



Community Development  
Financial Institution

# 2014 ANNUAL REPORT







# DEAR SHAREHOLDERS & FRIENDS

Clearinghouse CDFI experienced a year of growth and validation over the past twelve months. We can say with confidence, and supported by third party certification, that we are meeting our mission and performing well financially. The priority of impact and profit is engrained in our mission, creating a double bottom line that has always been a part of our DNA. We could not be more pleased to say “our business model is working” and we have third party standards to prove it.

Balancing impact and profit is not an easy task. Asking others to opine on our performance takes courage. We recently asked Standard and Poor's Ratings Services (S&P Ratings) and B Lab, two distinctive and equally significant third party reviewers, to rate our performance. We are proud to announce our **'AA' Stable credit rating from S&P Ratings** and our designation as a **“Certified B Corp.”** Investors can know with confidence that our company has the capacity to meet its financial commitments yet still consistently operates with high social, economic, and environmental performance standards. These third party standards reinforce that we are running a successful, profitable business while doing good in the community.

We are pleased to report 2014 as our fifteenth consecutive year of profitability. Our history of strong earnings and financial performance continued with a pre-tax profit of over \$4.5 million. Parent company assets increased by 19% to \$192 million, and retained earnings increased by 21% over the previous year. For the tenth consecutive year, we issued dividends to all “Class A” shareholders, providing a consistent and reliable return on equity investments.

Our primary tool for impact and positive change comes from our Core and New Markets Tax Credit (NMTC) financing. In 2014, we funded 32 loans totaling over \$60 million through our direct lending, supporting a variety of impactful projects. These include: commercial facilities promoting revitalization; community facilities, faith-based, and educational facilities benefiting distressed communities; and affordable housing for low-income families. NMTC financing remained an important resource in 2014 for larger, more impactful projects. Much of the year was spent leading the effort to bring NMTCs to Nevada. Four separate projects totaling \$34 million were championed in 2014.

Our hallmark achievement for 2014 was our participation in United States Treasury Department's CDFI Fund Bond Guarantee Program. We closed the first bond ever issued in the amount of \$100 million, providing us with a source of long-term, fixed-rate debt capital. A total of \$23 million for multiple projects was drawn, including: a nonprofit K-12 school, a retail center in a blighted neighborhood, and a nonprofit fair housing organization. We expect to draw the remaining \$77 million over the next year, providing additional capital to increase loan growth and impact in our communities.

As Clearinghouse CDFI continues to grow, our ongoing success will be determined by our adaptability. As such, we also expanded our service area from California and Nevada to include Arizona, New Mexico, and all Sovereign Nations in the Western United States. Part of this expansion will be enhanced through our innovative partnership transaction with Arizona MultiBank. Meeting the significant credit needs of Native American populations will be a new challenge for us, but one worth taking.

We must maintain the perfect balance between risk and impact while providing innovative solutions and excellent customer service. Our double bottom line has become a triple bottom line including people, profit, and the planet. We must consider current and future generations in every action we take. The success of our company is due to your continued support and confidence. Thank you for your ongoing commitment to Clearinghouse CDFI. By continuing to work together, we can **“B the Change.”**

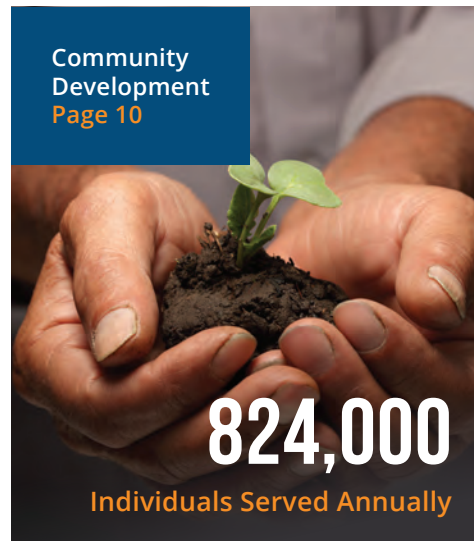


Douglas J. Bystry  
President / CEO



Gary Dunn  
Chairman of the Board

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@cdfi



clearinghouse-cdfi



ClearinghouseCDFI

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**'AA' STABLE**

Standard & Poor's Rating

B Corp  
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Corporation **90%**  
Employee Retention Rate

Investors, Boards,  
& Committees  
Page 20



**16,000**

Volunteer Hours

Building Healthy  
Communities  
Page 19



**\$958,000**

Charitable Contributions

Financials  
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**\$195 MILLION**

Current Total Assets

## CLEARINGHOUSE CDFI 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.





## ECLIPSE CINEMAS

**\$8.6 Million of  
NMTC Allocation &  
\$2.5 Million Loan  
Las Vegas, NV**

One-Stop, Downtown  
Entertainment Complex

Eclipse Cinema is the development of vacant land into a vibrant commercial and retail space. It will attract an estimated 4,400 individuals per week, helping revitalize this distressed area of Las Vegas.

Clearinghouse CDFI will provide \$8.6 million of New Markets Tax Credit allocation and a \$2.5 million loan for this \$19 million construction project. Development of this 72,000 sq. ft., mixed-use facility will create over 260 jobs and foster a true partnership between the for-profit business and nonprofit partners.

Eclipse Cinema will work with community partners to provide on the job training, highlight new career paths, and give back to the community. Five percent of net profits will be donated to local charities.

**4,400** Individuals Attracted Weekly  
to a Distressed Area



# NEW MARKETS TAX CREDITS



## WASHOE TRAVEL PLAZA

\$10 Million of Federal NMTC Allocation

\$2 Million of NV State NMTC Allocation

\$5.6 Million Loan - Washoe Reservation, NV

Sustainable Revenue Source for the Washoe Tribe of Nevada and California

The development of the Washoe Travel Plaza on Native American reservation land will produce a diversified and sustainable source of revenue for this Nevada and California tribe.

Clearinghouse CDFI will provide key financial resources to the project, including: \$10 million of Federal NMTC allocation, \$2 million of Nevada State NMTC allocation, and a \$5.6 million loan to the Washoe Tribe. This transaction is one of the first of its kind in the State of Nevada and will generate approximately 125 jobs in this low-income, tribal community.





## TRI-COUNTIES COMMUNITY HOUSING CORPORATION

**\$547,500**

**Arroyo Grande, CA**

Affordable Housing for  
Low-Income, Developmentally  
Disabled Individuals

Tri-Counties Community Housing Corporation (TCCHC) is a nonprofit organization that enhances the quality of life for people with developmental disabilities by creating quality, affordable housing options in inclusive communities.

Clearinghouse CDFI provided financing for TCCHC to purchase a single-family home in Arroyo Grande, CA. This residence provides housing for six low-income, developmentally disabled residents and offers 24/7 care and support services.

**24/7** Care and Support Services  
for Low-Income Residents



# AFFORDABLE HOUSING



**12** Affordable, Mobile Home Rental Spaces for Migrant Workers



## NOE ESPINOZA MOBILE HOME PARK

**\$242,000 - Thermal, CA**

Safe and Dignified Homes for Migrant Workers and Families

Clearinghouse CDFI provided construction financing for the rehabilitation of Espinoza Mobile Home Park in the East Coachella Valley. Park rehabilitation will deliver upgrades to accommodate additional mobile homes. New and updated systems will include: electrical, septic, water, and propane delivery.

The improvements made to the Espinoza Mobile Home Park will create 12 affordable, mobile home rental spaces and provide a safe community for migrant workers in the East Coachella Valley.





## ORANGE COUNTY COMMUNITY HOUSING CORPORATION

**\$1.14 Million**  
**Santa Ana, CA**

Nonprofit Organization  
Serving Over 2,500  
Individuals Annually

Orange County Community Housing Corporation (OCCHC) is a nonprofit organization that provides housing and educational assistance for low-income families.

Clearinghouse CDFI financed a \$1.14 million loan and provided a \$100,000 grant for OCCHC to acquire a new company headquarters.

The new facility will allow OCCHC to serve 850 additional individuals annually. The project will create or retain 17 construction jobs and secure 11 permanent, full-time positions.

**850** Additional Individuals  
Assisted Annually



# COMMUNITY DEVELOPMENT



**200+** Individuals Served through  
Parish Community Outreach



## IGLESIA NUEVA FILADELFIA

**\$315,000 - Sun Valley, CA**

Parish Community Services Benefiting a Distressed Neighborhood

Iglesia Nueva Filadelfia was founded in 2007 by a group of families to provide religious services and community outreach in Sun Valley, CA.

Clearinghouse CDFI financed a \$315,000 loan to support Iglesia Nueva Filadelfia's community services, which include: educational classes, social activities, and fundraising events for the local impoverished population. The church currently includes over 200 parishioners.





## EARTHBEAM FOODS

**\$1.07 Million**  
**Burlingame, CA**

Strengthening a Small, Local  
Business Offering Healthy  
Food Options

Earthbeam Foods is a locally  
owned grocery store offering  
organic produce and other  
healthy food options for the  
Burlingame community.

Clearinghouse CDFI  
provided a \$1.07 million  
loan for Earthbeam Foods to  
continue providing nutritious  
food options for over 200  
customers daily.

**200+** Customers Served Daily





# ECONOMIC OPPORTUNITY



## MERCADO SAN AGUSTIN

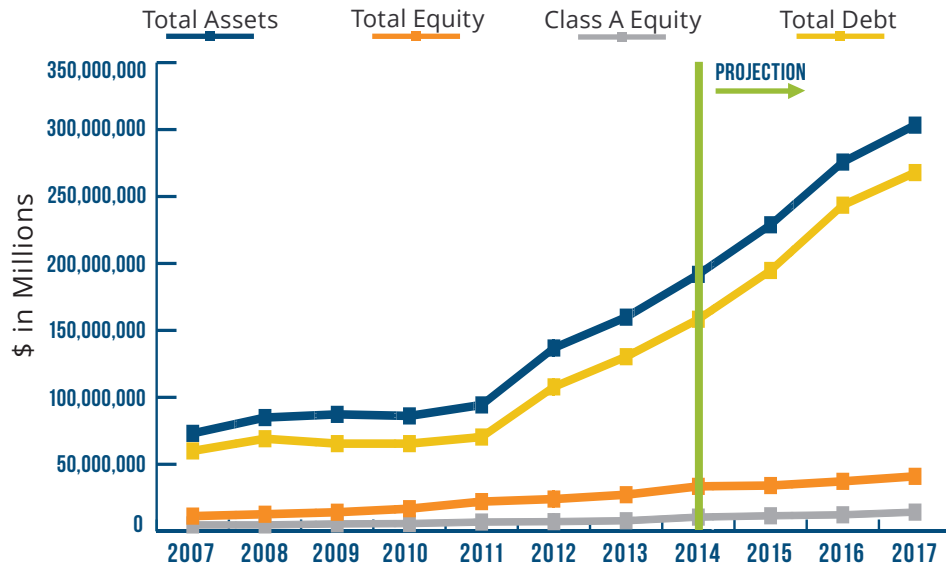
\$2.4 Million - Tucson, AZ

Sustainable Small Business Marketplace in the Heart of Tucson

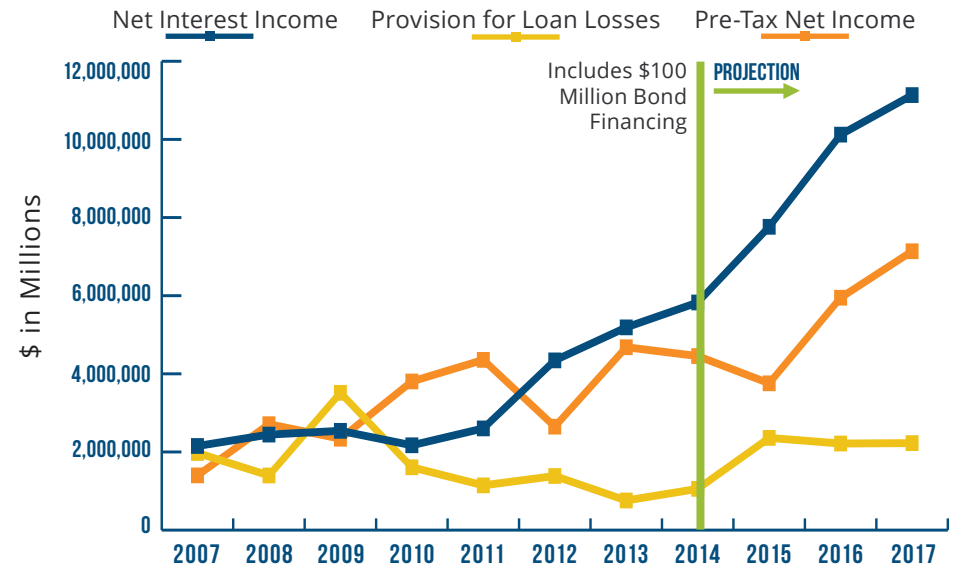
Mercado San Agustin is Tucson's only public marketplace. It offers a diverse selection of local artisan shops, restaurants, and weekly farmers markets.

Clearinghouse CDFI provided \$2.4 million in financing to help Mercado San Agustin continue serving a severely distressed area of Tucson. The Mercado San Agustin marketplace stimulates small business growth and operates as a "green facility" utilizing solar paneling and water conservation.

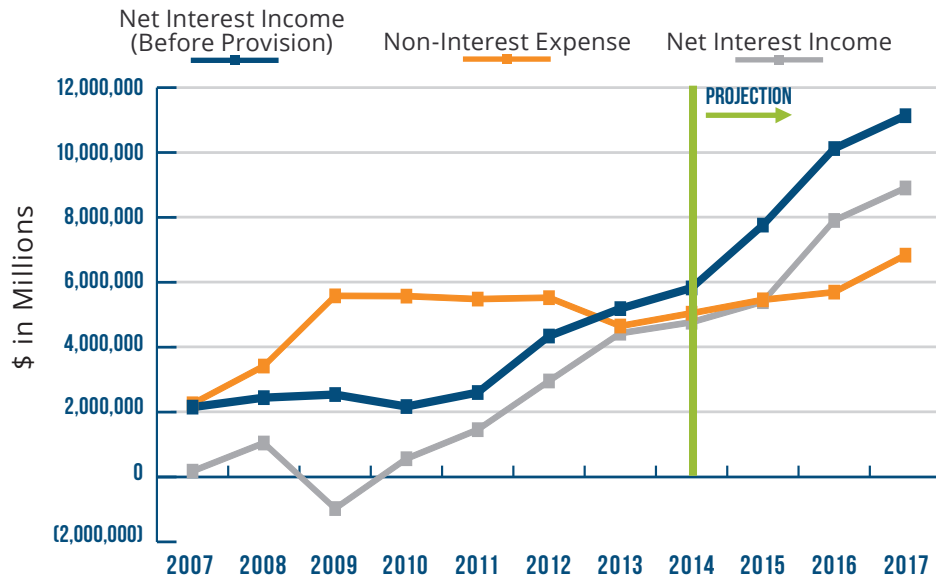
## ASSETS - DEBT - EQUITY



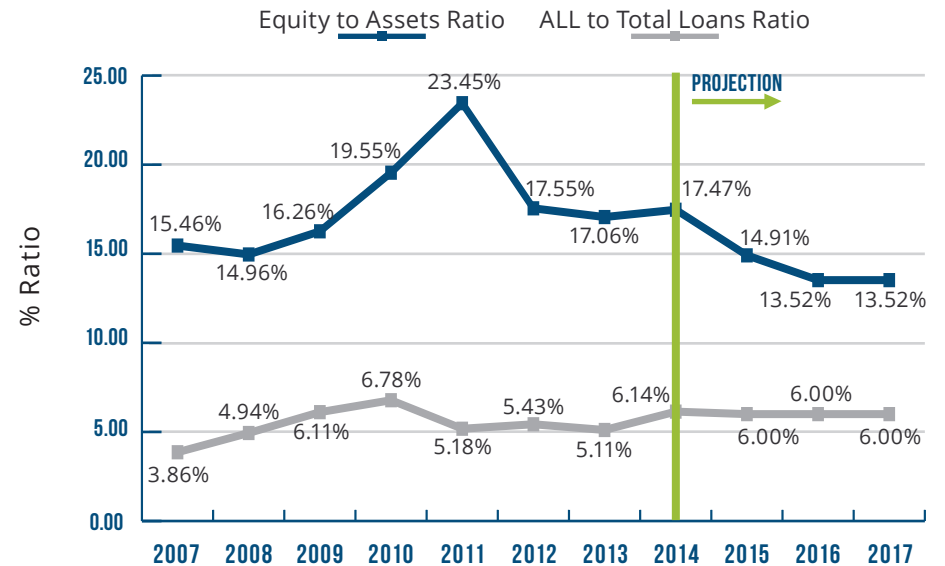
## NET INTEREST INCOME, PRE-TAX INCOME



## NET INTEREST INCOME VS. NON-INTEREST EXPENSE



## KEY RATIOS





# MILESTONES & FINANCIAL ACHIEVEMENTS

## FIRST TO CLOSE—CDFI FUND BOND GUARANTEE PROGRAM: \$100 MILLION

In 2014, Clearinghouse CDFI closed the first bond ever issued through the United States Treasury Department's CDFI Fund Bond Guarantee Program (BGP) in the amount of \$100 million.

Bond funds provide Clearinghouse CDFI with a source of long-term, fixed-rate capital. Our

borrowers benefit from the longer term loans. The fixed-rate capital positively impacts low-income and distressed communities over the long-term.

Clearinghouse CDFI has currently drawn a total of \$23 million for multiple projects. These projects include **Fair Housing Council of**

**Riverside County** in California and **Lake Mead Christian Academy** in Nevada.

We expect to draw the remaining \$77 million over the next year to finance additional projects throughout California, Nevada, Arizona, New Mexico, and Sovereign Nations.



### FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY

**\$467,000 - Riverside, CA**

Nonprofit Organization Providing Housing Education for First-Time Homebuyers & Landlords



### LAKE MEAD CHRISTIAN ACADEMY

**\$4.97 Million - Henderson, NV**

K-12 School and Infant Day Care with One of Nevada's Highest Graduation Rates

## \$2.7 MILLION

Class A Shares Issued in 2014  
Highest Amount Ever Issued in a Single Year

## \$1.1 BILLION

Total Loans Funded Since Inception

# S&P RATING

## STANDARD & POOR'S RATINGS SERVICES ASSIGNS 'AA' STABLE CREDIT RATING TO CLEARINGHOUSE CDFI



"This strong rating validates our corporate commitment to financial performance and demonstrates that community development lending, when properly underwritten and structured, is a sustainable business model," said Clearinghouse CDFI President and CEO, Douglas Bystry.

## First CDFI to obtain a corporate rating from S&P Ratings

We are proud to announce that Clearinghouse CDFI is the nation's first non-depository CDFI to be assigned a credit rating from Standard & Poor's Ratings Services (S&P Ratings). Our 'AA' issuer credit rating indicates to investors Clearinghouse CDFI's "very strong capacity to meet financial commitments."

"This strong rating validates our corporate commitment to financial performance and demonstrates that community development lending, when properly underwritten and structured, is a sustainable business model," said

Clearinghouse CDFI President and CEO, Douglas Bystry. "We hope this rating will allow us to increase our lending efforts in low-income and distressed communities where we operate."

### S&P Ratings cited the following deciding factors in issuing the 'AA' Stable credit rating to Clearinghouse CDFI:

- Minimal loss exposure, which can be absorbed through our reserves and unrestricted equity
- Extremely low-risk debt profile
- A strong history of loan performance dating back to the institution's founding
- Consistent profitability and total-equity-to-total-assets ratio
- Consistent growth in loans and assets
- Experienced and prudent management

"We hope this investment grade rating will attract additional investors, particularly socially conscious and 'impact' investors, who have been unaware of the financial strength of community development lenders and the opportunity to directly invest in this sector," said Bystry.





# SERVICE AREA EXPANSION

NEW CLEARINGHOUSE CDFI SERVICE AREA INCLUDES: CA, NV, AZ, NM & SOVEREIGN NATIONS IN THE WESTERN U.S.



**Clearinghouse CDFI** is effectively increasing its scope and impact by expanding its service area throughout the Western United States. A strategic partnership between Clearinghouse CDFI and **Arizona MultiBank Community Development Corporation** was initiated in 2014 to combine resources and deliver a wide range of loan products throughout the state of Arizona.

Arizona MultiBank, an initiative of the Arizona Bankers Association in 1991, provides financing and access to technical assistance to support and promote small business, affordable housing, and economic development in Arizona.

Clearinghouse CDFI has already successfully provided financing products in Arizona that complement and enhance, but do not compete with those offered by Arizona MultiBank.

Clearinghouse CDFI and Arizona MultiBank recognize and welcome this unique business opportunity to partner, further their shared purpose, and increase their overall community development impact.

## ARIZONA MULTIBANK *Community Development Corporation*

### Investors:

- Wells Fargo Bank
- Bank of America
- JPMorgan Chase
- Bank of the West
- BMO Harris Bank
- National Bank of Arizona
- Nordstrom fsb
- U.S. Bancorp
- First Financial Bank, N.A.
- Arizona Business Bank
- BBVA Compass Bank
- Johnson Financial Group
- Northern Trust Bank
- Bridgeview Bank Group
- Comerica
- FDIC as Receiver
- Meridian Bank
- Mohave State Bank
- Mutual of Omaha Bank

# B CORP CERTIFICATION

## A FORCE FOR GOOD — CLEARINGHOUSE CDFI ACHIEVES B CORP CERTIFICATION



### Redefining Success in Business

It is with determination, solid values, and hard work that Clearinghouse CDFI obtained B Corp certification in 2014. B Corp certification distinguishes Clearinghouse CDFI as a company that is using business as a force for good. As a B Corp, we aim to transcend traditional notions of business success: maximizing profits and maximizing returns to people and the planet.



### Obtaining B Corp Certification

B Lab, the nonprofit that certifies B Corps, required a rigorous Impact Assessment of Clearinghouse CDFI business practices. This assessment included a thorough evaluation of our governance, workforce, community, and environmental practices. Such a comprehensive assessment allows other businesses to confidently rely on this certification and distinguish B Corps from other businesses.

### Our Commitment to “B the Change”

As a mission based CDFI, we have always operated with a commitment to create positive change. Now, with our B Corp certification, other businesses can quickly and reliably identify Clearinghouse CDFI as a company that is making a profit while doing good.

We hope that our commitment to meet higher standards of social and environmental performance, transparency, and accountability will inspire other businesses to join us in this movement. Together, we can redefine success in business.



# BUILDING HEALTHY COMMUNITIES



**Monarch School** - Received \$2,000 from Clearinghouse CDFI as part of a \$50,000 grant. A portion sent 8<sup>th</sup> graders to science camp at Catalina Island Marine Institute.



**Santiago Little League** - Received a \$3,500 Sponsorship from Clearinghouse CDFI to update field equipment.



**El Sol Science and Arts Academy** - Received a \$3,000 Sponsorship from Clearinghouse CDFI for school programs.



**Share Our Selves Adopt-a-Family** - Clearinghouse CDFI donated clothing, food, and gifts for a family of seven struggling to meet basic needs. Staff also volunteered their time at the annual Santa's Workshop to provide 4,436 deserving children with over 10,000 new and wrapped toys, bikes, and other presents.



# INVESTORS / LENDERS



- Class A Investor
- Class C Investor
- CRA Fund
- NMTC Investor
- Lender



- Class A Investor
- CRA Fund
- Depositor
- Lender



- Class A Investor
- Lender



- Class A Investor



- Class A Investor
- Class C Investor
- Depositor



- Class A Investor
- Depositor
- NMTC Investor
- Lender



- Class A Investor



- Class A Investor
- NMTC Investor
- Lender



- Class A Investor



- Class A Investor
- CRA Fund



- Class A Investor



- Class A Investor



- Class A Investor
- Depositor
- Lender



- Class A Investor
- NMTC Investor
- CRA Fund



- Class A Investor
- CRA Fund



- Class A Investor
- NMTC Investor
- Depositor



- Class A Investor



- Class A Investor



- Class A Investor
- Lender



- Class A Investor
- CRA Fund
- NMTC Investor
- Lender



# INVESTORS / LENDERS



- Class A Investor
- NMTC Investor
- Lender



- Class A Investor
- Lender



- Class A Investor



A member of MUFG, a global financial group

- Class A Investor
- Class C Investor
- Lender



- Class A Investor



- Depositor



- Class C Investor



- NMTC Investor



- Lender



FIRST REPUBLIC BANK  
It's a privilege to serve you™

- Class C Investor



- Class A Investor



- Lender



- Depositor



- Lender



- Lender

U.S. Department  
of Treasury  
CDFI Fund

- Class C Investor
- Lender



Erich &  
Hannah  
Sachs  
Foundation

- Depositor



- BGP Qualified Issuer
- Lender



- Lender

**BEND THE ARC**  
a jewish partnership  
for justice  
philanthropy

- Depositor

## CLEARINGHOUSE CDFI BOARD OF DIRECTORS AND EXECUTIVE TEAM



Left to  
Right

Mark Rebal - California Republic Bank; Henry Walker - Farmers & Merchants Bank; Alva Diaz - Wells Fargo Bank; Keith Thomas - Royal Business Bank; Terrin Enssle - Stearns Lending, Inc.; David Levy, Secretary - Fair Housing Council of Orange County; Pat Neal - Neal Estate, Inc.; Douglas J. Bystry - Clearinghouse CDFI; Susan Montoya - First Bank; Jay Harrison - Clearinghouse CDFI; Kristy Ollendorff - Clearinghouse CDFI; Gary Dunn, Chairman - Banc of California; Ray Nayar - AOF/Pacific Affordable Housing; Glen Pacheco - ProAmerica Bank; Alan Orechwa - Clearinghouse CDFI; J. Chris Walsh - Sunwest Bank. **Not Pictured:** Cloyd Phillips - Community Services Agency Development Corporation; Carol Parry Fox - Corporate Social Responsibility Associates



## CLEARINGHOUSE CDFI WELCOMES NEW BOARD OF DIRECTORS CHAIRMAN, GARY DUNN



**Gary Dunn** serves as Senior Vice President and Community Development Officer (CDO) for Banc of California. Mr. Dunn has over 35 years of experience in the financial services industry. He has produced "Outstanding" CRA ratings for his employers for the last 20 years. As the CDO, he designs, implements, manages, and documents a comprehensive CRA program that incorporates formulating policies and procedures that best serve the credit needs of the company's assessment areas.

Mr. Dunn's community and civic involvements include service as a member of the Board of

Directors for Clearinghouse CDFI (Board Chair), Junior Achievement of Southern California, NeighborWorks of Orange County (Board President), Affordable Housing Clearinghouse (Board Vice President), Bankers Small Business CDC of San Diego (Board Treasurer), Mary Erickson Community Housing (Board President), Small Business Financial Development Corporation of Orange County (Board President), OASIS Center International (Board Vice President), Los Angeles Conservation Corps, and OC Relations Advisory Board. He is also a member on various committees for these organizations and others.

## COMMUNITY / NEW MARKETS TAX CREDIT ADVISORY BOARD:

### Member Highlight

David Levy	Board of Directors Liaison
Stanley Tom	Area: Central Valley
Delores Brown	Area: Los Angeles County
Frank Hawkins, Jr.	Area: Southern Nevada
Mike McCraw	Area: San Diego/Imperial County
Andrew P. Michael, Esq.	Area: San Francisco Bay Area
Alan Woo	Area: Orange County
Tim Johnson	Area: At Large
Dr. Raymond Turner	Area: Inland Empire
Chuck Prince	Area: Nevada
Karlene Hunter	Area: Sovereign Nations
Lynn Trojahn	Area: New Mexico
Andrew W. Gordon	Area: Arizona



Clearinghouse CDFI  
Partner Since  
**2004**

### MIKE MCCRAW

#### San Diego / Imperial County

"I have enjoyed serving on the Clearinghouse CDFI NMTC Advisory Board helping to ensure ethnic and socio-economic diversity in their lending efforts. It has been with the help of our faith-based CDC, EVCDC, and California Southern FDC that I have been able to bring critically needed project financing to San Diego and Imperial Counties."

## CLEARINGHOUSE CDFI LOAN COMMITTEE

Glen Pacheco, Chair		ProAmerica Bank
Gary Dunn		Banc of California
Melody Winter Head		OCCHC Advisory Board
Waheed Karim		US Bank
Wesley Wolf		Wolf & Company Inc.
Patricia Dixon		Plaza Bank
Kevin Hooks		Las Vegas Urban League
Alan Orechwa		Clearinghouse CDFI

### Member Highlight



Clearinghouse CDFI  
Partner Since  
**2000**

## GLEN PACHECO

ProAmerica Bank

"It has been my pleasure to work with Doug Bystry and the staff of Clearinghouse CDFI. I have experienced with great admiration the steady growth and expansion of their services. The combined enthusiasm and desire to make a difference in the communities they serve in California and Nevada has been an inspiration to watch."

### Member Highlight



Clearinghouse CDFI  
Partner Since  
**2006**

## SUSAN MONTOYA

First Bank

"Our focus at Clearinghouse CDFI has always been to address unmet credit needs & help communities thrive. We accomplish this and so much more! Just ask our borrowers. As a long-standing board member, investor, and shareholder I am proud of the work we do and the difference we continue to make."

## CLEARINGHOUSE CDFI PURCHASE/REHAB/RESALE BOARD

Susan Montoya, Chair | First Bank

Gary Dunn		Banc of California
Pat Neal		Neal Estate, Inc.
Toni Dwyer		Osher Lifelong Learning Institute
Elsa Monte		Pacific Western Bank
Kristy Ollendorff		Clearinghouse CDFI



## CLEARINGHOUSE CDFI ASSET REVIEW COMMITTEE:

Glen Pacheco, Chair		ProAmerica Bank
Elsa Monte		Pacific Western Bank
Sean Birney		JP Morgan Chase Bank
John Marder		First Bank
Lorena Mendez-Quezada		Wells Fargo Bank
David Sharp		Pacific Western Bank
Terrin Enssle		Stearns Lending, Inc.
Mark Rebal		California Republic Bank
Wilson Mach		First General Bank

## Member Highlight



Clearinghouse CDFI  
Partner Since  
**2009**

## TERRIN ENSSLE

Stearns Lending, Inc.

"I am proud to have been a Clearinghouse CDFI Board member for six years. Through innovative financing programs, Clearinghouse CDFI has made a significant impact on communities and families in California and Nevada. The Asset Review Committee monitors the performance of the lending and investment portfolios, and management's strategies to work through challenges in the portfolios."

## Member Highlight



Clearinghouse CDFI  
Partner  
Since  
Inception

## DAVID LEVY

Fair Housing Council of OC

"Community development that benefits the underserved is a path to justice. I recall the words of Dr. King: 'It is not possible to be in favor of justice for some people and not be in favor of justice for all people.'"

## CLEARINGHOUSE CDFI ALCO COMMITTEE

Terrin Enssle, Chair | Stearns Lending, Inc.

David Levy | Fair Housing Council of OC

Susan Montoya | First Bank

Alan Orechwa | Clearinghouse CDFI

Douglas J. Bystry | Clearinghouse CDFI

CLEARINGHOUSE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION COMPANIES

# CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

## ASSETS

	2014	2013
Cash and cash equivalents	39,448,000	23,345,000
Certificates of deposit	\$ -	\$ 1,019,000
Loans receivable, net	137,344,000	122,540,000
Accrued interest receivable	716,000	596,000
Other receivables and prepaid expenses	2,370,000	1,987,000
Due from related parties	416,000	1,818,000
Deferred taxes	4,420,000	3,832,000
Fixed assets, net	207,000	324,000
Investment in distressed single family properties	399,000	1,159,000
Investment in other companies	4,400,000	4,080,000
Deferred financing costs	701,000	-
Restricted cash	1,437,000	773,000

## TOTAL ASSETS

\$ 191,858,000      \$ 161,473,000

## LIABILITIES AND STOCKHOLDERS' EQUITY

### LIABILITIES

Accounts payable and accrued expenses	\$ 2,388,000	\$ 3,082,000
Accrued interest payable	366,000	297,000
Lines of credit	6,500,000	8,100,000
Interest-bearing deposits	550,000	550,000
Non-interest-bearing deposits	1,050,000	1,450,000
Other notes payable	56,559,000	57,328,000
Federal Home Loan Bank of San Francisco advances	35,000,000	25,000,000
Notes payable, Class A stockholders	37,927,000	37,927,000
CDFI Fund Bond Guarantee Program	18,000,000	-
Due to related parties	4,000	149,000

### TOTAL LIABILITIES

158,344,000      133,883,000

### STOCKHOLDERS' EQUITY

Common stock, no par value		
Class A	10,544,000	7,834,000
Class C	3,580,000	3,580,000
Retained earnings	19,390,000	16,176,000

### TOTAL STOCKHOLDERS' EQUITY

33,514,000      27,590,000

## TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 191,858,000      \$ 161,473,000



# CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

## INTEREST INCOME

Interest on loans receivable  
Interest-bearing deposits  
Total interest income

2014	2013
\$ 9,447,000	\$ 7,619,000
90,000	131,000
9,537,000	7,750,000

## INTEREST EXPENSE

Net interest income

(3,711,000)	(3,114,000)
5,826,000	4,636,000

## PROVISION FOR LOAN LOSSES

Provision for loan losses  
Net interest income after provision for loan losses

(1,056,000)	(758,000)
4,770,000	3,878,000

## NON-INTEREST INCOME

Other loan fees  
Grant income  
Investment income  
Income from investment in distressed single family properties  
Management fees  
Sponsor fees  
Gain on sale of other real estate owned  
Flow-through income from investments in other companies  
Total non-interest income

1,156,000	910,000
1,347,000	-
163,000	74,000
118,000	1,008,000
2,116,000	2,632,000
193,000	1,049,000
-	11,000
32,000	296,000
5,125,000	5,980,000

## NON-INTEREST EXPENSES

Compensation and related benefits  
Insurance  
Professional fees  
Depreciation  
Rent  
Charitable contributions  
General and administrative  
CRA Investment Fund II support  
Total non-interest expense

3,608,000	3,328,000
319,000	259,000
298,000	194,000
119,000	99,000
187,000	169,000
132,000	176,000
777,000	710,000
-	159,000
5,440,000	5,094,000

## INCOME BEFORE PROVISION FOR INCOME TAXES

4,455,000	4,764,000
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## PROVISION FOR INCOME TAXES

(1,135,000)	(1,800,000)
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## NET INCOME

\$ 3,320,000	\$ 2,964,000
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# COMBINING BALANCE SHEET

December 31, 2014

<b>ASSETS</b>	<u>CRA Fund</u>	<u>CRA Fund II</u>	<u>Combined Balance</u>
Cash and cash equivalents	\$ 537,840	\$ 219,031	\$ 756,871
Due from CDFI	2,487	-	2,487
Accrued interest receivable	55,762	14,882	70,644
Restricted cash	197,817	74,191	272,008
Loans receivable, net	16,891,187	7,328,249	24,219,436
<b>TOTAL ASSETS</b>	<b>\$ 17,685,093</b>	<b>\$ 7,636,353</b>	<b>\$ 25,321,446</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
Liabilities			
Due to Clearinghouse CDFI			
Management fee payable	\$ 65,005	\$ 21,712	\$ 86,717
Other payables	36,786	15,436	52,222
Total liabilities	101,791	37,148	138,939
Members' equity	17,583,302	7,599,205	25,182,507
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 17,685,093</b>	<b>\$ 7,636,353</b>	<b>\$ 25,321,446</b>

# COMBINING STATEMENT OF OPERATIONS

For the Year Ended December 31, 2014

<b>INTEREST INCOME</b>	<u>CRA Fund</u>	<u>CRA Fund II</u>	<u>Combined Balance</u>
Interest income - loans receivable	\$ 1,508,985	\$ 538,202	\$ 2,047,187
<b>NON-INTEREST INCOME</b>			
Loan processing income	5,110	75	5,185
Income tax refund	-	749	749
Total non-interest income	5,110	824	5,934
<b>EXPENSES</b>			
Management fees	274,286	113,882	388,168
Total expenses	274,286	113,882	388,168
<b>NET INCOME</b>	<b>\$ 1,239,809</b>	<b>\$ 425,144</b>	<b>\$ 1,664,953</b>

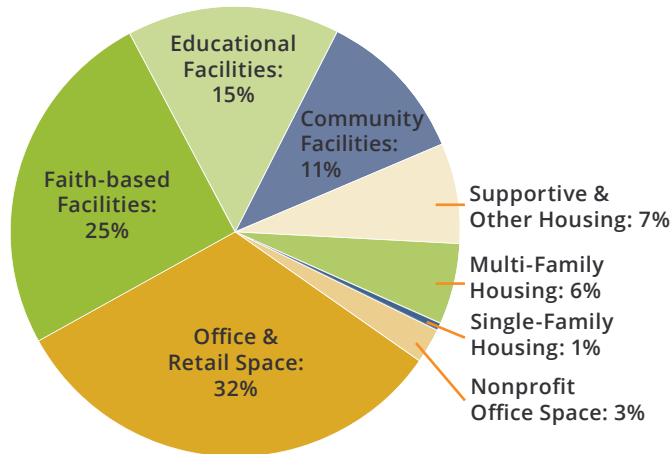


# SELECTED FINANCIAL INFORMATION

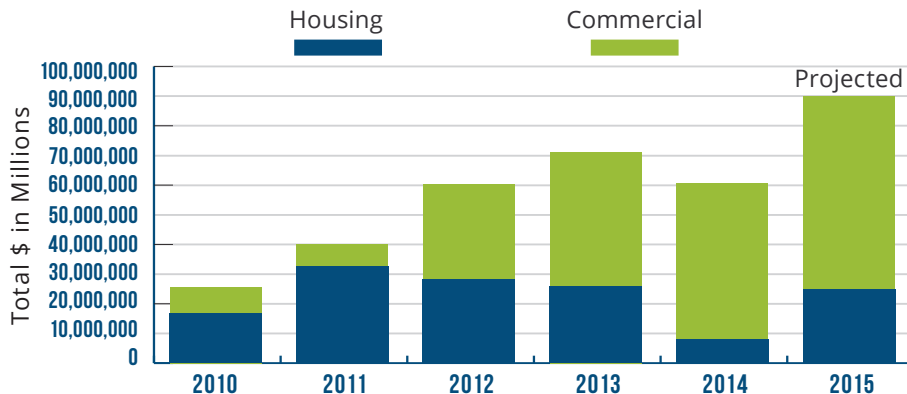
## CORE LENDING

As we broaden our areas of lending, faith-based and retail sectors have grown substantially over the past two years. While historically we have focused our efforts on housing and nonprofit lending, we are now expanding into sectors underserved by traditional lenders.

### 2014 CORE LENDING PORTFOLIO



### CORE LENDING VOLUME



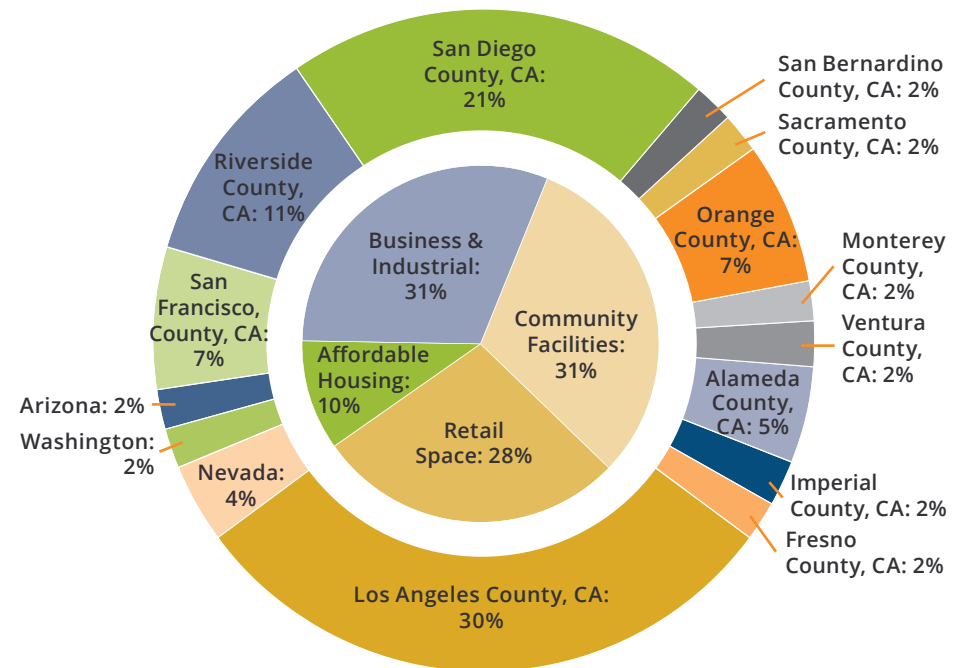
## NEW MARKETS TAX CREDITS

Clearinghouse CDFI is one of the premier providers of New Markets Tax Credits (NMTCs) in the nation. We have participated in this federal program since its inaugural round in 2002, and have deployed \$438 million of Qualified Equity Investments (QEIs) since that time.

2014 was another pioneering year for Clearinghouse CDFI as we structured four new, exciting transactions in Nevada. These transactions will combine \$34.6 million in Federal NMTC allocation with \$8 million of Nevada State NMTCs. This is another "first," as the company continues to expand its innovative products to new, underserved communities.

### NMTC LENDING PORTFOLIO

Since Inception









**BUILDING HEALTHY COMMUNITIES  
PROVIDING INNOVATIVE SOLUTIONS  
CREATING FINANCIAL STRENGTH  
FUNDING DREAMS FOR TOMORROW**



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