

2009 OPPORTUNITY FINANCE NETWORK CONFERENCE

**THE NEW NORMAL**

**NATIVE CDFI FUNDERS Panel**

**Randy Rice**

Community Investments Administrator  
Trillium Asset Management Corp. (Trillium)

Wednesday, October 28, 2009  
4:00 - 5:30 p.m.,

25  
Years of  
OPPORTUNITY  
FINANCE

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Trillium Asset Management Corp.

**Pioneer and Innovator since 1982, Trillium is the Oldest & Largest Independent Socially Responsible Manager in US offering:**

- > Customized Equity & Balanced Portfolios
- > Long-Term Record of Competitive Investment Returns
- > Innovative Sustainability Strategies
- > Environmental, Social, & Governance (ESG) Analysis
- > Disciplined Risk Management & Portfolio Diversification
- > Proactive Corporate Engagement
- > Direct Community Investments for clients

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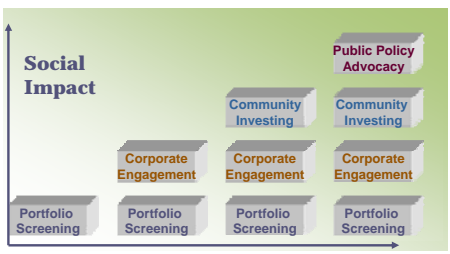
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High Social Impact Approach to Investing



**Social Impact**

Public Policy Advocacy

Community Investing

Community Investing

Corporate Engagement

Corporate Engagement

Corporate Engagement

Portfolio Screening

Portfolio Screening

Portfolio Screening

Portfolio Screening

Passive Strategy

TRILLIUM APPROACH

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### Trillium Native Investments

- At Trillium, All CDFI Investments are client-directed
- First direct Native Investment on behalf of a Trillium client was made in 1987 to Lakota Funds.
- It was for \$5,000.

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### Trillium's Current Native Investment Vehicles

- Lakota Funds
- First Nations Oweesta Corp.
- Native American Bank

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### Total Investments in Native Loan Funds and Banks

- 51 separate investments
- Range from \$5,000 – \$100,000
- Terms range from 2-5 years
- Total current investments 1.5 million

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### Challenges and Solutions

- **Challenge: Per Transaction costs are extremely high**
- **Solution: Trillium recently increased its minimum direct CDFI investment from \$5,000 to \$50,000**

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### Challenges and Solutions

- **Challenge of "Custody": Where does a note reside after it has been executed?**
- **Solution: Various, including having the loan fund hold the note, a trust company hold the note & no physical note issued.**

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### Challenges and Solutions

- **Challenge: Scale of investment: How do we get more SRI funds in Native CDFIs?**
- Standardization (Documents, Payment Schedules)
- Transparency (CARS Ratings)

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**Contact Info:**

**Randy Rice**

**Community Investments  
Administrator**

**Trillium Asset Management Corp.**

**Email: [rrice@trilliuminvest.com](mailto:rrice@trilliuminvest.com)**

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Community Development  
Financial Institutions (CDFI) Fund

**Opportunity Finance Network:  
Native Funders Panel  
October 28, 2009**

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**CDFI Fund Mission**

The mission of the CDFI Fund (the Fund) is to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States.

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**Programs and Initiatives**

How does the Fund Achieve its Mission?

- Native Initiatives
- CDFI Program
- Bank Enterprise Award Program
- New Markets Tax Credit Program
- Capital Magnet Fund

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**Introduction** 

**Native Initiatives**

- Native American CDFI Assistance (NACA) Program
  - ◆ Financing
- Expanding Native Opportunities
  - ◆ Training




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**NACA Program: Purpose** 

- Promote economic revitalization and community development
- Help build the capacity of Native CDFIs
- Leverage CDFI Fund resources

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**NACA Program** 

- Financial Assistance (FA) Awards
  - ◆ Support Financing Needs
  - ◆ 1:1 match requirement (form and amount)
    - (may be waived in FY 2010)
  - ◆ FA awards cap: \$750,000 per award
- Technical Assistance (TA) Awards
  - ◆ Organizational Capacity-Building
  - ◆ No match requirement
  - ◆ TA grants cap: \$150,000 per award

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**CDFI Certification: Criteria** 

➤ **CDFI Certification Requirements:**

- ❖ Legal existing
- ❖ Primary mission
- ❖ Financing Entity
- ❖ Target Market
- ❖ Development Services
- ❖ Accountability
- ❖ Non-Governmental Entity




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**Native Initiatives Strategic Plan** 

Primary Objectives: 2009-2014

- Sustain & Advanced Established Native CDFIs
- Increase Opportunity for Native CDFIs to Access Available Capital
- Increase Financial Skills and Opportunities in Native Communities
- Increase Interagency Coordination of Federal Funding for Native CDFIs
- Update the Native American Lending Study




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**Contacting the Fund** 

Chris James: CDFI Associate Program Manager and Native Initiatives  
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[ithelpdesk@cdfi.treas.gov](mailto:ithelpdesk@cdfi.treas.gov) 202.622.2455

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## Questions and Answers

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*Thank you for attending today's  
information session!*

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**Native American Funder's Panel**

**Thomas C. Wright**  
 Director, Office of Loan Guarantee  
 HUD PIH Office of Native American Programs  
 October 28, 2009

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**Purpose of Presentation**

The Office of Loan Guarantee is here to answer four basic questions about the state of Indian housing today:

1. Give a realistic perspective of where we are today;
2. Offer suggestions of what can be done to bring about change;
3. Provide viable solutions that can be implemented now;
4. Increase access to financial vehicles that make change possible

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**Introduction**

Housing finance is an essential component and catalyst in any emerging economy. Through the leveraging of Federal financial resources with private capital Native leaders can create greater opportunities for housing, community facilities, new businesses and jobs...all contributing to the building of sustainable economies.






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**HUD's Investment in Native America Homeownership**

Year	Firm Commitments	Loan Guarantees
2005	~100	~100
2006	~150	~150
2007	~200	~200
2008	~250	~250
2009	~350	~350
2010	~500	~450
2011	~850	~750

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**Purpose of Loan Guarantee**

➤ **Loan guarantee programs play a vital role in the development of sustainable tribal communities. These financing vehicles are used worldwide to stimulate investment at the grassroots level. The loan guarantees create housing and business opportunities while the local market is still evolving. As the local economy expands the number of financing options increase. The IHBG Leverage Finance Program is the next step for tribes/TDHEs.**

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**Developing Effective Partnerships with Tribal Communities**

1. Establish direct relationships with tribes and local grassroots organizations to support homeownership through counseling
2. Employ early intervention tools by increasing the role of the tribe in pre and post closing counseling
3. Give tribe a role in housing preservation and sale of assets when loans guaranteed go into default.

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**Success Story**

**Hawaii Community Lending**

**Became an approved lender in February of 2009**

- 51 Loan Applications out of 134
- 38 Firm Commitments
- 1 Loan Guarantee

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**Thank You**

**Thomas C. Wright, Director**  
**Office of Loan Guarantee**  
**Office of Native American Programs**  
**U.S. Department of Housing and Community Development**  
**451 7<sup>th</sup> Street SW, Room 5143**  
**Washington, DC 20410**  
**202-402-4978**  
**Thomas.C.Wright@hud.gov**

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Lura Mack  
Coordinator of Community Investments  
ADRIAN DOMINICAN SISTERS

October 28, 2009




## Investing in values

- Introduction
- Brief Background  
35 years of Socially Responsible Investments
- History of Faith-based Lending  
Alignment of money with mission
- Native Community Investing: Mission Fit and focus
  - Expanding opportunities
  - Building self sustaining communities

## Native Funding

- Type of funding focus for Native CDFI's
  - Providing access to capital
  - Recognize – Educate – Advocate
- Future: What is ADS looking to do with Native funders
  - Partners in Mission: understanding needs/advocate
  - Explore potential for relationships


## Increasing Native CDFI Opportunities

- Prospective Applicants:
  - Organizational sustainability both financial and leadership
  - Experienced Leadership
  - Succession plan
  - Strong Strategic plan
- Comments / Tips:  
What resonates/What doesn't



