



CDFIs & the Capital Markets

Scaling for Impact

Elise Balboni | Kathleen Keefe | Anna Smukowski

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Summary

This is a pivotal time for community development financial institutions (CDFIs). Having long played a critical role in the nation's economy, including as economic first-responders in times of crisis, CDFIs are central to expanding affordability for people across the country. The opportunities for impact are clear: CDFIs exist to provide low-cost, flexible financing in all types of communities – focusing particularly on places that mainstream capital does not effectively reach. CDFIs invest so that Americans can find quality homes within their means, obtain living wage jobs and access good schools, a range of healthcare services and healthy food options – all of which contribute to robust local economies and enhanced quality of life.

Access to capital is key. CDFIs make sure that the right kind of capital flows more broadly to people and places throughout the country. This report explores how CDFIs are expanding and diversifying their sources of capital through intersection with the capital markets and what the latest experience says about their potential to further scale their activity and impact. The report is the fourth installment in a series of white papers from the Local Initiatives Support Corporation (LISC) and Enterprise Community Partners (Enterprise) that has documented the CDFI industry's evolving approach to the capital markets through positioning within accepted impact frameworks, including information on volume, pricing, disclosure practices and investor characteristics, as well as trends in impact measurement and management. Earlier papers include:

- [CDFIs & Impact Investing: An Industry Review](#) (2017 White Paper)
- [CDFIs & the Capital Markets: Tapping into Impact Investors](#) (2020 White Paper)
- [CDFIs & The Capital Markets: Trends in Investment & Impact Measurement](#) (2023 White Paper)

Background on the Field

According to the most recent data from the CDFI Fund – the Treasury Department agency that advances the work of these mission-driven financial institutions – there are 1,254 certified CDFIs as of June 2026, including 540 loan funds, that provide capital and financial services in rural, urban and tribal geographies in all 50 states, the District of Columbia and several U.S. territories.¹ In its 2025 Snap Stat publication, the CDFI Fund reported that 20% of the CDFIs certified at the time were headquartered in non-metropolitan areas, 20% in persistent poverty counties, 69% in low-income areas and 50% in high poverty areas, defined as areas with poverty rates above 20%.²

In fiscal year 2025 alone, CDFI Fund awardees reported investments totaling \$39.5 billion in consumer loans, home repair and purchase loans, business and micro-enterprise loans, and residential real estate transactions, including financing for nearly 50,000 affordable rental homes.³ More longitudinal data is available from the Opportunity Finance Network (OFN), the CDFI industry's trade association. It reports that since 1985, its 500 member CDFIs have provided \$136 billion in cumulative financing through year-end 2024.⁴ The quantified impacts of this capital infusion include:

- Development or rehabilitation of 3 million homes
- Financing of 1.2 million businesses and microenterprises
- Creation of 3.7 million jobs
- Financing for 15,917 childcare, education and healthcare organizations providing community services

Loan funds constitute the largest share of certified CDFIs by number, 43%, but represent a much smaller share of the industry's total assets. A February 2026 report by the Federal Reserve Bank of New York estimated the industry's total assets at \$446 billion as of June 2025, with loan funds representing \$32 billion, or 7%, of the total.⁵ The same report noted a significantly higher net asset ratio for loan funds, ranging between 32% and 44%, compared to the ratio for depository CDFIs, which ranged between 10% and 12%.⁶ This lower leveraging of CDFI loan fund balance sheets indicates an opportunity for increased scale and impact if CDFI loan funds can gain greater access to capital with the terms and pricing necessary to meet the affordability needs of the diverse rural and urban communities they serve.

Further highlighting this issue, a survey by the Federal Reserve Bank of Richmond indicates that CDFIs are experiencing continued growth in demand but are facing capital supply side challenges in which traditional bank and public sector capital cannot grow as quickly or meet the pricing necessary to meet the needs of CDFI borrowers.⁷

Next year marks the 10-year anniversary since LISC successfully marketed the first rated Sustainability Bond, kick-starting the positioning of CDFIs within the capital markets and globally accepted impact investing frameworks. Since that time, CDFIs have accessed the capital markets through rated bond issues and brokered note programs and obtained below-market rate capital from family foundations, donor advised funds (DAFs), for-profit corporations and individuals through direct issue offerings. Over the next 10 years, continued diversification of capital sources through innovative financing mechanisms and enhanced marketing is needed to ensure that CDFI loan funds can raise the magnitude of capital necessary to make affordability a reality for more Americans.

What's in the Report

This newest installment examines one of the central challenges facing the CDFI industry: how to access the capital needed to meet growing demand for community lending and scale impact. Drawing on updated data through year-end 2025 unless otherwise noted, the paper explores how CDFIs use rated bond issuance, brokered note programs, direct issue notes and other innovative capital market tools to expand and diversify their funding sources. It also provides new analysis of disclosure practices across brokered and direct issue note programs to highlight possibilities for standardization that will help further scale access to capital.

Rated Issuance

- Seventeen CDFIs have issuer credit ratings from Standard & Poor's Global Ratings (S&P) and/or Fitch Ratings (Fitch), including seven that fall within the "AA" category, nine that fall within the "A" category, and one issuer with a split "AA-" rating from S&P and "A+" rating from Fitch.
- Nine CDFIs have accessed the public capital markets with rated bond, brokered note and commercial paper offerings totaling \$2.89 billion.
- Rated CDFI issuance has doubled since the end of 2022, with brokered note issuance accounting for \$1.14 billion, or 77%, of the increase.
- Nine CDFIs have brought 13 rated bond issues totaling \$1.116 billion to market. The bonds had an average term of 11.6 years and an average life of 8.2 years, with a range of one to 20 years for individual bond maturities. Total borrowing costs averaged 4.114%, with an average cost of issuance of 1.215%, including an average underwriter's discount of 0.751%. Through year-end 2025, \$282 million (25%) of CDFI bond issuance has been repaid and \$834 million (75%) remains outstanding.
- The first nine rated bond offerings, between 2017 and mid-2020, were issued on a fully taxable basis. Since then, three of the four rated bond offerings have been issued with some form of tax exemption, with BlueHub becoming the first CDFI to publicly issue bonds that were exempt from both federal and state income taxes.
- Three of the rated CDFIs also privately placed approximately \$300 million in bond issuance, including Century Housing with the first fully tax-exempt \$17.5 million private placement in 2021, Community Preservation Corporation with a \$200 million private placement in 2024 and Clearinghouse CDFI with a \$75 million private placement in 2025.
- Three CDFIs have brokered note programs through which they have cumulatively raised \$1.67 billion. The most frequently issued terms, which have generated the highest dollar volume of investment, include 1-year notes totaling \$650 million (39%), 3-year notes totaling \$381 million (23%) and 5-year notes totaling \$349 million (21%).
- All of the brokered note issuers have employed callable notes, representing 28% of all issues by count and 35% of issues by dollar volume.
- New in this paper, we reviewed the offering documents from the three brokered note issuers to assess similarities and differences in disclosure practices and found that the offering documents are organized similarly, with some variability in individual disclosure components.

Direct Issue Notes

- Based on publicly disclosed information, there are 25 CDFIs with a total of \$485 million in direct issue note programs available for investment as of year-end 2025.
- The 25 note programs have different sales channels, investment minimums and investor restrictions, including 18 that are available to retail investors or have no restrictions stated and seven that are restricted to accredited investors.
- The most common maturities for direct issue notes are the 3-year, 5-year, 7-year and 10-year notes. Seven CDFIs also offer terms of greater than 10 years, and 13 offer terms of less than three years.
- New this paper, we reviewed 15 publicly available offering documents from direct note issuers to assess similarities and differences in disclosure practices. While disclosure is driven by filing requirements in specific states, standardization can help deepen investor familiarity with the industry and educate ecosystem partners on what is common and viable for financial and impact disclosure.

Investors

- Brokered CDFI note securities continue to be held by the largest spectrum of investors, ranging from individual retail investors to institutional investors.
- As of January 2026, \$289 million of rated CDFI debt (both bonds and brokered notes) was held by 47 bond funds. Sixty-seven percent of this debt was held by bond funds with a Morningstar Sustainability Rating.
- Investment advisor respondents of a Stepping Stone Partners and Tern Strategies survey indicated that 51–100% of their clients invest in CDFIs and that their clients' top motivations include location, focus area and a desire to move capital into mission-driven organizations.
- With an estimated \$326 billion in 3.6 million DAF accounts and a payout rate of approximately 25%, DAF advisors and donors are increasingly interested in CDFI investments beyond grant-making, including recoverable grants, loans and other investments.

Impact Frameworks

- Seven of the 13 rated bond offerings aligned with the International Capital Market Association (ICMA) Sustainability Bond Guidelines at issuance, with five receiving a second party opinion.
- All three of the brokered note programs align with ICMA's Social or Sustainability Bond Guidelines.
- Two private placements aligned with the Sustainability Bond Guidelines and one direct issue note aligned with the Orange Bond Principles.
- Outside of the ICMA Guidelines, CDFI bond and note issuers have used platforms like ImpactAssets 50 to demonstrate their impact to a wider set of investors. As of December 2025, 13 CDFIs were listed on ImpactAssets 50, including four emeritus managers and one emerging manager.

Overview of Rated Issuance

As of year-end 2025, 17 CDFIs had obtained credit ratings from S&P and/or Fitch, nationally recognized statistical rating organizations (NRSROs) recognized by the Securities and Exchange Commission (SEC). Since publication of the 2023 White Paper, four additional CDFIs obtained issuer credit ratings, including NeighborWorks Capital and Community Housing Capital in 2024 and Housing Partnership Network and 22Beacon in 2025. Graph 1 shows the number of initial issuer ratings by year. Although not included in the analysis that follows, Fitch also assigned City First Enterprises Inc. a “BBB+” issuer rating in June 2026 and S&P assigned Primary Care Development Corp. (PCDC) an “A” issuer credit rating in July 2026.

GRAPH 1 INITIAL ISSUER RATINGS BY YEAR

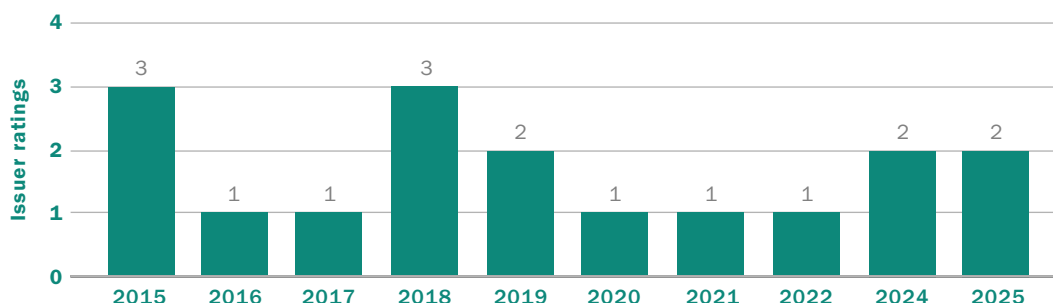


Table 1 illustrates the initial and current issuer ratings (as of 12/31/25) for the 17 CDFIs. Sixteen of the CDFI issuers have obtained ratings from S&P and four from Fitch. Thirteen have obtained ratings exclusively from S&P and one exclusively from Fitch. Capital Impact Partners, Century Housing and Community Housing Capital have obtained dual ratings, with CIP currently rated “A+” by both S&P and Fitch, Century “AA” by both, and CHC “AA-” by S&P and “A+” by Fitch. Since the end of 2025, S&P has upgraded its rating for NeighborWorks from “A+” to “AA-”.

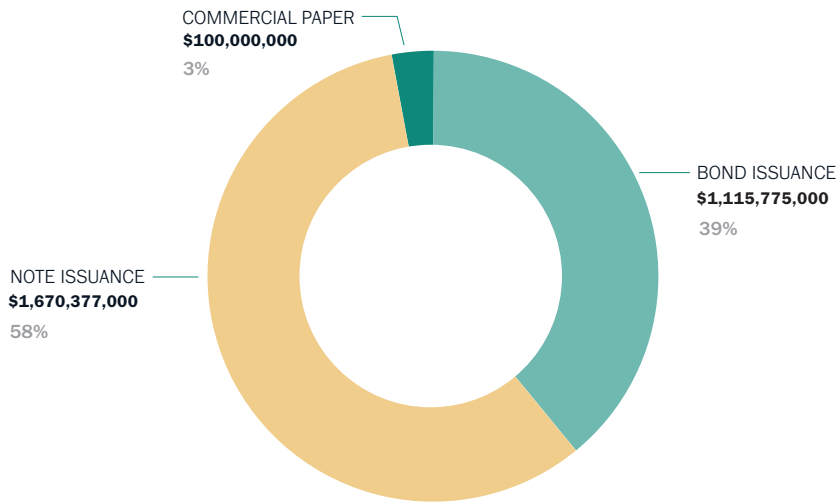
TABLE 1 COMPARISON OF INITIAL & CURRENT ISSUER RATINGS

CDFI	S&P			Fitch		
	Initial Rating Date	Initial Rating	Current Rating	Initial Rating Date	Initial Rating	Current Rating
Clearinghouse CDFI (Clearinghouse)	4/1/15	AA	A-	-	-	-
Housing Trust of Silicon Valley (HTSV)	4/28/15	AA-	AA-	-	-	-
Reinvestment Fund (RF)	10/9/15	AA	AA-	-	-	-
Local Initiatives Support Corporation (LISC)	9/20/16	AA	AA-	-	-	-
Capital Impact Partners (CIP)	1/23/17	AA	A+	11/4/22	A+	A+
Enterprise Community Loan Fund (ECLF)	5/21/18	AA-	AA-	-	-	-
Century Housing Corporation (Century)	8/21/18	AA-	AA	6/17/20	AA	AA
Raza Development Fund (RDF)	10/8/18	AA-	AA-	-	-	-
Low Income Investment Fund (LIIF)	4/8/19	A-	A	-	-	-
Community Preservation Corporation (CPC)	11/7/19	AA-	AA-	-	-	-
BlueHub Loan Fund (BlueHub)	1/8/20	A-	A+	-	-	-
California Community Reinvestment Corp (CCRC)	9/29/21	A+	A+	-	-	-
Grow America (formerly NDC)	10/14/22	A+	A+	-	-	-
NeighborWorks Capital (NeighborWorks)	1/26/24	A+	A+	-	-	-
Community Housing Capital (CHC)	4/1/24	AA-	AA-	3/4/24	A+	A+
Housing Partnership Network (HPN)	-	-	-	4/10/25	A+	A+
22Beacon (formerly CSDC)	11/6/25	A	A	-	-	-

Half of S&P's current 16 ratings fall within the "AA" category and the other half in the "A" category. Five of the six earliest issuances were downgraded from their initial ratings as S&P refined its methodology. Since that initial sector-wide adjustment, in 2021 S&P upgraded LIIF and BlueHub from "A-" to "A". In 2023, S&P upgraded Century from "AA-" to "AA", ECLF and RF from "A+" to "AA-", and CIP and BlueHub from "A" to "A+". As of the end of 2025, all outlooks were stable, with the exception of HTSV and NeighborWorks, which were positive. Fitch's initial and current ratings are the same, with three of four ratings in the "A" category and one in the "AA" category.

Nine of the 17 CDFIs with issuer ratings have accessed the public capital markets through a variety of rated debt instruments, including bonds, brokered note programs and commercial paper programs, with rated offerings totaling \$2.89 billion as of year-end 2025. In the three years since publication of the 2023 White Paper, rated CDFI issuance has doubled from \$1.40 to \$2.89 billion. Brokered note issuance of \$1.14 billion accounted for 77% of the increase. The remaining \$344 million increase represents \$279 million in bond issuance by three CDFIs and \$65 million in additional commercial paper issuance by Century, which launched its commercial paper program at the end of 2022.

GRAPH 2 **RATED ISSUANCE, \$2.89 BILLION**



La Mama Experimental Theatre Club
New York, NY

Renovations to La Mama's landmark off-off-Broadway theater are increasing accessibility and helping them remain a dynamic hub for artists from around the world.

Ratings Criteria

Standard & Poor's Global Ratings

S&P's criteria for CDFI loan funds was first published in December 2016 as part of criteria for housing finance agencies (HFAs) and social enterprise lending organizations (SELOs).⁸ It has been modified several times, most recently in August 2025, when S&P changed its methodology for projecting losses from a commercial mortgage-backed securities (CMBS) approach to a risk-adjusted capital framework methodology.⁹ More generally, S&P's approach includes an assessment of market and organization-specific risks related to: 1) financial strength; 2) management, legislative mandate or federal designation; and 3) local economic factors. S&P reviews audited financial statements for the most recent five-year period to analyze financial strength in four principal areas: capital adequacy and equity, profitability, asset quality, and liquidity. For a review of S&P's methodology, please refer to the [2020 White Paper](#).

Industry Outlook

In December 2025, S&P issued a stable outlook for the U.S. Public Finance Housing sector, including rated CDFIs. The outlook, *Stable Footing and Strong Management Withstand Federal Policy Shifts*, anticipated that capital adequacy ratios would fall to lower levels prevalent prior to the pandemic but that no negative ratings actions would result.¹⁰ The outlook also anticipated that net interest margins would increase in 2026 and that "CDFI management will continue to demonstrate nimbleness and resilience when facing policy, funding, and economic uncertainty."

In October 2025, S&P issued a comment – *U.S. CDFIs Still Steady Amid Funding and Economic Uncertainty* – that noted stable ratings for 13 of the 15 CDFIs rated at the time, with positive outlooks for two, HTSV and NeighborWorks. Increases in debt outpaced equity in 2024, resulting in lower net asset ratios and weaker capital adequacy. However, as the comment notes, this increased leverage was strategic, with CDFIs expanding their lending activities in response to significant grant funding and elevated equity ratios during the pandemic. With ratios more typical of pre-pandemic levels and an evolving operating environment in 2025, the comment noted a more modest approach to growth, with lower origination activity anticipated.



We have found that management of rated CDFIs is generally a credit positive, including abilities to innovate, remain nimble in strategy and portfolio oversight, and demonstrate resilience when faced with staffing challenges and funding uncertainty."

— Standard & Poor's Global Ratings

In addition to identifying a slight decline in capital adequacy ratios as a key trend, the October comment noted an increase in net interest margins, including 70 basis point and 17 basis point median increases in fiscal years 2023 and 2024, respectively. Reflecting portfolio growth in those years, loan interest income increased to a median 74% of total revenue, higher than previous years, which were characterized by a higher share of pandemic-related grant revenue.¹¹ The October comment included several ratios based on five-year averages for the period between 2020 and 2024 for the 15 CDFIs rated at the time. These ratios are arranged by rating gradation in Table 2.¹²

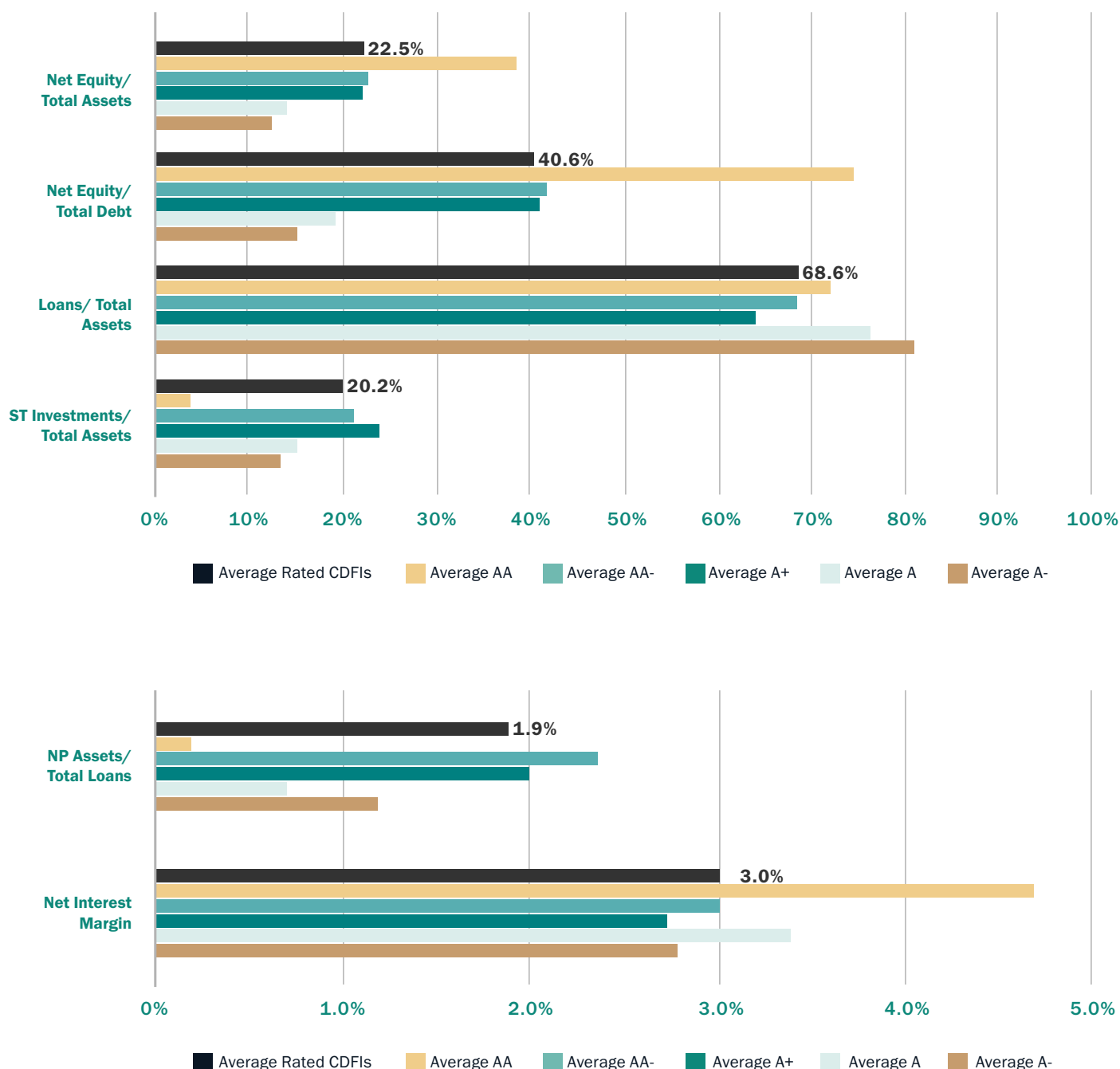
As was the case in the last five-year period of analysis included in the 2023 White Paper (2017-2021), higher-rated CDFIs have stronger net equity/total assets and net equity/total debt ratios, reflecting S&P's emphasis on capital adequacy. The average net equity/total assets ratio for the five-year period between 2020 and 2024 is 22.5%, ranging from a high of 38.6% for "AA" rated Century, falling to an average of 23.0% for the seven "AA-" rated CDFIs and to 22.2% for the five "A+" rated CDFIs. The "A" and "A-" rated CDFIs had ratios of 14.1% and 12.5%, respectively. The net equity/total debt ratio averaged 40.6%, following a similar pattern from stronger to weaker rating, with only marginal differences in the averages for the "AA-" and "A+" rated CDFIs. Within rating categories, there is some variability, with HTSV and NeighborWorks significantly above the averages for these metrics, likely driving their positive outlooks and NeighborWorks subsequent upgrade.

TABLE 2 CDFI FIVE-YEAR AVERAGE RATIOS (\$ IN MILLIONS)

CDFI	Rating	Total Assets	Net Equity/ Total Assets	Net Equity/ Total Debt	Net Interest Margin	NP Assets/ Total Loans	Loans/ Total Assets	ST Inv/ Total Assets
All Rated	Average	\$596.5	22.5%	40.6%	3.0%	1.9%	68.6%	20.2%
AA	Average	\$621.7	38.6%	74.4%	4.7%	0.2%	72.1%	4.1%
Century	AA/Stable	\$621.7	38.6%	74.4%	4.7%	0.2%	72.1%	4.1%
AA-	Average	\$645.2	23.0%	41.9%	3.0%	2.4%	68.5%	21.4%
CHC	AA-/Stable	\$202.9	25.0%	42.2%	3.5%	0.1%	87.9%	11.1%
CPC	AA-/Stable	\$925.9	25.5%	41.4%	4.4%	6.5%	56.1%	20.0%
ECLF	AA-/Stable	\$552.0	18.3%	26.7%	2.8%	0.7%	73.1%	22.8%
HTSV	AA-/Positive	\$275.1	34.3%	83.7%	2.4%	4.6%	66.6%	31.4%
LISC	AA-/Stable	\$1,516.1	16.3%	32.6%	2.2%	1.0%	48.1%	34.0%
RDF	AA-/Stable	\$362.5	18.3%	26.8%	2.8%	2.4%	75.6%	11.4%
RF	AA-/Stable	\$681.8	23.0%	40.0%	2.9%	1.3%	72.1%	18.8%
A+	Average	\$444.1	22.2%	41.1%	2.7%	2.0%	64.1%	24.2%
BlueHub	A+/Stable	\$494.6	19.4%	30.4%	2.8%	0.7%	72.6%	24.5%
CCRC	A+/Stable	\$360.1	26.6%	44.3%	1.9%	0.0%	61.2%	36.1%
CIP	A+/Stable	\$921.5	15.5%	25.0%	2.5%	0.7%	67.7%	17.2%
Grow America	A+/Stable	\$309.7	18.8%	44.7%	3.0%	3.1%	35.1%	27.5%
NeighborWorks	A+/Positive	\$134.8	30.6%	61.2%	3.5%	5.4%	83.8%	15.5%
A	Average	\$752.4	14.1%	19.5%	3.4%	0.2%	76.3%	15.3%
LIIF	A/Stable	\$752.4	14.1%	19.5%	3.4%	0.2%	76.3%	15.3%
A-	Average	\$835.8	12.5%	15.4%	2.8%	1.2%	81.0%	13.5%
Clearinghouse	A-/Stable	\$835.8	12.5%	15.4%	2.8%	1.2%	81.0%	13.5%

Also similar to the 2017-2021 period, there is greater variability in the other ratios, both within and across rating gradations. The average net interest margin for all rated CDFIs is 3.0%, with “AA” rated Century with the highest margin at 4.7% and “A+” rated CCRC with the lowest at 1.9%. Variability is greatest in the “AA-” rating category, with a high of 4.4% for CPC and a low of 2.2% for LISC. Similarly, the nonperforming asset ratio ranges substantially within and across ratings gradations, with an average of 1.9% for all 15 CDFIs, ranging from 0.1% to 6.5% within the “AA-” category and from 0% to 5.4% within the “A+” category. The “A” and “A-” rated CDFIs have below-average ratios of 0.2% and 1.2%, respectively. Short-term investments as a share of total assets averaged 20.2% for the 15 CDFIs, with an outlier of 4.1% for “AA” rated Century on the low-end and 36.1% for “A+” rated CCRC on the high end. Graphs 3 and 4 compare the average ratios by rating gradation.

GRAPHS 3 & 4 **CDFI FIVE-YEAR AVERAGE RATIOS, 2020-2024**



Subsequent to the October comment, in November 2025, S&P rated 22Beacon, formerly Charter Schools Development Corporation or CSDC, “A” with a stable outlook. While 22Beacon is a certified CDFI, S&P views its primary activity as development. Thus, instead of applying the methodology used to rate other CDFIs, S&P primarily used the framework for rating nonprofit affordable housing developers to assign 22Beacon’s rating.

Fitch Ratings

Fitch’s [Public Sector. Revenue-Supported Entities Rating Criteria](#) lays out Fitch’s rating methodology for public-sector and nonprofit entities that provide public or social services and whose debt is repaid from their own revenues or resources, including CDFIs. Since publication of the 2023 White Paper, Fitch has updated its criteria, most recently on May 1, 2026, to address climate risk, among other changes. While Fitch does not include climate risk as a separate rating factor, it now considers climate risk as part of its analysis through use of Climate Vulnerability Signals (Climate.VS) as a screening tool to identify heightened risk, as described in a new Appendix F of the 2026 criteria.¹³

Fitch’s approach includes an assessment of three key rating drivers – revenue defensibility, operating risk and financial profile – while taking into account asymmetric risk factors, which have either a neutral or negative effect on rating.¹⁴ Fitch uses its master criteria, together with other relevant sector criteria, to assign Issuer Default Ratings (IDRs), which assess relative vulnerability to default without regard to recovery prospects, as well as to assign issue ratings on individual debt instruments. The methodology includes an Appendix D that provides additional detail on the criteria as applied to CDFIs. For a review of Fitch’s general methodology, please refer to the [2023 White Paper](#).

Industry Outlook

In December 2025, Fitch issued a neutral sector outlook for the Community Development and Social Lending (CDSL) sector, including rated CDFIs. The outlook, *Federal Policy Shifts, Economic Headwinds and Funding Volatility*, highlights how federal policy changes are increasing operational and liquidity pressures for CDSL issuers and anticipates that the “CDFIs best positioned to manage federal funding challenges are those with robust equity, self-sufficient operations, strong market positions, diversified portfolios and income streams, experienced management and broad capital access.”¹⁵

In October 2025, Fitch released its third annual *U.S. Community Development Financial Institutions – Peer Credit Analysis* summarizing comparative financial information and ratios for a group of 40 CDFI loan funds from fiscal years 2021-2024. The report reflects overall resilience of CDFI loan funds through the pandemic and reviews trend analysis in CDFI balance sheet ratios, sources of capital, loan performance and profitability.¹⁶ The report also highlights how diversification of capital sources is a key strategy for CDFIs to grow and sustain their operations.

In April 2025, Fitch issued a report, *U.S. Public Finance CDFI Loan Funds: What Investors Want to Know*, that argues that CDFIs remain fundamentally resilient despite a difficult environment marked by high interest rates, inflation, tight credit conditions and uncertainty around federal funding. The report reviews Fitch’s assessment of various rating drivers, including capital adequacy, stability of capital sources, portfolio quality and financial sustainability and notes the need for greater standardization of data and increased diversification of capital sources.



CDFIs demonstrate resilience amid economic challenges by leveraging strong equity positions, robust risk management and diversified funding sources, thereby ensuring continued support for underserved communities while adapting to evolving market conditions and policy changes.”

— Fitch Ratings

Rated Bond Issuance

Overview

CDFIs have brought 13 rated bond issues totaling \$1.116 billion to market, with Reinvestment Fund undertaking three issuances, Century and BlueHub each undertaking two issuances, and six other CDFIs undertaking a single issuance. All of the issues have been unsecured, full-recourse obligations, with no specific collateral, asset or revenue source pledged for repayment. The bond ratings at issuance generally mirror issuer ratings at the time of issuance.

There are a number of factors that make it challenging for CDFIs to issue debt on a tax-exempt basis, including the need for a conduit issuer, requirements on eligible uses of funds over the life of the bonds, associated tax opinions certifying compliance of all uses with tax exemption rules, and public hearing requirements, among others. The first nine offerings, between 2017 and mid-2020, were issued on a fully taxable basis. However, since then, three of the four rated offerings have been issued with some form of tax exemption.

Century issued its 2020 Sustainability Bond through the California Municipal Finance Authority, with interest exempt from State of California personal income taxes. BlueHub issued its 2024 Sustainability Bonds through another conduit issuer, the Public Finance Authority, with interest on the Series A bonds exempt from Commonwealth of Massachusetts income taxes and interest on the Series B bonds exempt from both state and federal taxes. RF's most recent 2025 bonds were issued through the Arizona Industrial Development Authority, with interest exempt from State of Arizona income taxes.

Table 3 lists issuances in chronological order by CDFI name and year of issuance, with detail on the issuer, dated date, underwriter, bond designation, tax basis, dollar amount of offering and rating.



Odyssey House Louisiana Bohn Motors New Orleans, Louisiana

Adaptive reuse of the historic Bohn Motor Co. building into a substance use treatment facility, federally qualified health center, and pharmacy programs.

TABLE 3 **CDFI BOND RATINGS**

CDFI	Issuer	Dated Date	Underwriter	Bond Designation	Tax Basis	Amount	Rating at Issuance*	Current Rating*
LISC17	LISC	4/28/17	Morgan Stanley	Sustainability Bonds	Taxable	\$100,000,000	AA	AA-
RF17	RF	5/4/17	BofA Merrill Lynch	Impact Investment Bonds	Taxable	\$50,935,000	AA-	Repaid
RF18	RF	9/6/18	BofA Merrill Lynch	Impact Investment Bonds	Taxable	\$75,735,000	AA-	AA-
ECLF18	ECLF	9/27/18	Morgan Stanley	Sustainability Bonds	Taxable	\$50,000,000	AA-	AA-
Century19	Century	2/7/19	BofA Merrill Lynch	Impact Investment Bonds	Taxable	\$100,000,000	AA-	Repaid
LIIF19	LIIF	7/25/19	Morgan Stanley / J.P. Morgan	Sustainability Bonds	Taxable	\$100,000,000	A-	A
RDF19	RDF	11/26/19	Hilltop Securities / J.P. Morgan	Community Investment Bonds	Taxable	\$50,000,000	AA-	AA-
BlueHub20	BlueHub	1/30/20	Morgan Stanley	Sustainability Bonds	Taxable	\$75,000,000	A-	A+
CPC20	CPC	2/3/20	Goldman Sachs / Siebert Williams Shank	Sustainability Bonds	Taxable	\$150,000,000	AA-	AA-
Century20	California Municipal Finance Authority	6/30/20	Wells Fargo Securities	Sustainability Bonds	State Exempt	\$85,000,000	AA- / AA	AA / AA
BlueHub24	Public Finance Authority	11/13/24	Morgan Stanley	Sustainability Bond	State Exempt / Federal & State Exempt	\$86,820,000	A+	A+
CIP25	CIP	7/30/25	Mesirow Financial / Momentum Securities	No Impact Designation	Taxable	\$122,750,000	A+	A+
RF25	Arizona Industrial Development Authority	11/12/25	BofA Securities / J.P. Morgan / PNC Capital Markets	No Impact Designation	State Exempt	\$69,535,000	AA-	AA-
Total						\$1,115,775,000		

* S&P / Fitch

Alignment with Impact Frameworks

The 2023 White Paper noted that CDFIs were increasingly positioning their rated issuances within recognized impact frameworks, including ICMA's Sustainability Bond Guidelines and the United Nations Sustainable Development Goals (UN SDGs). Between 2020 and 2024, all four rated bond issuances met the requirements for the Sustainability Bond designation, including the CDFI's general use of proceeds for social and green projects, process for evaluation and selection of projects, management of proceeds, and reporting. All four issuances also obtained a second party opinion regarding conformance to the Guidelines in addition to providing information regarding alignment with the SDGs. However, neither of the two 2025 bond issuances were positioned within these frameworks, perhaps reflecting shifts in the political environment and/or a perceived lack of pricing benefit from such positioning.

Table 4 summarizes adherence to the four components of the Guidelines, with seven of the 13 bond issuances meeting designation requirements. It also identifies issues that have obtained independent second party opinions, including most recently BlueHub's 2024 issuance with an opinion from S&P Global Ratings, and those that disclose alignment with the UN SDGs. The issuances are listed in chronological order, with LISC17 representing the first issuance in 2017 and RF25 the most recent issuance in 2025. The table refers to disclosure at issuance. Subsequent to issuance, Raza Development Fund released a Social Bond Framework and obtained a second party opinion for its 2019 bond issuance.

TABLE 4 **ALIGNMENT WITH IMPACT FRAMEWORKS**

CDFI	Bond Designation	Use of Proceeds	Process for Evaluation & Selection	Management of Proceeds	Reporting	Second Party Opinion	Alignment to SDGs
LISC17	Sustainability	Yes	Yes	Yes	Yes	No	No
RF17	Impact Investment	Yes	Yes	No	Yes	No	No
RF18	Impact Investment	Yes	Yes	No	Yes	No	No
ECLF18	Sustainability	Yes	Yes	Yes	Yes	No	No
Century19	Impact Investment	Yes	Yes	No	Yes	No	No
LIIF19	Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
RDF19	Community Investment	Yes	Yes	No	No	No	No
BlueHub20	Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
CPC20	Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
Century20	Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
BlueHub24	Sustainability	Yes	Yes	Yes	Yes	Yes	Yes
CIP25	No Impact Designation	Yes	Yes	No	No	No	No
RF25	No Impact Designation	Yes	Yes	No	No	No	No

As discussed in prior reports, there is an inverse relationship between the level of detail regarding use of proceeds in the offering documents and post-issuance disclosure requirements. Four of the seven Sustainability Bond issuances for LISC, ECLF, LIIF and BlueHub were pure refinancing issuances that reported on the specific use of proceeds for individual projects and debt refinancing at the time of issuance and did not require additional post-issuance reporting. The refinancing issuance for Community Preservation Corporation, which did not specify individual project loan refinancings at the time of issuance, requires CPC to publish its Sustainability portfolio allocation annually on its website. Century's 2020 issuance and BlueHub's 2024 issuance were combined new money/refinancing issues, which did not fully detail the division of proceeds between the two purposes or the specific use of proceeds for refinancing, requiring ongoing disclosure.

TABLE 5 **USE OF PROCEEDS**

CDFI	Bond Designation	General Use of Proceeds	Specific Use of Proceeds	Refinancing Proceeds	Financing Proceeds	Combined Re/Financing Proceeds	Costs of Issuance	Total Proceeds
LISC17	Sustainability	Yes	Yes	\$99,138,722	\$0	\$0	\$861,278	\$100,000,000
RF17	Impact Investment	Yes	No	\$0	\$0	\$50,000,000	\$935,000	\$50,935,000
RF18	Impact Investment	Yes	No	\$22,290,000	\$52,710,000	\$0	\$735,000	\$75,735,000
ECLF18	Sustainability	Yes	Yes	\$49,422,222	\$0	\$0	\$577,778	\$50,000,000
Century19	Impact Investment	Yes	No	\$0	\$0	\$99,026,618	\$973,382	\$100,000,000
LIIF19	Sustainability	Yes	Yes	\$98,836,728	\$0	\$0	\$1,163,272	\$100,000,000
RDF19	Community Investment	Yes	No	\$49,367,970	\$0	\$0	\$632,030	\$50,000,000
BlueHub20	Sustainability	Yes	Yes	\$74,146,758	\$0	\$0	\$853,242	\$75,000,000
CPC20	Sustainability	Yes	No	\$148,648,223	\$0	\$0	\$1,351,777	\$150,000,000
Century20	Sustainability	Yes	No	\$0	\$0	\$83,947,171	\$1,052,829	\$85,000,000
BlueHub24*	Sustainability	Yes	No	\$26,940,943	\$0	\$60,001,360	\$1,390,021	\$88,332,324
CIP25	No Impact Designation	Yes	No	\$121,603,098	\$0	\$0	\$1,146,902	\$122,750,000
RF25	No Impact Designation	Yes	No	\$20,000,000	\$48,315,727	\$0	\$1,219,273	\$69,535,000
Total				\$710,394,663	\$101,025,727	\$292,975,149	\$12,891,784	\$1,117,287,324

* The issuance had \$651,151 in grant sources and the Series B bonds were issued with an \$861,174 premium.

Disclosure Analysis

Offering Document Disclosure

CDFI offering documents have varied in terms of the marketing and disclosure material included in the issuer's description of its activities (Appendix A), historic financial statement disclosure periods and continuing disclosure requirements. Table 6 summarizes the emerging standards. For a detailed breakdown of each of the individual components for the 13 rated CDFI bond issuances, please refer to Tables 1-7 in Appendix B.

TABLE 6 **OFFERING DOCUMENT DISCLOSURE**

	Emerging Standard
Loan Portfolio Detail	5 years of audited information and interim period on the outstanding portfolio broken down by product, asset class, geographic location and risk rating.
Portfolio Performance Measures	5 years of audited information and interim period, including loans receivable, non-accruals, delinquencies, net write-offs and allowance for losses.
Operating Measures	5 years of audited information plus interim period for revenue source breakdown, net interest margin and self-sufficiency ratio, where appropriate.
Balance Sheet & Leverage Ratios	5 years of audited financials plus interim period.
Cash, Cash Equivalents & Investments, Liquidity	5 years of audited financials plus interim period.
Descriptions of Debt	Varies significantly, with most recent issuances incorporating between 1-5 years, with a breakdown by type of capital source.
Financial Statement Disclosure Period	Varies, with most recent issuances including between 2-5 years of audited financial statements plus interim period.

Continuing Disclosure Requirements

Continuing disclosure requirements have also varied among the 13 offerings to date, in terms of general financial performance, as evidenced by audited financial statements, and more impact-related updates to disclosure included in Appendix A of the offering documents. As previously discussed, the level of continuing disclosure can be affected by both the use of proceeds and the disclosure provided in the offering document itself. Please refer to Tables 8 and 9 in Appendix B for greater detail on financial statement and continuing disclosure requirements for each of the 13 bond issuances.

Pricing & Terms

Table 7 summarizes the rating, maturity, average life and borrowing costs for the bond issuances that have priced to date, together with the underwriting firm and bond designation. The 13 issuances totaled \$1.116 billion, with an average size of \$85.8 million, an average term of 11.6 years and an average life of 8.2 years. The “All-In Cost,” incorporating both interest expense and costs of issuance (COI), averaged 4.114%, with a range of 2.575% to 5.947%. Costs of issuance averaged 1.215%, with a range of 0.861% to 1.836%, including an average 0.751% in underwriter’s discount (UD). The UD ranged from a low of 0.517% to a high of 0.893%.

TABLE 7 **BOND PRICING SUMMARY**

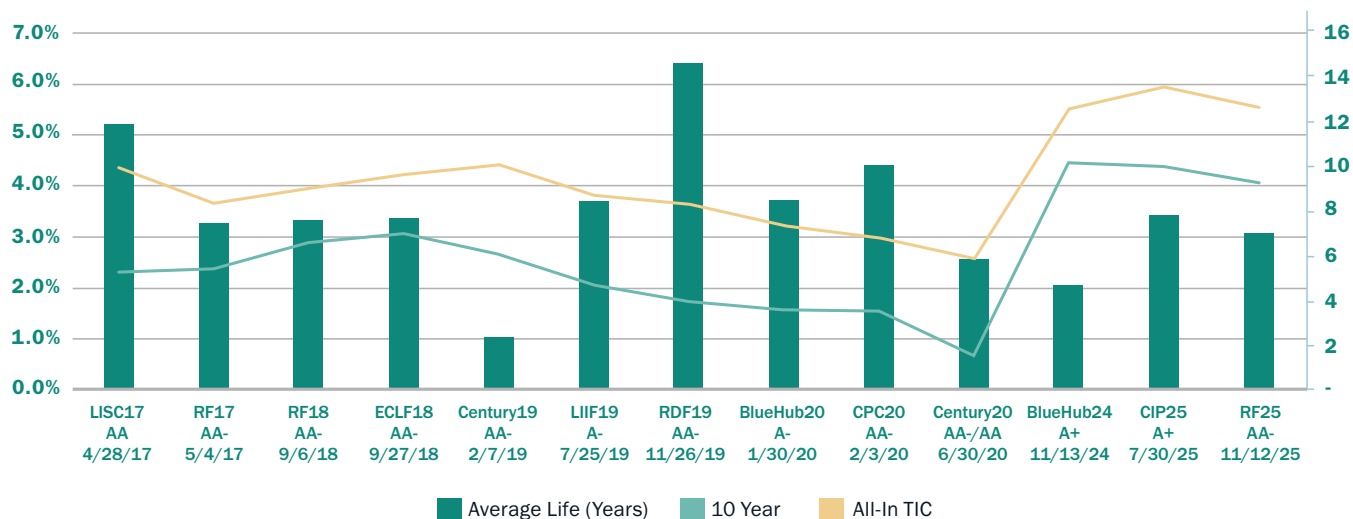
	LISC17	RF17	RF18	ECLF18	Century19	LIIF19	RDF19
Underwriter	Morgan Stanley	BofA Merrill Lynch	BofA Merrill Lynch	Morgan Stanley	BofA Merrill Lynch	Morgan Stanley/ J.P. Morgan	Hilltop Securities/ J.P. Morgan
Bond Designation	Sustainability	Impact Investment	Impact Investment	Sustainability	Impact Investment	Sustainability	Community Investment
Tax Basis	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable	Taxable
Issuance Rating	AA	AA-	AA-	AA-	AA-	A-	AA-
Current Rating	AA-	Repaid	AA-	AA-	Repaid	A	AA-
Dated Date	4/28/17	5/4/17	9/6/18	9/27/18	2/7/19	7/25/19	11/26/19
Delivery Date	4/28/17	5/4/17	9/6/18	9/27/18	2/7/19	7/25/19	11/26/19
Maturity Date	3/1/37	11/1/25	2/15/28	11/1/28	11/1/22	7/1/29	7/1/34
Term	19.9	8.5	9.4	10.1	3.7	9.9	14.6
Average Life	11.8	7.5	7.6	7.7	2.3	8.4	14.6
Par Amount	\$100,000,000	\$50,935,000	\$75,735,000	\$50,000,000	\$100,000,000	\$100,000,000	\$50,000,000
All-In Cost	4.351%	3.665%	3.966%	4.200%	4.402%	3.805%	3.647%
Total COI	\$861,278	\$935,000	\$735,000	\$577,778	\$973,382	\$1,163,272	\$632,030
COI as %	0.861%	1.836%	0.970%	1.156%	0.973%	1.163%	1.264%
UD	\$731,478	\$441,760	\$466,077	\$356,498	\$623,882	\$883,522	\$423,500
UD as %	0.731%	0.867%	0.615%	0.713%	0.624%	0.884%	0.847%

TABLE 7 **BOND PRICING SUMMARY** (continued)

	BlueHub20	CPC20	Century20	BlueHub24	CIP25	RF25
Underwriter	Morgan Stanley	Goldman Sachs/Siebert Williams Shank	Wells Fargo Securities	Morgan Stanley	Mesirow Financial/Momentum Securities	BofA Securities/J.P. Morgan/PNC Capital Markets
Bond Designation	Sustainability	Sustainability	Sustainability	Sustainability	N/A	N/A
Tax Basis	Taxable	Taxable	State Exempt	State Exempt / Federal & State Exempt	Taxable	State Exempt
Issuance Rating	A-	AA-	AA- / AA	A+	A+	AA-
Current Rating	A+	AA-	AA / AA	A+	A+	AA-
Dated Date	1/30/20	2/3/20	6/30/20	11/13/24	7/30/25	11/12/25
Delivery Date	1/30/20	2/3/20	6/30/20	11/13/24	7/30/25	11/12/25
Maturity Date	1/1/30	2/1/30	11/1/35	7/1/44	8/1/35	10/1/35
Term	9.9	10.0	15.3	19.6	10.0	9.9
Average Life	8.4	10.0	5.8	8.0	7.8	7.0
Par Amount	\$75,000,000	\$150,000,000	\$85,000,000	\$86,820,000	\$122,750,000	\$69,535,000
All-In Cost	3.211%	2.972%	2.575%	5.204%	5.947%	5.538%
Total COI	\$853,242	\$1,351,777	\$1,052,829	\$1,390,021	\$1,146,902	\$1,219,273
COI as %	1.138%	0.901%	1.239%	1.601%	0.934%	1.753%
UD	\$669,442	\$1,028,277	\$630,829	\$767,267	\$938,356	\$359,273
UD as %	0.893%	0.686%	0.742%	0.884%	0.764%	0.517%

Graph 5 compares the average life of the 13 issuances to their All-In Costs. The dated date of the offering and the 10-year Treasury rates on the day of pricing are provided as indicators of the general interest rate environment. The graph is arranged chronologically, as timing and the general interest rate environment continue to be the primary pricing factors for CDFI issuances. Note that BlueHub's federally exempt 2024 Series B bonds are not included in Graph 5.

GRAPH 5 **COMPARISON OF BOND AVERAGE LIFE & ALL-IN BORROWING COSTS**



As mentioned above, interest on Century's 2020 issuance was exempt from State of California income taxes and also benefited from a low-interest rate environment, with an All-In Cost of 2.575% and an average life of 5.8 years. The three bond issuances since publication of the 2023 White Paper were undertaken within a significantly higher interest rate environment:

- BlueHub, which issued in November 2024, had both a state-exempt and fully-exempt series of bonds. The state-exempt Series A bonds had an All-In Cost of 5.516% and an average life of 4.6 years. The Series B bonds, which are exempt from both federal and state taxes, had an All-In Cost of 4.925% and an average life of 15.8 years.
- CIP's taxable July 2025 issuance had an All-In Cost of 5.947% and an average life of 7.8 years.
- RF's November 2025 issuance, which is exempt from Arizona income taxes, had an All-In Cost of 5.538% and an average life of 7.0 years.

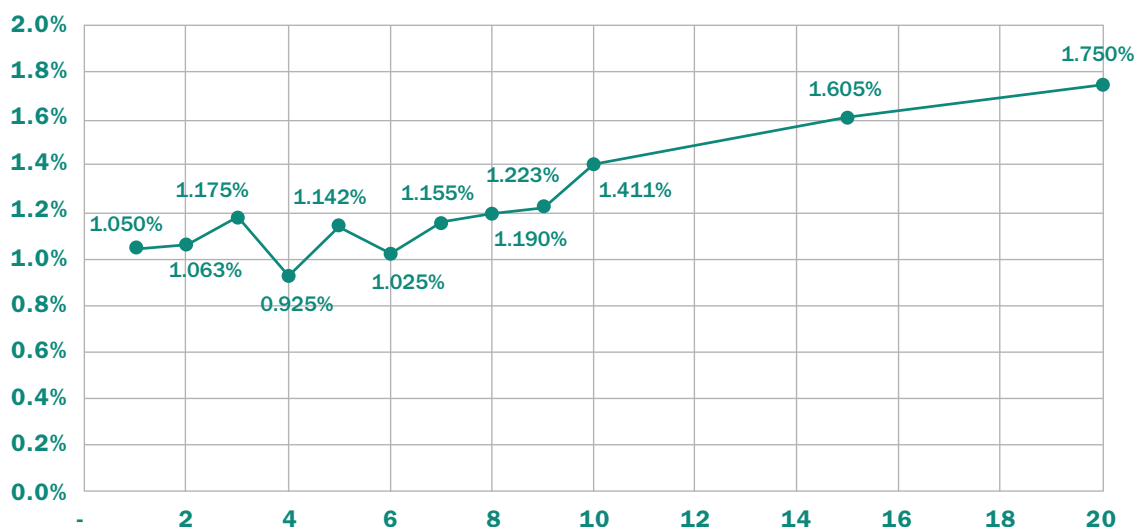
The 13 bond issuances have a variety of structures, as indicated in Table 8, which includes the term, par amount, yield, comparable Treasury rate and the spread to Treasury for each of the federally taxable bond maturities. For example, the 2018 and 2025 RF offerings consist of serial bonds with annual maturities, whereas the 2019 RDF and 2020 CPC issuances consist of longer-term bullet maturities.

TABLE 8 CDFI BOND SPREADS TO TREASURIES

Issuer	Dated Date	CUSIP	Maturity	Term	\$ Par Amount	Yield	Treasury Rate	Spread to Treasury
LISC17	4/28/17	539565AE1	3/1/22	4.8	\$25,000,000	3.005%	1.755%	1.250%
LISC17	4/28/17	539565AC5	3/1/27	9.8	\$25,000,000	3.782%	2.232%	1.550%
LISC17	4/28/17	539565AD3	3/1/37	19.9	\$50,000,000	4.649%	2.899%	1.750%
RF17	5/4/17	75936LAC8	11/1/23	6.5	\$11,545,000	3.166%	2.096%	1.070%
RF17	5/4/17	75936LAA2	11/1/24	7.5	\$23,335,000	3.366%	2.096%	1.270%
RF17	5/4/17	75936LAB0	11/1/25	8.5	\$16,055,000	3.513%	2.293%	1.220%
RF18	9/6/18	75936LAE4	2/15/21	2.4	\$1,120,000	3.289%	2.739%	0.550%
RF18	9/6/18	75936LAF1	2/15/22	3.4	\$1,680,000	3.377%	2.777%	0.600%
RF18	9/6/18	75936LAG9	2/15/23	4.4	\$3,000,000	3.477%	2.777%	0.700%
RF18	9/6/18	75936LAH7	2/15/24	5.4	\$6,000,000	3.600%	2.850%	0.750%
RF18	9/6/18	75936LAJ3	2/15/25	6.4	\$9,000,000	3.700%	2.850%	0.850%
RF18	9/6/18	75936LAK0	2/15/26	7.4	\$15,000,000	3.780%	2.880%	0.900%
RF18	9/6/18	75936LAL8	2/15/27	8.4	\$29,000,000	3.880%	2.880%	1.000%
RF18	9/6/18	75936LAM6	2/15/28	9.4	\$10,935,000	3.930%	2.880%	1.050%
ECLF18	9/27/18	29375EAB1	11/1/23	5.1	\$20,000,000	3.685%	2.985%	0.700%
ECLF18	9/27/18	29375EAA3	11/1/28	10.1	\$30,000,000	4.152%	3.102%	1.050%
Century19	2/7/19	156549AA5	11/1/20	1.7	\$50,000,000	3.824%	2.474%	1.350%
Century19	2/7/19	156549AB3	11/1/21	2.7	\$40,000,000	3.995%	2.445%	1.550%
Century19	2/7/19	156549AD9	11/1/23	4.7	\$10,000,000	4.148%	2.448%	1.700%
LIIF19	7/25/19	54750AAA4	7/1/26	6.9	\$25,000,000	3.386%	1.986%	1.400%
LIIF19	7/25/19	54750AAB2	7/1/29	9.9	\$75,000,000	3.711%	2.111%	1.600%
RDF19	11/26/19	75525JAA4	7/1/34	14.6	\$50,000,000	3.534%	1.784%	1.750%
BlueHub20	1/30/20	095623AA2	1/1/27	6.9	\$18,750,000	2.890%	1.640%	1.250%
BlueHub20	1/30/20	095623AB0	1/1/30	9.9	\$56,250,000	3.099%	1.724%	1.375%
CPC20	2/3/20	20402CAA3	2/1/30	10.0	\$150,000,000	2.867%	1.617%	1.250%
Century20	6/30/20	13048VQA9	11/1/22	2.3	\$30,000,000	1.486%	0.184%	1.302%
Century20	6/30/20	13048VQB7	11/1/23	3.3	\$35,000,000	1.605%	0.205%	1.400%
Century20	6/30/20	13048VQC5	11/1/35	15.3	\$20,000,000	2.877%	1.417%	1.460%
BlueHub24	11/13/24	74442PG25	7/1/29	4.6	\$60,545,000	5.292%	4.112%	1.180%
CIP25	7/30/25	140192AA3	8/1/30	5.0	\$54,000,000	5.335%	3.985%	1.350%
CIP25	7/30/25	140192AB1	8/1/35	10.0	\$68,750,000	5.999%	4.449%	1.550%
RF25	11/12/25	04052AEH5	10/1/26	0.9	\$3,000,000	4.507%	3.457%	1.050%
RF25	11/12/25	04052AEJ1	10/1/27	1.9	\$3,000,000	4.507%	3.457%	1.050%
RF25	11/12/25	04052AEK8	10/1/28	2.9	\$3,000,000	4.604%	3.454%	1.150%
RF25	11/12/25	04052AEL6	10/1/29	3.9	\$3,000,000	4.709%	3.559%	1.150%
RF25	11/12/25	04052AEM4	10/1/30	4.9	\$3,000,000	4.809%	3.559%	1.250%
RF25	11/12/25	04052AEN2	10/1/31	5.9	\$14,010,000	4.936%	3.736%	1.200%
RF25	11/12/25	04052AEP7	10/1/33	7.9	\$14,050,000	5.259%	3.959%	1.300%
RF25	11/12/25	04052AEQ5	10/1/34	8.9	\$10,000,000	5.359%	3.959%	1.400%
RF25	11/12/25	04052AER3	10/1/35	9.9	\$16,475,000	5.459%	3.959%	1.500%

Spreads to Treasury are generally wider for longer maturities, with significant variability in the shorter 1- to 5-year maturities. Graph 6 shows the average spread to Treasury by maturity for all federally taxable bonds within the 13 issuances. Spreads are highest for the longer 15- to 20-year maturities; however, there are only three maturities in this data set, all of which were issued early in the sector's development. Average spreads for shorter 1- to 5-year maturities range between a low of 0.925% for 4-year maturities to a high of 1.175% for 3-year maturities, with variation in the shorter maturities based on market timing and rating.

GRAPH 6 **AVERAGE SPREAD TO TREASURY BY MATURITY**



Redemption Provisions

All federally taxable series are subject to optional redemption in whole or in part prior to maturity at a “Make-Whole Redemption Price” equal to the greater of 100% of outstanding principal or the present value of the remaining principal payments discounted at the comparable Treasury rate (T) plus a spread that varies with the market environment. Thus, they are all subject to yield maintenance for the life of the issuances, with a short grace period incorporated into seven of the issuances. In this grace period, individual bonds within the issuance are not subject to yield maintenance and can be redeemed at par. Table 9 summarizes the spreads and grace periods for each issuance.

TABLE 9 **MAKE WHOLE REDEMPTION SPREADS**

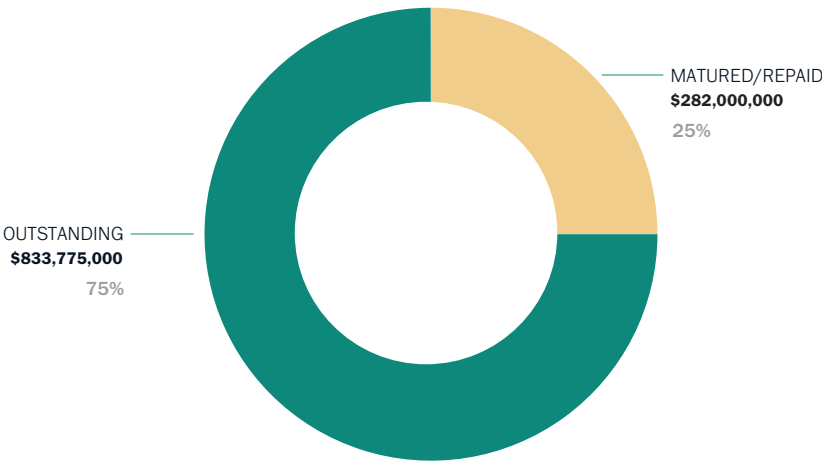
Issuer	Dated Date	Make Whole Spread	Grace Period
LISC17	4/28/17	T + 25	3/3/6 months for 3 bond maturities
RF17	5/4/17	T + 20	No grace period
RF18	9/6/18	T + 20	No grace period
ECLF18	9/27/18	T + 15	3/3 months for 2 bond maturities
Century19	2/7/19	T + 25	No grace period
LIIF19	7/25/19	T + 25	3/3 months for 2 bond maturities
RDF19	11/26/19	T + 30	No grace period
BlueHub20	1/30/20	T + 20	3/3 months for 2 bond maturities
CPC20	2/3/20	T + 20	3 months for bond maturity
Century20	6/30/20	T + 25	0/0/3 months for 3 bond maturities
		T + 25	
		T + 35	
BlueHub24	11/13/24	T + 20	No grace period
CIP25	7/30/25	T + 20	3/3 months for 2 bond maturities
		T + 30	
RF25	11/12/25	T + 25	No grace period

BlueHub's federally tax-exempt 2024 Series B bonds are redeemable at par beginning July 1, 2032, with special provisions for optional and mandatory redemption.

Rated Bond Issuance Status

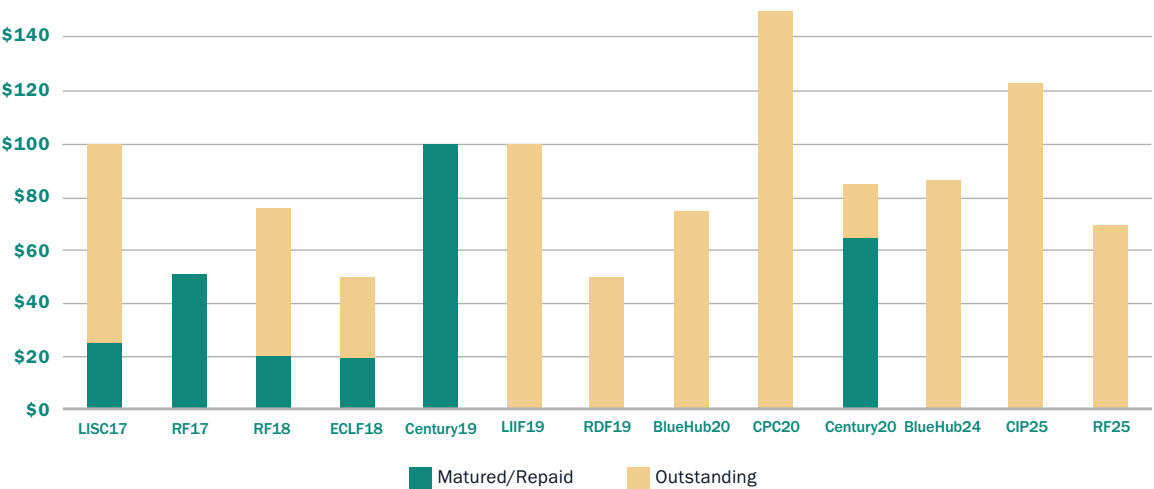
Through year-end 2025, \$282 million, or 25%, of the \$1.116 billion in CDFI bond issuance has been repaid at maturity and \$834 million, or 75%, remains outstanding.

GRAPH 7 AGGREGATE ISSUANCE STATUS, \$1.116 BILLION



Five of the CDFIs have debt that matured prior to year-end 2025, with RF fully repaying its \$50.9 million 2017 issuance and \$20.8 million of its 2018 issuance. Century fully repaid its \$100 million 2019 issuance and repaid \$65 million of its 2020 issuance. LISC structured its 2017 issuance with 5-, 10- and 20-year term bonds, the first \$25 million of which matured in March 2022, with an additional \$25 million maturing March 2027. ECLF has repaid a \$20 million serial bond that matured in November 2023, with a \$7.5 million sinking fund installment on its 2028 term bond due in November 2026. BlueHub repaid \$265,000 on the first sinking fund installment of its 2024 tax-exempt series.

GRAPH 8 BOND ISSUANCE STATUS BY CDFI



Private Placements

CDFIs can also raise debt through private placements that are negotiated through investment banking and capital markets channels. In 2021, Century privately placed the first fully tax-exempt bond issuance, with U.S. Bancorp acting as placement agent (see breakout box). More recently, in 2024, CPC raised \$200 million through a private offering of Sustainability Bonds, led by Goldman Sachs. In preparation for its Sustainability Bond offering, CPC obtained a second party opinion from Sustainalytics verifying alignment with the Sustainability Bond Framework.¹⁷ In 2025, Clearinghouse privately placed a \$75 million social taxable bond. The bonds are rated “BBB+” by S&P and received a second party opinion from S&P for Clearinghouse’s Social Bond Framework. The bonds have a rate of 7% and are due October 2030.¹⁸

As discussed in the 2023 White Paper, CDFIs can also obtain private placement ratings in which ratings and research are disclosed to investors via a secure platform. Private placement ratings can be used when an organization wants to raise capital but is sensitive to public dissemination of its ratings, or to attract capital from investors that have rating requirements as part of their investment policies, such as insurance companies. In 2022, Egan-Jones Ratings Company rated an \$85 million private placement for Lendistry, and in 2021, it provided ratings for \$225 million in private placement issuance for the Change Company.

Century 2021 Tax-Exempt Private Placement¹⁹

In 2021, Century became the first CDFI to privately place a Sustainability Bond issuance that was exempt from both federal and state income taxes. In addition to its activities as a CDFI, Century is an affordable housing developer, owner and operator. Century used a conduit issuer, California Municipal Finance Authority, to issue a \$17.5 million general obligation tax-exempt bond to provide financing for Century CityView LP’s acquisition and rehabilitation of CityView Apartments, a 296-unit senior multifamily rental project in Long Beach, California

U.S. Bancorp served as private placement agent for the issue, which consisted of a 10-year term bond with a 4% coupon priced at a 121.902% premium. The issue had an All-In Cost of 1.845% and costs of issuance equal to 1.954%.

Placement Agent	U.S. Bancorp
Issuance Rating	AA-
Dated Date	11/17/21
Delivery Date	11/17/21
Maturity Date	11/1/31
Term	10 Years
Average Life	10 Years
Par Amount	\$17,515,000
Proceeds	\$21,351,135
All-In Cost	1.845%
Total COI	\$417,116
COI as %	1.954%

Brokered Note Programs

Since the release of the 2023 White Paper, there have been no new entrants to the brokered notes market. The three issuers detailed in the prior paper – Century, CIP and LISC – significantly increased their borrowing volume with limited structural changes to their programs. This paper updates issuance since the end of 2022 and provides new analysis of disclosure practices and use of call features.

General Characteristics

Common Features

The three brokered note programs share the same structure. The notes are rated and issued on a taxable basis through continuous offerings available to institutional and retail investors through InspereX (formerly, Incapital), which acts as the lead sales agent and distributor. InspereX enables individual and institutional investors to purchase CDFI notes in \$1,000 increments, with maturities ranging from six months to 20 years, generally at fixed rates. Offerings must have an investment-grade credit rating from at least one NRSRO and align with environmental, economic and/or social impact measurement frameworks.

CDFI issuers set the maturities and pricing of their offerings at the beginning of the offering period, with pricing typically based on comparably rated corporate securities. The notes are assigned identifying CUSIPs and are Depository Trust Company (DTC)-settled to facilitate transaction ease. Offerings are made on a best-efforts basis, with no guarantee of the actual amount raised in any offering period. Issuers can limit the amount of funds raised in a particular offering period by placing a volume cap on specific CUSIPs.

Unlike discrete bond issuances, notes are issued up to a “shelf amount,” an aggregate dollar volume that may be issued in a 12-month period or issued and outstanding at any time. All three issuers have steadily increased their shelf amounts over time. Since publication of the 2023 White Paper, aggregate shelf amounts have nearly doubled in size, with CIP increasing its shelf amount from \$150 to \$300 million, LISC from \$250 to \$350 million, and Century from \$150 to \$325 million.

The growth in shelf amounts suggests an increased need for new capital due to portfolio growth since the end of 2022 and demonstrates the importance of this capital source as a share of total capitalization. CIP’s capital markets issues (notes and bonds) grew as a percentage from 60% of its overall capitalization in 2023 to 68% in 2024.²⁰ When segregating capitalization for lending activities alone, Century’s capital market transactions represented 80% of all sources in 2023 and 66% in 2024. LISC’s capital markets issues have remained stable as a share of its total capitalization, representing 37% and 38% in 2023 and 2024, respectively.²¹

In its capacity as lead sales agent, InspereX maintains contact with institutional investors. However, other orders, such as those sourced from registered investment advisors (RIAs) or individuals, are placed and appear in bulk under the brokerage’s name, with limited information available about the individual retail investors.



HopeWorks Station Everett, Washington

Kindred Kitchen provides culinary job training for individuals facing barriers to employment.

TABLE 10 **BROKERED NOTE PROGRAM SHELF OFFERINGS & RATINGS HISTORY**

	Prospectus Date	S&P Rating Date	S&P Rating	Fitch Rating Date	Fitch Rating	Shelf Amount
CIP	10/6/17	9/7/17	AA	N/A	N/A	\$100,000,000
	6/27/18	4/9/18	AA-	N/A	N/A	\$125,000,000
	8/8/19	8/23/19	A+	N/A	N/A	\$150,000,000
	8/8/19	12/30/19	A	N/A	N/A	\$150,000,000
	8/6/20	11/12/20	A	N/A	N/A	\$150,000,000
	9/24/21	N/A	A	N/A	N/A	\$150,000,000
	9/30/22	5/17/22	A	9/22/22	A+	\$150,000,000
	8/31/23	9/2/23	A+	7/13/23	A+	\$200,000,000
	8/5/24	9/9/24	A+	7/5/24	Review - No Action	\$250,000,000
	6/30/25	7/2/25	A+	6/30/25	A+	\$300,000,000
LISC	N/A	12/23/19	AA-	N/A	N/A	\$150,000,000
	10/19/20	10/21/20	AA-	N/A	N/A	\$150,000,000
	10/15/21	10/29/21	AA-	N/A	N/A	\$200,000,000
	10/15/22	10/19/22	AA-	N/A	N/A	\$200,000,000
	10/15/23	12/8/23	AA-	N/A	N/A	\$250,000,000
	10/15/24	11/6/24	AA-	N/A	N/A	\$250,000,000
	10/15/25	11/18/25	AA-	N/A	N/A	\$350,000,000
Century	9/21/20	12/14/20	AA-	6/17/20	AA	\$50,000,000
	8/10/21	7/26/21	AA-	7/30/21	AA	\$150,000,000
	8/10/22	7/20/22	AA-	7/21/22	AA	\$150,000,000
	8/10/22	10/18/22	AA-	10/13/22	AA	\$150,000,000
	8/1/23	6/21/23	AA	10/12/23	AA	\$150,000,000
	8/1/24	7/26/24	AA	9/24/24	Review - No Action	\$250,000,000
	8/1/25	7/29/25	AA	7/25/25	AA	\$325,000,000

Differences

The 2023 White Paper presented program features through which rated issuers were beginning to differentiate their offerings, including rating agency engagement, geographic availability and impact features. These features are outlined in Table 11. Since that time, issuers have made limited updates to their programs, some of which have brought the programs into greater alignment. For instance, CIP reduced its minimum tenor to six months, matching Century, and LISC increased its maximum tenor to 20 years, in alignment with the other two issuers.

The previous paper noted that CDFIs were increasingly aligning their use of proceeds with existing impact frameworks, with Century's and LISC's offerings aligned with ICMA's Sustainability Bond Guidelines and Social Bond Principles. In March 2024, CIP also issued its Sustainability Bond Framework and received a second party opinion from S&P. Beyond impact framework alignment, starting in 2024, LISC committed to investing in sustainability projects via its program by directing up to \$20 million in net proceeds to projects promoting transit-oriented development, increased energy and cost savings, and improved disaster response and recovery. Century provides sustainability reporting to its investors, with a fact sheet that provides a breakdown of homes financed with green or environmental features.

There have been no changes with rating agency engagement; Century and CIP continue to receive annual ratings from both S&P and Fitch. Since the 2023 White Paper, both issuers have received upgrades from S&P: Century was upgraded from “AA-” to “AA” in June 2023, and CIP was upgraded from “A” to “A+” in September 2023. LISC continues to receive an annual rating from S&P and has maintained its “AA-” rating since program inception. In terms of geographic availability, the states excluded from offering are the same states identified in the 2023 White Paper, with none of the three CDFIs offering notes in the state of Washington and varying presence in Arkansas and Tennessee.

TABLE 11 **BROKERED NOTE PROGRAM TERMS & IMPACT FEATURES**

	CIP Investment Notes	LISC Impact Notes	Century Sustainable Impact Notes
Program Terms	Termination Date	None	None
	Lead Agent	InspereX	InspereX
	Type	Best efforts	Best efforts
	Terms	6 months – 20 years	1 – 20 years
	Priority	Unsecured	Unsecured
	Minimum Investment	\$1,000	\$1,000
	Investor Restrictions	No	No
	States excluded from offering	AR & WA	TN & WA
	Ability to direct the use of proceeds	Yes, with investment ≥\$2 million	No
Impact Features	Alignment with external impact framework	ICMA Sustainability Bond Guidelines*	Social Bond Principles and UN SDGs
	Second Party Opinion	S&P Global	Vigeo Eiris (now Moody's Ratings)

* ICMA Sustainability Bond Guidelines incorporate both the Social Bond Principles and Green Bond Principles

Disclosure Analysis

New in this paper, we reviewed the offering documents from the brokered note issuers to assess similarities and differences in disclosure practices. Structurally, the offering documents are organized similarly, with disclosure driven by regulatory requirements. Practice varies for inclusion of parent-only versus consolidated financial statements, as well as for inclusion of interim unaudited financial statements. Additionally, Century’s offering document contains a new section on government impact on its business operations, including indirect exposure due to curtailment of government subsidy and funding programs and the impact of tariffs on the cost of goods and services. To address government impacts on its operations, CIP’s offering document contains a new risk factor on the impact of the current administration’s changes in policy priorities and regulations, including those related to the CDFI Fund, federally qualified health centers, charter schools, affordable housing and reductions in federal funding sources. LISC includes risk factors related to inflation and its CDFI status, as well as how changes in governmental priorities and regulations could adversely affect its operations. As of December 2025, it does not specifically reference impacts from the current administration.

TABLE 12 **BROKERED NOTE PROGRAM TABLE OF CONTENTS**

	CIP Investment Notes	LISC Impact Notes	Century Sustainable Impact Notes
Preliminary Statements	Y	Y	Y
Parent-Only Financial Information	-	Y	Y
State-Specific Disclosures	Y	Y	Y
Forward-Looking Statements	Y	Y	Y
Offering Summary	Y	Y	Y
Financial Information	Y	Y	Y
Risk Factors	Y	Y	Y
Use of Proceeds	Y	Y	Y
Description of the Issuer	Y	Y	Y
Financing & Operational Activities	Y (Labeled Capitalization)	Y	Y
Lending Activities	Y	Y	Y
Development Activities	-	-	Y
Investing Activities	Y	Y	Y
Board of Directors	Y	Y	Y
Management Team & Key Employees	Y	Y	Y
Director & Executive Compensation	Y	Y	Y
Related-Party Transactions	-	Y	Y
Legal Proceedings	Y	Y	Y
Impact of Government	-	-	Y
Description of the Notes	Y	Y	Y
Certain Key Indenture Provisions	Y	-	-
How to Invest / Plan of Distribution	Y	Y	Y
Financial Reporting	Y	Y	Y
Appendix – Audited Financial Statements	2 yrs	2 yrs	2 yrs
Appendix – Unaudited Financial Statements	-	6 mos	3 mos

Offering documents begin with a “Financial Information” section that provides results from historic audited financial statements, including the statement of financial position, statement of activities and change in net assets. In these tables, LISC presents five years of audited financial results on both a parent-only and consolidated basis, together with parent-only information for the most recent interim period. Century provides five years of audited financial results and interim financials for the most recent period on both a parent-only and consolidated basis. CIP provides five years of financial results on a consolidated basis.

The “Supplemental Financial Information” table (see Table 13) provides additional summary detail on the issuer’s loan portfolio, notes program, long-term debt and net asset position. LISC and Century disclose the same information, with CIP providing or excluding slightly different categories. Not included in Table 13 is additional detail CIP provides on its net assets without donor restrictions. In its disclosure, CIP provides three breakouts: net assets without donor restrictions before noncontrolling interest as a percentage of total assets, net assets without donor restrictions before noncontrolling interest as a percentage of total assets less subsidiaries debt, and net assets without donor restrictions before noncontrolling interest plus subordinated debt as a percentage of total assets less subsidiaries debt.

TABLE 13 **BROKERED NOTE FINANCIAL INFORMATION**

	CIP	LISC		Century	
	Consolidated	Consolidated	Parent-Only	Consolidated	Parent-Only
Financial Information					
Statement of Financial Position	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Statement of Activities and Changes in Net Assets	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Supplemental Financial Information					
Cash and Cash Equivalents	5 yrs	-	-	-	-
Unsecured Loans Receivable	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Unsecured Loans Receivable as a Percentage of Total Loans	-	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Loans Delinquent 90 Days or More	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Loans Delinquent 90 Days or More as a Percentage of Total Loans	-	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Notes Payable	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Amount of Impact Notes Sold	5 yrs	-	-	-	-
Notes Redeemed	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Long-Term Debt	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Net Assets without Donor Restrictions	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Net Assets	-	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Net Assets without Donor Restrictions as a Percentage of Net Assets	5 yrs	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Total Loans Receivable	-	5 yrs	5 yrs + interim	5 yrs + interim	5 yrs + interim
Change in Net Assets	5 yrs	-	-	-	-
Non-Managing Member's Net Equity Interest Activities	5 yrs	-	-	-	-
Net Assets as a Percentage of Total Assets	5 yrs	-	-	-	-
Total Liabilities, Net Less Subsidiaries Debt as a Percentage of Net Assets	5 yrs	-	-	-	-

All three issuers include details on their capitalization, debt composition and liabilities. Century and LISC include this information under “Financing and Operational Activities,” while CIP includes it in a section titled “Capitalization.” The detail is consistent across issuers, with the exception of a schedule of liabilities. While CIP does not include this schedule as part of its capitalization section, it does include secured indebtedness under risk factors. One other notable difference is that both Century and LISC include outstanding notes in tables detailing their five largest investors, but CIP excludes note capitalization.

TABLE 14 **BROKERED NOTE FINANCING & OPERATIONAL ACTIVITIES**

	CIP		LISC		Century
	Consolidated	Parent-Only	Consolidated	Consolidated	
Capitalization					
Debt	1 yr	1 yr + interim	1 yr	1 yr + interim	
Net Assets					
Without Donor Restrictions	1 yr	1 yr + interim	1 yr	1 yr + interim	
With Donor Restrictions	1 yr	1 yr + interim	1 yr	1 yr + interim	
Total Net Assets	1 yr	1 yr + interim	1 yr	1 yr + interim	
Total Capitalization	1 yr	1 yr + interim	1 yr	1 yr + interim	
Net Asset Restrictions & Possible Uses	1 yr	1 yr + interim	1 yr	1 yr + interim	
Debt Composition & Sources					
Sources of Debt	1 yr	1 yr + interim	1 yr	1 yr + interim	
Remaining Term on Debt	1 yr	1 yr + interim	1 yr	1 yr + interim	
Five Largest Investors	1 yr	-	1 yr	1 yr	
Schedule of Liabilities					
Secured Liabilities	-	-	1 yr	1 yr + interim	
Unsecured Liabilities	-	-	1 yr	1 yr + interim	
Total Liabilities of Consolidated Affiliates	-	-	1 yr	1 yr + interim	

The CDFIs all make loans to affordable housing developers and/or organizations that support healthcare, education and other community and commercial development activities. In addition to financial disclosure, the issuers provide information on their loan products, lending criteria, lending process and portfolio monitoring. As detailed in Table 15, the information disclosed in this section is inconsistent across issuers, for both the type of information provided and the time period covered. Some of the portfolio performance metrics are detailed elsewhere in the offering documents, including the “Supplemental Financial Information” in Table 13.

TABLE 15 **BROKERED NOTE LENDING ACTIVITIES**

	CIP	LISC	Century	
	Consolidated	Parent-Only	Consolidated	
Loan Portfolio Composition				
Breakdown by Loan Amount and Number	-	-	-	1 yr + interim
Loan Product Breakdown	-	1 yr + interim	1 yr	3 yrs + interim
Loan Asset Type Breakdown	5 yrs	1 yr + interim	1 yr	-
Loan Geography Breakdown	5 yrs	-	-	-
Loan Portfolio Outstanding Balance	5 yrs	1 yr + interim	1 yr	3 yrs + interim
Loans by Dollar Volume and Collateral				
Secured by Real Property (1st)	-	-	-	1 yr + interim
Secured by Real Property (Subordinated)	-	-	-	1 yr + interim
Unsecured	-	-	-	1 yr + interim
Loan Portfolio Funding Commitments & Payments				
Unfunded Loan Commitments Concentration, Geography	1 yr	-	-	-
Unfunded Loan Commitments Concentration, Sector	1 yr	-	-	-
Loan Receivable Maturity Schedule	-	1 yr + interim	-	1 yr + interim
Loan Portfolio Quality				
Loan Portfolio Loss	5 yrs	-	-	-
Delinquencies	5 yrs	-	-	3 yrs + interim
Allowances	-	3 yrs + interim	3 yrs	3 yrs + interim
Risk Rating	-	3 yrs	-	3 yrs + interim

Of the three issuers, Century is the only one that engages in the development, ownership and management of affordable housing primarily through its controlled affiliates and their respective controlled affiliates. These entities are part of Century's consolidated audit, and their activities are disclosed in Century's offering document.

All three issuers describe their investment policies and investment holdings, as detailed in Table 17. Given the different investment categories, it is hard to draw comparisons across issuers. LISC is unique in providing a table showing its liquidity. Century narratively states that its investments can be monetized in five to seven days.

TABLE 16 **BROKERED NOTE DEVELOPMENT ACTIVITIES**

	Century Consolidated
Development Fee Schedule	1 yr + interim
Tax Credit Guarantees	1 yr + interim
Repayment Guarantees	1 yr + interim
Real Estate Held for Investment	1 yr + interim

TABLE 17 **BROKERED NOTE INVESTING ACTIVITIES**

	CIP		LISC		Century
	Consolidated	Parent-Only	Consolidated	Consolidated	
Investments					
Cash and Cash Equivalents Held for Investment	-	3 yrs + interim	3 yrs	-	
Cash, Cash Equivalents - Unrestricted	3 yrs	-	-	-	
Cash, Cash Equivalents - Restricted	3 yrs	-	-	-	
Corporate Bonds and Fixed Income Funds	-	3 yrs + interim	3 yrs	-	
Core Fixed Income	-	-	-	3 yrs + interim	
High Yield Bank Loans	-	-	-	3 yrs + interim	
Bank Loans	-	-	-	3 yrs + interim	
US Government Agencies	-	3 yrs + interim	3 yrs	-	
Treasury Inflation Protected Securities (TIPS)	-	-	-	3 yrs + interim	
Mortgage Backed and US Treasury Securities	3 yrs	-	-	-	
Certificates of Deposit	-	3 yrs + interim	3 yrs	-	
Alternative Investments	3 yrs	3 yrs + interim	3 yrs	-	
US Equities	-	-	-	3 yrs + interim	
International Equities	-	-	-	3 yrs + interim	
Global Low Volatility Equities	-	-	-	3 yrs + interim	
Diversified Inflation	-	-	-	3 yrs + interim	
Liquidity					
<30 days	-	1 yr + interim	1 yr	-	
Quarterly	-	1 yr + interim	1 yr	-	
> One Year	-	1 yr + interim	1 yr	-	

As summarized in Table 18, the three issuers disclose compensation for directors and executives, with LISC and Century disclosing additional detail on what comprises compensation. CIP includes a separate table indicating which members of its board receive compensation.

TABLE 18 **BROKERED NOTE DIRECTOR & EXECUTIVE COMPENSATION**

	CIP	LISC	Century
Salary	-	Y	Y
Bonus & Other Compensation	-	Y	Y
Health & Other Insurance	-	Y	Y
Contributions to Retirement Plan	-	Y	Y
Total Executive Compensation	Y	-	-
Individual Board Compensation	Y	-	-

Ongoing Disclosure

All three issuers post information related to SEC rule 15c2-11 on their websites as of the most recent fiscal year. The rule governs the publication or submission of broker-dealer quotations in mediums other than a national securities exchange and includes current and publicly available information about the issuer whose security is being offered. The disclosure includes access to audited financials and form 990s.

Issuance Analysis

Table 19 summarizes the number of offerings, amount raised, average coupon and average spread to Treasuries for note offerings by maturity. Graphs 9 and 10 include the number of issuances by each CDFI and the cumulative aggregate volume raised by maturity. Through December 2025, the three issuers have raised a total of \$1.67 billion through their note programs, with CIP issuing \$699 million over an eight-year period, LISC issuing \$369 million over a five-year period, and Century issuing \$601 million in nearly five years. As of year-end 2025, notes outstanding totaled \$928 million for the three issuers, including \$405 million for CIP, \$213 million for LISC and \$309 million for Century.

Out of the 297 discrete offerings through December 2025, the most frequently issued terms, which have generated the highest dollar volume of investment, include: 1-year notes totaling \$650 million, 39% of total capital raised; 3-year notes totaling \$381 million, 23% of total capital raised; and 5-year notes totaling \$349 million, 21% of total capital raised. The 10-year, 1.5-year, and 7-year maturities were the next most popular. Other less frequently issued terms include LISC and Century's issuance of 2-year notes, CIP's issuance of 15-year notes, and LISC's de minimis issuance of 4-year and 6-year notes.

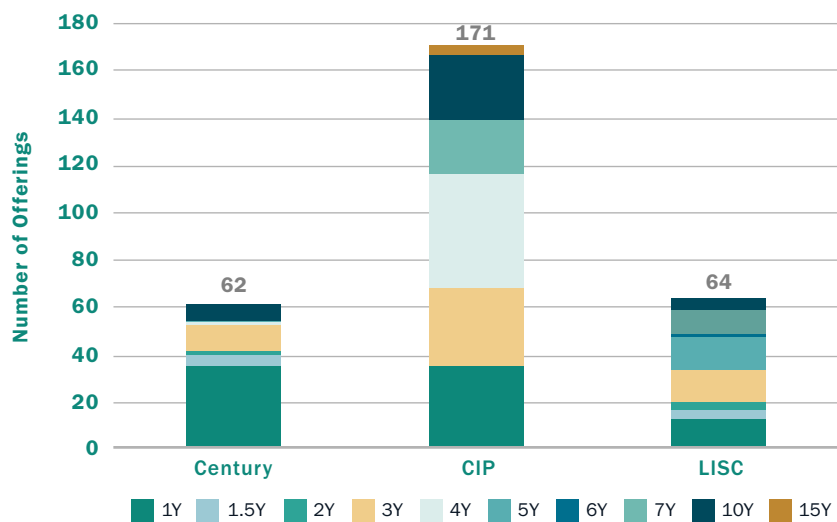
Since 2022, all issuers have shown a strong shift towards shorter-term capital (one- to four-year terms). The 2023 White Paper found that LISC had previously shown a preference for mid-range capital, with just 14% of its issuances under four years. As of December 2025, 55% of LISC's issuances fell within four years or less. Though less dramatic, the same movement toward shorter-term maturities was seen by the two other note issuers. This is likely due to rate hikes in the fixed income market that began in 2022. CDFI issuers may have been more hesitant to lock in high-cost, long-term capital, preferring to issue debt with shorter maturities to manage their cost of capital and interest rate risk.

TABLE 19 **BROKERED NOTE OFFERINGS, ISSUANCE DETAILS (OCT 2017 – DEC 2025)**

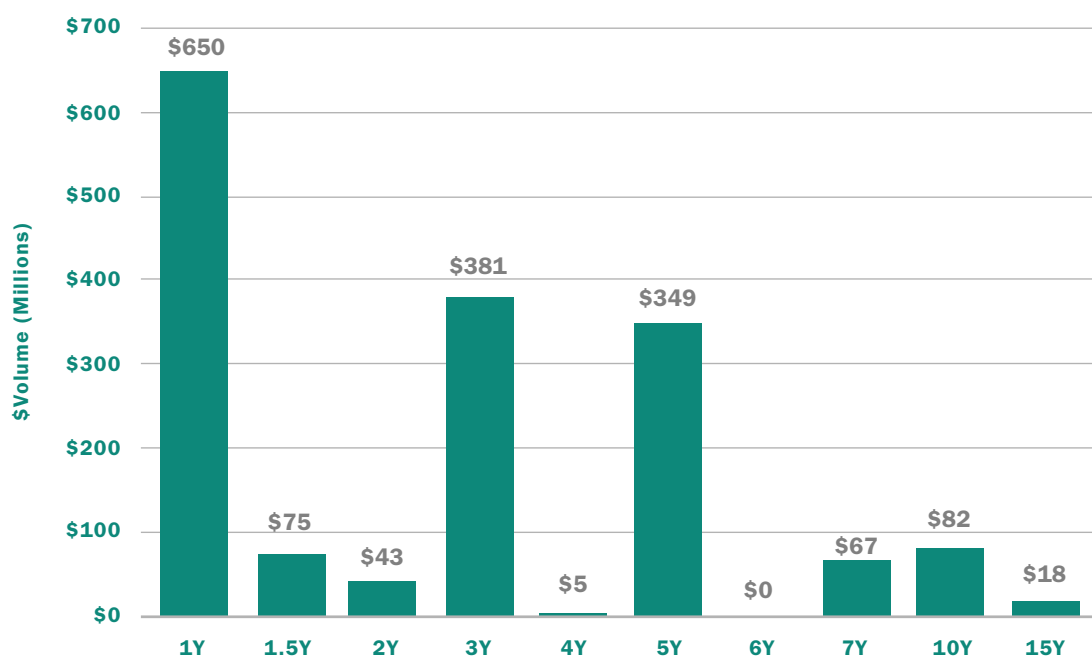
Term	Number of Offerings	Total Capital Raised	% of Total	Weighted Average Coupon of Notes	Avg. Spread to Treasuries
1Y	84	\$649,936,000	39%	4.37%	0.32%
3Y	59	\$381,221,000	23%	4.55%	0.77%
5Y	62	\$349,467,000	21%	3.67%	0.77%
10Y	40	\$81,975,000	5%	3.22%	0.88%
1.5Y*	8	\$74,935,000	4%	4.24%	N/A
7Y	33	\$66,954,000	4%	3.09%	0.56%
2Y	5	\$42,674,000	3%	5.23%	0.95%
15Y	4	\$17,890,000	1%	3.33%	N/A
4Y	1	\$5,022,000	0%	3.85%	N/A
6Y	1	\$303,000	0%	1.80%	N/A
Total	297	\$1,670,377,000	100%		

* Includes one 17-month (1.42Y) note

GRAPH 9 **NUMBER OF BROKERED NOTE ISSUANCES BY TERM & CDFI (OCT 2017 – DEC 2025)**



GRAPH 10 **AGGREGATE BROKERED NOTE VOLUME BY TERM (OCT 2017 – DEC 2025)**

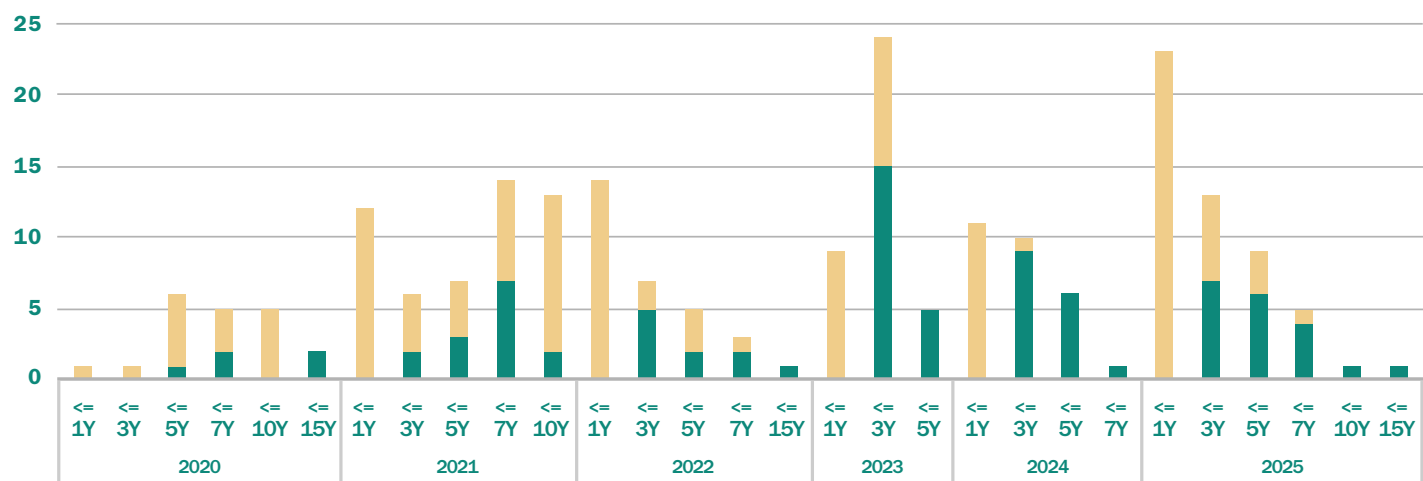


Call feature. All three CDFIs have issued notes with a call option, appreciating the flexibility it provides in a shifting rate environment and reporting minimal negative impacts on investor demand or pricing. Callable structures give the issuer the right to redeem the note prior to maturity, often after a call protection period during which the note cannot be prepaid. Issuers typically pay a premium for the added flexibility, which can vary depending on the interest rate environment.

Since CIP first issued a 7-year callable note in 2020, there have been 84 callable issues totaling nearly \$580 million, representing 28% of all issues by count and 35% of issues by dollar volume. Century issued its first callable note in September 2021, and LISC issued its first in April 2023. CIP has used this feature most frequently: 36% of CIP's issues by count and 45% by dollar volume are callable. Century's callable issuance represented 19% by count and 22% by dollar volume, and LISC's callable issuance represented 17% by count and 35% by dollar volume.

As shown in Graphs 11 and 12, issuers have used the call feature on every maturity except for the 1-year, 4-year and 6-year notes. For graphing purposes, data are presented in ranges using the most common maturities. The most common callable structures were the 3-year non-call one (3nc1), 5-year non-call two (5nc2), and 7-year non-call two (7nc2), representing more than three quarters of all callable issuance. The 3nc1 is a three-year note that is callable after a year. The 5nc2 is a 5-year note callable after two years, and so on. All other callable structures were used for just one or two issuances. While call features might be expected on longer-dated maturities, such as 10-year and 15-year notes, there have been limited notes issued at these maturities overall. In addition to using the call feature, CDFI issuers have employed shorter term notes, predominantly 1-year notes, to manage their cost of capital and interest rate risk.

GRAPH 11 **BROKERED NOTE ISSUANCES WITH CALL FEATURES BY TERM (JAN 2020 – DEC 2025)**

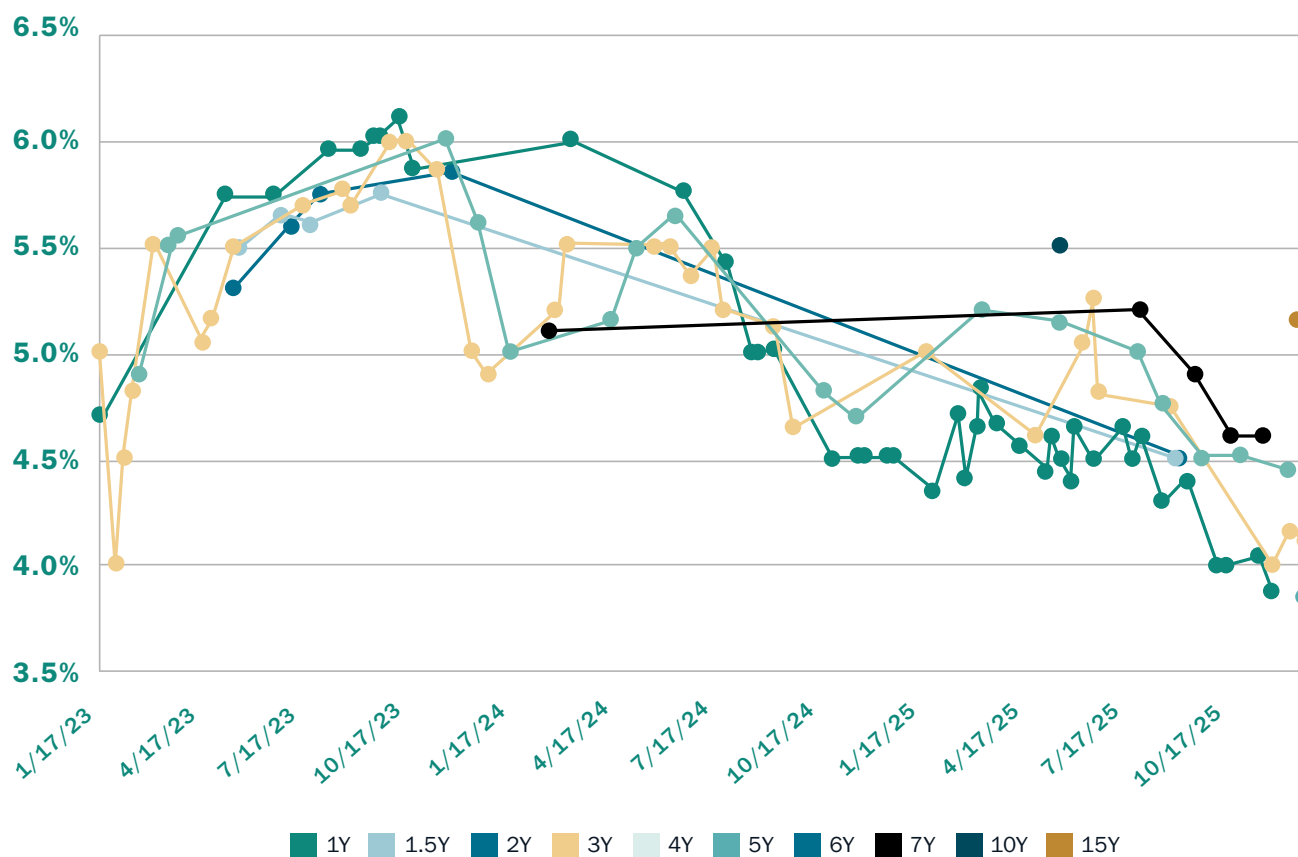


GRAPH 12 **USE OF CALL STRUCTURES ON BROKERED NOTE ISSUANCES BY ISSUER (JAN 2020 – DEC 2025)**



Coupon rates. Graph 13 illustrates the coupon rates on the three CDFIs' 118 issuances since publication of the [2023 White Paper](#), capturing data from January 2023 to December 2025. Given the large volume of issuance, please refer to the 2023 White Paper for analysis of the period between November 2019 and December 2022. Yields on the 118 issuances ranged from a low of 1.00% on a 7-year note to a high of 6.10% on a 1-year note. It should be noted, however, that the low rate for the 7-year note reflects a reverse inquiry from an impact-first investor seeking to place concessionary capital through an issuer's note program, and it is excluded from Graph 13. Excluding this unique investor, the low end of the range was 3.75% on a 1-year note issued in November 2025. Throughout the period, rates across maturities tended to stay within the 4% to 6% range, with a slight downward trend beginning in 2024, as interest rates began to decline. Notes are sold at par; thus, the yields and coupons are the same.

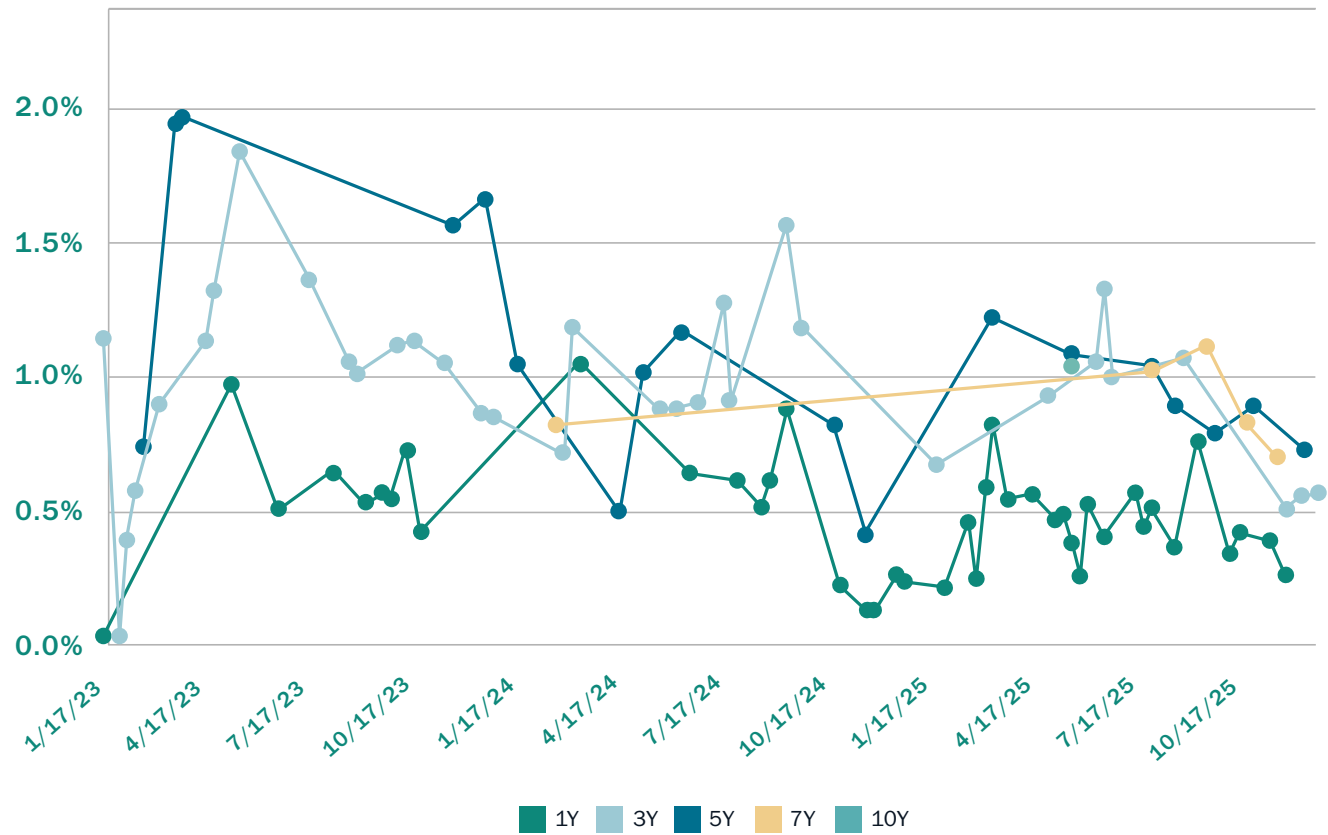
GRAPH 13 **BROKERED NOTE COUPONS / YIELDS BY MATURITY* (JAN 2023 - DEC 2025)**



* Issuers did not raise funds for each of the possible terms every month during this period; the yields between data points are extrapolated. Where multiple tenors are traded on same date, chart shows average rate.

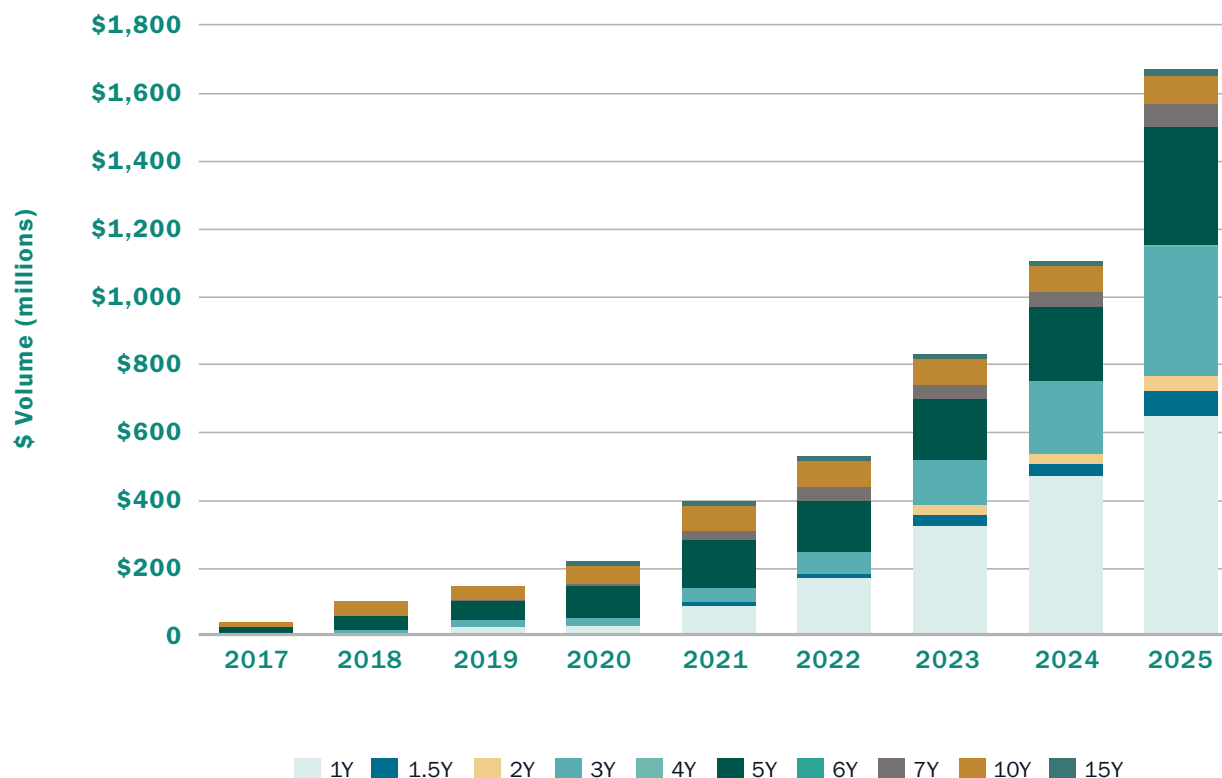
Graph 14 shows the spread to the comparable Treasury rate by note maturity across all issuers for the same January 2023 to December 2025 period. Spreads averaged a low of 0.23% on the 7-year notes to a high of 1.08% on the 5-year notes. The low average spread on the 7-year note is again distorted by the instance of a deeply negative spread due to the concessionary reverse inquiry, and it is excluded from Graph 14. Excluding this transaction, the 1-year note spread is the lowest on average at 0.48%. For this analysis, we compared note coupons to Treasury rates on the day the notes traded.

GRAPH 14 **BROKERED NOTE SPREADS TO TREASURIES BY MATURITY (JAN 2023 – DEC 2025)**



Graph 15 breaks down the \$1.67 billion cumulatively raised through the three note programs as of December 2025 by issuance year and maturity. It illustrates the growth of brokered note programs over time, with issuance growing by 215% between the end of 2022 and the end of 2025, due to the increased number of note issuers, greater diversity in maturities offered and enhanced receptivity by investors.

GRAPH 15 **CUMULATIVE BROKERED NOTE ISSUANCE BY YEAR & MATURITY (OCT 2017 – DEC 2025)**



Program Benefits & Costs

Brokered note programs enable issuers to time offerings to meet their new money needs, avoid negative arbitrage associated with the use of large, one-time bond financing, and better match assets and liabilities. By setting rates and selecting maturities each time they go to market, issuers can adjust the mix of offerings based on their pipeline needs, current market factors and historical performance in attracting capital at differing maturities and prices.

Transaction costs for brokered note programs decrease as a percentage of capital raised as the issued amount increases over time. Program expenses typically include costs for legal fees, a trustee/paying agent, auditors, state filing fees and CUSIPs, along with sales compensation paid to members of the distribution network included as part of InspereX's fee. Total expenses are disclosed in each issuer's prospectus. As of the end of 2025, the annual estimated expenses, excluding sales compensation, ranged from \$251,000 to \$500,000 for the three issuers. As more CDFIs come to market, there is the potential for cost savings on issuance expense through standardization of the offering prospectus and marketing materials.

In the lower interest rate environment between 2020 and early 2022, we saw issuers use their programs to refinance higher-cost and variable rate debt, the benefits of which could be passed on to borrowers in the form of lower interest rates. In the higher interest rate environment since then, we saw periods in which issuers sat out of the market, particularly in 2023, and a clear shift towards shorter-term issuance.

The three issuers returned to regular monthly offerings in 2024 and 2025, with CIP and LISC moving further out the yield curve. CIP issued a 10-year and 15-year note in 2025, after not having issued either tenor since 2022. LISC issued notes with a term greater than three years in 2025 for the first time since 2022. Longer-duration notes likely became more appealing as interest rates began to fall, with the CDFIs better able to deploy market-rate capital into their portfolios. Beyond that, longer-term notes helped issuers extend the duration of their notes coming due, mitigating high churn after a period of short-term issuance.

Since the 2023 White Paper, we have seen limited developments in brokered note programs in either structural program developments or product positioning. CIP and LISC introduced new impact frameworks and commitments, and CIP aligned its offering with ICMA's Sustainability Bond Guidelines. In 2024, LISC committed a portion of note proceeds to sustainable investments. CIP and LISC also adjusted the terms of their programs, with CIP adding a 6-month maturity and LISC extending up to 20 years; however, these changes brought the issuers in closer alignment with each other rather than further differentiating their programs. Issuers tested out a few new maturities, with limited issuance of 2-year and 4-year notes, possibly in an effort to spread maturities as they gravitated towards the shorter-end of the yield curve.

While the direct issue market saw a number of new entrants since 2023, the group of brokered note issuers has remained constant since Century launched its program in 2021. New entrants into the brokered notes market should consider their organization type and financing objectives. The costs of launching and administering a program should be weighed against a CDFI's long-term need for capital, as well as its ability to deploy that capital. These considerations, along with the higher interest rate environment in recent years, may provide some explanation for the lack of new entrants.

Other Brokered Note Offerings

As mentioned above, there are also non-CDFI, mission-driven loan funds, like Calvert Impact Capital (CIC) and RSF Social Finance, that employ unrated brokered note programs to raise capital for community-serving projects. CIC, which is no longer certified as a CDFI, has one of the most well-known note programs, with a current offering amount of \$750 million. CIC launched its unrated fixed income notes in 1995, joined InspereX's distribution platform in 2005 and has raised more than \$3 billion cumulatively through its program.

In June 2025, RSF Social Investment Fund expanded its \$200 million Social Investment Fund Notes for purchase via online brokerage accounts through a broker-dealer, Performance Trust Capital Partners. These brokered notes are not rated and have a term of three years, an annualized interest rate of 3.50% and a minimum investment amount of \$5,000. As of this paper, RSF Social Investment Fund has had two offerings: a \$5.42 million offering on August 18, 2025, and an \$895,000 offering on December 30, 2025. Notes are available to residents of 47 U.S. states and the District of Columbia.



KIPP New Jersey Newark & Camden, NJ

KIPP NJ's mission to provide high-quality education gets a boost from financing that is helping them renovate and grow their campuses in Newark and Camden.

Commercial Paper Programs

In October 2022, Century and U.S. Bancorp launched the first CDFI Sustainability-labeled commercial paper program. Commercial paper is a short-term, unsecured debt instrument commonly used to fund operations. Commercial paper maturities range from one to 270 days with a rate fixed for the term but typically set on a daily, weekly or monthly basis, and thus, essentially variable in nature. Commercial paper trades in the money market and does not require registration with the SEC.

Century's program is rated "A1+" by S&P and "F1+" by Fitch, based on the rating agencies' short-term rating scales, which differ from the long-term scales discussed throughout this paper.²² Century raises up to \$100 million that rolls every 28 days. The securities sold through the program are labeled Sustainability notes as they are designed within Century's Sustainability Bond Framework, and U.S. Bancorp serves as the commercial paper dealer and sustainability coordinator.

Direct Issue Notes

CDFIs can also raise capital at below-market rates through direct issue note programs, which do not require a rating from one of the NRSROs. Table 20 lists 25 issuers (with 26 note offerings) located in 19 states with \$485 million in direct issue note programs currently in the market, up from \$311 million at the time of the 2023 White Paper and \$273 million at the time of the 2020 White Paper²³. Seven CDFIs have entered the direct issue note market since the end of 2022, including: California FarmLink, Common Capital, Oweesta Corporation, Boston Impact Initiative, Opportunity Resource Fund, Foodshed Capital and Forward Community Investments.

This analysis is not exhaustive, as figures are based on an independent scan of direct issue note programs that have been publicly disclosed by CDFIs on their websites or through the Stepping Stone Partners and Tern Strategies resource, *Helping Individuals Navigate CDFI Investment Opportunities*.²⁴ In addition to the programs listed here, a number of CDFIs, including BlueHub, New Jersey Community Capital, Seed Commons, Coastal Enterprises, Inc., City First Enterprises and Appalachian Community Capital, have programs that request investors to reach out for information and thus were not included in the analysis. Lastly, other CDFI loan funds may have active offerings that are available to accredited investors and that limit public solicitation such that no information was publicly available for this analysis.

Three of the issuers have credit ratings from S&P, and 12 have obtained a rating from AERIS, with ECLF, HTSV and RF obtaining both ratings. The AERIS rating is an issuer rating, not a debt instrument rating, which accounts for a CDFI's mission, impact and policy-related objectives (See [2020 White Paper](#) for more information). The AERIS rating can be an important part of a CDFI's marketing to investors, with several issuers disclosing it as part of their prospectus and others sharing it on the investment portion of their websites.

Most direct issue note programs are structured as unsecured promissory notes, with the exception of ECLF's program. ECLF's Impact Notes are sold on an uncertificated basis as book entries with no associated physical note. ECLF's direct issue note structure mirrors that of the brokered note issuers, but ECLF has elected to issue directly without an NRSRO rating on the notes in order to raise below-market rate capital.

TABLE 20 DIRECT ISSUE NOTE PROGRAMS

Issuer / Note Program	HQ State	Prospectus Date	Offering Amount	S&P / Fitch Issuer Rating	Issuer Aeris Rating	Note Type
Boston Impact Initiative (BII) Notes	MA	3/20/25	\$20,000,000	No	No	Promissory Notes
California FarmLink Investment Notes	CA	6/30/25	\$1,000,000	No	No	Unsecured Promissory Notes
California FarmLink National Offering Investment Notes	CA	8/5/25	\$10,000,000	No	No	Unsecured Promissory Notes
Capital for Change Notes	CT	Not Available	Not Available	No	No	Not Available
Common Capital Community First Fund	MA	Not Available	Not Available	No	No	Not Available
Community Vision Notes	CA	11/4/25	\$30,000,000	No	Yes	Unsecured Promissory Notes
Cooperative Fund of the Northeast (CFNE) Social Investment Notes	MA	8/20/25	\$55,000,000	No	No	Unsecured Promissory Notes
Craft3 Community Impact Investment Note	WA	12/10/25	\$100,000,000	No	Yes	Unsecured Promissory Notes
Enterprise Community Loan Fund (ECLF) Impact Note	MD	7/31/25	\$100,000,000	Yes	Yes	Book Entry
Community First Fund dba Finanta	PA	1/1/25	\$2,000,000	No	Yes	Unsecured Promissory Notes
Foodshed Capital	VA	Not Available	Not Available	No	No	Not Available
FORGE Community Loan Fund Credit Fund Program Accounts	AR	Not Available	Not Available	No	No	Not Available
Forward Community Investments (FCI)	WI	4/1/24	No Maximum	No	Yes	Unsecured Promissory Notes
Genesis Community Loan Fund	ME	6/1/25	Open Ended	No	No	Unsecured Promissory Notes
Homewise Community Investment Note	NM	8/30/23	\$5,000,000	No	Yes	Unsecured Promissory Notes
Housing Trust of Silicon Valley (HTSV) Community Impact Notes	CA	2/15/25	\$120,000,000	Yes	Yes	Unsecured Promissory Notes
Leviticus 25:23 Alternative Fund Promissory Notes	NY	10/15/24	Open Ended	No	Yes	Unsecured Promissory Notes
Local Enterprise Assistance Fund (LEAF)	MA	Not Available	Not Available	No	No	Not Available
New Hampshire Community Loan Fund (NHCLF) Promissory Notes	NH	12/5/23	Open Ended	No	Yes	Unsecured Promissory Notes
Opportunity Resource Fund (ORF)	MI	Not Available	Not Available	No	Yes	Unsecured Promissory Notes
Oweesta Corporation	CO	Not Available	Not Available	No	No	Not Available
Partner Community Impact Notes	WV	6/15/23	\$20,000,000	No	Yes	Unsecured Promissory Notes
Reinvestment Fund (RF) Notes Promissory Notes	PA	7/1/25	\$7,000,000	Yes	Yes	Unsecured Promissory Notes
Shared Capital Note	MN	Not Available	Not Available	No	No	Not Available
Social Capital Fund Impact Offering	RI	4/20/25	\$10,000,000	No	No	Offering Statement Available via Email / Form
Vermont Community Loan Fund (VCLF) Community Investment Notes	VT	1/1/25	\$5,000,000	No	No	Unsecured Promissory Notes
Total			\$485,000,000			

Sales Channels & Target Investors

The 26 direct issue note programs have different investment minimums and investor restrictions, as detailed in Table 21.

TABLE 21 **DIRECT ISSUE NOTES SALES CHANNELS & INVESTORS**

	Sales Channel	Minimum Investment	Investor Restrictions
Boston Impact Initiative	Direct from Issuer	\$1,000	Non-accredited investors of MA, ME, NY, RI, CT, NH, VT; accredited investors for Solidarity Notes and Philanthropic Notes
CA FarmLink	Direct from Issuer	\$1,000	Retail or institutional investors with residency in CA
CA FarmLink National	Direct from Issuer	\$100,000	Currently available only to accredited investors
Capital for Change	Direct from Issuer	\$1,000	No restrictions stated
Common Capital	Direct from Issuer	\$500	No restrictions stated
Community Vision	Direct from Issuer	\$1,000 Individual \$25,000 Corporation	Must meet definition of qualified investor and California resident; certain other states
CFNE	Direct from Issuer	\$1,000	Retail and institutional investors in: AK, CA, CO, CT, GU, HI, IL, ME, MD, MA, MN, MS, NV, NH, NJ, NM, NY, NC, OR, RI, SD, TX, USVI, VT, VA, DC, WY
Craft3	Direct from Issuer	\$20,000	Must meet definition of accredited investor
ECLF	Direct from Issuer	\$5,000	Retail or institutional investors in: AL, AK, AZ, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IA, IN, KS, LA, ME, MD, MA, MI, MN, MO, MS, MT, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TX, UT, VT, VA, WA, WV, WI, WY
Finanta	Direct from Issuer	\$1,000	Retail or institutional investors with residency in PA
Foodshed Capital	Direct from Issuer	\$25,000	Must meet definition of accredited investor
FORGE	Direct from Issuer	\$500	No restrictions stated
FCI	Direct from Issuer	\$10,000	WI; For non-WI individuals must meet the definition of accredited investor and invest \$20,000 minimum
Genesis	Direct from Issuer	\$1,000	Retail or institutional investors with limitations in AR, CT, FL, MS, NE, PA, TN, VA
Homewise	Direct from Issuer	\$1,000	Retail or institutional investors in: AK, CA, CO, CT, HI, IL, IA, ME, MA, MS, NJ, NM, NY, RI, TX, UT, VT, WA, WY
HTSV	Direct from Issuer	\$10,000	Must meet definition of accredited investor
LEAF	Direct from Issuer	\$10,000	No restrictions stated
Leviticus	Direct from Issuer	\$1,000	No restrictions stated
NHCLF	Direct from Issuer	\$1,000	Retail or institutional investors with limitations in AR, CT, FL, MS, NE, PA, TN, VA
ORF	Direct from Issuer	\$500	No restrictions stated
Oweesta	Direct from Issuer	\$100,000	No restrictions stated
Partner Community	Direct from Issuer	\$25,000	Must meet definition of accredited investor
RF	Direct from Issuer	\$1,000	Retail or institutional investors in: PA, MD, DC, NJ, VA, GA, CT, HI, IL, IA, ME, MA, MS, NM, RI, SD, TX
Shared Capital	Direct from Issuer	Not Available	Currently available only to accredited investors
Social Capital Fund	Direct from Issuer	\$5,000	Must meet definition of accredited investor
VCLF	Direct from Issuer	\$1,000	No restrictions stated

There are a variety of direct issue CDFI note programs available to both retail and accredited investors. Eighteen of the programs are available to retail investors at investment sizes ranging from \$500 for Forge Community, Opportunity Resource Fund and Common Capital Community First Fund to \$10,000 for Forward Community Investments, with restrictions based on state blue sky laws. Seven of the programs may be sold only to accredited investors. Programs designed for accredited investors typically have higher minimum investment requirements.

Programs can also be structured for a range of geographies, from a single state to a national footprint. For CDFIs that have smaller, regional footprints, a single state or regional offering is more common, whereas larger national CDFIs have programs that allow them to raise investment capital from a majority of states. State blue sky laws dictate how a program is registered and sold in a specific geography, which can increase compliance and administrative burdens. These added burdens may not be warranted if the CDFI does not have a large investor base in the location. Conversely, for larger multi-state CDFIs, limited registration can make it more challenging to build relationships with advisors who work with clients across a wide geography. Programs for accredited investors can accept investments regardless of location as long as they meet the definition of an accredited investor.

Several organizations, including California FarmLink and Boston Impact Initiative, have structured their programs to meet the needs of both retail and accredited investors. California FarmLink offers two notes, its California Investment Notes, available only to residents of California, and its National Offering Investment Notes, available to accredited investors across the U.S. Boston Impact Initiative offers its Community Notes at a higher return for retail investors, in addition to its Solidarity Notes and Philanthropic Notes available to philanthropic and other accredited investors.

CDFIs surveyed in *Helping Individuals Navigate CDFI Investment Opportunities* indicate that 86% of CDFIs use note programs to diversify their capital sources, 82% to lower their cost of capital and 75% to expand mission-driven support. While note programs can broaden a CDFI's investor base, it is important for issuers to balance the administrative costs of doing so without a broker-dealer or sales agent, especially if the offering is more retail in nature with low minimums. Additionally, CDFIs should assess their internal staffing and compliance capabilities to engage in sales with investors. Compliance requirements vary by state and may require staff to complete specific securities exams.

Pricing

Income from direct issue notes is taxable, and rates are set in the offering memorandum or in a corresponding rate sheet. Many direct issue note programs start with mission, pricing at below-market returns to investors. This concessionary product is designed for investors interested in capital preservation and modest financial returns, who prioritize a greater degree of social and/or environmental impact. As a capital source, direct issue notes are particularly attractive to CDFI issuers during inflationary periods in which the lower pricing helps meet the requirements of community-serving projects.

Demand for direct issue note programs continues to be inelastic, and they have served as attractive vehicles to raise low-cost capital in various interest rate environments. Of the individuals surveyed in "Helping Individuals Navigate CDFI Investment Opportunities," 84% plan to renew their CDFI investment at maturity, and 95% of these investors plan to increase their investment at renewal. The survey also asked about motivations for CDFI investments, with 95% of respondents indicating mission alignment and 63% the CDFI's reputation.

The most common note maturities are the 3-year, 5-year, 7-year and 10-year maturities, with 11 issuers also seeking capital with a term of greater than 10 years. Leviticus has a note with a minimum term of one year, but investors can select a longer term during the investment process. Many of the direct issue note programs are currently offered at higher interest rates than those documented in the [2023 White Paper](#), which reflects pricing moving up to meet investor demands in the higher interest rate environment. A comparison of rates at the end of 2022 and 2025 shows average increases of 63 to 135 basis points for the most common maturities, including:

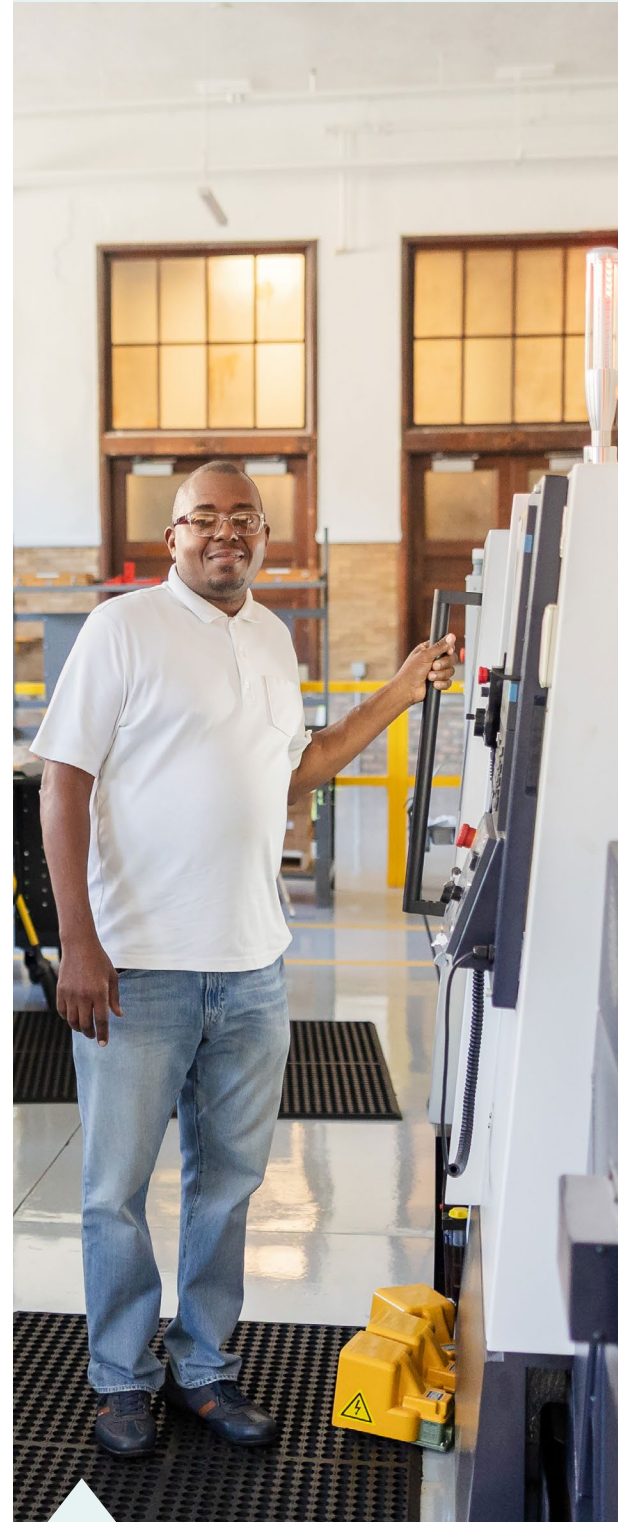
- 63 basis points from 1.23% to 1.86% on 1-year notes
- 88 basis points from 1.54% to 2.42% on 3-year notes
- 98 basis points from 2.09% to 3.07% on 5-year notes
- 135 basis points from 2.15% to 3.50% on 7-year note
- 95 basis points from 2.63% to 3.58% on 10-year notes

These average increases are less than the rise in market rates and suggest that there is a limit to how high CDFIs are willing to raise rates to attract debt through their note programs. In terms of individual CDFI issuers, there was wider variation in the rate increases:

- Community Vision: between 50 and 125 basis points
- Craft3: between 75 and 250 basis points
- ECLF: between 175 and 200 basis points
- Homewise: between 50 and 150 basis points
- NHCLF: between 50 and 100 basis points
- RF: between 175 and 250 basis points
- Social Capital: 200 basis points
- VCLF: between 75 and 300 basis points

Several issuers, like Genesis, LEAF, Leviticus and Partner, did not increase rates during the period, and CFNE changed its rates from a flat 2% across terms to a tiered rate structure by term. While rates have moved to meet investor demands, many issuers strive to limit rate changes to their annual filing period unless there are significant changes in the market environment or borrower-side demand.

Some CDFI direct issue note programs encourage investors to take the CDFI's charitable purpose into account when making decisions on rate and term. They encourage investors to invest at 0% or to donate interest or consider forgiving payment of all or a portion of the note at maturity, which may translate into a tax-deductible event for the investor. For example, ECLF allows investors to donate interest to its parent, Enterprise Community Partners; Community Vision encourages investors to invest at 0% and/or donate accrued interest; and Craft3 encourages investors to elect a lower or zero percent interest rate to achieve greater impact.



Aspire Center for Workforce Innovation Chicago, Illinois

Transformation of a 37,000-square-foot, vacant elementary school into a collaborative hub for high-performing workforce training and wealth building.

TABLE 22 **COMPARISON OF DIRECT ISSUE NOTE COUPON RATES & MATURITIES**

Years	BII Community Notes	BII Solidarity Notes	BII Philanthropic Notes	CA FarmLink	CA FarmLink National	Capital for Change	Common Capital	Community Vision	CFNE	Craft3	ECLF
1	-	-	-	-	-	<=2.50%	-	-	<=1.50%	3.00%; 3.50%	-
2	-	-	-	<=0.75%	<=0.75%	<=2.50%	-	<=1.00%	<=1.50%	3.25%; 3.75%	-
3	-	-	-	<=1.25%	<=1.25%	<=3.00%	<=2.15%	<=1.25%	<=2.00%	4.00%; 4.50%	3.00%
4	-	-	-	-	-	<=3.00%	-	<=1.50%	<=2.00%	-	-
5	5.00%	-	-	<=1.75%	<=1.75%	<=3.00%	<=2.65%	<=2.00%	<=2.75%	4.25%; 4.50%	3.25%
6	-	-	-	-	-	<=3.00%	-	<=2.50%	<=2.75%	-	-
7	-	-	-	<=2.25%	<=2.25%	<=3.00%	-	<=2.75%	<=3.00%	3.00%; 3.25%	3.50%
8	-	-	-	-	-	<=3.50%	-	<=3.25%	<=3.00%	-	-
9	-	-	-	-	-	<=3.50%	-	<=3.50%	<=3.00%	-	-
10	7.00%	3.00%	1.00%	-	<=2.50%	<=3.50%	-	<=3.75%	<=3.50%	3.25%; 3.50%	4.00%
11	-	-	-	-	-	<=4.00%	-	-	<=3.50%	-	-
12	-	-	-	-	-	<=4.00%	-	-	<=3.50%	-	-
13	-	-	-	-	-	<=4.00%	-	-	<=3.50%	-	-
14	-	-	-	-	-	<=4.00%	-	-	<=3.50%	-	-
15	-	-	-	-	-	<=4.00%	-	-	<=3.50%	-	-
16+	-	-	-	<=3.00%	-	<=4.00%	-	-	<=3.50%	-	-

TABLE 22 **COMPARISON OF DIRECT ISSUE NOTE COUPON RATES & MATURITIES** (continued)

Years	Foodshed Capital	FCI	Finanta	FORGE	Genesis	Homewise	HTSV	Leviticus	LEAF	NHCLF
1	-	-	-	-	1.00%	1.00%	-	<=2.00%	<=2.00%	<=1.00%
2	-	-	-	-	1.50%	1.50%	1.50%	-	<=2.00%	<=1.00%
3	-	<=3.00%	-	-	2.00%	2.00%	1.50%	-	<=2.50%	<=2.50%
4	-	-	-	-	2.50%	2.50%	-	-	<=2.50%	<=2.50%
5	-	<=3.00%	2.00%; 2.50%; 3.00%	-	3.00%	3.00%	1.50%	-	<=3.00%	<=3.00%
6	-	-	2.00%; 2.50%; 3.00%	-	-	-	-	-	<=3.00%	<=3.00%
7	2.00%	<=3.00%	2.25%; 3.00%; 3.50%	-	-	3.50%	-	-	<=3.00%	<=3.50%
8	-	-	2.25%; 3.00%; 3.50%	-	-	-	-	-	<=3.00%	<=3.50%
9	-	-	2.25%; 3.00%; 3.50%	-	-	-	-	-	<=3.00%	<=3.50%
10	-	<=3.00%	2.50%; 3.50%; 3.75%	-	3.50%	4.00%	3.00%	-	<=3.00%	<=3.50%
11	-	-	2.50%; 3.50%; 3.75%	-	-	-	-	-	<=3.00%	-
12	-	-	2.50%; 3.50%; 3.75%	-	-	-	-	-	<=3.00%	-
13	-	-	2.50%; 3.50%; 3.75%	-	-	-	-	-	<=3.00%	-
14	-	-	2.50%; 3.50%; 3.75%	-	-	-	-	-	<=3.00%	-
15	-	-	3.00%; 4.00%; 4.25%	-	-	-	-	-	<=3.00%	-
16+	-	-	3.00%; 4.00%; 4.25%	-	-	-	-	-	<=3.00%	-

TABLE 22 **COMPARISON OF DIRECT ISSUE NOTE COUPON RATES & MATURITIES** (continued)

Years	ORF	Oweesta	Partner Community	RF	Shared Capital	Social Capital	VCLF
1	-	-	1.75%	-	-	-	3.50%
2	-	-	1.85%	-	-	-	3.00%
3	0% or low-interest	<=0.25%	2.00%	3.75%	-	-	2.50%
4	0% or low-interest	<=0.50%	-	3.75%	-	-	2.50%
5	0% or low-interest	<=1.00%	2.50%	4.50%	3.00%	4.75%; 5.25%; 5.75%; 6.25%	2.50%
6	-	-	-	4.50%	-	-	2.50%
7	-	<=1.25%	3.00%	4.50%	-	6.00%; 6.50%; 7.00%; 7.50%	2.75%
8	-	-	-	4.50%	-	-	2.75%
9	-	-	-	4.50%	-	-	2.75%
10	-	<=1.50%	3.50%	4.50%	4.00%	-	3.00%
11	-	-	-	-	-	-	3.00%
12	-	-	-	-	-	-	3.00%
13	-	-	-	-	-	-	3.00%
14	-	-	-	-	-	-	3.00%
15	-	-	-	5.00%	-	-	3.00%
16+	-	-	-	-	-	-	3.00%

Additional details are provided below on certain of the note program offerings:

- CA FarmLink offers a 20-year note with interest $\leq$ 3.00%.
- CFNE also offers a demand note at a 1.25% interest rate that does not have a set maturity date. Demand notes earn interest at a variable rate, which CFNE may adjust on 30 days' notice. Demand notes are payable on 30 days' advance written request, subject to CFNE's right to limit repayment to any single investor to \$50,000 in any 30-day period.
- Finanta's program has tiered rates based on investment tiers of \$1,000-\$4,999, \$5,000-\$24,999 and greater than \$25,000, with higher rates for investors who invest at the higher tiers. The rates in Table 22 are based on tier and separated by a semi-colon.
- Community Vision will consider a 3.75% rate for longer terms.
- Craft3's program has tiered rates based on investment tiers of \$20,000-\$499,999 and greater than \$500,000. Both rates are included in Table 22 and delineated by a semi-colon.
- FORGE's interest rates and terms are negotiable, with investor accounts that have varying terms based on the amount invested and that are priced at a discount to the federal discount rate.
- Social Capital's program has tiered rates based on investment tiers of \$5,000-\$24,999, \$25,000-\$74,999, \$75,000-\$124,999 and greater than \$125,000, with rates included in Table 22 those for investors at the lowest tier.
- VCLF has three products: a social investment term account that functions like a bank certificate of deposit with fixed interest rates and a set maturity date; a social investment cash account that works like a bank money market account with an open-ended maturity date, monthly withdrawals and no deposit limit; and a social investment grading account that has a lower opening minimum and monthly deposits that grow principal balance over time. Terms included in Table 22 are those for the VCLF social investment term account.

Disclosure Analysis

Offering documents vary in their marketing and disclosure materials, as specific information is required as part of filing in each state. While variation is expected, issuers and investors can compare offering documents to ensure they include relevant, necessary information for investors and regulators. Standardization helps investors understand similarities and differences across issuers and educates ecosystem partners on what is common and viable for financial and impact disclosure. It can also help develop best practices for payment and reporting that reflect the operating construct of CDFI issuers. Reviewing peer organization offering documents prior to drafting first-time documents is a way for new issuers to save time and expense when establishing their programs, but issuers should also engage counsel early to understand what registration is appropriate given the issuer's financing objectives. See the [2020 White Paper](#) for greater detail on common registration exemptions.

New in this issue, we reviewed 15 publicly available offering documents from direct note issuers to assess similarities and differences in disclosure. Most offering documents addressed certain core topics, including risk factors, use of proceeds, issuer overview and tax aspects. However, there was differing enterprise-level financial and portfolio disclosure, which was presented in different formats for varying time horizons. Table 23 provides an overview of common contents to orient both investors and issuers as to possible standardization.

TABLE 23 **DIRECT ISSUE NOTES TABLE OF CONTENTS**

	BII	CA FarmLink	Community Vision	CFNE	Craft3	ECLF	Finanta	FCI	Genesis	Homewise	HTSV	Leviticus	Partner Community	RF	VCLF
Regulatory Matters & State-Specific Information	Y	Y	Y	Y	-	Y	-	-	-	-	-	-	-	Y	-
Offering Summary	-	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	-
Risk Factors	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y
Forward Looking Statements	-	Y	-	Y	Y	-	Y	-	-	-	Y	-	-	Y	-
Use of Proceeds	Y	Y	Y	Y	Y	Y	Y	-	-	Y	Y	Y	Y	Y	Y
About the Issuer	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	Y
Financing and Operational Activities	Y	Y	Y	Y	-	Y	Y	-	-	Y	Y	-	Y	Y	Y
Lending Activities	-	Y	Y	Y	-	Y	Y	Y	-	-	-	Y	Y	Y	Y
Investing Activities	-	-	-	Y	-	Y	-	-	-	-	-	-	-	Y	-
Selected Financial Data	-	-	-	Y	-	Y	Y	-	-	Y	Y	-	Y	Y	-
Governance & Management	-	Y	Y	Y	Y	Y	Y	-	-	-	Y	Y	Y	Y	-
Legal Matters	-	Y	Y	Y	Y	Y	Y	-	-	-	Y	-	Y	Y	-
Accounting Matters & Reporting	-	Y	Y	Y	Y	Y	Y	-	-	-	-	Y	-	Y	-
Description of the Notes	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	-	Y	Y	-
Plan of Distribution	-	Y	-	Y	-	Y	-	-	-	-	-	Y	-	-	Y
Tax Aspects	Y	-	Y	Y	Y	Y	Y	-	-	Y	Y	Y	Y	Y	-

State-Specific Information / Regulatory Matters

CDFIs have made note offerings available to investors through a variety of federal and state exemptions. Consultation with legal counsel is the key first step in understanding which exemptions are right given a CDFI's financing objectives. The [2020 White Paper](#) discussed Regulation D for accredited investors and retail note programs that rely on state and federal exemptions. Federal exemptions are made under Section 3(a)(4) of the Securities Act of 1933 and Section 3(c)(10) of the Investment Company Act of 1940.

The information that issuers disclose on state-specific regulatory matters is driven by requirements in those states. States give investors certain legal rights with regard to investments, require issuers to disclose certain information to investors and may limit the features of note offerings in the state.

Offering Summary

The summary provides an overview of the note's legal and financial terms. An emerging standard is to provide an overview of the key investment terms, including the amount of securities offered, type of security, minimum investment amount, term of investments, interest rate and payment options, offering period, use of proceeds, distribution and sale of notes, interest accrual and interest periods, ranking, priority, the issuer's right of prepayment, the investor's right of redemption, options at maturity, risk factors, tax consequences and a table of summary financial data that varies by issuer (see Table 24).

TABLE 24 **DIRECT ISSUE NOTES SUMMARY FINANCIAL DATA**

	Total Assets	Total Liabilities	Net Assets	Support & Revenue	Expenses	Change in Net Assets w/o Donor Restrictions	Change in Net Assets w/ Donor Restrictions	Change in Net Assets
BII	-	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-	-
Community Vision	2 yrs	2 yrs	2 yrs	2 yrs	2 yrs	2 yrs	2 yrs	2 yrs
CFNE	-	-	-	-	-	-	-	-
Craft3	-	-	2 yrs	-	-	-	-	-
ECLF	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs
Finanta	-	-	-	-	-	-	-	-
FCI	-	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-	-
HTSV	2 yrs; interim	2 yrs; interim	2 yrs; interim	2 yrs; interim	2 yrs; interim	2 yrs; interim	2 yrs; interim	2 yrs; interim
Leviticus	-	-	-	-	-	-	-	-
Partner Community	-	-	-	-	-	-	-	-
RF	-	-	-	-	-	-	-	-
VCLF	-	-	-	-	-	-	-	-

Risk Factors

Risk factors describe material risks associated with investment in the note program, including loss of principal. Investors should work in consultation with their financial and legal advisors to review and consider risk factors prior to making an investment. Common disclosure includes risks related to the issuer's financing and operations, risks related to the terms of the notes, and legal, regulatory and sector risks. For example, a risk factor describing how the reduction or elimination of the CDFI Fund or changes to a CDFI's status could pose operational and mission-delivery challenges is now included for seven of the issuers. Certain state regulators may also require that specific risk factors be addressed as part of filing within their state.

Use of Proceeds

This section describes the intended use of note proceeds, most frequently to make loans in alignment with the CDFI's mission. Three issuers describe their use of proceeds for general corporate purposes in furtherance of their mission. Additionally, three issuers include investments as an eligible use of proceeds, including certificates of deposit and other accounts and investments to support lending activities and help manage liquidity and cash flow. Administrative or issuance expenses were not disclosed as a use of proceeds in any of the offering documents.

TABLE 25 **DIRECT ISSUE NOTES USE OF PROCEEDS**

	Loan Capital	Equity Capital	Loans to Affiliates	Refinancing Debt	Purchase Securities	General Corporate Purposes
BII	Y	Y	-	Y	-	-
California FarmLink	Y	-	-	-	-	-
Community Vision	Y	-	-	-	-	-
CFNE	Y	-	-	-	-	Y
Craft3	Y	-	-	-	-	-
ECLF	Y	-	Y	Y	Y	-
Finanta	Y	-	Y	-	-	-
FCI	Y	-	-	-	Y	-
Genesis	Y	-	-	-	Y	-
Homewise	-	-	-	-	-	Y
HTSV	-	-	-	-	-	Y
Leviticus	Y	-	-	-	-	-
NHCLF	Y	-	-	-	-	-
Partner Community	Y	-	-	Y	-	-
RF	Y	Y	Y	-	-	-
VCLF	Y	-	-	-	-	-

About the Issuer

This section describes the CDFI's history, mission and track record and may be labeled differently. For CDFIs with affiliate relationships, this section also discusses their organizational structure and affiliate relationships.

Financing & Operational Activities

This description includes an overview of the financial position of the organization, with a focus on income statement highlights, capitalization, debt management and related-party transactions; however, there is variability in the information included.

Summary of Change in Net Assets / Income Statement Highlights

In this section, six CDFIs included a discussion of change in net assets and income statement highlights for a two- to five-year period, as detailed in Table 26.

TABLE 26 **DIRECT ISSUE NOTES SUMMARY OF CHANGE IN NET ASSETS / INCOME STATEMENT**

	Gross Financial Income	Other Increase / (Decrease)	Net Financial Income	Revenue & Support	Grants & Contributions	Expenses	Change in Net Assets	Change in Net Assets w/o Donor Restrictions	Change in Net Assets w/ Donor Restrictions
BII	-	-	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-	-	-
Community Vision	-	-	-	-	-	-	-	-	-
CFNE	-	-	-	-	2 yrs	-	-	-	-
Craft3	2 yrs	-	-	-	-	-	-	-	-
ECLF	-	-	-	5 yrs	-	5 yrs	5 yrs	5 yrs	5 yrs
Finanta	5 yrs	5 yrs	5 yrs	5 yrs	-	5 yrs	5 yrs	-	-
FCI	-	-	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-	-	-
HTSV	-	-	-	2 yrs	-	2 yrs	2 yrs	2 yrs	2 yrs
Leviticus	-	-	-	-	-	-	-	-	-
Partner Community	-	-	-	-	-	-	-	-	-
RF	-	5 yrs	5 yrs	5 yrs	-	5 yrs	5 yrs	-	-
VCLF	-	-	-	-	-	-	-	-	-

Capitalization

Five CDFIs provide an overview of their total capitalization, including their cash and cash equivalents, notes payable, net assets with and without donor restrictions, and total net assets. Total capitalization is meant to summarize the organization's capital structure, including its debt and net assets, with disclosure varying as detailed in Table 27.

TABLE 27 **DIRECT ISSUE NOTES CAPITALIZATION**

	Cash & Cash Equivalents	Impact Notes	Secured Loan Participations	Existing Notes Payable	Existing Non-Recourse Capital from Third Parties	Subordinated Debt	Total Notes Payable	Net Assets w/ Donor Restriction	Net Assets w/o Donor Restriction	Total Net Assets	Total Capitalization
BII	-	-	-	-	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-	-	-	-	-
Community Vision	-	-	-	-	-	-	-	-	-	-	-
CFNE	-	2 yrs	-	2 yrs	-	2 yrs	-	-	-	-	-
Craft3	-	-	-	-	-	-	2 yrs	2 yrs	2 yrs	2 yrs	2 yrs
ECLF	-	-	-	-	-	-	-	-	-	-	-
Finanta	-	-	-	-	-	-	-	-	-	-	-
FCI	-	-	-	-	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-	-	-	-	-
HTSV	-	2 yrs	-	2 yrs	2 yrs	-	-	-	-	2 yrs	2 yrs
Leviticus	-	-	-	-	-	-	-	-	-	-	-
Partner Community	1 yr	-	-	1 yr	-	1 yr	-	1 yr	1 yr	1 yr	1 yr
RF	-	-	-	-	-	-	1 yr + Pro Forma	1 yr + Pro Forma	1 yr + Pro Forma	1 yr + Pro Forma	1 yr + Pro Forma
VCLF	-	-	-	-	-	-	-	-	-	-	-

Schedule of Payables

Five CDFIs – CFNE, ECLF, Finanta, Partner Community and RF – provide a summary of the remaining term on loans payable, including a breakdown of debt maturing annually in each of the next five years and thereafter.

Other Financial Data

Other financial data provided in this section includes additional detail on financing sources, such as the type of capital source, key maturity dates, rates, dollar amounts and percent of overall debt payables. Three CDFIs – Community Vision, ECLF and HTSV – include detail on operational self-sufficiency, measuring the organization's ability to cover operating costs with operating revenues. This detail is included in various sections of the offering documents rather than consistently in the “Financing and Organizational Highlights” section.

Lending Activities

Key aspects of the CDFI's lending program are summarized in this section, including the types of loans made by the CDFI and their terms, an overview of the portfolio, a schedule of loans receivable, a summary of underwriting and risk management policies and procedures, loan risk ratings and allowance for credit losses, and a summary of portfolio quality, among other details. Portfolio quality indicators were not consistently reported and were described in both tabular and narrative form, making it challenging to draw comparisons across issuers.

TABLE 28 DIRECT ISSUE NOTES LENDING ACTIVITIES

	Gross Loans Outstanding	Past Due 31 - 60 Days %	Past Due 61 - 90 Days %	Past Due 90+ Days %	Total Delinquencies	Loans on Nonaccruals	Loans 90+ Days
BII	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-
Community Vision	-	-	-	-	-	-	-
CFNE	2 yrs	-	-	-	-	-	-
Craft3	1 yr	-	-	-	-	-	-
ECLF	5 yrs	-	-	-	-	-	5 yrs
Finanta	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs
FCI	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-
Homewise	3 yrs	-	-	-	3 yrs	-	-
HTSV	-	-	-	-	-	-	-
Leviticus	-	-	-	-	-	-	-
Partner Community	-	-	-	-	-	-	-
RF	-	-	-	-	-	-	-
VCLF	-	-	-	-	-	-	-

	Write-offs	Recoveries	Net Write-Offs	Credit Impaired Assets	Credit Impaired Principal Balance	Annual Net Write-offs	Allowance for loan losses
BII	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-
Community Vision	-	-	-	-	-	-	-
CFNE	-	-	-	-	-	-	2 yrs
Craft3	-	-	-	-	-	-	-
ECLF	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs
Finanta	-	-	-	-	-	-	1 yr
FCI	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-
HTSV	-	-	-	-	-	-	-
Leviticus	-	-	-	-	-	-	-
Partner Community	-	-	-	-	-	-	-
RF	-	-	-	-	-	-	-
VCLF	-	-	-	-	-	-	-

Schedule of Receivables

The schedule of loan receivables shows the projected annual maturities of loans receivable for the succeeding five years and thereafter. When matched with the schedule of loans payable, it provides an overview of how a CDFI matches its assets and liabilities. Four CDFIs provide this schedule, including CFNE, ECLF, Finanta and RF.

Investing Activities

This section provides an overview of cash and cash equivalents and longer-term investments together with a summary of the organization's investment policy. Five CDFIs provided more detailed information on their investment activity for varying time periods.

TABLE 29 **DIRECT ISSUE NOTES INVESTING ACTIVITIES**

	Cash & Cash Equivalents	Fixed Income Securities	Certificates of Deposit	FHLB Stock	Loans to Homebuyers, Net	Loans to Affordable Housing Developers, Net	Government Securities	Corporate Debt Securities	Investments in Market Securities	Investment Gain / (Loss), Net
BII	-	-	-	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-	-	-	-
Community Vision	-	-	-	-	-	-	-	-	-	-
CFNE	2 yrs	2 yrs	2 yrs	-	-	-	-	-	-	-
Craft3	-	-	-	-	-	-	-	-	-	-
ECLF	5 yrs	5 yrs	5 yrs	5 yrs	-	-	-	-	-	-
Finanta	1 yr	-	-	-	-	-	-	-	-	-
FCI	-	-	-	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-	-	-	-
HTSV	1 yr	-	-	-	1 yr	1 yr	-	-	-	-
Leviticus	-	-	-	-	-	-	-	-	-	-
Partner Community	-	-	-	-	-	-	-	-	-	-
RF	-	-	-	-	-	-	3 yrs	3 yrs	3 yrs	3 yrs
VCLF	-	-	-	-	-	-	-	-	-	-

Select Financial Data

Seven CDFIs provide a summary of select financial information that should be reviewed alongside their audited financial statements. Within this table, CDFIs vary the information included, but commonly provide up to five years of financial data on their cash position, gross and net loans receivable, delinquency rates, total assets and liabilities, total net assets, total change in net assets, and the number of impact notes outstanding or that were redeemed in a year.

TABLE 30 DIRECT ISSUE NOTES SELECT FINANCIAL DATA

	Cash & Cash Equivalents	Cash & Investments	Cash & Marketable Securities	Total Cash, Cash Equivalents, & Investments	Restricted Cash	Loans Receivable, Gross	Loans Receivable, Net	Unsecured Loans Outstanding	Delinquencies		
									30+	60+	90+
BII	-	-	-	-	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-	-	-	-	-
Community Vision	5 yrs	-	-	-	-	5 yrs	5 yrs	5 yrs	-	-	5 yrs
CFNE	-	-	-	-	-	-	-	-	-	-	-
Craft3	-	-	-	-	-	-	-	-	-	-	-
ECLF	5 yrs	-	-	-	-	5 yrs	-	5 yrs	-	-	5 yrs
Finanta	4 yrs	4 yrs	-	-	-	4 yrs	-	4 yrs	4 yrs	-	-
FCI	-	-	-	-	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-	-	-	-	-
HTSV	-	-	-	2 yrs	-	2 yrs	-	-	-	-	-
Leviticus	-	-	-	-	-	-	-	-	-	-	-
Partner Community	5 yrs	-	-	-	5 yrs	-	5 yrs	5 yrs	-	-	-
RF	-	-	5 yrs	-	-	5 yrs	-	5 yrs	-	5 yrs	-
VCLF	-	-	-	-	-	-	-	-	-	-	-

	Total Assets	Total Liabilities	Notes Outstanding	Notes Redeemed	Other Notes Payable	Total Notes Payable	Net Assets	Change in Net Assets
BII	-	-	-	-	-	-	-	-
CA FarmLink	-	-	-	-	-	-	-	-
Community Vision	5 yrs	-	5 yrs	5 yrs	5 yrs	-	5 yrs	5 yrs
CFNE	-	-	-	-	-	-	-	-
Craft3	-	-	-	-	-	2 yrs	2 yrs	-
ECLF	5 yrs	-	5 yrs	5 yrs	5 yrs	-	5 yrs	5 yrs
Finanta	4 yrs	-	-	-	-	-	4 yrs	-
FCI	-	-	-	-	-	-	-	-
Genesis	-	-	-	-	-	-	-	-
Homewise	-	-	-	-	-	-	-	-
HTSV	2 yrs	2 yrs	-	-	-	2 yrs	2 yrs	-
Leviticus	-	-	-	-	-	-	-	-
Partner Community	5 yrs	5 yrs	-	-	-	-	5 yrs	-
RF	5 yrs	-	-	5 yrs	-	-	5 yrs	-
VCLF	-	-	-	-	-	-	-	-

Governance and Management

The description of governance and management provides an overview of the experience of the management team and board of directors, including key staff and officers and their remuneration, either in the aggregate or by key staff.

Legal Matters

This section provides disclosure surrounding any adverse orders, judgments or decrees of any court, governmental authority or administrative body. Additionally, this section discloses whether the CDFI is a defendant in any current or pending material legal proceedings with pertinent information about the involvement of any officers or directors.

Financial & Impact Reporting

This section includes information about the timing and availability of audited financial statements and other financial and impact reporting. Four issuers state that audited financial statements will be available within 120 days after fiscal year-end, with one issuer making them available within 180 days after year-end. Three issuers state that access to annual reports is available upon request. Only one issuer states that it will provide quarterly financial, portfolio, impact and operating information after the end of each interim fiscal quarter as well as an annual impact report. The remaining issuers do not provide detail on ongoing financial and impact reporting.



Big Wave Campus Half Moon Bay, CA

A parent-driven nonprofit is spearheading construction of new supportive housing for 40 adults with disabilities.

Description of the Notes

This section describes the purpose and key features of the note program, including interest rates and terms, methods of payment, investor suitability, how to invest, settlement method, options at maturity, redemption rights, minimum balances, interest payment and tax reporting, and other key features.

Interest Payment Terms

CDFIs with direct issue notes vary in their options for interest payment, with 16 offering interest payments annually, either on the anniversary of the note purchase or on a set date. For example, ECLF, Community Vision and Forward Community Investments offer annual interest payments on a set date of September 30, December 31 and June 1, respectively. This standardization creates efficiencies for the issuer but may present limitations for investors who are looking for ongoing income from their investment. Six issuers offer semi-annual payments, with four of those issuers paying semi-annually on June 30 and December 31, one offering payments on April 30 and October 31, and one paying based on the closing date of the investment. Only one program offers quarterly interest payments.

Eleven programs offer the option of capitalized interest during the term of the investment, and one program allows non-compounded interest to be held until note maturity. Six programs offer the option for interest to be donated to the issuer or an affiliated entity. These flexible payment options may offer administrative and financial benefits for issuers and may appeal to investors whose objectives include an emphasis on preservation of principal.

Table 31 presents issuers that disclose their interest payment frequency and options in publicly available sources other than the offering document.

TABLE 31 **DIRECT ISSUE NOTES PAYMENT INFORMATION**

	Interest Payment
BII	Annual; Reinvested
CA FarmLink	Annual
Capital for Change	Annual; Reinvested
Common Capital	Semi-Annual (June 30; Dec 31)
Community Vision	Annual (December 31); Reinvested; Donated to Community Vision
CFNE	Annual; Reinvested
Craft3	Semi-Annual; Annual; Reinvested; Donated to Craft3
ECLF	Annual (September 30); Reinvested; Donated to Enterprise Community Partners
Finanta	Annual
Foodshed Capital	Not available
FORGE	Not available
FCI	Annual (June 1); Non-compounded interest held until maturity of loan
Genesis	Annual; Reinvested; Donated to Genesis Fund
Homewise	Semi-Annual (June 30; Dec 31)
HTSV	Semi-Annual (April 30; Oct 31)
LEAF	Annual; Reinvested
Leviticus	Annual; Reinvested
NHCLF	Annual; Reinvested; Donated to NHCLF
ORF	Not available
Oweesta	Not available
Partner Community	Semi-Annual (June 30; Dec 31); Donated to PCAP
RF	Annual
Shared Capital	Not available
Social Capital	Annual
VCLF	Quarterly; Semi-Annual; Annual; Reinvested

Early Redemption and Prepayment

Note programs are structured as buy-and-hold investments, with early redemption typically at the sole discretion of the issuer, if permitted. Early redemption and prepayment provisions lack standardization across offerings. Early redemption allows an investor to redeem funds prior to note maturity and is typically prohibited or allowed only at the issuer's discretion, with financial penalties in some cases. Conversely, most issuers include language that allows them the right to prepay notes without penalty.

TABLE 32 **DIRECT ISSUE NOTES EARLY REDEMPTION & PREPAYMENT**

	Early Redemption	Issuer Prepayment
BII	No early redemption	Option to prepay notes without penalty
CA FarmLink	No early redemption	Option to prepay notes without penalty
Community Vision	Permitted with recalculation of final interest	Option to prepay notes without penalty
CFNE	Permitted at sole discretion of issuer; includes prepayment penalties	Right to repay upon 30 days' notice
Craft3	No early redemption	Right to repay upon 30 days' notice
ECLF	Permitted at sole discretion of issuer; includes prepayment penalties	Right to repay upon 10 days' notice
Finanta	No early redemption	No prepayment option
FCI	Permitted with penalties	-
Genesis	Permitted at sole discretion of issuer; includes prepayment penalties	-
Homewise	-	Option to prepay notes without penalty
HTSV	-	Right to prepay upon 30 to 60 days' prior notice
Leviticus	No early redemption	Option to prepay notes without penalty
NHCLF	No early redemption	Option to prepay notes without penalty
Partner Community	-	Option to prepay notes without penalty
RF	No early redemption	No prepayment option
VCLF	Permitted at sole discretion of issuer	Option to prepay notes without penalty

TABLE 33 **DIRECT ISSUE NOTES RENEWAL OPTIONS**

Renewal Process

For continuous offerings, documents include a description of options at maturity, including when investors should expect notification regarding their options to redeem or reinvest their proceeds. Notice periods range from 14 to 60 days prior to maturity. Most states allow issuers to automatically reinvest note proceeds unless otherwise directed by the investor.

	Renewal Options
BII	Set maturity date with optional 5-year extension
CA FarmLink	Maturity notice; investors must notify issuer at least 30 days on intention to renew or redeem; automatic renewal permitted
Community Vision	Maturity notice; automatic renewal permitted
CFNE	Reinvest or redeem at maturity
Craft3	Notice 30 days prior to maturity with option to reinvest or redeem note; no automatic reinvestment
ECLF	Notice 30 days prior to maturity with option to reinvest or redeem note; automatic reinvestment in states where permitted
Finanta	None stated
FCI	Notice 30 days prior to maturity confirming reinvestment or redemption; automatic renewal where permitted
Genesis	None stated
Homewise	Automatic reinvestment in states where permitted
HTSV	Automatic renewal unless investor opts out 60 days prior to maturity
Leviticus	Reinvested or redeemed at maturity
NHCLF	Reinvest or redeem upon maturity
Partner Community	Not included
RF	Automatic reinvestment unless investor opts out
VCLF	Notice 14 days prior to maturity; automatic renewal where permitted

Plan of Distribution

This section discusses the dollar amount of notes being offered pursuant to the offering document and the method of sale. It may also discuss any expenses and fees, including any commissions associated with the offering. These disclosed expenses range from \$20,000 to \$100,000 and include attorneys' fees, accountants' fees, and securities exemption, registration and filing fees. Offering costs have been paid from operating funds rather than note proceeds, and none of the offerings paid third-party fees associated with sale of the note.

Tax Aspects

As discussed previously, income from direct issue notes is taxable. This section includes additional detail on federal income tax considerations when purchasing a note.

Exhibits

Common exhibits include audited and interim financial statements, with issuers most commonly including two years of audited financials. Other than financials, the most common exhibits include the promissory note, investor agreement and application, and form of loan agreement.

TABLE 34 DIRECT ISSUE NOTES EXHIBITS

	BII	CA FarmLink	Community Vision	CFNE	Craft3	ECLF	Finanta	FCI
Audited Financial Statements	-	5 yrs	2 yrs	3 yrs	2 yrs	2 yrs	2 yrs	3 yrs
Board of Directors, Executive Officers and Staff	-	-	-	-	-	-	-	-
Borrower List / Portfolio	-	Y	-	Y	-	-	-	-
Corporate Structure	-	-	-	-	-	-	-	-
Description of Notes	-	-	-	-	Y	-	-	-
Form of Subordination & Joinder to Subordination Agreement	Y	-	-	-	-	-	-	-
Form of Promissory Note	Y	Y	Y	Y	Y	-	Y	-
Investor Questionnaire / Application / Agreement	Y	Y	Y	-	Y	-	-	Y
Form of Loan / Subscription Agreement	Y	-	Y	Y	-	-	Y	Y
Loan Policy	-	-	-	-	Y	-	-	-
NMTC Holdings	-	-	-	-	-	-	-	-
State Specific Regulation Information	-	Y	-	-	-	-	-	-
Strategic Plan	-	-	-	-	Y	-	-	-
Unaudited Interim Financial Statements	-	-	-	Y	Y	Y	-	Y

	Genesis	Homewise	HTSV	Leviticus	Partner Community	RF	VCLF
Audited Financial Statements	-	3 yrs	-	-	-	2 yrs	2 yrs
Board of Directors, Executive Officers and Staff	-	-	-	Y	-	-	Y
Borrower List / Portfolio	-	-	-	-	-	-	-
Corporate Structure	-	-	-	-	-	Y	-
Description of Notes	-	-	-	-	-	-	-
Form of Subordination & Joinder to Subordination Agreement	-	-	-	-	-	-	-
Form of Promissory Note	-	-	-	Y	-	Y	Y
Investor Questionnaire / Application / Agreement	-	-	-	-	-	-	Y
Form of Loan / Subscription Agreement	-	Y	-	Y	-	-	Y
Loan Policy	-	-	-	-	-	-	-
NMTC Holdings	-	-	-	-	-	Y	-
State Specific Regulation Information	-	-	-	-	-	-	Y
Strategic Plan	-	-	-	-	-	-	-
Unaudited Interim Financial Statements	-	-	-	-	-	-	-

Investor Participation

Bonds and notes are valuable tools to expand the pool of CDFI investors beyond historic sources. Eligible investors may vary based on the structure and objectives of the CDFI's offering, with some institutional investors limited to rated securities due to internal investment guidelines and some retail investors limited due to offering restrictions. Brokered CDFI note securities are held by the largest spectrum of investors, from individual retail investors to institutional investors. In contrast, CDFI bond debt is held primarily by institutional investors. This overview provides updates on emerging investment trends for several investor segments, as well as data on CDFI bond and note securities held by bond mutual funds and bond exchange-traded funds (ETFs). Deeper understanding of investor investment objectives and guiding impact frameworks can help CDFIs increase demand for their offerings by positioning their products to meet investor needs.

Individual Investors

Every two years, Calvert Impact Capital conducts a survey on its investor base and the broader impact investing community. In its 2025 Investor Survey, 83% of financial advisors indicated that they plan to increase the amount of impact investments in their clients' portfolios over the next year, and 56% of CIC's investors said they plan to increase their impact investments. Investors ranked environmental sustainability, renewable energy, racial equity and affordable housing as their top priorities, with affordable housing emerging as a top-four concern.²⁵

In *Helping Individuals Navigate CDFI Investment Opportunities*, Stepping Stone Partners and Tern Strategies identified more than 60 asset managers and/or investment advisors with clients who invest in CDFIs. Tern surveyed this group and received 12 responses. Respondents indicated that 51 – 100% of their clients invest in CDFIs and that their clients' top motivations include location, focus area and a desire to move capital into mission-driven organizations.²⁶

Donor-Advised Funds

DAFs are a form of giving account established as a public charity that allow donors to make a charitable contribution in return for an immediate tax deduction. Over time, the donor can recommend grants from its account, with the public charity or sponsoring organization, managing and administering the account on the donor's behalf.²⁷

A 2025 National Philanthropic Trust (NPT) report estimates that charitable assets under DAF management total \$326.5 billion in over 3.6 million accounts, a 27.5% increase over the previous year. NPT reports that the overall payout rate remains fairly consistent year-over-year at 25.3%.²⁸

In 2025, Opportunity Finance Network and DAFgiving360, one of the largest DAF sponsors, conducted a survey of DAF advisors and donors. The initial insight brief summarized key findings, which revealed strong interest in CDFIs and a significant opportunity to increase donor knowledge of the CDFI industry. It also showed that DAFs are either already partnering or are interested in partnering with CDFIs on offerings other than grants, such as recoverable grants, loans and investments. For instance, 43% of donors and 79% of advisors surveyed indicated they were very or somewhat interested in using DAFs for impact-first loans.²⁹ These initial results are promising and indicate potential for CDFI issuers to engage more actively with DAFs.

Leading DAF providers and community foundations also continue to curate pre-approved investment options that incorporate social or environmental themes for both brokered and direct issue CDFI notes. Groups like ImpactAssets and CapShift provide vetted impact investment options across asset classes, including thematic portfolios focused on community investing, which are available to DAF participants, individual investors and investment advisors.³⁰

There are additional opportunities for DAF providers to offer CDFI notes as approved investment options, and new models are emerging that allow DAFs with limited investment options to use recoverable grants as a way to access CDFI note investments. For example, Realize Impact's Philanthropic Grant Program allows DAF participants to make grants to Realize Impact, which then invests the grant proceeds. Realize Impact does the diligence, reviews the terms and makes the note investment. Upon maturity, 99% of the earnings and original investment are returned to the DAF participant or to a nonprofit of the participant's choosing. CapShift has worked with DAF participants to make recoverable grants to a parent or other intermediary entity for the purpose of investing the recoverable grant proceeds in CDFI note products. At maturity, the principal and interest earnings are returned to the DAF participant.

Bond Mutual Funds & Exchange-Traded Funds

As of January 2026, \$289 million of CDFI debt was held across 47 bond and ETF funds, with 83% concentrated in the top 10 funds.³¹ CREF Social Choice Fund, Praxis Impact Bond Fund and Nuveen Core Impact Bond invest in the largest number of CDFI securities, with CREF Social Choice holding \$78.7 million in debt from five CDFIs, Praxis Impact Bond Fund holding \$9.4 million from five CDFIs, and Nuveen Core Impact Bond holding \$69.1 million from five CDFIs.

Thirty-two of the funds holding \$192 million of CDFI debt had a Morningstar Sustainability Rating. Morningstar's Sustainability Ratings are a monthly measure of how well the holdings in a portfolio are managing their Environmental, Social and Governance (ESG) risks and opportunities relative to peers. The rating is presented as a score between one and five, with one being the weakest and five the strongest.³² The remaining \$97 million is held in 15 other bond funds, including Nuveen Core Impact Bond.

GRAPH 16 **CDFI DEBT HELD BY BOND FUNDS**

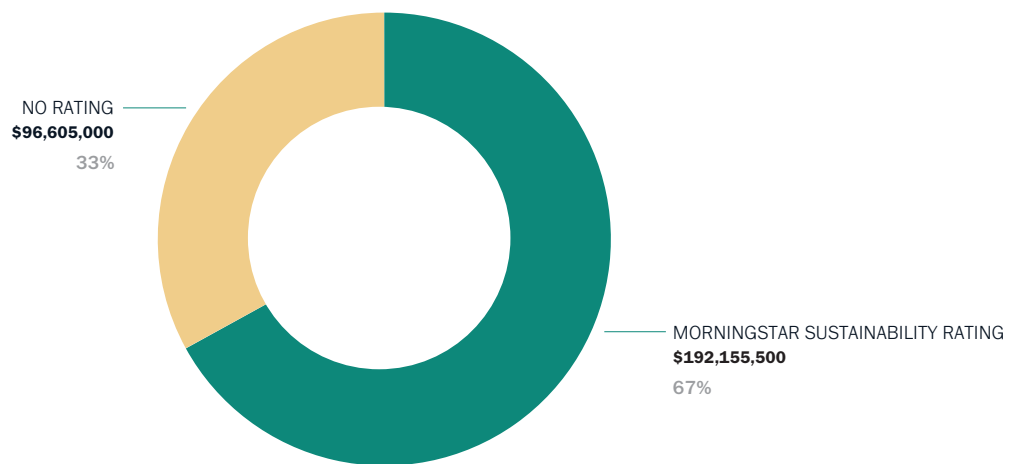
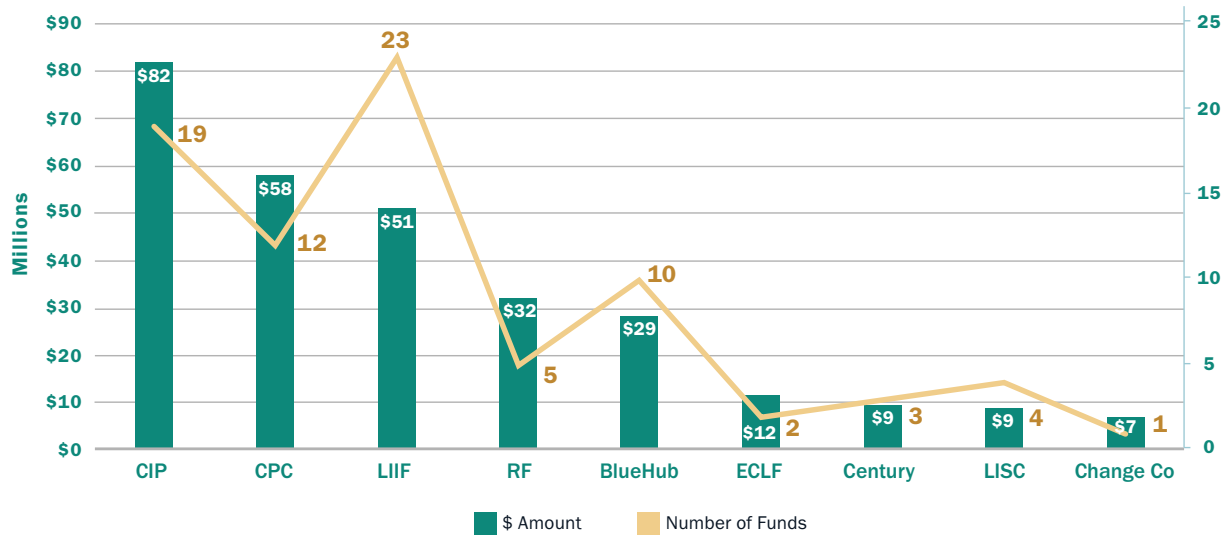


TABLE 35 **TOP 10 FUND HOLDERS OF CDFI DEBT**

	Fund Name	Fund Type	Total	Number of Holdings
QCSCIX	CREF Social Choice R3	Variable Annuity	\$78,735,000	5
TSBIX	Nuveen Core Impact Bond R6 Class	Open-End Fund	\$69,090,000	5
PTSAX	PIMCO Total Return ESG Institutional Class	Open-End Fund	\$30,700,000	4
THOPX	Thompson Bond Fund	Open-End Fund	\$13,000,000	2
GCBLX	Green Century Balanced Fund	Open-End Fund	\$11,150,000	4
MIIAX	Praxis Impact Bond Fund Class A	Open-End Fund	\$9,430,000	5
CSIBX	Calvert Bond Fund Class A	Open-End Fund	\$9,400,000	1
CRBSX	Catholic Responsible Investments Bond Institutional	Open-End Fund	\$7,400,000	3
QCBMIX	CREF Core Bond R3	Variable Annuity	\$6,250,000	1
CTTLX	Calvert Responsible Municipal Income Fund Class A	Open-End Fund	\$5,000,000	1
	Total		\$240,155,000	31

On average, individual CDFI issuances are held across 8.7 funds with an average investment of \$4.3 million per fund. Despite the highest level of continuous market participation through their rated note programs, Century and LISC debt is held by a relatively small number of funds: Century's by three and LISC's by four. CIP issued its taxable series 2025 bonds, which may be driving the increased participation of fund investors when compared to the 2023 White Paper.

GRAPH 17 **VOLUME OF CDFI DEBT HELD BY NUMBER OF BOND FUNDS BY CDFI**



Impact Measurement & Management

As discussed earlier, seven of the 13 bond offerings aligned with the Sustainability Bond Guidelines at issuance, with five receiving a second party opinion verifying alignment with ICMA's Guidelines. RDF released a Social Bond Framework for its 2019 bond offering, together with a second party opinion from S&P, post issuance in 2022. Clearinghouse was the first to receive a second party opinion associated with a private placement.

All three of the brokered note programs align with an ICMA framework: Century's note program aligns with the Green and Social Bond principles and Sustainability Bond Guidelines, with a second party opinion from Sustainalytics. LISC's note program aligns with the Social Bond Principles, with a second party opinion from Vigeo Eiris, which has since become part of Moody's Investors Service. In 2024, CIP issued its Sustainability Bond Framework and received a second party opinion from S&P for its alignment with the Sustainability Bond Guidelines, including the Social and Green Bond Principles.

CIP is the only organization to have also aligned with the 2023 Social Loan Principles published collectively by the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA), and the Asia Pacific Loan Market Association (APLMA). These principles are another voluntary framework built on and complementary to the ICMA Social Bond Principles.³³ The Social Loan Principles define a social loan as any type of loan instrument and/or contingent facility in which proceeds are applied to finance, refinance or guarantee eligible projects. To date, the principles have not been widely adopted by CDFIs.

Unlike bond and brokered note programs, direct issue note programs typically describe their alignment to broader industry frameworks like the UN Sustainable Development Goals, IRIS+ metrics, CDFI Fund impact categories or other impact frameworks. This alignment is typically self-disclosed on a website or included in annual reporting and not externally verified. One exception is ECLF's Impact Note, which received a second party opinion from Impact Investment Exchange (IIX), a licensed verifier, to verify the program is consistent with broader impact investing industry standards as part of the Orange Bond Principles.

TABLE 36 **VERIFIED ALIGNMENT WITH IMPACT FRAMEWORKS**

	Product	Alignment with External Impact Frameworks	Second Party Opinion	Issue Date
BlueHub	Sustainability Bond	ICMA Sustainability Bond Guidelines 2018	Sustainalytics	12/1/19
CIP	Capital Impact Investment Notes	ICMA Social Bond Principles 2023 and 2023 social loan principles released by the ICMA, LMA, LSTA, and APLMA	S&P Global	4/1/24
Century	Century Sustainable Impact Notes	ICMA Sustainability Bond Guidelines 2018	Sustainalytics	Jun-2020 – Original SPO May-2021 – Updated
Century	Sustainability Bond	ICMA Sustainability Bond Guidelines 2018	Sustainalytics	6/9/20
Clearinghouse	Private Placement	ICMA Social Bond Principles 2023	S&P Global	10/1/24
CPC	Sustainability Bond	ICMA Sustainability Bond Guidelines 2018	Sustainalytics	10/1/19
CPC	Private Placement	ICMA Sustainability Bond Guidelines 2024	Sustainalytics	-
ECLF	Enterprise Community Impact Notes	Orange Bond Principles	Impact Investment Exchange	9/1/23
LIIF	Sustainability Bond	ICMA Sustainability Bond Guidelines 2018	Sustainalytics	6/1/19
LISC	LISC Impact Notes	ICMA Social Bond Principles 2020	Vigeo Eiris (now Moody's Ratings)	Jan-2020 – Original SPO Jan-2021 – Updated
RDF	Sustainability Bond	ICMA Social Bond Principles 2021	S&P Global	4/1/22

Impact Rating Systems

CDFIs have also started leveraging the Impact Management Project's Five Dimensions of Impact. The Five Dimensions are impact management norms facilitated by the Impact Management Project and a practitioner community of over 3,000 stakeholders that seeks to build a global consensus on how to measure, improve and disclose impacts across five dimensions – What, Who, How Much, Enterprise Contribution and Impact Risk.

US Property Acquisition Fund & The Five Dimensions of Impact

ECLF has begun piloting use of the Five Dimensions of Impact framework in its investments, both its on-balance sheet portfolio and off-balance sheet vehicles it manages. One of these vehicles, the US Property Acquisition Fund (US PAF) – led by Habitat Capital and managed by ECLF – won the award for impact measurement and metrics from this year's *Environmental Finance* IMPACT Investment Awards.

Launched earlier this year with debt capital from JPMorgan Chase & Co., Wells Fargo, ECLF, ImpactAssets, Arnold Ventures and The Annie E. Casey Foundation, and equity from Habitat for Humanity International, the fund provides flexible acquisition loans and lines of credit to Habitat affiliates and other mission-aligned entities to accelerate the production of affordable housing.

US PAF uses an Impact Rating Tool to review and select projects and report impact, incorporating the Impact Management Project's Five Dimensions. The tool evaluates investments on 24 indicators across 14 sub-dimensions, such as the number of affordable units a project will create and whether the financing is likely to boost a borrower's development capacity. The tool provides a weighted numerical impact score for each project and creates a benchmark of average scores to prioritize pipeline and assess the fund's progress towards its goals.

Outside of the ICMA Guidelines, CDFI bond and note issuers continue to use platforms like ImpactAssets 50 to demonstrate their impact to a wider set of investors. ImpactAssets 50 is a publicly available online resource for impact investors and their investment advisors to identify experienced fund managers and explore the landscape of potential investment options. The firms selected annually are intended to demonstrate a wide range of impact investing opportunities across geographies, sectors and asset classes. As of December 2025, there are 13 CDFIs listed on ImpactAssets 50, with four listed as emeritus managers (listed for five years or more) and one listed as emerging (newer fund manager to watch), compared to six listed in 2022.

TABLE 37 **IMPACTASSETS 50 STATUS**

	IA50 Status
Accion Opportunity Fund Community Development	Core
BlueHub Loan Fund, Inc.	Core
Boston Impact Initiative	Core
Capital Impact Partners	Emeritus
Coastal Enterprises, Inc.	Core
Cooperative Fund of the Northeast, Inc.	Core
Craft3	Emeritus
Enterprise Community Partners, Inc.	Emeritus
Local Enterprise Assistance Fund, Inc.	Core
Local Initiatives Support Corporation	Emeritus
REDF Impact Investing Fund	Emerging
Shared Capital Cooperative	Core
The Housing Partnership Network, Inc.	Core

Other sources that highlight CDFI impact include ImpactAlpha’s EDGE, an intelligence platform that ImpactAlpha built using its reporting, relationships and market knowledge. While geared more towards the private equity and venture space, CDFIs are able to create profiles to share current capital raising efforts with capital allocators, financial advisors and other ecosystem builders.



Vallejo Apartments
Los Angeles, CA

Preservation of the long-term affordability of an existing, unsubsidized rental property in Los Angeles.

Closing Considerations

A persistently high interest-rate environment has left CDFI loan funds looking for new ways to expand their capital base while controlling their cost of capital. The result has been greater promotion of direct issue note programs, which can raise below-market rate capital from mission-oriented investors, together with enhanced use of tax-exempt structuring on rated bond offerings and call options for brokered note programs. This diversification is more important than ever, as proposed changes to Community Reinvestment Act regulations could impact one of CDFI loan funds' major capital sources.

CDFIs continue to build on best practices in investment product design, including standardizing disclosure and marketing of rated bonds and brokered and direct issue note programs, as well as continued alignment with broader industry impact measurement and management frameworks like ICMA's Guidelines. Note programs will continue to play an important role for CDFIs of all sizes, whether brokered or direct issue, in attracting investors interested in aligning their capital with their values. Note programs also serve as an attractive vehicle to activate untapped DAF assets through direct investments or recoverable grants. Alignment with accepted impact frameworks helps demonstrate consistency with standards around capital allocation, leadership and transparency in investment and reporting processes. Although other principles like the Operating Principles for Impact Management exist, few CDFIs have become signatories, leaving room for CDFIs to explore the effectiveness of additional ways to showcase their work's impact.

CDFIs are also working across DAF and wealth advisor platforms on education strategies to increase industry exposure and unlock additional capital. When compared to other forms of impact investing, CDFI loan funds are widely accessible via retail offerings and benefit from lower minimums and a variety of rate and term structures that can be mapped onto existing portfolio allocations.

While financing mechanisms such as securitization, in which multiple CDFIs sell their loans through a collateralized debt obligation structure, have been slow to actualize, they remain a much-discussed solution to help smaller, balance sheet-constrained CDFIs access the capital markets. One recent example is California Community Investment Corporation, which originates permanent multifamily loans and sells them through a securitization structure, using cash generated from the sale to recycle its lending capital. The loan securitizations are completed under the Freddie Mac Q-Deal program.³⁴ And there are other localized secondary market mechanisms that have helped increase leverage, such as the Great Plains Housing Initiative's Native Impact Fund. The fund purchases performing housing loans to enable Native CDFIs to expand their lending capacity while ensuring that the originating CDFIs retain underwriting control and servicing rights. The Native CDFIs preserve community relationships while unlocking much-needed liquidity.



The appeal of the [CDFI] sector is increasingly aligned with shifts in client demand. Wealth holders, particularly younger investors and multi-generational families, are placing a greater emphasis on the real-world effects of their portfolios, alongside financial returns. They are also seeking investments that offer clearer visibility into outcomes, rather than abstract exposure to themes.”

— Liz Sessler, CapShift

There is also increased discussion about the possibility for mergers and consolidations in the CDFI industry. A September 2025 working paper from the Center for Impact Finance, co-authored by Michael Swack of the Center and Sara Razavi of Working Solutions CDFI, notes that the CDFI industry is fragmented, under-resourced and unable to meet demand. It argues that strategic consolidation – through mergers, acquisitions and strategic alliances – is necessary to increase scale, sustainability and impact.³⁵ The paper notes that CDFI loan funds are under-leveraged and often unable to attract affordable debt and makes the case that, through consolidation, CDFIs can create larger balance sheets that appeal to a wider investor audience. “In short, consolidation can help overcome undiversified and insufficient capital by making CDFIs more attractive to a wider investor pool, thereby expanding the capital stack available for community lending.”³⁶

Even at their current scale, CDFIs continue to meet the moment – whether acting as first responders during emergent crises or providing patient capital during the more recent period marked by extended project development timelines, delayed closings and financing gaps. Continued expansion of capital access through DAFs and wealth advisors, securitization, loan participations and sales, mergers and consolidation, and alignment with accepted impact frameworks will enable the CDFI industry to keep capital flowing and make affordability a reality for more Americans.

APPENDIX A

Rated Bond Offering Document Disclosure & Continuing Disclosure Requirements

APPENDIX TABLE 1 **LOAN PORTFOLIO DETAIL**

	Portfolio Detail & Metrics	Portfolio by Product	Portfolio by Asset Class	Portfolio Geographic Breakdown	Portfolio Loan Size Breakdown	Portfolio Risk Rating Breakdown	Closings by Product	Closings by Asset Class
LISC17	Y	3 audited plus interim	3 audited plus current	N	N	1 audited plus current	N	N
RF17	N	N	6 audited	6 audited	1 audited	1 audited	N	N
RF18	N	N	5 audited	5 audited	1 audited	1 audited	N	N
ECLF18	Y	5 audited	5 audited	5 audited	N	3 audited	N	N
Century19	N	5 audited plus interim	n/a	5 audited plus interim	1 audited plus interim	5 audited plus interim	5 audited plus interim	N
LIIF19	Y	5 audited plus interim	5 audited plus interim	5 audited plus interim	N	5 audited plus interim	N	N
RDF19	Y	N	6 audited plus interim	interim	N	5 audited plus interim	N	N
BlueHub20	Y	5 audited plus interim	5 audited plus interim	5 audited plus interim	N	3 audited plus interim	N	N
CPC20	Y	5 audited	n/a	N	N	5 audited plus interim	N	N
Century20	Y	5 audited plus interim	n/a	5 audited plus interim	1 audited plus interim	5 audited plus interim	5 audited plus interim	N
BlueHub24	Y	5 audited plus interim	5 audited plus interim	5 audited plus interim	N	5 audited plus interim	N	N
CIP25	Y	N	5 audited	5 audited	N	N	N	N
RF25	Y	N	5 audited	N	N	1 audited	N	5 audited

APPENDIX TABLE 2 **PORTFOLIO PERFORMANCE MEASURES**

	Gross Delinquencies, Write-Offs, Recoveries	Delinquencies, Impaired, Write-Offs, Allowance	Loans Receivable, Allowance & Write-Offs	Delinquency Breakdown	Summary Delinquencies, Non-Accruals	Loans Receivable, Write-Offs	Loan Loss Reserves & Write-offs
LISC17	3 audited plus current	N	3 audited plus current	N	N	N	3 audited plus current
RF17	N	N	N	6 audited	6 audited	N	reserves; 6 audited
RF18	N	N	N	5 audited	5 audited	N	reserves; 5 audited
ECLF18	5 audited	5 audited	5 audited	N	N	N	5 audited
Century19	N	N	N	5 audited	N	N	N
LIIF19	5 audited plus interim	5 audited plus interim	5 audited plus interim	N	N	N	5 audited plus interim
RDF19	N	N	N	N	N	N	6 audited plus interim
BlueHub20	5 audited plus interim	5 audited plus interim	5 audited plus interim	N	N	N	5 audited plus interim
CPC20	N	N	5 audited plus interim	5 audited plus interim	N	N	N
Century20	N	N	N	5 audited plus interim	N	N	N
BlueHub24	5 audited plus interim	5 audited plus interim	5 audited plus interim	N	N	N	5 audited plus interim
CIP25	N	N	N	N	5 audited	5 audited	N
RF25	N	N	5 audited*	N	5 audited	N	N

* Write-Offs not included

APPENDIX TABLE 3 OPERATING MEASURES

	Statement of Activities	Extended Horizon Statement of Activities	Consolidated Statement of Activities	Unrestricted Statement of Activities	Revenue Sources	Lending Self-Sufficiency Ratio	Interest Earnings/Spreads
LISC17	3 audited plus current	7 audited plus current	N	N	3 audited plus current	N	N
RF17	6 audited	N	N	N	N	N	N
RF18	N	N	N	5 audited	N	N	N
ECLF18	5 audited	8 audited	N	N	5 audited	5 audited	5 audited
Century19	5 audited plus interim	N	N	N	N	N	N
LIIF19	5 audited plus interim	N	N	N	5 audited plus interim	5 audited plus interim	5 audited plus interim
RDF19	N	N	6 audited plus interim	N	6 audited plus interim	N	6 audited
BlueHub20	5 audited plus interim	N	N	N	5 audited plus interim	5 audited plus interim	5 audited plus interim
CPC20	5 audited plus interim	N	N	N	5 audited plus interim	N	N
Century20	5 audited plus interim	N	N	N	N	N	N
BlueHub24	5 audited plus interim	N	N	N	5 audited plus interim	5 audited plus interim	5 audited plus interim
CIP25	N	N	5 audited plus interim	N	N	N	N
RF25	5 audited	N	N	N	N	N	N

APPENDIX TABLE 4 **BALANCE SHEET & LEVERAGE RATIOS**

	Statement of Financial Position	Consolidated Statement of Financial Position	Balance Sheet Growth	Assorted Net Assets Ratios	Assorted Summary Financial Ratios
LISC17	3 audited plus current	N	3 audited plus current	3 audited plus current	N
RF17	6 audited	6 audited	N	6 audited	N
RF18	5 audited	N	N	5 audited	N
ECLF18	5 audited	N	5 audited	5 audited	N
Century19	5 audited plus interim	N	N	5 audited plus interim	N
LIIF19	5 audited plus interim	N	5 audited plus interim	5 audited plus interim	N
RDF19	N	6 audited plus interim	N	6 audited plus interim	N
BlueHub20	5 audited plus interim	N	5 audited plus interim	5 audited plus interim	N
CPC20	5 audited plus interim	N	5 audited plus interim	N	N
Century20	5 audited plus interim	N	N	5 audited plus interim	N
BlueHub24	5 audited plus interim	N	5 audited plus interim	5 audited plus interim	N
CIP25	N	5 audited plus interim	N	5 audited	5 audited
RF25	5 audited	N	N	N	N

APPENDIX TABLE 5 **CASH, CASH EQUIVALENTS & INVESTMENTS, LIQUIDITY**

	Cash & Investments Summary	Cash & Investment Detail	Liquidity Detail	Pension & Thrift Plan Contributions
LISC17	3 audited plus current	1 audited plus current	current, term schedule	3 audited plus current
RF17	6 audited	6 audited	N	2 audited
RF18	5 audited	5 audited	N	2 audited
ECLF18	5 audited	4 audited	current, term schedule	5 audited
Century19	5 audited plus interim	interim	N	2 audited plus interim
LIIF19	5 audited plus interim	3 audited	5 audited plus interim, quick ratio	5 audited
RDF19	N	N	N	2 audited
BlueHub20	5 audited plus interim	N	N	N
CPC20	5 audited plus interim	N	5 audited plus interim, quick ratio	5 audited
Century20	5 audited plus interim	interim	N	2 audited
BlueHub24	5 audited plus interim	N	N	N
CIP25	3 audited	N	N	N
RF25	N	N	N	N

APPENDIX TABLE 6 DEBT DESCRIPTIONS

	By Funding Type	By Lender	By Draws & Repayments	By Size	Secured Debt	Senior Debt	Subordinate Debt
LISC17	1 audited plus current	N	3 audited plus current	N	N	N	N
RF17	N	N	N	6 audited	1 audited	N	N
RF18	N	N	N	5 audited	1 audited	N	N
ECLF18	2 audited	N	5 audited	N	N	N	N
Century19	N	1 audited	N	5 audited plus interim	1 audited plus interim	N	N
LIIF19	2 audited	N	5 audited plus interim	N	N	N	N
RDF19	N	6 audited plus interim	N	N	interim	interim	interim
BlueHub20	N	N	N	N	N	1 audited plus interim	N
CPC20	N	N	N	N	N	N	N
Century20	N	1 audited	N	5 audited plus interim	1 audited plus interim	N	N
BlueHub24	N	N	N	N	N	2 audited plus interim	N
CIP25	1 audited plus interim	N	N	N	N	N	N
RF25	5 audited	N	N	N	N	N	N

APPENDIX TABLE 7 **FINANCIAL STATEMENT DISCLOSURE PERIODS**

	Audited Financial Statements	Interim Financial Statements
LISC17	3 years	12 months
RF17	3 years	none
RF18	1 year	none
ECLF18	5 years	6 months
Century19	2 years	none
LIIF19	5 years	9 months
RDF19	3 years	none
BlueHub20	5 years	9 months
CPC20	5 years	3 months
Century20	2 years	none
BlueHub24	5 years	6 months
CIP25	3 years	3 months
RF25	2 years	none

APPENDIX TABLE 8 **CONTINUING FINANCIAL STATEMENT DISCLOSURE REQUIREMENTS**

	Audited Financial Statements	Interim Financial Statements
LISC17	Best efforts to post on website no later than 180 days after FYE	Not Required
RF17	Furnish consolidated to Trustee and requesting bondholders and post on website within 180 days after FYE	Furnish quarterly consolidated to Trustee and requesting bondholders and post on website within 45 days after FQE
RF18	Furnish consolidated to Trustee and requesting bondholders and post on website within 180 days after FYE	Furnish quarterly consolidated to Trustee and requesting bondholders and post on website within 45 days after FQE
ECLF18	Best efforts to post on website no later than 180 days after FYE	Not Required
Century19	Furnish unconsolidated to requesting bondholders and post on website within 180 days after FYE	Furnish quarterly unconsolidated to requesting bondholders and post on website within 45 days after FQE
LIIF19	Commercially reasonable efforts to post on website no later than 180 days after FYE	Not Required
RDF19	Post unconsolidated on website no later than 180 days after FYE	Post semi-annual unconsolidated on website within 60 days after Q2E
BlueHub20	Commercially reasonable efforts to post on website no later than 180 days after FYE	Not Required
CPC20	Commercially reasonable efforts to post on website no later than 180 days after FYE	Not Required
Century20	Furnish consolidated to MSRB or dissemination agent within 180 days after FYE	Furnish quarterly unconsolidated to dissemination agent within 45 days after FQE
BlueHub24	Commercially reasonable efforts to post on website no later than 180 days after FYE	Not Required
CIP25	Commercially reasonable efforts to post on website no later than 120 days after FYE	Not Required
RF25	Furnish consolidated to MSRB or dissemination agent within 180 days after FYE	Not Required

APPENDIX TABLE 9 **CONTINUING APPENDIX A DISCLOSURE REQUIREMENTS**

	Enterprise-level Reporting	Project Loans Financed with Bond Proceeds	Detail of Outcomes or Projects Funded with Bond Proceeds
LISC17	Not Required	Not Required	Not Required
RF17	Post loan closings by asset class on website within 180 days after FYE	Post outstanding loans by geography and by asset class on website within 180 days after FYE	Post outcome metrics associated with projects and summaries of example projects in substantial completion year on website no later than 180 days after FYE
RF18	Post loan closings by asset class on website within 180 days after FYE	Post outstanding loans by geography and by asset class on website within 180 days after FYE	Post outcome metrics associated with projects and summaries of example projects in substantial completion year on website no later than 180 days after FYE
ECLF18	Not Required	Not Required	Not Required
Century19	Post outstanding portfolio by product on website within 180 days after FYE	Post outstanding loans by county and permanent loans outstanding financed with bond proceeds with associated outcomes on website within 180 days after FYE	Post summaries of example projects in substantial completion year on website within 180 days after FYE
LIIF19	Commercially reasonable efforts to post outstanding portfolio by product, asset class and region and portfolio performance metrics on website no later than 180 days after FYE	Not Required	Not Required
RDF19	Post outstanding portfolio by asset class and risk rating, detail for 20 largest outstanding loans, capitalization structure & summary of senior and subordinated credit facilities on website no later than 60 days after Q2E and 180 days after FYE	Not Required	Not Required
BlueHub20	Post outstanding portfolio by product, asset class and region and portfolio performance metrics on website no later than 180 days after FYE	Not Required	Not Required
CPC20	Commercially reasonable efforts to post summary information on mortgage loan portfolio, equity investments and key financial performance indicators on website no later than 180 days after FYE	Publish Sustainability portfolio allocation annually on website	Not Required
Century20	Post closed loans by product, outstanding loans by county, and permanent loans outstanding, sample project summaries with related impact metrics and loan portfolio detail by individual loans to dissemination agent or MSRB within 180 days after FYE	Not Required	Not Required
BlueHub24	Post outstanding portfolio by product, asset class and region and portfolio performance metrics on website no later than 180 days after FYE	Post projects financed on website no later than 180 days after FYE, until proceeds fully deployed	Post annual impacts on website no later than 180 days after FYE, until proceeds fully deployed
CIP25	Not Required	Not Required	Not Required
RF25	Deliver to MSRB or dissemination agency, gross loans and bonds payable, loans closings, loans outstanding by asset class, and delinquencies for most recent five-year period, no later than 180 days after FYE	Not Required	Not Required

* Not including "Reportable Events"

APPENDIX B

Bond Guarantee Program

Established by the Small Business Jobs Act of 2010, the U.S. Treasury’s Bond Guarantee Program (BGP) was an important precursor to CDFI access to the capital markets and remains an option for CDFIs with a need for longer-term financing sources. Through the program, certain bond issuers, known as “Qualified Issuers,” can issue bonds with maturity dates of up to 30 years on behalf of approved or “Eligible CDFIs,” which use the proceeds to invest in community development projects. The secretary of the Treasury provides a 100% guarantee on the bonds, which are sold to the Federal Financing Bank, a U.S. government corporation, at interest rates reflecting the federal guarantee.

As of December 2025, the CDFI Fund had approved nearly \$3 billion in bond issuance through four Qualified Issuers on behalf of 32 Eligible CDFIs. Fourteen CDFIs have participated in multiple bond issuances, bringing the total number of CDFI borrowings through the program to 54. Community Reinvestment Fund has issued the highest dollar volume, \$1.465 billion, through 10 bond issues on behalf of nine CDFIs. Opportunity Finance Network has supported the greatest number of CDFIs, 19, through seven bond issues, and Bank of America has supported four CDFIs through four issuances. In 2022, InBank, a new Qualified Issuer, issued a \$125 million bond on behalf of Harvest Residential Capital (formerly Capital Plus Financial). As of publication, the CDFI Fund had not yet published 2025 award announcements, although on January 28, 2026, OFN announced a \$100 million bond issuance³⁷ for 22Beacon (formerly Charter Schools Development Corporation), bringing total BGP bond issuance to over \$3 billion and OFN’s cumulative issuance to nearly \$1 billion.

APPENDIX TABLE 10 BGP AWARDS BY QUALIFIED ISSUER

Qualified Issuer	\$ Amount (Millions)	Number of Issues	Number of CDFIs	Number of CDFI Borrowings
Community Reinvestment Fund	\$1,465	10	9	17
Opportunity Finance Network	\$875	7	19	30
Bank of America CDFI Funding Corporation	\$500	4	4	6
InBank	\$125	1	1	1
Total*	\$2,965	22	33	54

* Clearinghouse CDFI issued through both Opportunity Finance Network and Community Reinvestment Fund.

BGP borrowings are recourse to the CDFI and secured by a first lien on project loan collateral. Issues are in minimum amounts of \$100 million, but multiple CDFIs can participate in a single issuance. BGP offers a potential pathway to the capital markets for CDFIs that may not have the scale or capacity to access them independently on a cost-effective basis. Three of OFN’s issuances had seven or more participating CDFIs, with individual CDFI borrowing amounts ranging between \$10 million and \$33 million. Several bills have been proposed to reduce the minimum guaranteed issuance amount to \$25 million to facilitate participation of smaller CDFIs. Most recently, in May 2026, Senators Steve Daines and Mark Warner reintroduced the Access to Fair Financing for Opportunity and Resilient Development (AFFORD) Act, which included the proposed reduction in minimum issuance size to \$25 million, among other provisions.

The most recent data available from the CDFI Fund for federal fiscal year 2024 reports that \$1.649 billion had been drawn for projects in the asset classes included in Appendix Table 11.³⁸

APPENDIX TABLE 11 **DRAWS BY ASSET CLASS**

Asset Class	\$ Amount (Millions)	Percent
Rental Housing	\$499	30%
Charter Schools	\$431	26%
Commercial Real Estate	\$278	17%
CDFI to Financing Entity	\$184	11%
Nonprofit Organizations	\$91	5%
Healthcare Facilities	\$60	4%
Small Business	\$55	3%
Senior Living / Long-term Care	\$31	2%
Childcare Centers	\$22	1%
Total	\$1,649	100%

Awards for the 12 rounds to date are detailed in Appendix Table 12. One of the Eligible CDFIs exited the program after award, reducing the total by \$20 million.

APPENDIX TABLE 12 **BOND GUARANTEE PROGRAM AWARDS (\$ IN MILLIONS)**

Year	Qualified Issuer	Eligible CDFI	Award
2013	Opportunity Finance Network	Clearinghouse CDFI	\$100
	Community Reinvestment Fund	Community Development Trust	\$125
	Bank of America CDFI Funding Corporation	Enterprise Community Loan Fund	\$50
		Local Initiatives Support Corporation	\$50
	Sub-Total		\$325
2014	Community Reinvestment Fund	Capital Impact Partners	\$55
		IFF	\$25
		Low Income Investment Fund	\$65
		Reinvestment Fund	\$55
	Sub-Total		\$200
2015	Community Reinvestment Fund	Raza Development Fund	\$100
	Opportunity Finance Network	Clearinghouse CDFI	\$100
	Opportunity Finance Network	Bridgeway Capital	\$15
		Chicago Community Loan Fund	\$28
		Citizens Potawatomi CDC	\$16
		Community Loan Fund of New Jersey	\$28
		Community Ventures Corporation	\$15
		Federation of Appalachian Housing Enterprises	\$15
		Kentucky Highlands Investment Corporation	\$10
	Sub-Total		\$327
2016	Community Reinvestment Fund	Capital Impact Partners	\$40
		Low Income Investment Fund	\$50
		Reinvestment Fund	\$75
	Bank of America CDFI Funding Corporation	Self-Help Ventures Fund	\$100
	Sub-Total		\$265
2017	Community Reinvestment Fund	Aura Mortgage Advisors	\$100
	Opportunity Finance Network	Building Hope	\$25
		Coastal Enterprises, Inc.	\$20
		Community First Fund	\$10
		Florida Community Loan Fund	\$30
		Greater Minnesota Housing Fund	\$10
		Homewise	\$15
		Housing Trust Silicon Valley	\$25
		Impact Seven	\$10
	Sub-Total		\$245
2018	Community Reinvestment Fund	Clearinghouse CDFI	\$150
	Sub-Total		\$150
2019	Opportunity Finance Network	Community Loan Fund of New Jersey	\$25
		Federation of Appalachian Housing Enterprises	\$20
		Greater Minnesota Housing Fund	\$55
	Sub-Total		\$100

APPENDIX TABLE 12 **BOND GUARANTEE PROGRAM AWARDS (\$ IN MILLIONS)** (continued)

Year	Qualified Issuer	Eligible CDFI	Award
2020	Community Reinvestment Fund	Clearinghouse CDFI	\$100
	Sub-Total		\$100
2021	Bank of America CDFI Funding Corporation	Self-Help Ventures Fund	\$100
	Sub-Total		\$100
2022	Opportunity Finance Network	Community Ventures Corporation	\$10
		Charter Schools Development Corporation	\$70
		Greater Minnesota Housing Fund	\$50
	Community Reinvestment Fund	Low Income Investment Fund	\$100
	InBank	Capital Plus Financial	\$125
	Sub-Total		\$355
2023	Community Reinvestment Fund	BSD Capital (dba Lendistry)	\$100
	Bank of America CDFI Funding Corporation	Self-Help Ventures Fund	\$100
		California Community Reinvestment Corporation	\$100
	Sub-Total		\$300
2024	Opportunity Finance Network	Renaissance Community Loan Fund	\$20
		Greater Minnesota Housing Fund	\$25
		Community Loan Fund of New Jersey	\$33
		Florida Community Loan Fund	\$30
		Homewise	\$15
		Community First Fund	\$20
		Nonprofit Finance Fund	\$30
	Community Reinvestment Fund	Community Development Trust	\$150
		Reinvestment Fund	\$100
		IFF	\$75
	Sub-Total		\$498
TOTAL			\$2,965

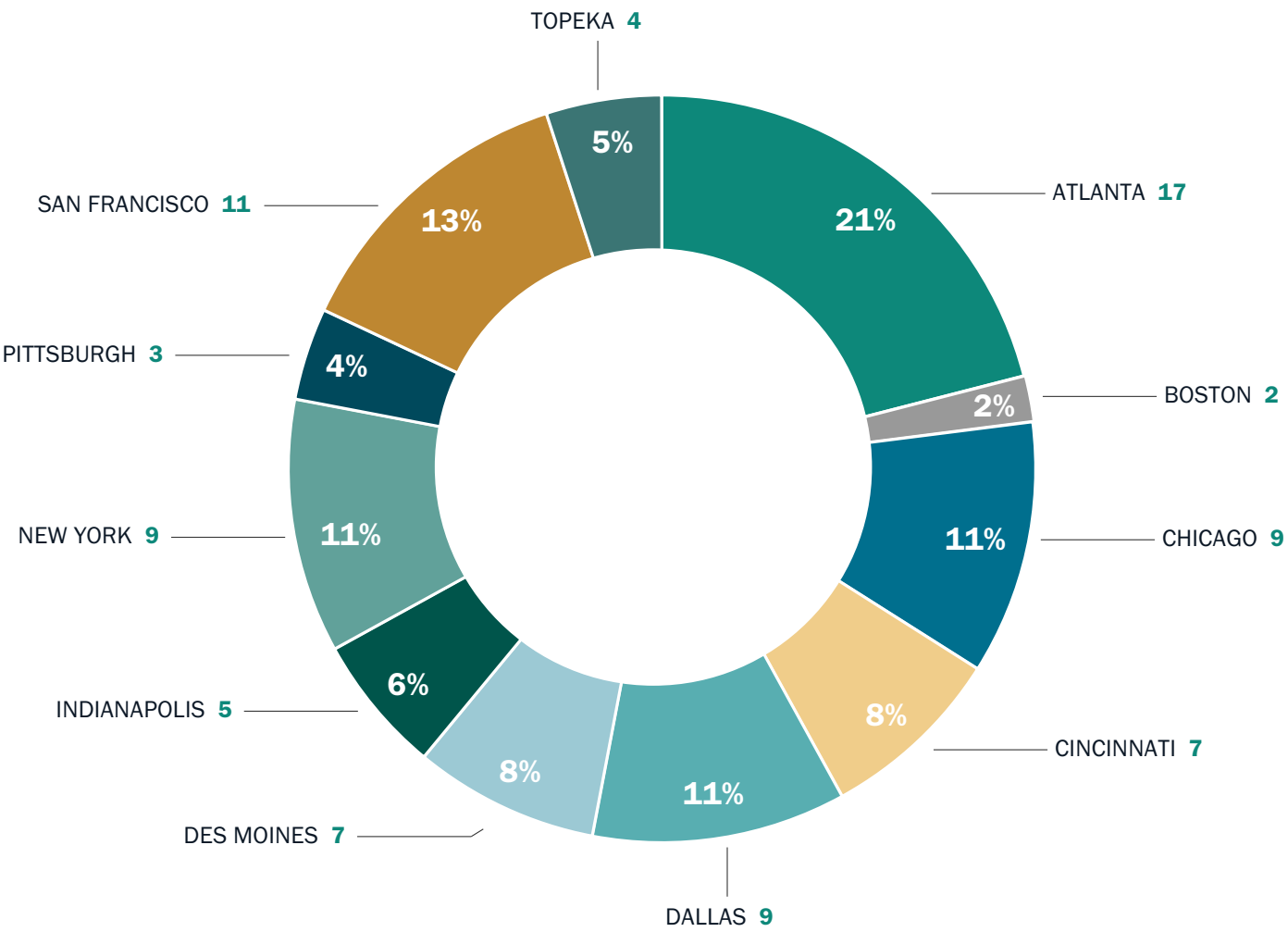
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Federal Home Loan Bank System

The Federal Home Loan Bank System is another source of long-term capital for CDFIs. In 2008, the Housing and Economic Recovery Act authorized CDFIs certified by the CDFI Fund to become Federal Home Loan Bank (FHLB) members. In 2010, the Federal Housing Finance Agency, which oversees the Federal Home Loan Banks, amended its membership regulations to allow certified CDFIs to become members through one of 11 regional FHLB chapters. For membership, CDFIs apply to a regional chapter based on the location of their headquarters. As of December 2025, there were 83 CDFI members, up from 70 at year-end 2022.

APPENDIX GRAPH 1 CDFI MEMBERSHIP BY REGION



All members are required to pledge collateral to secure advances, with individual FHLBs differing on acceptable collateral as well as advance rates on that collateral. Each of the Federal Home Loan Banks sets its own policies and procedures in these areas, and they all require some level of over-collateralization. CDFIs have lower advance rates than regulated institutions due to greater perceived uncertainty around collection in a bankruptcy situation. To receive an advance, the CDFI member must also purchase and maintain additional stock in its FHLB. This minimum stock investment, established by each FHLB, serves as additional security above the member's established credit limit. A member's capital stock is capped at a statutory level, which varies by bank.

FHLB membership provides CDFIs with access to low-cost, long-term capital. In addition, membership benefits include access to other financial products and services as well as participation in the Affordable Housing Program, which provides grants to eligible affordable housing projects through a competitive process. One limitation of both the FHLB and BGP sources, however, is their requirement that CDFIs pledge collateral for borrowed capital. This requirement is a credit concern for a CDFI's unsecured lenders, as it effectively subordinates them to these secured sources. Additionally, if a CDFI's secured indebtedness rises above a threshold level, it can negatively impact its credit rating from the NRSROs.

OFN and the CDFI-FHLB Working Group, a collaborative of 40 CDFIs active in the FHLB System, have worked together on various ways the FHLB System can improve its partnership with CDFIs. In a 2024 article, *Federal Home Loan Banks Can Act Now to Better Support Community Development*, Joe Neri cites the working group's support of the Chicago FHLB's Community First Fund as a replicable model that can better serve CDFIs through unsecured entity-level loans that act as a work around to obstacles CDFIs face in accessing the traditional wholesale advance window. This type of unsecured recourse financing is a better fit with CDFI capitalization and lending models and would allow more CDFIs to use FHLB sources to scale lending activity, such as predevelopment loans, subordinate second mortgages, small business loans and loans backed by collateral on tribal lands.³⁹



Brown Sugar Bakery
Chicago, IL

CDFI financing is assisting Stephanie Hart, BSB's owner, to purchase the building where her bakery is located.

Acknowledgments

We want to express our deep gratitude for the many individuals who generously contributed their time and expertise to this paper. Briana Flynn at Enterprise Community Loan Fund, Roberto Levin, MBA candidate at the Columbia Business School and Tyler Kolle, MPA candidate at New York University contributed valuable research and analysis. Numerous peer CDFIs provided data for our analysis. We offer special appreciation for Solomon Kasozi at Capital Impact Partners, and Rosa Menart at Century Housing, who provided key information and support on the brokered notes section. This paper would not be what it is without the insights and keen eyes of our many reviewers along with leadership and staff at Enterprise and LISC. Additional thanks to the graphics and production team, who helped move this work across the finish line.



Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. Enterprise supports community development organizations on the ground, aggregates and invests capital for impact, advances housing policy at every level of government, and builds and manages affordable housing communities. Since 1982, Enterprise has invested \$92 billion and created over 1.1 million homes across all 50 states to make home and community places of pride, power and belonging. For more, visit www.enterprisecommunity.org.



LISC is one of the country's largest community development organizations, driving affordable housing and forging vibrant, resilient communities across America. Through innovative, community-centric programs, LISC and its 34 local offices work with residents and partners across the country to close gaps in health, wealth, and opportunity so that people and places can thrive. Since its founding in 1979, LISC has invested \$38 billion to create more than 552,000 affordable homes and apartments; develop 88 million square feet of retail, community, and educational space; and help tens of thousands of people find employment and improve their finances. For more, visit www.lisc.org.

About the Authors

Elise Balboni is Enterprise's executive vice president of lending and new markets investments. Prior to joining Enterprise in 2021, Elise served as LISC's managing director for lending. Previously, she served as a consultant for nonprofits and foundations in the area of charter school facility financing and as LISC's vice president of education programs. Earlier in her career, Elise served as an associate in municipal finance at CS First Boston and as budget director for the Massachusetts Senate Committee on Ways and Means. She received her bachelor's degree from Harvard University and her MBA from the Stanford Graduate School of Business.

Kathleen Keefe is the investor relations and portfolio reporting director at LISC, where she manages the LISC Impact Notes program and leads analysis and reporting to lenders on LISC's loan portfolio. She has experience supporting CDFI investment products at Capital Impact Partners and in local economic development through work with the City of New Haven's Economic Development Administration. Previously, Kathleen worked in development consulting, managing large-scale U.S. Agency for International Development economic growth projects in Eastern Europe, and in domestic policy research. Kathleen holds a bachelor's degree from Wellesley College and a dual MBA and MPP from the Yale School of Management and the Yale Jackson School.

Anna Smukowski serves as ECLF's managing director, business development and impact investing, assisting ECLF's capital and lending teams with capital raising, business development and fund structuring. Prior to this position, she led LISC's \$200 million retail note offering, coordinated LISC investor relations and positioned LISC's capital raising within ESG, impact and social bond frameworks. Anna also managed \$50 million in LISC's Paycheck Protection Program deployment and has structured and managed affordable-housing and economic-development funds as well as pay-for-success work through a Social Innovation Fund grant award. Anna is passionate about values-aligned investing from the individual to the institutional level and has worked on updating and implementing mission-aligned investment policy statements at LISC and ECLF. Anna started her career as a strategy and operations consultant at Deloitte. Anna holds a bachelor of science degree from New York University Stern School of Business and an MBA from Columbia Business School.

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