



Community Development Financial Institution

Clearinghouse CDFI Expands Into Arizona through Merger with Arizona MultiBank

Deal will increase Arizona's community development lending by greatly expanding loan capacity and services for the diverse communities within the state

LAKE FOREST, CA – (June 29, 2015) – Clearinghouse Community Development Financial Institution (CDFI), one of the nation's largest CDFIs certified by the United States Department of Treasury, announced today that it is expanding operations into Arizona through a unique transaction with Arizona MultiBank Community Development Corporation (Arizona MultiBank), a local CDFI. The deal facilitates the retirement of Arizona MultiBank's long-term debt through a combination of cash, Clearinghouse CDFI stock and the orderly transition of their loan portfolio.

Arizona MultiBank will now function as a division of Clearinghouse CDFI with an increased capacity to provide larger loans, with longer-terms, to distressed communities within the state of Arizona. As a part of this expansion, Clearinghouse CDFI is not only committing to increase lending in Arizona, but also to Native American populations in Arizona, New Mexico, and Sovereign Nations in the Western United States. Both Clearinghouse CDFI and Arizona MultiBank share a demonstrated commitment to this important but underserved market. A noteworthy project recently financed is the Navajo Tribal Utility Authority Wastewater Treatment Facility in Arizona, which provides clean water to low-income families living on the Navajo reservation.

“Arizona MultiBank shares our mission to address unmet credit needs in underserved communities,” said Douglas Bystry, President and CEO of Clearinghouse CDFI. “We are proud to have this fine organization under our umbrella. We will utilize their years of experience and local expertise to finance even more community development opportunities in Arizona.”

Clearinghouse CDFI has been a leader in the CDFI industry for 19 years. They have issued \$1.1 billion in total loans benefiting over 962,000 individuals and have created or retained more than 12,000 jobs. Their loans have developed and rehabilitated 10 million square feet of community-based real estate and constructed thousands of affordable housing units in California and Nevada.

Arizona MultiBank is a premier community development fund based in Phoenix and serving all of Arizona. Since its incorporation in 1990 as an initiative of the Arizona Bankers Association, Arizona MultiBank has provided over \$55 million for small businesses, affordable housing, and economic development. Their projects have totaled over \$200 million in total development costs. As part of this transaction, Arizona MultiBank's Board of Directors will become a new Arizona Board of Advisors to Clearinghouse CDFI, and all employees will be retained to staff the Arizona operations.

“Arizona MultiBank has a proud history providing its special brand of financing throughout Arizona,” said Andrew Gordon, President and CEO of Arizona MultiBank. “Our new role as a division of Clearinghouse CDFI is a natural transition. I've admired Clearinghouse CDFI's work since its inception. This strategic combination of shared mission and unique strengths enhances our ability to have more positive impact in Arizona.”



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All former Arizona MultiBank investors with a presence in Arizona are now stockholders in Clearinghouse CDFI, which is rated 'AA' Stable by Standard & Poor's Ratings Services. Another unique aspect of the transaction is that the Arizona Community Foundation will become Clearinghouse CDFI's fourth-largest stockholder and receive a sizeable contribution to establish the Arizona MultiBank Legacy Funds to support community development statewide in Arizona.

“With Arizona MultiBank becoming a division of Clearinghouse CDFI, this partnership is a natural extension of the work Arizona Community Foundation (ACF) has been doing for years through its Affordable Housing Fund and Community Impact Loan Fund. Arizona MultiBank's decision to establish a charitable fund at ACF and facilitating ACF's participation as a major shareholder in Clearinghouse CDFI, shows their sustained commitment to community philanthropy and impact investing in Arizona,” said Steve Seleznow, President and CEO for the Arizona Community Foundation. “We believe this collaboration will serve as a model for CDFIs and community foundations around the country to work together in innovative ways to leverage and scale their resources in order to support community development for all people.”

ABOUT CLEARINGHOUSE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)

Clearinghouse CDFI addresses unmet credit needs in California, Nevada, Arizona, New Mexico, and Sovereign Nations in the Western United States. They bridge the financing gap between conventional lending standards and the needs of low-income and distressed communities. Clearinghouse CDFI is also a B Corp—a certification received from the nonprofit B Lab. B Corps are companies who meet rigorous standards of social and environmental performance, transparency, and accountability, and use business as a force for good. Today, Clearinghouse CDFI has over \$200 million in assets and equity exceeding \$33 million. More information is available at: www.clearinghousecdfi.com.

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