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Clearinghouse CDFI, CA Assigned 'AA' Issuer Credit Rating

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NEW YORK (Standard & Poor's) April 2, 2015--Standard & Poor's Ratings Services assigned its 'AA' issuer credit rating to Clearinghouse CDFI (Community Development Financial Institution), Calif. The outlook is stable.

The rating reflects Standard & Poor's view of CDFI's:

- Minimal loss exposure, which can be absorbed through the institution's reserves and unrestricted equity;
- Extremely low-risk debt profile;
- Extremely 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; and
- Experienced and prudent management.

Offsetting the above-mentioned strengths, in the ratings service's view, is CDFI's exposure to a balance of loans that are not enhanced or guaranteed.

"The stable outlook reflects our view of Clearinghouse's consistent profitability, high-performing loans, minimal loan loss exposure, and sufficient equity to cover potential losses," said Standard & Poor's credit analyst Mikiyon Alexander. "Should equity levels rise while loan performance remains exceptional, a positive rating action could result. Conversely, significantly reduced capital adequacy and equity or loan deterioration could result in a negative rating action."

Clearinghouse and its wholly owned subsidiaries are headquartered in Lake Forest, Calif. Clearinghouse is a direct lender for affordable housing, community development, and other nontraditional credit needs in California and Nevada. Clearinghouse's mission is to provide economic opportunities and improve the quality of life for lower-income individuals and communities through innovative and affordable financing not found in the conventional market.

RELATED CRITERIA AND RESEARCH

Related Criteria

- USPF Criteria: Housing Finance Agencies, June 14, 2007
- Criteria: Principles of Credit Ratings, Feb. 16, 2011
- USPF Criteria: Rating Methodology And Assumptions For Affordable Multifamily Housing Bonds, June 19, 2014

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