

OPPORTUNITY

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NEXT

Opportunity Finance Network NEXT

Mark Pinsky | December 13, 2007

OPPORTUNITYFINANCE
NETWORK 

The Arc of Our Strategy

- **2003: Planning & Presentation**
- **2004: Setting our Course**
 - Approval
 - Sorting Through Options
 - CARS™
 - DC Policy Office
 - Mergers & Acquisition

The Arc of our Strategy

2005

- Mortgage Platform Started
- New Brand Approval
- Policy Push
 - Defeated SACI
 - Bipartisan CDFI support

The Arc of our Strategy

2006

- Policy Development
 - “Into the Economic Mainstream”
 - Policy Agenda
- Mortgage Platform Development
- Accelerating CARS™
- Membership Outreach
- Brand Use & Alignment

The Arc of our Strategy

2007

- Midpoint of our Strategy
- Launches
 - *The Next American Opportunity*
 - Opportunity Mortgage Network
 - **Wachovia NEXT Awards for Opportunity Finance**

OFN NEXT

Policy

Financing

- CARS™
- Opportunity Mortgage Network
- OFN Financing Fund

Wachovia NEXT Awards

Branding & Marketing

Knowledge Sharing

- Consulting
- Training
- Native CDFIs

OFN NEXT: Policy

Goal

- To introduce & build support for an industry agenda that will shape the policy environment and present opportunities for the next decade

OFN Next: Policy

■ The Next American Opportunity: Good Policies for a Great America

- 30+ Sets Recommendations
- Six (6) Policy Areas
- Four (4) Impact Moments
 - Primary Season
 - General Election Season
 - Transition
 - Governance

OFN NEXT: Policy

- **Rooted in CDFI experience & expertise**
- **Eyes on the Prize (2009+)**
- **Flexible distribution**
 - Format of materials
 - CDFI-based outreach
 - Partners
 - Dynamic Strategy

OFN NEXT: Policy

NEXT Steps

- CDFI Fund Appropriations
- Capital Magnet Fund
- Bond Guarantee
- NMTC for CDFIs
- The Next American Opportunity
 - Build toolbox of policy recommendations
 - 2008 Conference focus on 3-5 targets for 2009

OFN NEXT: Financing

- **OFN's Efforts to Lead**
- **CARS™**
- **Opportunity Mortgage Network**
- **OFN's Financing Fund**

OFN NEXT: Leadership

Increasing Capital Supply & Productivity

- CARS™
- Platform business model
- Branding & Marketing
- Policy

Supporting Other Leadership Efforts

- Manufactured Housing
- Mortgage Collaborative
- Innovation Guides

OFN NEXT: CARS™

Goal

- To increase capital flows to and through CDFIs by reducing finding and transaction costs while reinforcing the industry's commitment to performance, accountability, and transparency

OFN NEXT: CARS™

■ Status

- 32 Rated CDFIs
- 22 Investor Subscribers
- Focus on Ramping Up the Number of Rated CDFIs
- Looking for the “tipping point”
- Steadily growing support from investors & CDFIs

OFN NEXT: CARS™

The Near Future

■ Risks

- Capital does not flow
- Business model is uneconomic

■ Opportunities

- Tie significant capital flows to CARS™
- CARS™ Platform becomes a recognized capitalization advantage for the industry

OFN NEXT: CARS™

■ **NEXT Steps**

■ **Productivity**

- Changing roles for analysts and staff
- Pursuing a sustainable model
- Revamping the product

■ **Strategy**

- Tie capital to CARS™
- Expand ratings to more CDFI types
- Explore use

OFN NEXT: Mortgages

Goal

- To counter predatory lending through a CDFI industry owned and led market response that informs and complements policy work

OFN NEXT: Mortgages

Status

- Operational
- 11 Originators in 14 States
- Focus on Products
 - Foreclosure Prevention
 - Refinance
 - New Purchases

OFN NEXT: Mortgages

The Credit Mess

■ Risks

- Credit
- Reputation
- Products
- Execution

■ Opportunities

- Market clearing
- Home prices & interest rates
- Liquidity

OFN NEXT: Mortgages

NEXT Steps

- Focus on execution
- Add foreclosure prevention products
- Add other products
- Expand origination & geography

OFN NEXT: Financing Fund

Goal

- To incent and reward CDFIs helping to lead the industry toward high-volume financing solutions

OFN NEXT: Financing Fund

■ Key Strategic Components

- CARS™
- Tie ins to “platform” approaches
- Support for Manufactured Housing (ROC USA)
- Promising Innovations
- Business financing

OFN NEXT: Financing Fund

NEXT Steps

- Introduce manufactured housing financing products
- Next up: Business financing platform(s)
- Continue general recourse financing at about \$5mm-\$7mm per year subject to capital supply

OFN NEXT: Wachovia NEXT Awards

Goals

- To help CDFIs with the potential to be “great” achieve escape velocity
- To attract new capital and talent to the industry
- To promote the opportunity finance industry

OFN NEXT: Wachovia NEXT Awards

Status

- Successful first round
 - Awardees!
 - Media & Marketing
- Minor changes for 2008
- More time to apply
- New relationship with NetImpact

OFN NEXT: Wachovia NEXT Awards

NEXT Steps

- Improve Process for 2008
- Support 2007 Awardees
 - Marketing
 - Promotion
 - Mentorships
- Build NetImpact Relationship
 - Internships
 - Speaking & Networking

OFN NEXT: Branding & Marketing

Goals

- To increase understanding of and support for the opportunity finance industry
- To build CDFI marketing ability
- To attract new resources (money and talent)

OFN NEXT: Branding & Marketing

Status

- 80 Members are “aligned”
- More than 60 are profiled
- Wachovia NEXT Awards provide us with an extraordinary branding opportunity
- Branding & marketing is a priority effort now across the industry

OFN NEXT: Branding & Marketing

Next Steps

- Build out the brand
 - Profiles
 - Wachovia NEXT Awards
- Introduce marketing product line through OFN Consulting
- Seek more branded national relationships

OFN NEXT: Knowledge Sharing

Goals

- To make business-critical information, resources, and expertise readily available at minimal cost
- To leverage the industry's commitment to collaboration & knowledge sharing

OFN NEXT: Consulting

Status

- Sustainable line of business
- Focus on
 - Organizational Development
 - Market Research
 - Strategic Planning
 - Product Development

OFN NEXT: Consulting

- **Transition to Cutting Edge Product Lines**
 - Marketing & Branding
 - Capitalization
 - Managing Mature CDFIs
- **Support Ongoing Consulting Lines in New Ways**
 - Consultant credentialization or licensing

OFN NEXT: Training

Status

- Conference Innovations
 - Networking
 - Shorter Sessions
 - More Topic Areas
 - Native Convening
- Targeted VLC Training
- “Staying Connected” Calls

OFN NEXT: Training

NEXT Steps

- Continuing Conference Innovation
- 2008 Focus on Native CDFIs
- Continue “Staying Connected” Calls
- Try to use “social networking” technologies

OFN NEXT: Native CDFIs

Status

- Successful development of a vibrant Native CDFI sector
- Strong partnership with a strong partner—Oweesta
- Agreement with Oweesta that Oweesta will lead Native CDFI development partnership going forward

OFN NEXT: Native CDFIs

■ **NEXT Steps**

- Transition to Oweesta's leadership
- 2008 Conference Spotlight on Native CDFIs (Albuquerque)
- Native CDFI sector growth

Discussions

- **What do you want or need to know more about?**
- **Are there things in OFN NEXT that**
 - Excite & motivate you?
 - Concern you?
- **What is NEXT for your organization?**