Wachovia NEXT awards for Opportunity Finance
In partnership with The John D. and Catherine T. MacArthur Foundation

10 U.S. ORGANIZATIONS NAMED AS SEMI-FINALISTS FOR $8.25 MILLION "WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE"

Community-Based Groups Eyed for "Transformational" Award Offered by The Wachovia Foundation, MacArthur Foundation and Opportunity Finance Network; Organizations Range from NH to CA.

CHARLOTTE, N.C., CHICAGO, IL., AND PHILADELPHIA, PA.///October 2, 2007///The Wachovia NEXT Awards for Opportunity Finance in partnership with the John D. and Catherine T. MacArthur Foundation today named 10 U.S. community development financial institutions (CDFIs) as semi-finalists for $8.25 million in grants and awards under an unprecedented new awards program offered by the Opportunity Finance Network and sponsored by The Wachovia Foundation and the John D. and Catherine T. MacArthur Foundation.

$8.25 million in grants and investments will be divided between two organizations. The winners will be selected by a distinguished national committee from among the following semi-finalists: **ACCION Texas, San Antonio, TX; Boston Community Capital, Boston, MA; Clearinghouse CDFI, Lake Forest, CA; Community First Fund, Lancaster PA; Community Loan Fund, Concord, NH; Corporation for Supportive Housing, New York, NY; Housing Development Fund, Inc., Stamford, CT; IFF, Chicago, IL; Latino Community Credit Union, Durham, NC; and Southern Bancorp, Arkadelphia, AR.**

The recipients of the Wachovia NEXT Awards for Opportunity Finance will be named in December 2007 in Miami.

Financing provided by community-based CDFIs allows nonprofits and entrepreneurs to build and preserve affordable housing, help small businesses grow, and develop new community facilities, such as schools, health clinics and centers for child care, recreation and culture.

Mark Pinsky, president and CEO of the Philadelphia-based Opportunity Finance Network, said: **"The semi finalists that we are honoring today are precisely the type of high-potential CDFI that the Wachovia NEXT Awards for Opportunity Finance was designed to propel to a next level of growth, success, and staying power with a major one-time infusion of capital."**

"At The Wachovia Foundation, we're committed to supporting the community development financial institutions that are creating positive change in their communities," said Mike Rizer, executive vice president for The Wachovia Foundation. **"We're proud to continue our long-standing support for the opportunity finance industry with our investment in the Wachovia NEXT Awards for Opportunity Finance, which will help innovative, up-and-coming CDFIs grow and create even more economic opportunity for families and communities."**

Selection Committee

Frank DeGiovanni
Ford Foundation

Martin Eakes
Self-Help

Jim Fruchterman
The Benetech Initiative

Mary Houghton
ShoreBank Corporation

Paul Light
Wagner School
New York University

Eugene Ludwig
Promontory Interfinancial Network

Elsie Meeks
First Nations Oweesta Corporation

Kirsten Moy
Aspen Institute

Cecilia Munoz
National Council of La Raza

Jeremy Nowak
The Reinvestment Fund

Sharon Oster
Yale University

Mark Pinsky
Opportunity Finance Network

Luther Ragin, Jr.
F. B. Heron Foundation

Michael Rizer
Wachovia Foundation
Co-Chair, Selection Committee

Debra Schwartz
MacArthur Foundation
Co-Chair, Selection Committee

Julia Stasch
MacArthur Foundation

Eileen Stenerson
Wachovia

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WACHOVIA MACARTHUR The John D. and Catherine T. MacArthur Foundation OPPORTUNITY FINANCE NETWORK

"These awards celebrate the impressive achievements of CDFIs and the creative way they use capital, business acumen, and community-oriented solutions to bring greater economic security and opportunity to people of modest means," said Debra Schwartz, director of program-related investments for the MacArthur Foundation. **"Our $25-million commitment to these new awards marks a turning point. It is a capstone investment to help launch the next era of achievement, growth and impact for the entire opportunity finance industry."**

Over the course of five years, The Wachovia Foundation is making a $16.75 million grant and the MacArthur Foundation is making a $25 million low-cost, long-term loan called a program-related investment to fund the Wachovia NEXT Awards for Opportunity Finance.

ABOUT OPPORTUNITY FINANCE & CDFIs

The Wachovia Foundation, MacArthur and the Opportunity Finance Network created this awards program to spotlight and reinforce the growing – but underappreciated – role of CDFIs in the U.S. economy. Ultimately, the three partners expect more investors, policymakers, and talented young leaders will discover the innovative field of opportunity finance and help raise its scale and impact significantly.

More than 700 mission-driven banks, loan funds, credit unions, and venture funds currently serve low-income and low-wealth people and communities that some mainstream investors consider too risky or difficult to reach. CDFI financing allows entrepreneurs and nonprofits to build and preserve affordable housing, to help small businesses grow, and to develop new sites for recreation, cultural programs, schools, health clinics, child care centers and more. Many CDFIs provide mortgages, banking accounts, car loans, money transfers, and other services that help customers gain financial literacy, build savings and avoid expensive or predatory financial products.

During 2005 alone, CDFIs provided $4.3 billion in new financing which yielded: 39,151 jobs in 9,074 businesses; 55,242 units of affordable housing; 613 community facilities such as charter schools, child care and health care centers; and 138,045 low-income people opening their first bank accounts, according to the CDFI Data Project.

ABOUT THE AWARDS

Each year the Wachovia NEXT Awards for Opportunity Finance will include:

- A $5.5 million program-related investment and unrestricted grant award to an outstanding, high-potential CDFI with over $50 million in assets dedicated to lending or investing;
- A $2.75 million program-related investment and unrestricted grant award to an outstanding, high-potential CDFI with $10-$50 million in assets dedicated to lending or investing; and

- Four $25,000 unrestricted grant awards to CDFIs of any size that have demonstrated excellence in Innovation, Advocacy, Financing, and Community Impact.

CDFIs seeking to apply for a Wachovia NEXT Award for Opportunity Finance had to meet all of the eligibility requirements detailed at the Wachovia NEXT Awards Web site: http://www.nextawards.org. These include: a primary mission of community development; demonstrated financial discipline and programmatic performance; and an increasing volume of lending or investing activity and positive net revenue. The winning organizations will be CDFIs with a history of outstanding accomplishment, a bold and compelling vision, extraordinary future potential for growth, innovation and impact, and a high degree of readiness to successfully use and leverage a large, flexible investment.

ABOUT THE SEMI-FINALISTS

1. **ACCION Texas**, a non-profit community loan fund, provides credit to small businesses that do not have access to loans from commercial sources. They make business loans from $500 to $50,000 for working capital, equipment purchase, inventory and other business needs. ACCION Texas has distributed over $58 million in over 8,100 loans to clients in Texas, helping micro-entrepreneurs strengthen their businesses, stabilize their incomes, create additional employment and contribute to the economic revitalization of their communities. ACCION Texas has 12 offices in 10 cities and serves clients in over 80 counties through out Texas.

2. **Boston Community Capital (BCC)** is a community development financial intermediary whose mission is to create and preserve healthy communities where low-income people live and work. We do this by investing in projects that provide affordable housing, good jobs, needed goods and services, and new opportunities for people who have been locked out of the economic mainstream. The capital that Boston Community Capital invests comes from socially concerned investors and donors -- individuals, religious organizations, banks, foundations and corporations.

   BCC recognizes that economic, social, and civic isolation are barriers to healthy communities, economic independence, and wealth creation. Boston Community Capital creates a financial intermediary system that serves the needs of low-income and disadvantaged people and communities and connects them to the mainstream economy. It meets these needs by providing a range of financial vehicles, services and products and by acting as investment bankers in those communities.

3. **Clearinghouse CDFI** is a for-profit community development financial institution serving low-income, distressed communities throughout California. They specialize in making loans to non-profit organizations for affordable housing, community development and other unmet credit needs. Clearinghouse CDFI originates single family loans to first-time homebuyers and is a leading innovator in New Markets Tax Credits. With over $160 million in combined total assets, Clearinghouse CDFI is one of the fastest growing CDFIs in the nation.

4. **Community First Fund** is central Pennsylvania's premiere economic development organization. Serving thirteen counties through five regional offices, Community First Fund provides business counseling and training and loans to new and emerging small businesses, and loans to community organizations for affordable housing and other community development activities.. Founded in 1992, its mission is to create lasting economic growth for its communities by providing equitable financial services, technical knowledge, and advocacy for its customers. Community First Fund is a nationally certified and top rated Community Development Financial Institution (CDFI) that disburses more than 100 loans annually and currently has a loan fund of nearly $8 million.

5. The non-profit **Corporation for Supportive Housing (CSH)** is a national Community Development Financial Institution helping to create permanent affordable housing with support services to prevent and end homelessness. CSH serves as a leader and advocate across the country for supportive housing. We bring together people, skills and resources to design innovative programs and policies, create models, and educate the public, private and non-profit sectors. From our inception in 1991, CSH has committed nearly $125 million in loans and grants, and leveraged over a billion dollars to support the creation of more than 27,000 units of supportive housing that are operational or in the pipeline. In addition, through our federal, state and local policy reform efforts, CSH has helped secure funding to support the creation of another 70,000 supportive housing units.

6. **The Housing Development Fund** was founded in 1989 to provide an array of affordable housing solutions. It has expanded to serve all of southwestern Connecticut from its Stamford headquarters and a Danbury office opened in 2004. The organization manages public/private partnerships to lend funds for affordable housing initiatives. It has the largest public/private pool of mortgage financing for affordable housing in Connecticut – both homeownership and multi-family development - $60 million. HDF's multi-family lending program encourages the development of affordable for-sale and rental units. HDF provides nonprofits and private developers of affordable units with a variety of finance and technical assistance options. The organization's First Time Homebuyers Program provides both education and financial assistance to qualified buyers. HDF is a HUD-certified lender and Housing Counseling agency.

7. **IFF** is the Midwest's largest Community Development Financial Institution (CDFI) exclusively serving nonprofits in Illinois, Missouri, Iowa, Indiana and Wisconsin. CDFIs are a designation by the U.S. Treasury, and are private-sector entities with finance as the primary strategy for meeting their mission. IFF strengthens the financial and organizational capacity of nonprofits in its target market—nonprofits that serve low-income communities and disadvantaged populations—through loans to acquire, expand and maintain community facilities, affordable housing and other physical infrastructure. Through June 2007, 539 IFF loans totaling $157 million have leveraged more than $360 million in new capital for nonprofits.

8. **Latino Community Credit Union (LCCU)** is a nonprofit community development credit union that provides competitive interest rates for deposits, affordable loans, and financial education. Based in North Carolina, LCCU was the first bilingual, multicultural financial institution in North Carolina to provide all of its services to its members in Spanish and English, without discriminating in pricing. Founded in 2000 in Durham, the credit union has 5 branches, located in Durham, Charlotte, Raleigh, Greensboro and Fayetteville.

9. **The New Hampshire Community Loan Fund** has been providing loans and training since 1984 to help low- and moderate-income New Hampshire residents gain economic stability and success. The Loan Fund works in several areas, including housing, economic opportunity, and community facilities, and it has received national recognition for its pioneering work in helping residents of manufactured housing parks purchase their communities and gain control of their neighborhoods. Earlier this summer, the Loan Fund passed the milestone of over $100 million in cumulative loans to the community.

10. With $575 million in assets, three community banks, and three nonprofit affiliates, **Southern Bancorp** is the nation's largest rural development bank. Southern works to transform rural economies by stimulating new trends of investments in people, jobs, businesses, and property. Southern has originated over $1.7 billion in development loans in rural Arkansas and the Mississippi River Delta since 1988.

ABOUT THE GROUPS BEHIND THE AWARDS

The Wachovia Foundation is a private foundation that provides grants to eligible 501(c)(3) tax-exempt organizations in two primary focus areas (education and community development) and two secondary areas (health and human services, arts and culture). The Foundation's mission is to build strong and vibrant communities, improve the quality of life, and make a positive difference.

The John D. and Catherine T. MacArthur Foundation is a private, independent grantmaking institution helping to build a more just and sustainable world. Through the support it provides, the Foundation fosters the development of knowledge, nurtures individual creativity, strengthens institutions, helps improve public policy, and provides information to the public, primarily through support for public interest media. MacArthur has been a leading supporter of the opportunity finance field since the early 1980s, investing almost a quarter of a billion dollars in approximately 100 groups nationwide. With assets of more than $6.4 billion, the Foundation makes approximately $225 million in grants annually. More information is available at www.macfound.org.

Opportunity Finance Network is the leading network of private financial intermediaries identifying and investing in opportunities to benefit low-income and low-wealth people in the U.S. The network's financing delivers both sound financial returns and real changes for people and communities. CDFIs in the Opportunity Finance Network originated more than $11 billion in financing in unconventional urban, rural, and reservation-based

markets through 2005. This has generated or maintained 171,146 jobs; 35,451 businesses; 484,943 housing units; and, 5,153 community facility projects. With cumulative net charge-off rates of less than 1 percent, these CDFIs have demonstrated that it is possible to lend prudently and productively in unconventional markets often overlooked by conventional financial institutions. More information about Opportunity Finance Network can be found online at http://www.opportunityfinance.net.

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EDITOR'S NOTE: A digital download of the Wachovia NEXT Awards for Opportunity Finance logo is available upon request.