



Community Development Financial Institution

TERRA Network Receives Critical Financing to Bring Internet to Rural Alaska

Clearinghouse CDFI's First Loan Within the State of Alaska will Improve the Standard of Living for Five Inupiat Eskimo Communities

5-15-17 – Northwest Alaska – Clearinghouse Community Development Financial Institution (Clearinghouse CDFI) announced today that it has closed a New Markets Tax Credit transaction with General Communication Inc. (GCI) for the construction of an additional phase of TERRA (“Terrestrial for Every Region of Rural Alaska”)—a hybrid fiber-optic microwave network. The project will establish broadband internet access and directly connect the five Inupiat Eskimo communities of Buckland, Noorvik, Selawik, Kiana, and Noatak, Alaska with the internet backbone. When completed, the TERRA network will deliver critical bandwidth to native organizations, school districts, regional health corporations, and individual residents throughout these distressed, northwest Alaskan villages.

“This is a very special project for us that will change lives for years to come,” said Clearinghouse CDFI President and CEO Douglas Bystry. “We are honored to help GCI bring this basic, yet critical communication resource to Native Alaskan communities that previously have been isolated.”

The TERRA project is Clearinghouse CDFI’s first loan in the State of Alaska as part of its ongoing service area expansion benefiting sovereign nations throughout the western United States. The TERRA network currently serves 72 communities in western Alaska—many of which are so remote, they are only accessible by boat or plane. Once complete, the new broadband network will deliver multiple benefits and services throughout the Norton Sound region of rural Alaska.

“GCI has delivered high-speed internet to some of the most remote locations on earth,” said Vice President of GCI Business Lewis Schnaper. “We’ve seen how access to broadband can improve healthcare, education, and public safety and understand its importance. We are excited that our NMTC financing from Clearinghouse CDFI will help to extend this transformational service and bring more economic opportunity to additional communities in Alaska.”

The current project will also create 100 construction jobs and 13 permanent jobs paying an average salary significantly higher than the area living wage. Additionally, countless new employment opportunities will become possible thanks to the introduction of reliable internet access in this remote area.

US Bank was the tax credit investor in this \$10 million transaction.

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ABOUT NEW MARKETS TAX CREDITS

New Markets Tax Credits (NMTC) were established by Congress in 2000 to encourage the investment of private capital in designated low-income communities in order to create jobs,



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generate economic activity and improve the quality of services in low-income communities and to low-income persons. NMTCs attract investment capital to low-income communities by permitting individual and corporate investors to receive a 39% tax credit against their federal income tax return over a period of seven years in exchange for making qualified equity investments in specialized financial institutions called Community Development Entities (CDEs). In turn, CDEs provide below-market financing to transformative development projects in low-income communities across the country. For more information, visit www.cdfifund.gov.

ABOUT CLEARINGHOUSE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (Clearinghouse CDFI):

Clearinghouse Community Development Financial Institution (Clearinghouse CDFI) addresses unmet credit needs in California, Nevada, Arizona, New Mexico, and Sovereign Nations in the Western U.S. Clearinghouse CDFI is an industry leader helping to bridge the gap between conventional lending standards and the needs of low-income and distressed communities.

Over 20 years, Clearinghouse CDFI has funded \$1.4 billion in total loans for over 1,780 projects which have created or retained more than 16,000 jobs and benefit over 1.4 million individuals. Clearinghouse CDFI is also a B Corp—a certification received 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. At December 31, 2016, Clearinghouse CDFI has total assets of \$363 million. More information is available at: www.clearinghousecdfi.com.

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