



*Community Development
Financial Institution*

IMPACT 2009 REPORT

Our History

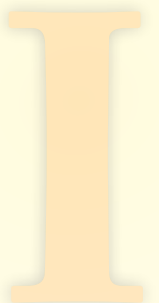
Clearinghouse CDFI was established in 1996 as a Community Development Financial Institution (CDFI) certified by The U.S. Department of Treasury. As a direct lender, Clearinghouse CDFI provides affordable housing, community development and other nontraditional financing to low-income individuals and organizations throughout our service area. In recent years, Clearinghouse CDFI has expanded our service area to encompass all of California, including major counties such as: Alameda, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, and San Diego.

Our Mission

Clearinghouse CDFI provides economic opportunities and improves the quality of life for lower-income individuals and communities through innovative and affordable financing that is unavailable in the conventional market; while achieving shareholder objectives.

Our Goals

- Providing financing as a community lender for Housing Development, Community Development and Small Business – lending that impacts the community through new affordable housing units, community facilities development, and job creation.
- Funding health, education, and service programs – improving the lives of people and strengthening communities in measurable ways.
- Addressing unmet credit needs in California through innovative and nontraditional below-market rate financing – providing investors and shareholders the opportunity to invest in community change.



CLEARINGHOUSE CDFI

2009 LENDING



Sacramento, CA
LINC-Taylor Terrace Apts
168 AFFORDABLE HOUSING
UNITS FOR THOSE EARNING 60%
OF AREA MEDIAN INCOME



Livermore, CA
Single Family Borrower
FIRST-TIME HOMEBUYER FAMILY EARNING
50% OF AREA MEDIAN INCOME



East Los Angeles, CA
Plaza Community Center
450 CHILD CARE SPACES



San Diego, CA
Gary and Mary West Senior Wellness Center
700 MEALS FOR **500** LOW-INCOME SENIORS DAILY

Lancaster, CA
Lancaster Promenade
150 CONSTRUCTION JOBS CREATED



Compton, CA
Gateway Towne Center
412 PERMANENT JOBS RETAINED



Placentia, CA
Single Family Borrower
FIRST-TIME HOMEBUYER FAMILY EARNING
62% OF AREA MEDIAN INCOME



San Bernardino, CA
ASA Charter School
CHARTER SCHOOL FOR
160 STUDENTS



M P A C T



214,765
Clients
Served Annually



6.5 Million
Square Feet
Developed or Rehabilitated



3,005
Affordable Housing Units
Created

HISTORICALLY

1,232 LOANS

\$ 624

MILLION



846
First-Time
Homebuyers



4,270
Permanent & Construction Jobs
Created or Retained

2009

Impact Report Summary

Clearinghouse CDFI is a Community Development Financial Institution serving low-income communities and families throughout the State of California. We have three primary lines of business: Core lending, New Markets Tax Credit lending, and Single Family lending. Since inception, we have funded \$624 million in loans and equity investments in low-income communities.

Core lending is primarily below-market interest rate, real estate-based lending that benefits low-income individuals and communities. Beginning with the first Core loan in 1998, Clearinghouse CDFI has originated 335 loans totaling \$164 million. These loans assisted 160 borrowers, of which over 100 are nonprofit organizations. In 2009, 95% of Core loans served low-income individuals and communities.

New Markets Tax Credits (NMTC) enable Clearinghouse CDFI to fund significantly larger commercial real estate and community facility projects in high distress areas. We continue to experience an escalating need for NMTC investments to finance low-income community development projects. Clearinghouse CDFI has received \$358 million in NMTC allocations and successfully disbursed over 60% of this amount to qualified low-income communities throughout the State of California. One hundred percent of NMTC projects funded in 2009 were located in areas of greater economic distress.

Clearinghouse CDFI funds Single Family housing loans to low- and moderate-income first-time homebuyers. A total of \$239 million in Single Family loans has been funded to 846 families since funding began in 2003. In 2009, approximately 75% of Single Family borrowers were low- and very low-income families.

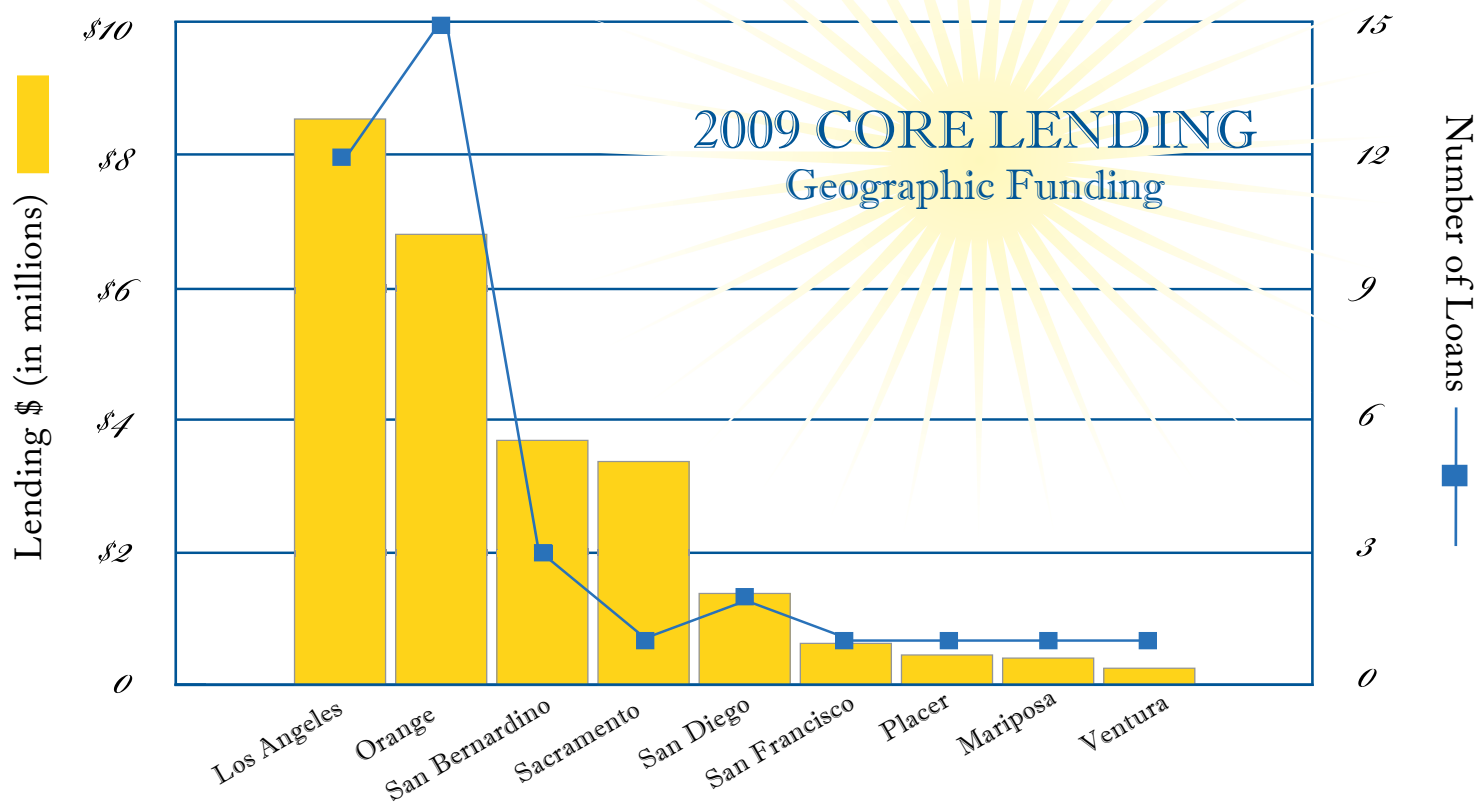
Each line of business offered by Clearinghouse CDFI improves the quality of life in low-income communities. The following pages provide details of the various impacts of Clearinghouse CDFI lending in 2009 and historically. From job creation to affordable housing units, these impacts are highlighted in this 2009 Impact Report.

CORE LENDING

Clearinghouse CDFI Core lending offers three types of financing activities: Housing Development, Community Development, and Small Business loans. Through Core lending, Clearinghouse has originated 335 loans totaling \$164 million since inception.

In 2009, Clearinghouse CDFI funded 37 Core loans totaling \$25.5 million. Over 80% of Core borrowers were nonprofit organizations serving low-income communities. The majority of Clearinghouse Core loans financed organizations serving Los Angeles County. Clearinghouse CDFI continues to expand and strengthen Core lending efforts throughout California, and reached low-income communities in four new counties in 2009: Mariposa, Placer, Sacramento and Ventura.

Historically, Core lending has created **2,962** units of affordable housing, **1,010** permanent and construction jobs, and rehabilitated **4.3 MILLION** square feet of real estate. Clearinghouse CDFI Core borrowers serve **213,105** clients annually.



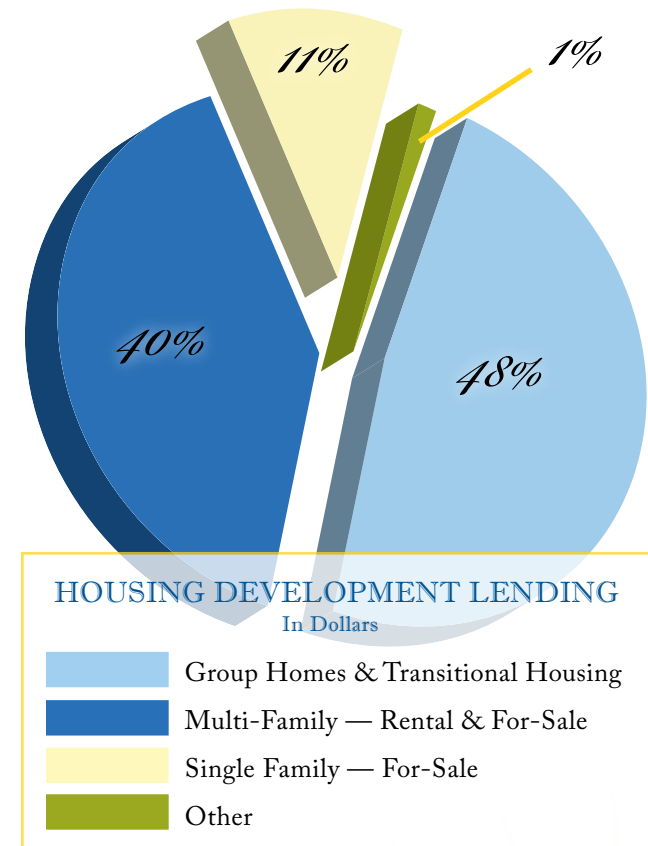


CORE LENDING

2009 Housing Development Lending

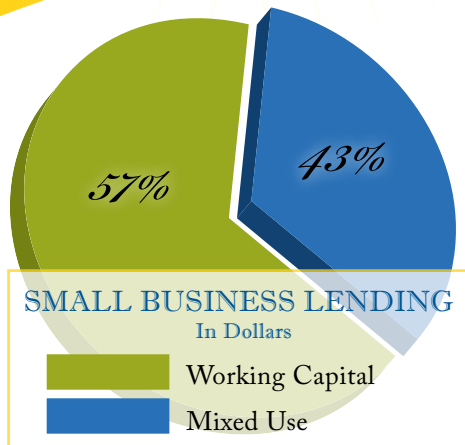
Clearinghouse CDFI funded 28 Housing Development loans totaling \$16.8 million in 2009. These loans were used to finance single family and multi-family for-sale and rental housing, group homes, and transitional housing. Financing for group homes and transitional housing represented nearly half of the dollars funded in Housing Development loans. Through these loans, 80 units of affordable housing were created for individuals with developmental disabilities. In total,

Housing Development loans helped create 320 units of affordable housing and rehabilitated 280,000 square feet of living space in 2009.



2009 Small Business Lending

In 2009, Clearinghouse CDFI funded two Small Business loans totaling \$175,000. These loans were used to refinance debt and provide working capital for small businesses in California.

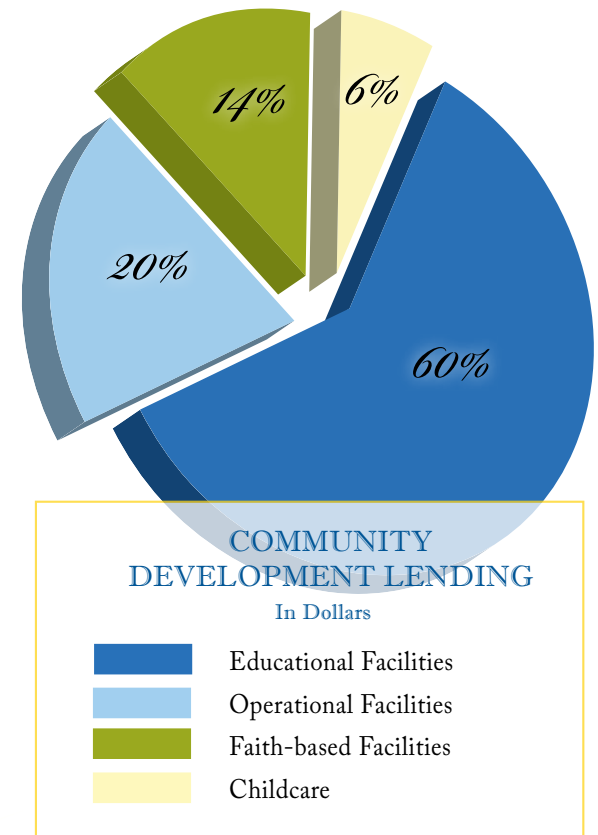


CORE LENDING

2009 Community Development Lending

Clearinghouse CDFI funded seven Community Development loans totaling \$8.5 million in 2009. Community Development loans finance the development of educational, childcare, and operational facilities, as well as faith-based organizations. Loans for the development of educational facilities received a majority of Community Development financing, and helped create 745 new spaces for low-income students. Community Development borrowers created 60 permanent jobs in 2009.

These borrowers serve 3,470 clients annually, which includes job training and placement services for 1,640 individuals.



NEW MARKETS TAX CREDIT LENDING

The New Markets Tax Credit (NMTC) program enables Clearinghouse CDFI to create measurable impacts throughout California through loans and equity investments. Clearinghouse CDFI utilizes the NMTC lending program to finance the acquisition and construction of commercial and retail centers, office and industrial buildings, as well as cultural centers and community facilities.

In 2009, Clearinghouse CDFI funded three community development projects totaling \$49 million in NMTC loans and equity investments. These projects benefitted low-income communities in Compton, Lancaster, and San Diego. Overall, Clearinghouse CDFI has received a total of \$358 million in NMTC allocation authority through five allocation rounds, including a \$100 million 2009 NMTC allocation award. As of year-end 2009, \$218 million of this sum was fully deployed into 29 qualified low-income community development projects throughout the state.

Since the first NMTC loan in 2004, the Clearinghouse CDFI New Markets Tax Credit lending program has contributed to the development or rehabilitation of **1.5 MILLION** square feet of retail, office, and community space. These development projects assisted in the creation and/or retention of **1,900** permanent jobs and **1,360** construction jobs, and provide annual services to **1,660** low-income individuals. Over 90% of NMTC lending to date has been in areas of greater economic distress.





Gary and Mary West Senior Wellness Center

Clearinghouse CDFI provided a \$6.86 million NMTC loan for the construction and permanent financing of the Gary and Mary West Senior Wellness Center in downtown San Diego. This 16,000 square foot facility was renovated from an existing building in downtown and offers innovative, healthy living services for seniors, including: life-long learning, mental health care, civic engagement, computer access, and recreational activities.

The senior center provides meals to 500 low-income seniors daily. Approximately 75% of these seniors live at or below the Federal Poverty Level. The center is located in an area of greater economic distress with a benchmark median income of 41.3%.

SINGLE FAMILY LENDING

Clearinghouse CDFI serves low- and moderate-income families by providing below-market, fixed-rate mortgage loans. Clearinghouse CDFI has funded **846** loans to first-time homebuyers since our first loan in 2003, totaling **\$239** million.

In 2009, Clearinghouse CDFI helped **42** families purchase new homes through loans totaling **\$7.7** million. The vast majority of these families, or **90%**, were low- to moderate-income, including 22% of very low-income families earning less than 50% of the county median income.

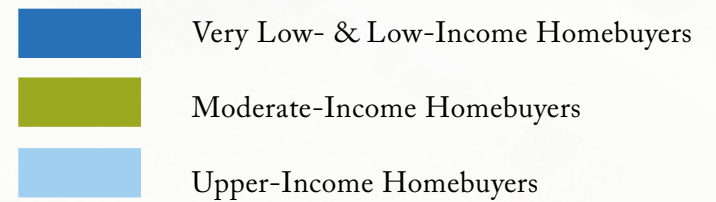
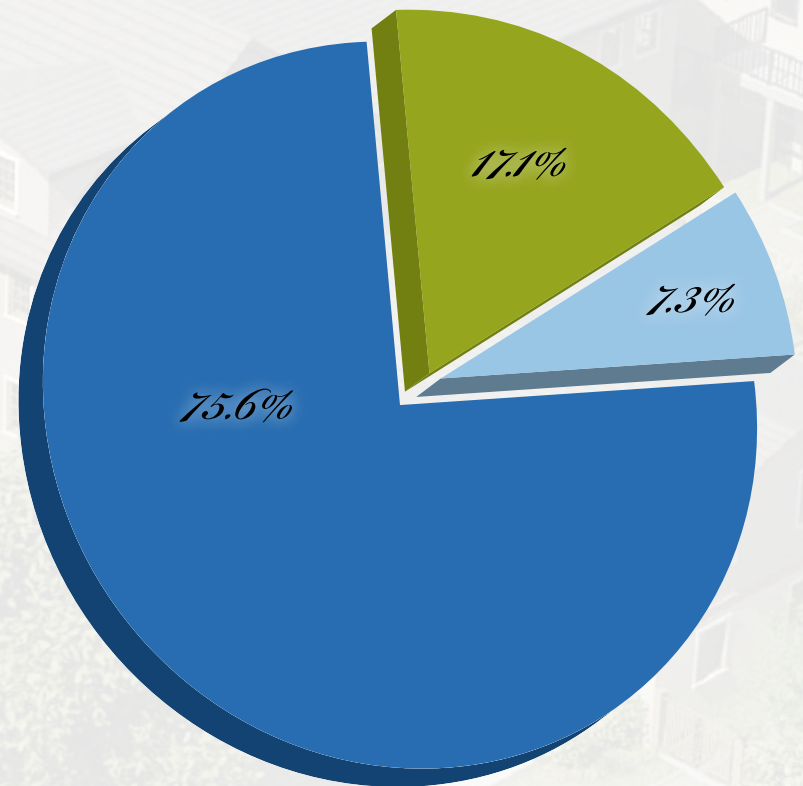
Clearinghouse CDFI serves a diverse population. In 2009, **42%** of Single Family borrowers were minority. Over half of these loans went to Latino or African American families.

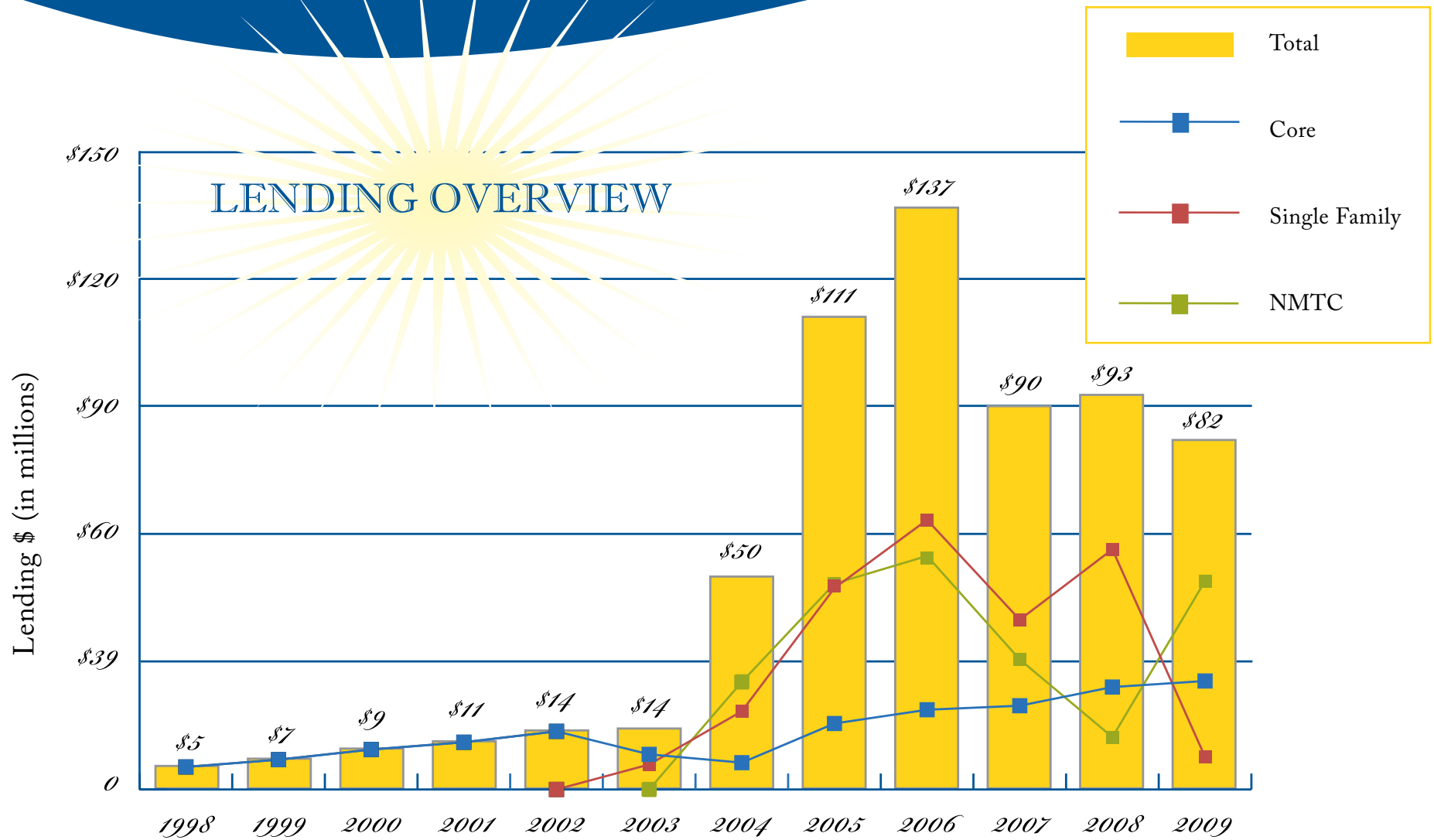
Clearinghouse CDFI broadened the geographic reach of Single Family lending in 2009. First-time homebuyers in nine California counties from Riverside to San Joaquin received mortgage loans. In addition to California lending, Clearinghouse CDFI also funded loans to families living in rural areas of Arkansas, Texas, Maine, Maryland, and Connecticut.





2009 SINGLE FAMILY Borrower Breakdown by Income







Clearinghouse CDFI provided a \$13.68 million NMTC loan to Heritage Housing Partners for the construction and development of a housing project located in Pasadena, CA. This project was completed in 2009 and created 40 units of affordable housing for families earning 80% of area median income.

Dear friends at Clearinghouse,
We are blessed by your abundant generosity! You assist in making the dream of home ownership come true! May you have years filled with dream making projects ahead. We appreciate your investment in us and our dreams.

gratefully,
Missy, *SL*,
Anha, Karaita



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

building healthy communities
creating financial strength
providing innovative solutions
funding dreams for tomorrow



Corporate Office

23861 El Toro Road, Suite 401
Lake Forest, California 92630
Main (949) 859-3600
Fax (949) 859-8534

Northern California Office

1007 Live Oak Blvd., Suite A-8
Yuba City, CA 95991
Direct (530) 923-4148
Fax (949) 859-8534

www.ClearinghouseCDFI.com

www.ClearinghouseNMTC.com