

INSPIRE

PERSEVERE



ACHIEVE



Community Development Financial Institution

building healthy communities

creating financial strength

providing innovative solutions

funding dreams for tomorrow



Community Development Financial Institution

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 target market. 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, San Bernardino, San Diego, and Santa Clara.

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:

Clearinghouse CDFI fulfills our mission by:

- 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 human service programs – improving the lives of people and strengthening communities in measurable ways.
- Addressing the unmet credit needs in California through innovative and nontraditional below market rate financing – providing investors and shareholders the opportunity to invest in community change.

Executive Summary:

Founded in 1996, Clearinghouse CDFI continues to serve low-income communities and families throughout the state of California. Clearinghouse has three primary lines of business: Core lending, New Markets Tax Credits and Single Family lending. Since inception we have financed over \$540 million in below-market interest rate loans and equity investments.

CORE LOANS: Core lending is primarily below-market interest rate real estate-based lending that benefits lower-income individuals and communities. Beginning with our first Core loan in 1998, Clearinghouse CDFI has originated over 300 loans totaling \$135 million. These loans assisted 167 organizations, of which 70% are nonprofits.

NEW MARKETS TAX CREDITS: New Markets Tax Credits (NMTC) enable Clearinghouse CDFI to fund significantly larger projects in highly distressed areas. These projects include commercial real estate, for-sale affordable housing, and community facilities. Clearinghouse CDFI works diligently to finance projects that would not be viable without New Markets Tax Credits.

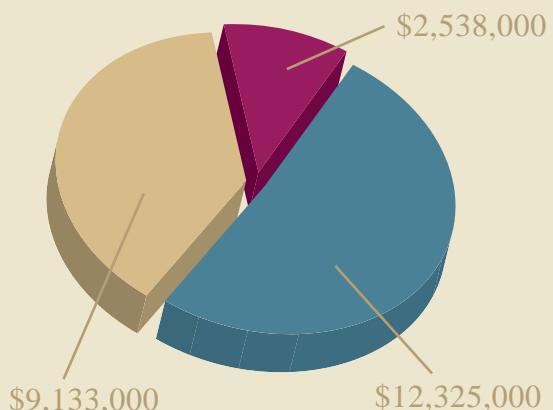
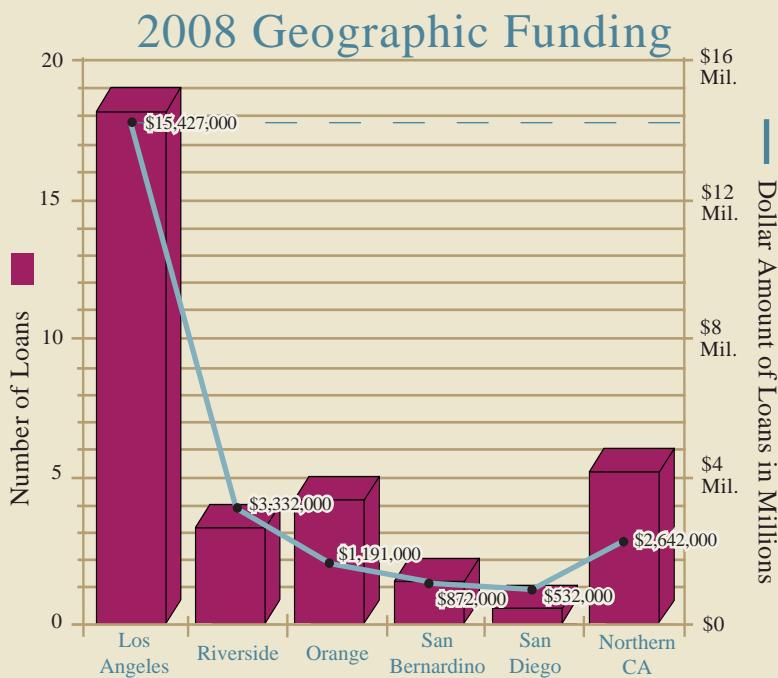
SINGLE FAMILY LOANS: Single Family housing loans are funded to low- and moderate-income first-time homebuyers. Overall, Single Family loans have served 804 families in 38 of California's 58 counties. A total of \$231 million has been funded since 2003.

The total impact of the loans Clearinghouse CDFI has financed can be seen in the following pages with detailed descriptions and statistics. Each line of business highlights different community impacts made by Clearinghouse CDFI loans. The following information offers a snapshot of those impacts - both in 2008 and historically.



Diverse Core Lending

Since inception, Clearinghouse CDFI has touched lives through a diversified and continually expanding loan portfolio. Core loans have provided \$135 million to 167 borrowers, of which 114 are non-profit organizations. Core lending activities fall under the following three categories: Housing Development, Community Development, and Small Business.



2008 Core Portfolio Breakdown

- Small Business
- Housing Development
- Community Development

2008 Clearinghouse CDFI funded 37 Core loans totaling \$23.9 million. Housing Development received the most funding with \$12.3 million. Over half of 2008 Core lending was provided in Los Angeles County, with 19 loans totaling \$15.4 million.



Historical Impact:

2,546 affordable housing units provided through **Housing Development** loans

2008 Clearinghouse CDFI funded 23 Housing Development loans for a total of \$12.3 million. Housing Development loans are used to finance single family and multi-family for-sale and rental housing, group homes and transitional housing.

Clearinghouse CDFI loans helped develop and/or rehabilitate 482 units of for-sale and rental housing. Through these loans, 175,685 square feet was developed or rehabilitated with 89.3% designated as affordable housing.

In addition, \$8.1 million was provided to nonprofit organizations and \$10.1 million, or 82.2%, was funded in disadvantaged communities.



2008 Housing Development Loan Spotlight: Riverside Housing Development

Clearinghouse CDFI provided two loans totaling \$2.18 million to Riverside Housing Development Corporation (RHDC). In collaboration with the county of Riverside, RHDC utilized these funds to acquire and rehabilitate 12 multi-family residences. RHDC is a nonprofit community based corporation that works to improve neighborhoods throughout Riverside and San Bernardino counties. The project created 40 units of affordable rental housing, half of which were designated for individuals and families with incomes less than 80% of the average county median income.



HISTORICAL IMPACT

- Housing Development:** • 2,990 units developed/rehabilitated
• 3.2 million square feet rehabilitated • \$77.9 million funded

Historical Impact:

209,500 clients served through Community Development loans

2008 Community Development Loan Spotlight: Pacific Charter Schools

In 2008, Clearinghouse CDFI provided a \$5 million line of credit to Pacific Charter School Development (PCSD). A portion of these funds enabled PCSD to develop the Frederick Douglass Academy Middle and High School in Los Angeles, CA.

Pacific Charter School Development is a nonprofit developer of charter schools benefiting low-income students. PCSD rehabilitated two buildings located in a disadvantaged community and constructed a total of 36 classrooms. It provided a permanent home for two existing schools, serving 875 low-income middle and high school students at full capacity.

Historical Impact

- 475,000 SQFT of facility space
- 812 child care spaces created
- \$47.2 million funded

Community Development



2008 Clearinghouse CDFI funded 11 Community Development loans for a total of \$9.1 million. Community Development loans help create child care, educational, healthcare, cultural, and faith-based facilities. The loans also fund human and social services.

The 11 loans funded in 2008 served 885 clients and developed or rehabilitated 136,000 square feet. Of these loans, 94.4% of the dollars funded were to nonprofit organizations.

Historical Impact:

440 jobs created through Small Business loans

2008 Small Business Loan Spotlight: Finklestein Commercial Properties, LLC

With a \$2.37 million loan financed by Clearinghouse CDFI, Finklestein Commercial Properties, LLC built their fifth automobile collision repair center. The project was constructed in Yuba City, CA where the unemployment rate was 2.43 times above the national average. Throughout the construction process, approximately 200 construction jobs were created. Additionally, the location sustains about 25 permanent jobs. The new business stimulates growth and economic development in Yuba City and the surrounding area.



2008 Clearinghouse CDFI funded three Small Business loans for a total of \$2.5 million. Small Business loans are used to finance manufacturing and operational facilities, as well as office and retail space. Over the course of 2008, Small Business loans enabled borrowers to rehabilitate 18,830 square feet and create 255 construction and permanent jobs. All of the dollars funded through Small Business loans were in disadvantaged communities.

HISTORICAL IMPACT

- Small Business:
- 413,985 commercial square feet new and rehabilitated
 - \$13.8 million funded

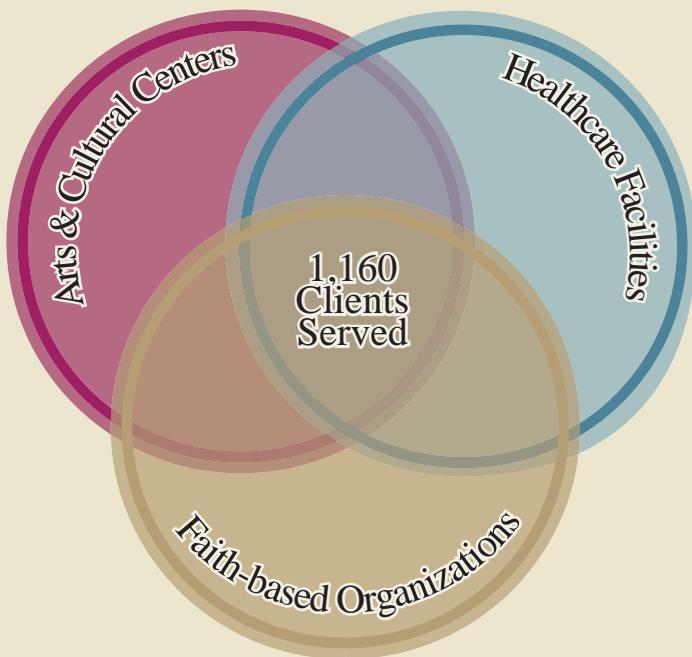
New Markets Tax Credits

In 2004, Clearinghouse CDFI received an initial New Markets Tax Credits (NMTC) allocation of \$56 million. From 2004-2008, Clearinghouse CDFI was awarded four additional allocations for a total of \$258 million. Of this sum, \$168 million was fully disbursed to finance 26 qualified low-income community development projects.

Throughout this period, NMTC loans financed the acquisition and construction of office/retail buildings, manufacturing/industrial buildings, commercial/shopping centers and cultural centers, totaling 1.09 million square feet. These loans generated 630 construction jobs, while creating or retaining 1,535 permanent jobs. Additionally, Clearinghouse NMTC financing contributed to over 100 units of affordable for-sale housing for low-income families earning 50%-80% of the area median income.

The New Markets Tax Credits program has enabled Clearinghouse CDFI to create measurable impacts throughout the state of California. Through 2008, \$47.4 million financed 11 projects in Los Angeles county. In San Diego county, five projects were funded for a total of \$66.0 million, and \$16.5 million was funded across five projects in Riverside county. Additional NMTC projects were funded in Alameda, Monterey, Orange, and San Bernardino counties.

Community Facilities Impacts:



**“To accomplish great things,
we must not only *act*, but also *dream*;
not only *plan*, but also *believe*.”**

— Anatole France



2008 New Markets Tax Credits

Loan Spotlight:

Pomona Fox Theatre, LLC

Clearinghouse CDFI provided \$9.05 million in NMTC loans and equity to acquire and restore a historic theatre built in 1931. The property, which had been vacant for 10 years, is a multi-purpose entertainment venue and includes a concert hall, full service restaurant, bar and lounge, and night club.

Located at the center of downtown Pomona, the Pomona Fox Theatre created 50 construction jobs and sustains 65 permanent jobs. The venue is estimated to bring in 5,000 people per week, which creates opportunities for local businesses to expand or create new services.



The New Pomona Fox Theatre
Pomona, California

HISTORICAL IMPACT

- New Markets Tax Credits: • 1.09 million commercial square feet created • 2,162 construction and permanent jobs created • \$9.69 million average project cost



“Dare to reach your hand into the darkness, to pull another hand into the Light.”

— Norman B. Rice

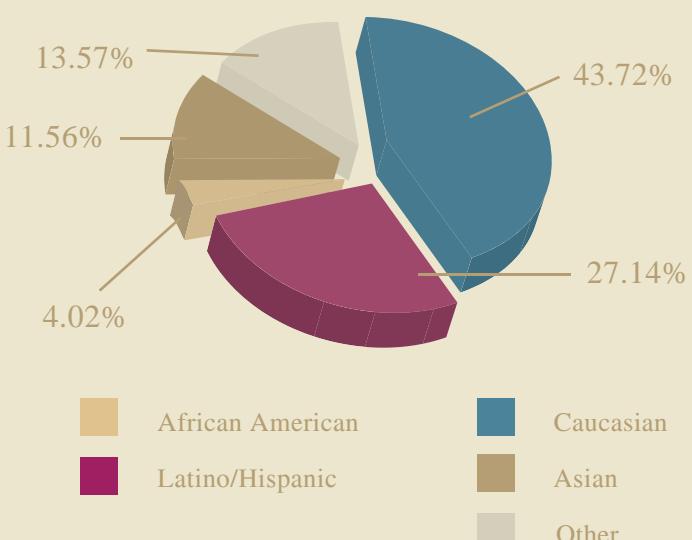
Single Family Lending

Clearinghouse CDFI serves low- and moderate-income families by providing below market, fixed-rate mortgage loans. Clearinghouse CDFI has funded over 800 loans to first-time homebuyers since 2003, totaling \$231 million.

2008 Clearinghouse CDFI helped 199 families across 20 California counties acquire new homes through loans totaling \$56.43 million. Santa Clara, Orange, Los Angeles, Contra Costa, and San Diego county borrowers received the most loans and loan dollars.

Single Family lending has served a diverse population. Over half of 2008 loans aided minorities, with 31.2% funded to Latino or African American families. Furthermore, 83% of Clearinghouse CDFI loans provided housing for low- and moderate-income families.

2008 Loan Breakdown by Ethnicity



HISTORICAL IMPACT

Single Family: • \$177.8 million to low/moderate-income families • 647 low/moderate income families served • 417 minority families served • \$231 million funded

Lending Overview

Clearinghouse CDFI Cumulative
Lending since Inception



SUMMARY



Corporate Office

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

Northern California Office

1227 Bridge Street, Suite C
Yuba City, California 95991
Direct (530) 923-4148
Fax (949) 859-8534