its most recent allocation to serve more diverse communities.

- CRF will use its recent NMTC allocation to fund businesses in BIPOC communities to address racial disparities with 50% of funding dedicated for projects that are primarily minority-owned or where the minority population is higher than 41%
- Businesses that provide permanent jobs that lift people out of poverty, close wage gaps, enable people to save and/or build wealth for families. 70% of quality jobs to be created will be accessible to low-income people
- Funding businesses with a proven track record of hiring, training, and maintaining workers with quality wages and benefits

New York City Small Business Opportunity Fund

Designed with inclusive terms, the NYC Small Business Opportunity Fund served many diverse entrepreneurs:

- 42% immigrant-owned
- 41% women-owned
- 56% located in LMI communities
- 68% BIPOC-owned

Staff Training & Engagement

The CRF team's different perspectives, opinions, and diverse experiences collectively cultivate a culture of belonging and inclusion both in the workplace and in the communities where we work and live.

As part of our commitment to DEI, CRF offers onboarding and continuing training programs that are focused on promoting and advancing our DEI values. In support of these efforts, CRF engaged with a third-party organization to guide our DEI efforts in 2023, allowing us to have deeper conversations and reinforce our commitment to inclusion throughout all aspects of CRF.

Board of Trustees

CRF welcomed two new members to its Board of Trustees during fiscal year 2023. Jeannine Jacokes who serves as CEO of Partners for the Common Good and CEO of Community Development Bankers Association, and Ruben Alonso III who serves as CEO of AltCap.

OFFICER TRUSTEES

Reza Aghamirzadeh (Chair)

Executive Vice President, Head of Community Development
Citizens

Daniel Spiller (Vice Chair)

Executive Vice President
U.S. Bank

Laura Trudeau (Secretary)

Board Member
Invest Detroit

Steven Kent (Treasurer)

TRUSTEES

Ruben Alonso III

Chief Executive Officer, AltCap
Board Member, Community Capital Fund

Gavin Borowiak

Divisional Director, West and Government &
Not for Profit Business Banking
JP Morgan Chase

Tony Brown

Board Member, Neighborhood Lending Partners
Vice President, Community Development of Tampa
Bay Economic Development Council

Chrystel Cornelius

President and CEO
Oweesta Corporation

Calvin Holmes

President
Chicago Community Loan Fund

Jeannine Jacokes

Chief Executive Officer
Partners for the Common Good & Community
Development Bankers Association

Bill Krugler

Chairman
JobsWork MKE

Dr. Willie Logan

Founder, CEO & President
Opa-Locka Community Development
Corporation

Luther M. Ragin, Jr.

Kathy Rock

Board Member
Tenderloin Neighborhood Development Corporation

Matthew Roth

President & CEO
Community Reinvestment Fund, Inc.

Jacqueline Woods

Chief Marketing Officer
Teradata

Grantors and Supporters

Thank you

Ameriprise Financial

Capital One

CDFI Fund

Fifth Third Bank

Generation IM

Goldman Sachs

Huntington Bank

JPMorgan Chase

Mastercard Center for Inclusive Growth

McKnight Foundation

Opportunity Finance Network

PNC Foundation

Synchrony Bank

Target Foundation

TEAM

U.S. Bank

Wells Fargo & Company



“ CRF took time to explain all of the information about the Minnesota Inclusive Growth Fund. They gave me enough information to make a decision and I am thankful to CRF for making the extra effort.

- Raghu Chejarla, President and Founder of HighCloud Solutions

Financials

BALANCE SHEET

ASSETS

Cash and Cash Equivalents	\$42,465,002
Loans Receivable, net	46,398,041
Accounts Receivable	3,686,512
Other Assets	16,206,588
Total Assets	\$108,756,143

LIABILITIES

Accrued Expenses and Other Liabilities	\$11,127,683
Secured Debt	595,001
Notes Payable	15,300,000
Subordinated Notes Payable	22,510,000
Total Liabilities	\$49,532,684

NET ASSETS

Unrestricted Net Assets	\$54,638,562
Restricted Assets	4,584,897
Total Net Assets	\$59,223,459

INCOME STATEMENT

REVENUE

Earned Revenue	\$12,871,271
Grants and Contributions	10,139,834
Total Revenue	\$23,011,105

EXPENSES

Program Expenses	\$20,447,784
Management and General & Other	5,891,890
Total Expenses	\$26,339,674

DISCONTINUED OPERATIONS*

Operating Loss from Discontinued Operations	(\$3,638,218)
Gain on Sale from Discontinued Operations	8,568,393
Results from Discontinued Operations	\$4,930,175

CHANGE IN TOTAL NET ASSETS

Change in Unrestricted Net Assets	(\$1,346,522)
Change in Restricted Assets	2,948,128
Total	\$1,601,606

* During Fiscal Year 2023, CRF sold Ignify Technologies, Inc ("Ignify"), a previously wholly owned subsidiary. The results of Ignify prior to the sale and the gain resulting from the sale are included in the Results from Discontinued Operations.

“

Transparency in a process like this is so valuable. CRF has been great at explaining each step along the way and how to make achieving them possible. That's been amazing.

- Sung Chun, General Manager of Mura Bar and Bakery



MURA

RESTAURANT & BAKERY



To learn more about CRF, please visit our website at www.crfusa.com



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