

# BUILDING HEALTHY COMMUNITIES



Community Development  
Financial Institution

**2015**  
ANNUAL REPORT

# 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.



@cdfi



clearinghouse-cdfi



ClearinghouseCDFI



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# DEAR SHAREHOLDERS & FRIENDS

Healthy, vibrant communities create happy people. We strive to build healthy communities where people work, live, grow, thrive, and dream. Sometimes, however, people and communities need help to flourish. Clearinghouse CDFI provides financing that creates assets and opportunities where they are most needed, but not available from traditional sources.

Our record year of lending—\$128 million—has impacted over 300,000 individuals, 66 businesses and nonprofit organizations, and provided over 1,000 low-income residents with safe and affordable homes. Our borrowers rehabilitated 1.8 million square feet of blight and created almost 1,800 construction and permanent jobs.

2015 marks our sixteenth consecutive year of profitability with net income of \$2.9 million. Our record lending increased our loan portfolio by 48% to \$204 million. Our transaction with Arizona MultiBank, in combination with the issuance of 27,800 Class A shares to existing and new investors, grew Stockholders' Equity by 40%, a remarkable achievement that provides capital for our future growth. For the 11<sup>th</sup> consecutive year, we declared a dividend on our Class A shares.

Since inception, Clearinghouse CDFI has served some of the lowest-income families in some of the most disadvantaged communities. We serve all of California, Nevada, Arizona, and New Mexico, as well as Indian Country in the western United States. Our goal is to build deeper relationships with our borrowers and partners within the communities we serve. We will continue to build our new Arizona division—Arizona MultiBank—and find ways to have more impact in Indian Country through our newly established Native American Advisory Board.

Impact and profit are the cornerstones that define us. As a CDFI and certified B Corp, we embrace the challenge to finance projects that fuel economic growth and financial opportunity. We strive to maximize impact while managing risk through careful underwriting and by providing technical assistance. We continually assess the needs of our communities and innovate to provide financial solutions. We look forward to helping more people work, live, dream, grow, and thrive in healthy communities. All of this is possible because of the support of our shareholders and the many strong partnerships we have developed over the years.

**Thank you for sharing this ongoing commitment with us.**



**Douglas J. Bystry**  
President / Chief  
Executive Officer



**Gary Dunn**  
Chairman of  
the Board

**Record  
Production Year:**

**\$128M**

**Asset Increase:**

**41%**

**Stockholders'  
Equity Increase:**

**40%**

# HEALTHY COMMUNITIES

create happy

## PEOPLE...



Los Angeles, CA

# REAL ESTATE INVESTMENT

\$4.6 MILLION INAUGURAL INVESTMENT: 8 DUPLEXES

**C**learinghouse CDFI's Real Estate Company (CREC) purchases and invests in real estate assets to help revitalize and improve underserved communities.

CREC acquired eight duplexes

located in South Los Angeles. These 16 homes, which serve as rental housing for low- and moderate-income families, also include Section 8 tenants. This was CREC's first investment.

Neal Family, Duplex Tenants ▶



*We are pleased Clearinghouse CDFI acquired these duplexes in order to provide low-income families with necessary homes."*

*- Neidy Saenz, Director of Property Management*



# 16 HOMES

FOR LOW- AND  
MODERATE-  
INCOME  
FAMILIES

◀ Ramos Family, Duplex Tenants

**THEY ARE A SOURCE OF**  
pride and  
**connectivity...**



Santa Ana, CA

# WISEPLACE

\$253,300 LOAN

**W**ISEPlace is a nonprofit organization delivering care and assistance to help local women in crisis. For over 90 years, WISEPlace has helped homeless women transition from shelters, abusive environments, and foster care.

Clearinghouse CDFI financed a \$253,300 working capital loan to help WISEPlace increase its fundraising efforts. This will provide the revenue needed for WISEPlace to continue helping homeless women achieve stability and self-sufficiency.



*Thanks to Clearinghouse CDFI, we will continue to be the place where unaccompanied homeless women develop a sense of belonging."*

*- Kathleen Bowman, WISEPlace Executive Director*



WISEPLACE:

# 90 YEARS

Helping  
Women  
in Crisis

And an **INVESTMENT** that  
**EMPOWERS**  
tomorrow's **leaders.**



Beaumont, CA

# CHILDHELP

\$8.23 MILLION LOAN + \$340,000 GRANT

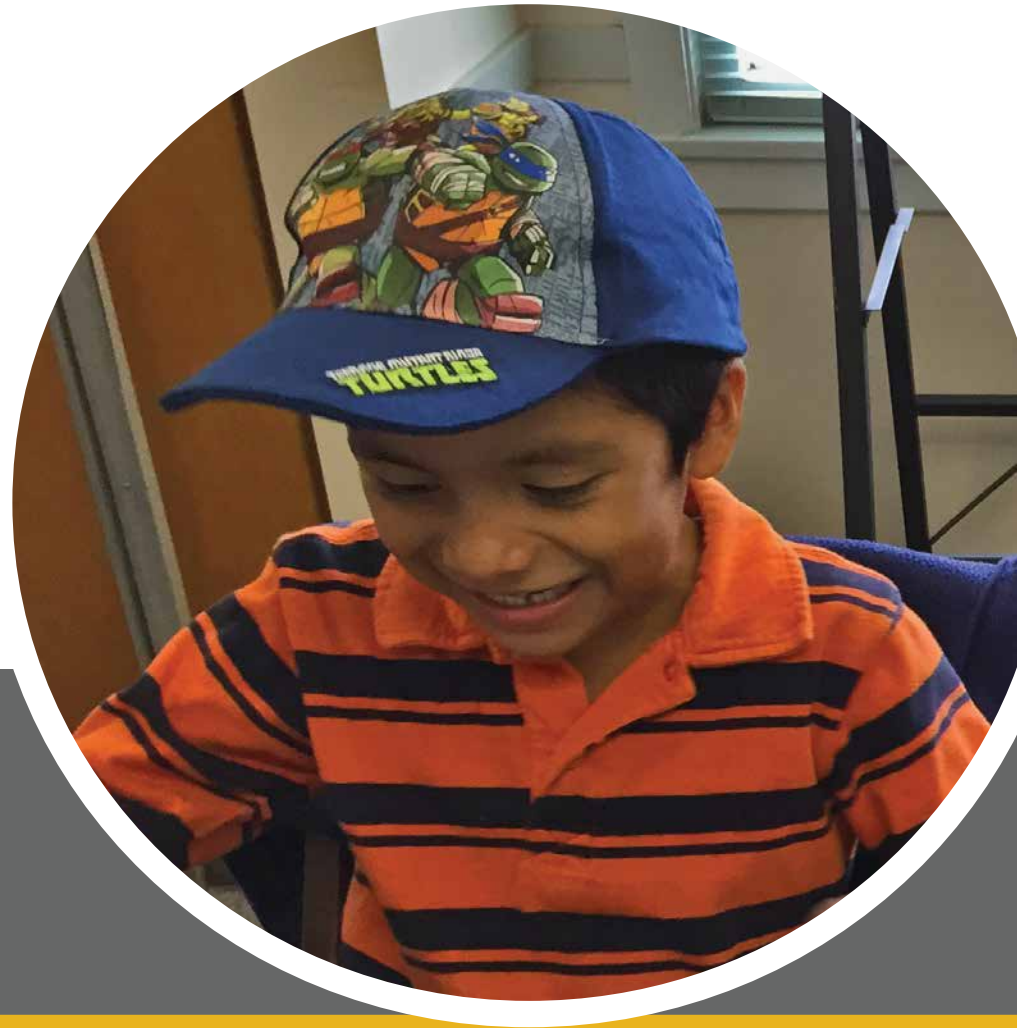
**C**hildhelp is a national nonprofit organization committed to the prevention and treatment of abused and neglected children. It has provided physical, emotional, educational, and spiritual aid to over nine million neglected and abused children nationwide.

Clearinghouse CDFI provided an \$8.23 million loan and a \$340,000 grant to support Childhelp's California operations. Services include: foster care/adoption, counseling, schooling, behavioral health, community services, and therapy individualized to each child.



*"This transaction allows Childhelp to continue bringing the light of love and healing into the lives of millions of abused and neglected children."*

*- Michael Medoro,  
Childhelp Chief Development Officer*



CHILDHELP:

# 70,620

Abused & Neglected  
Children Served  
Annually in California

**PEOPLE** work, live, dream, grow,  
**CAN:** and **THRIVE** in a  
healthy **community.**



North Fork, CA

# NORTH FORK COMMUNITY DEVELOPMENT COUNCIL

\$4.1 MILLION LOAN

**T**he North Fork Community Development Council (North Fork CDC) is a nonprofit organization dedicated to the redevelopment of the local North Fork Old Mill Site into a bioenergy facility.

Clearinghouse CDFI provided \$4.1

million in loans for North Fork CDC to transform the site into a new facility, which will convert lumber scrap from the nearby Sierras into renewable energy. This project will create 30 permanent and construction jobs, promote healthy forests, and power 800 homes with renewable energy.



NORTH FORK  
COMMUNITY  
DEVELOPMENT  
COUNCIL:

# 800 HOMES

Powered  
Annually with  
Renewable  
Green Energy

but **SOMETIMES** people  
need help  
to **flourish...**



Reno, NV

# NORTHERN NEVADA HOPES

\$8.3 MILLION OF NMTC ALLOCATION

**C**learinghouse CDFI continues to lead efforts to deliver State and Federal New Markets Tax Credits (NMTCs) to Nevada with a total of \$8.3 million NMTC allocation for the construction of Northern Nevada HOPES.

Northern Nevada HOPES—Reno's first nonprofit integrated care facility—will treat 10,000 medically underserved patients annually. Development of this 37,000 sq. ft. federally qualified health center will also create 105 construction jobs and 43 new, full-time jobs.



*“Clearinghouse CDFI’s participation helped make this building project possible and will help HOPES serve an estimated 10,000 patients.”*

*- Sharon Chamberlain, CEO of Northern Nevada HOPES*



NORTHERN  
NEVADA  
HOPES:

# 10,000+

Medically  
Underserved  
Patients Treated  
Annually

# THAT'S WHERE WE COME IN!



Phoenix, AZ

# BETH HEBREW SYNAGOGUE

\$500,000 LOAN

**B**eth Hebrew Synagogue was built in 1955. The building originally housed the first Orthodox Jewish congregation in Phoenix, whose members settled in the area following World War II.

Clearinghouse CDFI provided a \$500,000 loan to help save the building from demolition. The restoration of this historic Phoenix synagogue with its rich history will establish a multi-purpose community event center.



*The building will be a community asset and a testament to the original founders. Clearinghouse CDFI and Arizona MultiBank believed in this vision.*

*- Michael Levine, Beth Hebrew Synagogue Developer*



BETH  
HEBREW  
SYNAGOGUE:

# HISTORIC

Synagogue  
Saved from  
Demolition

**WE FINANCE PROJECTS** that bring  
assets and opportunity  
to underserved  
**communities.**



Photo by John Ireland

Snowflake, AZ

# APACHE RAILWAY

\$2.5 MILLION FOR VITAL TRANSPORTATION SYSTEM

**T**he historic Apache Railway—a critical piece of infrastructure operating since 1917 in rural Arizona—is now poised for new growth. A three-year effort to save the Apache Railway has been realized thanks to local and state collaboration.

Clearinghouse CDFI, in partnership with the Arizona Commerce Authority, provided \$2.5 million in financing to help ensure the railway's bright future. Preservation of the Apache Railway saved over 300 jobs and supports economic development in Navajo County.

“*The historic Apache Railway is a key piece of infrastructure that is vital for supporting economic development in Navajo County and its continued operation will attract industry and opportunity to the region.*”

- Governor Doug Ducey, State of Arizona

APACHE  
RAILWAY:

311

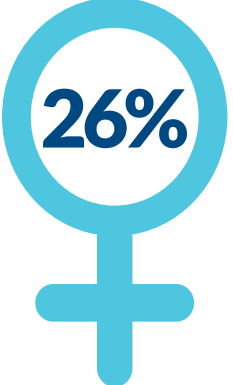
Direct & Indirect  
Jobs Preserved



# WE ARE COMMITTED TO CREATING POSITIVE IMPACTS:

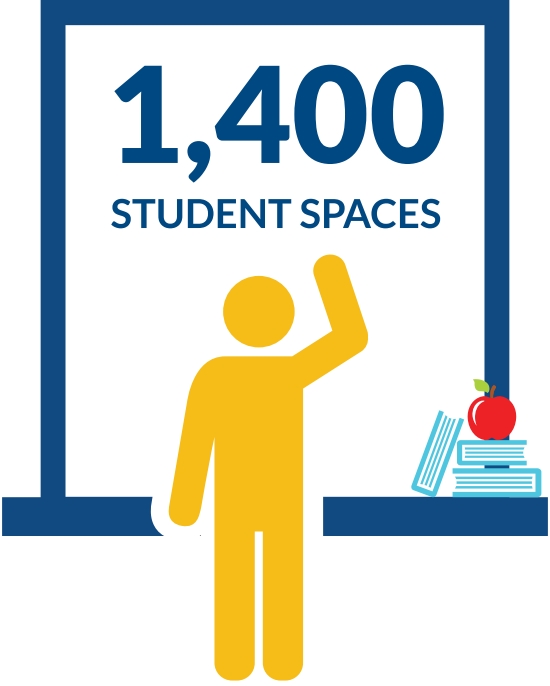
**25**  **SMALL  
BUSINESS  
LOANS**

TOTALING:  
**\$9.6 MILLION**  
in 2015

 **26%**

of all loans  
originated for  
**WOMEN-OWNED/  
MANAGED  
BUSINESSES &  
NONPROFITS**  
in 2015

**1,400**  
STUDENT SPACES



CREATED OR RETAINED  
in 2015

**966**  **UNITS**

of Affordable Housing totaling  
**\$48 MILLION**  
in 2015



**17 LOANS**  
to organizations with environmentally  
sustainable efforts in 2015

**\$1.2 BILLION**

Total Lending Since Inception



**\$1.1 MILLION**  
in Charitable Contributions  
Since Inception



**51** **\$473 MILLION**  
of Allocation Deployed  
Since Inception



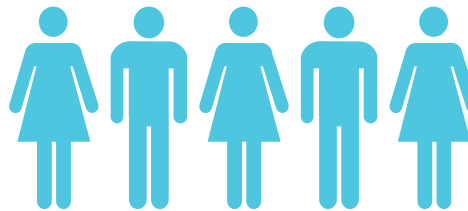
NMTC  
PROJECTS

**66**  
COMMERCIAL  
LOANS  
TOTALING:  
**\$304.7 MILLION**  
Since Inception



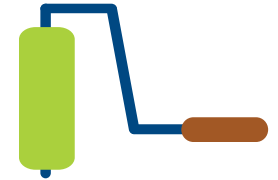
Total Clients Served Since Inception:

**1 MILLION+**



**12 MILLION**

SQUARE  
FEET



Developed or Preserved  
Since Inception

**426**  
Loans to  
NONPROFITS  
TOTALING:  
**\$279 MILLION**  
Since Inception



**13,800**  
**JOBS**  
CREATED  
OR  
RETAINED  
Since Inception



**102,718**  
Healthcare Patients Served  
Since Inception



# WE ARE PLEASED TO SHARE OUR 2015

# MILESTONES:



## CDFI BOND GUARANTEE PROGRAM

- The U.S. Treasury Department's CDFI Bond Guarantee Program provides eligible community development financial institutions with access to long-term capital to help foster economic growth in low-income areas.
- Clearinghouse CDFI closed its second **\$100 million** bond in 2015 & financed **\$50 million** in community development projects.
- Clearinghouse CDFI has financed a total of **30** loans in **20** municipalities through the CDFI Bond Guarantee Program. These projects benefit over **160,000** individuals.



## NEVADA NEW MARKETS TAX CREDITS

- Clearinghouse CDFI pioneered New Markets Tax Credit (NMTC) lending as the first Community Development Entity to deploy both state and federal NMTC allocation in Nevada.
- In 2015, Clearinghouse CDFI provided NMTC allocation to **four** Nevada projects.
- These projects will serve over **52,000** individuals and create **400** new jobs.
- To date, Clearinghouse CDFI has deployed **\$8 Million** of State NMTC Allocation and **\$34.6 Million** of Federal NMTC allocation in the state of Nevada.



## AHEAD PROGRAM GRANT

- The *Access to Housing and Economic Assistance Development* (AHEAD) grant is administered through the Federal Home Loan Bank of San Francisco (FHLB San Francisco).
- It provides early-stage funding for economic development projects in distressed areas.
- In 2015, Clearinghouse CDFI funded a **\$30,000** AHEAD grant to Lutheran Social Services of Nevada to expand their services for homeless individuals in Las Vegas.
- To date, FHLB San Francisco has awarded Clearinghouse CDFI a total of **\$250,000** in AHEAD grant funds for **seven** projects.



“ 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 as a part of our team. We will utilize their years of experience and local expertise to finance more community development opportunities in Arizona.”



## A NEW DIVISION

CLEARINGHOUSE CDFI EXPANDS INTO ARIZONA THROUGH MERGER WITH ARIZONA MULTIBANK & OPENS NEW PHOENIX OFFICE

**C**learinghouse CDFI expanded operations in 2015 into Arizona through a merger with Arizona MultiBank Community Development Corporation, a local CDFI. Now a division of Clearinghouse CDFI, Arizona MultiBank's increased capacity delivers a wider range of loan products and significantly larger loans, with longer terms, throughout the state.

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.

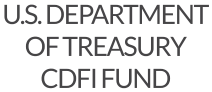
ARIZONA MULTIBANK

A DIVISION OF



## LOOKING FORWARD

- 1 Native American Lending:**  
Clearinghouse CDFI is renewing its commitment to Native American lending and accountability with the newly established Native American Advisory Board.
- 2 Environmental Pledge:**  
Clearinghouse CDFI will consider and track borrower green efforts.
- 3 'B' BOLD Internship Program:**  
This new initiative will empower and develop the next generation through paid internships for high school students from low-income communities.

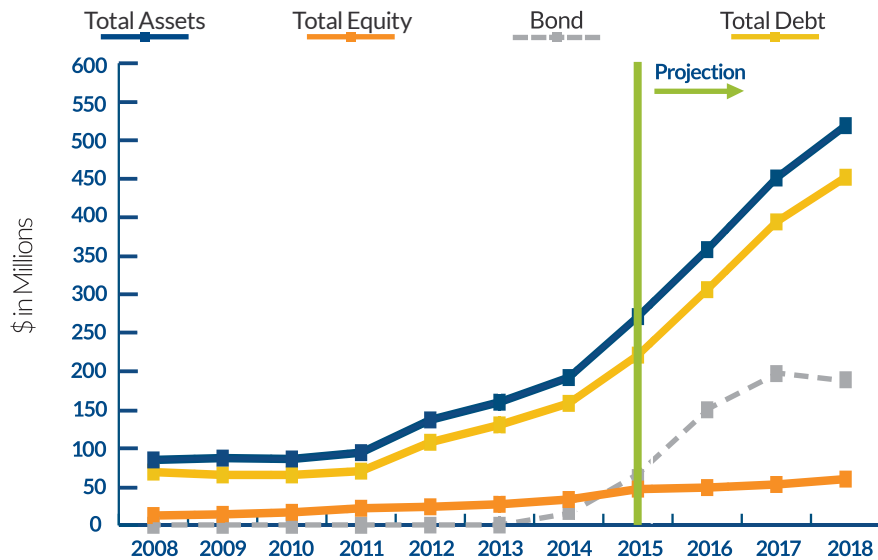
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|  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Class C Investor</li> <li>• CRA Fund</li> <li>• NMTC Investor</li> <li>• Lender</li> </ul>      |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• CRA Fund</li> <li>• Depositor</li> <li>• Lender</li> </ul> |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• NMTC Investor</li> <li>• Lender</li> </ul>                       |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>                           |  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                               |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Depositor</li> </ul> |
|  <p>A member of MUFG, a global financial group</p> <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Class C Investor</li> <li>• Lender</li> </ul> |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>                                         |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• NMTC Investor</li> <li>• CRA Fund</li> <li>• Lender</li> </ul> |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• NMTC Investor</li> <li>• Lender</li> </ul> |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• NMTC Investor</li> <li>• Depositor</li> </ul> |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>    |
|  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                                                                 |  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                           |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>                                              |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• CRA Fund</li> </ul>                        |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• CRA Fund</li> </ul>                           |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>    |
|  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                                                                |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• NMTC Investor</li> <li>• CRA Fund</li> </ul>             |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Depositor</li> </ul>                                          |  <ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Depositor</li> </ul>                      |  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                              |  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                     |
|  <ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                                                              |  <ul style="list-style-type: none"> <li>• Class C Investor</li> <li>• Lender</li> </ul>                                       |  <ul style="list-style-type: none"> <li>• Class C Investor</li> </ul>                                                              |  <ul style="list-style-type: none"> <li>• Class C Investor</li> </ul>                                          |  <ul style="list-style-type: none"> <li>• Depositor</li> </ul>                                                    |  <ul style="list-style-type: none"> <li>• NMTC Investor</li> </ul>                       |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Plaza Bank</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                             | <br><b>CATHAY BANK</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Class C Investor</li> <li>• Depositor</li> <li>• Lender</li> </ul> | <br><b>LUTHER BURBANK SAVINGS</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                     | <br><b>Mutual of Omaha Bank</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                   | <br><b>NEVADA STATE BANK</b><br><small>THE GOOD TO YOUR FUTURE</small><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul> | <br><ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• NMTC Investor</li> <li>• Depositor</li> <li>• Lender</li> </ul>     |
| <br><b>NATIONAL BANK OF ARIZONA</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                              | <br><b>Arizona Business Bank</b><br><small>CoBiz Financial</small><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                        | <br><b>CALIFORNIA BANK &amp; TRUST</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>                             | <br><b>State Bank of India (California)</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> <li>• Lender</li> </ul>                     | <br><b>PACIFIC PREMIER BANK</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                       | <br><b>BOSTON PRIVATE</b><br><small>— COMMUNITY INVESTMENT —</small><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul> |
| <br><b>BMO Harris Bank</b><br><small>We're here to help.</small><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul> | <b>RANCHO SANTA FE THRIFT &amp; LOAN</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                                                                                                   | <br><b>ENTERPRISE BANK &amp; TRUST</b><br><small>TALENT • STRENGTH • PASSION</small><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul> | <br><b>Mohave State Bank</b><br><small>EMBRACING • EMPOWERING • ACHIEVING</small><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul> | <br><b>JOHNSON FINANCIAL GROUP</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                    | <b>NORDSTROM BANK</b><br><ul style="list-style-type: none"> <li>• Class A Investor</li> </ul>                                                                                                                                   |
| <br><b>OPPORTUNITY FINANCE NETWORK</b><br><ul style="list-style-type: none"> <li>• BGP Qualified Issuer</li> <li>• Lender</li> </ul>    | <br><b>FHLBank San Francisco</b><br><ul style="list-style-type: none"> <li>• Lender</li> </ul>                                                                    | <div>  <h1>THANK YOU</h1> <h2>FOR YOUR PARTNERSHIP &amp; ONGOING SUPPORT!</h2> </div>                                                                      |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                 |
| <br><b>COMMUNITIES AT WORK Fund</b><br><ul style="list-style-type: none"> <li>• Lender</li> </ul>                                      | <br><b>Calvert Foundation</b><br><ul style="list-style-type: none"> <li>• Lender</li> </ul>                                                                     |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                 |

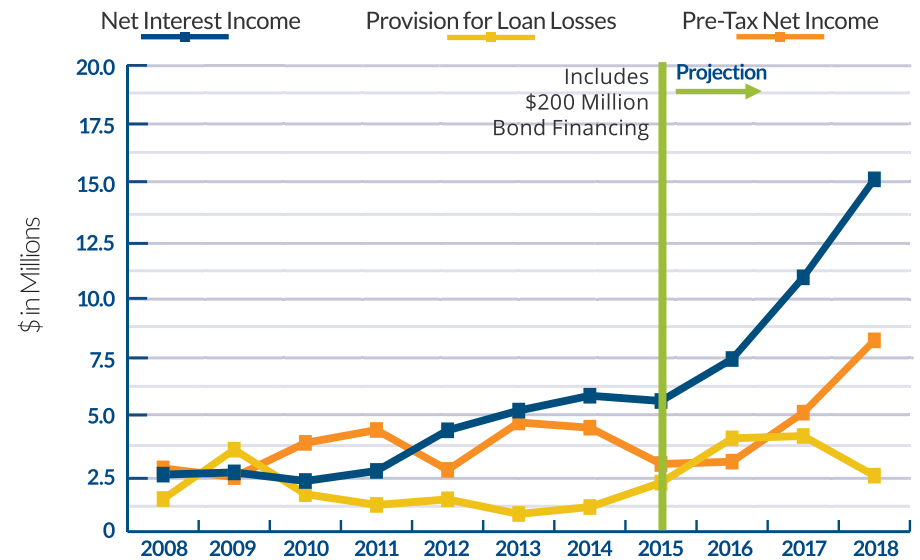
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|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Gary Dunn</b><br>Banc of California<br>• Board of Directors<br>• Loan Committee                               | <div> <div>MEMBER HIGHLIGHT</div> <div>  <b>Mark Rebal</b><br/> California Republic Bank<br/> • Board of Directors<br/> • CREC Committee<br/> • Asset Review Committee </div> <div>PARTNER SINCE 2011</div> </div> <div> <p>“As a Board Member and longstanding partner, I’m proud to support Clearinghouse CDFI. It is a pleasure working together to improve our communities.”</p> </div> |                                                                                                       | <b>Susan Montoya</b><br>First Bank<br>• Board of Directors<br>• ALCO Committee                                                                                                                                                                                                                                                                                                                                                                                         | <b>David Levy</b><br>Fair Housing Council of Orange County<br>• Board of Directors<br>• NMTC Advisory Board<br>• ALCO Committee | <b>Glen Pacheco</b><br>ProAmerica Bank<br>• Board of Directors<br>• Loan Committee<br>• Asset Review Committee |
| <b>Alva Diaz</b><br>Wells Fargo Bank<br>• Board of Directors                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                       | <b>Carol Parry Fox</b><br>Corporate Social Responsibility Associates<br>• Board of Directors<br>• AZ Advisory Board                                                                                                                                                                                                                                                                                                                                                    | <b>Cloyd Phillips</b><br>Community Services Agency Development Corp.<br>• Board of Directors                                    | <b>Henry Walker</b><br>Farmers & Merchants Bank<br>• Board of Directors                                        |
| <b>Jacky Alling</b><br>Arizona Community Foundation<br>• Board of Directors                                      | <b>Pat Neal</b><br>Neal Estate, Inc.<br>• Board of Directors                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Keith Thomas</b><br>Royal Business Bank<br>• Board of Directors                                    | <b>Ray Nayar</b><br>AOF/Pacific Affordable Housing<br>• Board of Directors                                                                                                                                                                                                                                                                                                                                                                                             | <b>Terrin Enssle</b><br>Banc of California<br>• Board of Directors<br>• ALCO Committee                                          | <b>Chris Walsh</b><br>Consultant<br>• Board of Directors                                                       |
| <b>Stanley Tom</b><br>Valley Small Business Development Corp.<br>• NMTC Advisory Board                           | <b>Lynn Trojahn</b><br>Accion<br>• NMTC Advisory Board                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Frank Hawkins, Jr.</b><br>Community Development Programs Center of Nevada<br>• NMTC Advisory Board | <b>Andrew Michael</b><br>Partnership for Change<br>• NMTC Advisory Board                                                                                                                                                                                                                                                                                                                                                                                               | <b>Dr. Raymond Turner</b><br>Temple Missionary Baptist Church<br>• NMTC Advisory Board                                          | <b>Delores Brown</b><br>Community Development & Associates<br>• NMTC Advisory Board                            |
| <b>Alan Woo</b><br>Springfield College / The Black Chamber of Commerce of Orange County<br>• NMTC Advisory Board | <b>Karlene Hunter</b><br>Native American Natural Foods<br>• NMTC Advisory Board<br>• Native American Advisory Board                                                                                                                                                                                                                                                                                                                                                          | <b>Mike McCraw</b><br>R.M. McCraw & Associates<br>• NMTC Advisory Board                               | <div> <div>MEMBER HIGHLIGHT</div> <div>  <b>Tim Johnson</b><br/> City of Federal Way<br/> • NMTC Advisory Board </div> <div>PARTNER SINCE 2005</div> </div> <div> <p>“It is a distinct honor and privilege to serve on the NMTC Advisory Board for Clearinghouse CDFI. It is such a rewarding experience to help bring and provide credit to underserved communities.”</p> </div> |                                                                                                                                 | <b>Kevin Hooks</b><br>Las Vegas Urban League<br>• Loan Committee                                               |
| <b>Waheed Karim</b><br>US Bank<br>• Loan Committee                                                               | <b>Melody Winter Head</b><br>Federal Reserve Bank of San Francisco<br>• Loan Committee Advisor                                                                                                                                                                                                                                                                                                                                                                               | <b>Wesley Wolf</b><br>Wolf & Company, Inc.<br>• Loan Committee                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                 | <b>Patricia Dixon</b><br>Plaza Bank<br>• Loan Committee                                                        |

|                                                                                   |                                                                                                                                                                                                                                             |                                                                                           |                                                                                                                                                                                                                                          |                                                                                               |                                                                                |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Bryan Shaffer</b><br>George Smith Partners<br>• CREC Committee                 | <b>Michael Schirm</b><br>Pacific Western Bank<br>• CREC Committee                                                                                                                                                                           | <b>Mitchell Thompson</b><br>Thompson Consulting<br>• CREC Committee                       | <div> <div>MEMBER HIGHLIGHT</div> <div>  <b>John Marder</b><br/> First Bank<br/> • Asset Review Committee </div> <div>PARTNER SINCE 2011</div> </div> |                                                                                               | <b>Elsa Monte</b><br>Pacific Western Bank<br>• Asset Review Committee          |
| <b>David Sharp</b><br>Pacific Western Bank<br>• Asset Review Committee            | <b>Lorena Mendez-Quezada</b><br>Wells Fargo Bank<br>• Asset Review Committee                                                                                                                                                                | <b>Wilson Mach</b><br>First General Bank<br>• Asset Review Committee                      | <div> <div>“Clearinghouse CDFI has proven to be one of our most interesting and rewarding relationships at First Bank. It has been a pleasure working with such great people in serving our local communities.”</div> </div>             |                                                                                               | <b>Sean Birney</b><br>JP Morgan Chase<br>• Asset Review Committee              |
| <b>Bob Crothers</b><br>Citizen Potawatomi CDC<br>• Native American Advisory Board | <b>Shawn Nelson</b><br>Father Sky Mother Earth Art<br>• Native American Advisory Board                                                                                                                                                      | <b>Chumahan Bowen</b><br>Law Office of Chumahan Bowen<br>• Native American Advisory Board | <b>Gerald Sherman</b><br>Retired Native Finance Professional<br>• Native American Advisory Board                                                                                                                                         | <b>David Murray</b><br>Native Capital Access<br>• Native American Advisory Board              | <b>Jonathan Koppell</b><br>ASU School of Public Affairs<br>• AZ Advisory Board |
| <b>Sandra Watson</b><br>Arizona Commerce Authority<br>• AZ Advisory Board         | <b>Mark VanBrunt</b><br>National Council of La Raza<br>• AZ Advisory Board                                                                                                                                                                  | <b>Edward Celaya</b><br>Mutual of Omaha Bank<br>• AZ Investment Committee                 | <b>Amanda Klee-Sic</b><br>Bank of America<br>• AZ Advisory Board                                                                                                                                                                         | <b>Tim R. Bruckner</b><br>BMO Harris Bank<br>• AZ Advisory Board<br>• AZ Investment Committee | <b>Craig K. Williams</b><br>Snell & Wilmer<br>• AZ Advisory Board              |
| <b>Cyndi Franke-Hudson</b><br>Wells Fargo Bank<br>• AZ Investment Committee       | <div> <div>MEMBER HIGHLIGHT</div> <div>  <b>Laura Green</b><br/> First Foundation Bank<br/> • Loan Committee </div> <div>PARTNER SINCE 2010</div> </div> |                                                                                           | <b>John V. Prince</b><br>Highland Financial Consulting, LLC<br>• AZ Advisory Board                                                                                                                                                       | <b>Michael Lefever</b><br>Wells Fargo Bank<br>• AZ Advisory Board                             | <b>Esperanza Martinez</b><br>Bank of America<br>• AZ Investment Committee      |
| <b>Paul Hickman</b><br>Arizona Bankers Association<br>• AZ Advisory Board         | <div> <div>“Understanding first-hand how Clearinghouse CDFI’s loans improve our communities is personally rewarding. Thank you for the opportunity to contribute to your mission as a Loan Committee member.”</div> </div>                  |                                                                                           | <b>Roger Schwierjohn</b><br>Habitat for Humanity<br>• AZ Advisory Board<br>• AZ Investment Committee                                                                                                                                     | <div> <div>THANK YOU</div> <div>FOR YOUR TIME &amp; COMMITMENT !</div> </div>                 |                                                                                |

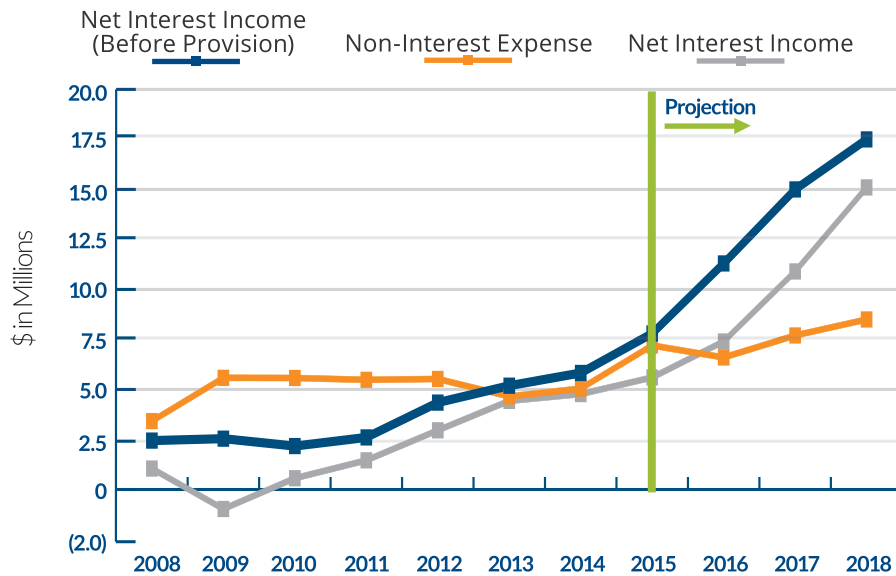
## ASSETS - DEBT - EQUITY



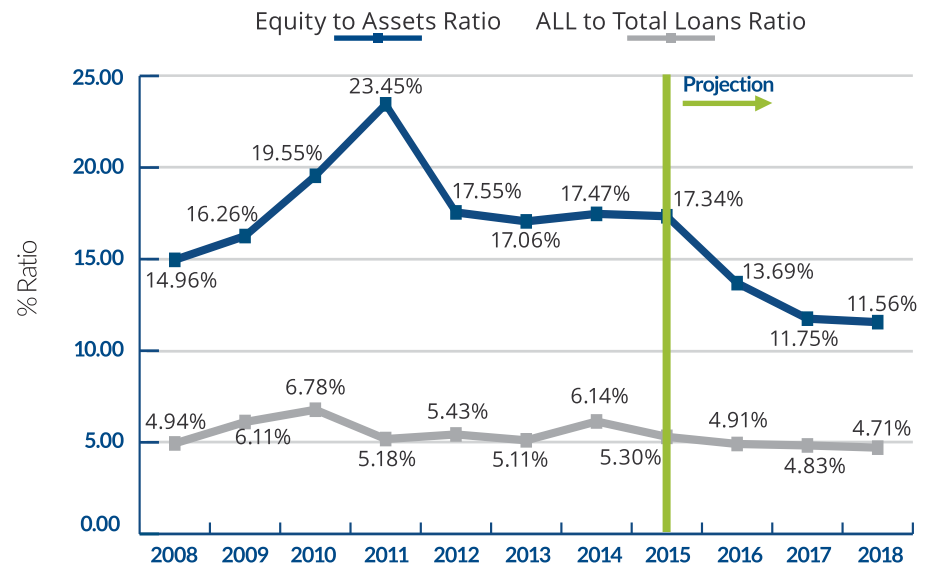
## NET INTEREST INCOME, PRE-TAX INCOME



## NET INTEREST INCOME VS. NON-INTEREST EXPENSE

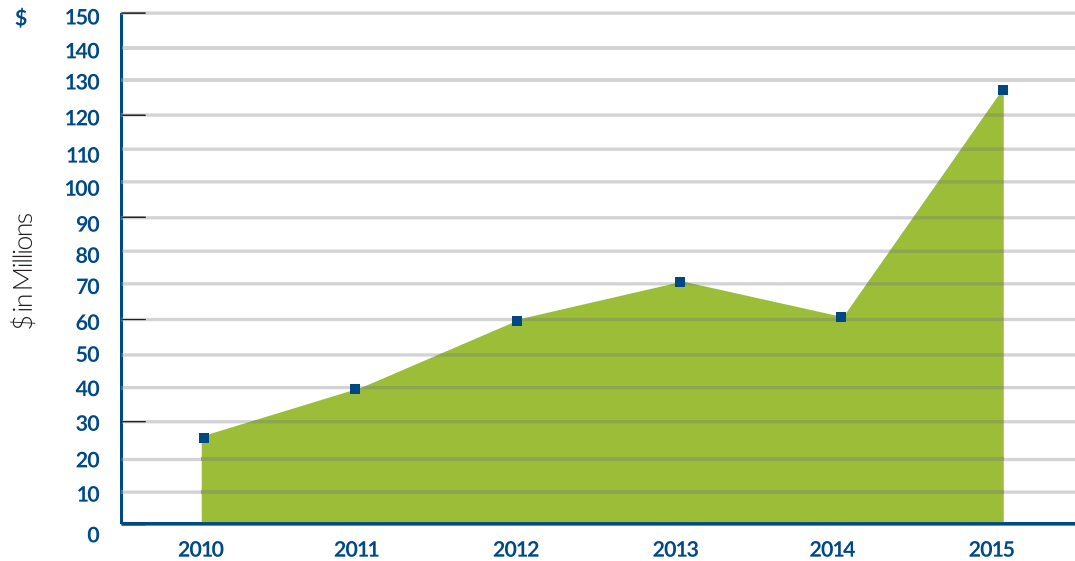


## KEY RATIOS



# CORE LENDING VOLUME

Housing & Commercial



**C**learinghouse CDFI achieved remarkable lending growth in 2015. We not only expanded our service area, but we also doubled our loan volume—which in 2015 totaled as much as 2014 and 2013 combined. Long-term fixed rates,

flexible underwriting, and the ability to fund high loan amounts played key roles in our continued lending growth. With the addition of Arizona to our service area, we were able to fund \$6.5 million in new Arizona Small Business and Development loans into our portfolio.

“We have built a solid reputation within our community. Our borrowers and partners continually rely on us to finance their projects. Our strong balance sheet now allows us to finance larger projects that we never could have funded five years ago. We anticipate an even higher loan volume in the near future with partner referrals and extensive outreach efforts to expand our customer base.”

- Kristy Ollendorff, Chief Credit Officer of Clearinghouse CDFI



CLEARINGHOUSE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION COMPANIES

# CONSOLIDATED BALANCE SHEETS

December 31, 2015 and 2014

## ASSETS

|                                                   | 2015           | 2014           |
|---------------------------------------------------|----------------|----------------|
| Cash and cash equivalents                         | 41,647,000     | 39,448,000     |
| Loans receivable, net                             | \$ 203,531,000 | \$ 137,344,000 |
| Accrued interest receivable                       | 956,000        | 716,000        |
| Other receivables and prepaid expenses            | 4,173,000      | 2,370,000      |
| Operating Investments (CREC)                      | 6,776,000      | -              |
| Due from related parties                          | 395,000        | 416,000        |
| Deferred taxes                                    | 6,350,000      | 4,420,000      |
| Fixed assets, net                                 | 1,526,000      | 207,000        |
| Investment in distressed single family properties | -              | 399,000        |
| Investment in other companies                     | 1,192,000      | 4,400,000      |
| Deferred financing costs, net                     | 953,000        | 701,000        |
| Restricted cash                                   | 3,498,000      | 1,437,000      |

## TOTAL ASSETS

\$ 270,997,000 \$ 191,858,000

## LIABILITIES AND STOCKHOLDERS' EQUITY

### LIABILITIES

|                                                  |              |              |
|--------------------------------------------------|--------------|--------------|
| Accounts payable and accrued expenses            | \$ 2,779,000 | \$ 2,388,000 |
| Accrued interest payable                         | 645,000      | 366,000      |
| Lines of credit                                  | 15,300,000   | 6,500,000    |
| Interest-bearing deposits                        | 250,000      | 550,000      |
| Non-interest-bearing deposits                    | 1,850,000    | 1,050,000    |
| Other notes payable                              | 62,276,000   | 56,559,000   |
| Federal Home Loan Bank of San Francisco advances | 41,000,000   | 35,000,000   |
| Notes payable, Class A stockholders              | 37,927,000   | 37,927,000   |
| CDFI Fund Bond Guarantee Program                 | 62,000,000   | 18,000,000   |
| Due to related parties                           | 2,000        | 4,000        |

## TOTAL LIABILITIES

224,029,000 158,344,000

### STOCKHOLDERS' EQUITY

|                            |            |            |
|----------------------------|------------|------------|
| Common stock, no par value |            |            |
| Class A                    | 21,265,000 | 10,544,000 |
| Class C                    | 3,580,000  | 3,580,000  |
| Retained earnings          | 22,123,000 | 19,390,000 |

## TOTAL STOCKHOLDERS' EQUITY

46,968,000 33,514,000

## TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 270,997,000 \$ 191,858,000

# CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2015 and 2014

## INTEREST INCOME

|                              | 2015          | 2014          |
|------------------------------|---------------|---------------|
| Interest on loans receivable | \$ 12,462,000 | \$ 10,093,000 |
| Interest-bearing deposits    | 144,000       | 90,000        |
| Total interest income        | 12,606,000    | 10,183,000    |

## INTEREST EXPENSE

|                     |             |             |
|---------------------|-------------|-------------|
| Net interest income | (4,848,000) | (3,711,000) |
|                     | 7,758,000   | 6,472,000   |

## PROVISION FOR LOAN LOSSES

|                                                     |             |             |
|-----------------------------------------------------|-------------|-------------|
| Net interest income after provision for loan losses | (2,113,000) | (1,056,000) |
|                                                     | 5,645,000   | 5,416,000   |

## NON INTEREST INCOME

|                                                               |           |           |
|---------------------------------------------------------------|-----------|-----------|
| Other loan fees                                               | 953,000   | 510,000   |
| Grant income                                                  | -         | 1,347,000 |
| Investment income                                             | 282,000   | 163,000   |
| Income from investment in distressed single family properties | -         | 118,000   |
| Management fees                                               | 1,893,000 | 2,116,000 |
| Sponsor fees                                                  | 1,244,000 | 193,000   |
| Income from operating investments (CREC)                      | 47,000    | -         |
| Total non-interest income                                     | 4,419,000 | 4,447,000 |

## NON INTEREST EXPENSES

|                                                                |           |           |
|----------------------------------------------------------------|-----------|-----------|
| Compensation and related benefits                              | 5,009,000 | 3,608,000 |
| Insurance                                                      | 331,000   | 319,000   |
| Professional fees                                              | 383,000   | 298,000   |
| Depreciation                                                   | 107,000   | 119,000   |
| Rent                                                           | 201,000   | 187,000   |
| Marketing                                                      | 158,000   | 130,000   |
| Charitable contributions                                       | 140,000   | 132,000   |
| Flow-through loss (income) from investments in other companies | 8,000     | (32,000)  |
| General and administrative                                     | 872,000   | 647,000   |
| Historic tax credit investment amortization                    | 2,502,000 | -         |
| Total non-interest expense                                     | 9,711,000 | 5,408,000 |

## INCOME BEFORE BENEFIT FROM (PROVISION FOR) INCOME TAXES

|  |         |           |
|--|---------|-----------|
|  | 353,000 | 4,455,000 |
|--|---------|-----------|

## BENEFIT FROM (PROVISION FOR) INCOME TAXES

|  |           |             |
|--|-----------|-------------|
|  | 2,548,000 | (1,135,000) |
|--|-----------|-------------|

## NET INCOME

|  |              |              |
|--|--------------|--------------|
|  | \$ 2,901,000 | \$ 3,320,000 |
|--|--------------|--------------|

# WE APPRECIATE ALL OF THE LITTLE MOMENTS:



2015 Annual Shareholders Meeting - Clearinghouse CDFI Staff



OFN Conference - Detroit



Reservation Economic Summit



Huntington Beach Council on Aging - Golf Tournament



Mary Erickson Community Housing



Girls Inc. Celebration Luncheon



Orange County Marathon



2015 B Corp Retreat



OCCHC Open House



2015 Holiday Party



Staff Angels Day



Affordable Housing Awards



Orange County Human Relations Awards



Eclipse Cinemas Groundbreaking with Las Vegas Mayor Carolyn Goodman



2015 Annual Shareholders Meeting



East Bay Asian Local Dev. Corp. Check Presentation

# THANK YOU TO OUR PLATINUM SPONSOR:



## LOS ANGELES OFFICE

5670 Wilshire Boulevard  
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Los Angeles, CA 90036  
Main: (949) 859-3600

## OAKLAND OFFICE

505 14<sup>th</sup> Street  
Suite 900  
Oakland, CA 94612  
Main: (510) 557-5077

## CLEARINGHOUSE CDFI MAIN OFFICE



23861 El Toro Road  
Suite 401  
Lake Forest, CA 92630  
Main: (949) 859-3600

## PHOENIX OFFICE

16 W. Vernon Avenue  
2<sup>nd</sup> Floor  
Phoenix, AZ 85003  
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## LAS VEGAS OFFICE

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