



Community Development Financial Institution

## **Standard & Poor's Ratings Services Assigns 'AA' Stable Credit Rating to Clearinghouse CDFI**

Clearinghouse CDFI becomes the first Community Development Financial Institution to obtain a rating from S&P Ratings

**LAKE FOREST, CA – APRIL 2, 2015** – Clearinghouse Community Development Financial Institution (Clearinghouse CDFI)—a for-profit corporation serving California, Nevada, Arizona, New Mexico and Native American Communities—announced today that Standard & Poor's Ratings Services (S&P Ratings) has assigned its 'AA' issuer credit rating to the organization. In the process, Clearinghouse CDFI has become the nation's first non-depository CDFI to be assigned a credit rating from S&P Ratings. An 'AA' issuer credit rating indicates that the organization has a "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."

In issuing the credit rating, S&P Ratings cited Clearinghouse CDFI's minimal loss exposure, which can be absorbed through its reserves and unrestricted equity; extremely low-risk debt profile; 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.

Clearinghouse CDFI bridges the financing gap between conventional lending standards and the needs of low-income and distressed communities. Since the company's inception in 1996, it has funded a total of \$1.1 billion in loans, financing 1,570 community development projects that have created or retained more than 12,000 jobs. Examples of Clearinghouse CDFI funded projects include: multi-family affordable housing, nonprofit facilities, educational facilities, small businesses, commercial projects and faith-based endeavors.

"Farmers and Merchants Bank of Long Beach is pleased to be a shareholder of Clearinghouse CDFI," said Henry Walker, President of F&M Bank. "As one of California's strongest banks, we deeply understand and appreciate the ongoing dedication and fiscal responsibility it takes to receive such an impressive rating."

Clearinghouse CDFI has been a leader in the CDFI industry, with a number of other "firsts" in its history. It was the first non-depository CDFI to borrow from the Federal Home Loan Bank system in 2012. In 2014, it was the first CDFI to draw funds under the CDFI Fund Bond



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Guarantee Program, with a facility of \$100 million in long term debt capital. Today, Clearinghouse CDFI has almost \$200 million in total assets with total equity exceeding \$33 million. Clearinghouse CDFI also recently received B Corp Certification in 2014 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.

“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.

More information is available at: [www.clearinghousecdfi.com](http://www.clearinghousecdfi.com).

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