



Comprehensive ratings for CDFI investments.

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For Immediate Release

FOUR NEW SMALL BUSINESS LENDING CDFIs BECOME CARS™-RATED IN THIRD QUARTER
Annual Reviews Also Released for Fifteen CDFIs

PHILADELPHIA, October 12, 2010—Four community development financial institutions (CDFIs) were rated for the first time and annual reviews were released by the CDFI Assessment and Ratings System (CARS™) in 3Q 2010. All four CDFIs are small business lenders helping lead economic recovery by providing loans that help entrepreneurs start and expand businesses, and developers build schools and community facilities in low-income and low-wealth communities in the nation's central states.

The following four CDFIs received first-time ratings during Q3:

- **Rural Electric Economic Development (REED)** operates under its mission to provide financing and help leverage private investment in small communities and rural areas with the goals of keeping local economies viable and improving the quality of life in the region. REED serves 48 counties covering a 36,000 square mile area with a total population of nearly 500,000 people in parts of eastern South Dakota and western Minnesota.
- **Southeast Community Capital's (dba Pathway Lending)** mission is to provide loans to small businesses lacking access to traditional financing, with emphasis on low- and moderate-income communities throughout Tennessee.
- **Enterprise Detroit** provides loans and technical assistance to small business owners, developers, building owners, contractors, and subcontractors in Detroit who are unable to access the capital they need from traditional financing sources.
- **Northeast Entrepreneur Fund** makes loans and provides technical assistance that helps people start and grow successful, locally-owned small businesses. NEF's service area is a predominately rural region that includes 11 counties covering nearly 30,000 square miles and a population of 470,000 in northeastern Minnesota and northwestern Wisconsin.

"Concurrent with elevated unemployment trends in the US, CARS™ is seeing increased investor interest in rated CDFIs that provide financing to small businesses," said Paige Chapel, director of CARS™. "At the same time, a growing number of small business lenders are seeking CARS™ ratings to broaden their exposure to investor markets. We congratulate the four small business lenders rated in Q3 and applaud their commitment to transparency and rigorous performance standards."



CARS™ also released 15 annual reviews for CDFIs that provide financing for affordable housing, small and micro-businesses, charter schools, and other community facilities located in low- and moderate-income urban and rural communities across the United States. These annual reviews provide information on changes in the CDFIs' financial strength and impact performance since that were rated by CARS™.

CARS™, the CDFI Assessment and Ratings System, is the only comprehensive, third-party assessment of a CDFI's impact performance *and* financial strength and performance. CARS™ helps investors confidently assess CDFIs that match their social objectives and risk parameters. According to a survey conducted in 3Q of rated CDFIs, a growing number of investors are requesting that CDFIs secure a CARS™ rating while CDFIs report wanting a rigorous third-party assessment of their strengths and weaknesses. In 2011, 29 CDFIs are scheduled to begin the CARS™ ratings process.

For further information or to schedule an interview with Paige Chapel, CARS™ subscribers, or CARS™-rated CDFIs, please contact Stefanie Arck, VP of Strategic Communications at Opportunity Finance Network, at 215.320.4306.

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CARS™, the CDFI Assessment and Ratings System, is an independent project of Opportunity Finance Network. Launched in 2004 to promote performance as a primary criterion determining the flow of capital through CDFIs and to promote standardization of information and industry-wide performance standards, CARS™ is the only ratings system of its kind. Ratings include an assessment of impact performance and financial strength and performance. Ratings are based on five years of historical performance and cover a projected three-year period with annual updates in subsequent years. CARS™ publishes a list of CDFIs who are scheduled for an upcoming rating, and also provides an on-demand CDFI rating service for investors. More information about CARS™ is available at www.carsratingsystem.net.

Opportunity Finance Network (OFN), the leading national network of more than 160 private financial institutions, creates growth that is good for communities, investors, individuals, and the economy. Members of OFN are community development financial institutions (CDFIs) who deliver responsible lending to help low-wealth and low-income communities join the economic mainstream. To date, the opportunity finance industry has financed more than \$25 billion in underserved markets in all 50 states, yielding more than **200,000 jobs, 500,000 housing units, and 5,000 community facility projects**. More information is available at: <http://www.opportunityfinance.net>.