



Capital for Communities—
Opportunities for People™

The Connection

Winter 2009

Mortgage Servicing with Heart

“CRF is actively looking for opportunities to support recent federal programs and to enable our nation’s hardest-hit communities to recover quickly from the devastating effects of foreclosures and mortgage delinquencies.”

—Frank Altman, President and CEO

CRF SUPPORTS FORECLOSURE REMEDIATION ACTIVITIES

As states and communities across the country reach out to vulnerable homeowners and begin to roll out federally funded Neighborhood Stabilization initiatives (the government’s latest program to stem foreclosure rates), CRF is pitching in with high-touch, customized loan servicing programs that streamline mortgage activities for financiers and borrowers alike.

For vulnerable homeowners—many who are low-income, minority, or heading single-parent households—a patient, knowledgeable servicing representative can go a long way toward restoring trust and counteracting past negative experiences.

Likewise, CRF’s focus on economically disadvantaged communities and unique ability to develop hands-on processes for non-traditional loan portfolios enables sponsoring organizations to focus on core activities like property rehab or financial counseling, while CRF manages the details of mortgage origination, payment collection, escrow, and reporting.

TWIN CITIES TACKLE FORECLOSURE CRISIS

In Minneapolis and St. Paul, Minn., two nonprofit organizations engaged CRF in 2008 to provide servicing for the Sustainable Home Ownership Program (SHOP). Organizers target, acquire, and rehabilitate foreclosed properties in low-income sections of both cities.



Homeowners receive debt counseling, new financing, and most importantly, the ability to retain their homes.

CRF handles all loan servicing activities, including collecting payments and escrow funds, generating reports, and delivering one-on-one customer service to borrowers. Prior to SHOP, CRF provided mortgage remediation support for the Twin Cities-based “Home to Stay” program, a collaboration of 26 state and national organizations.

“Affordable housing has been among the sectors hit hardest in the housing market during this economic crisis,” said Frank Altman, CRF President and CEO. “CRF is actively looking for opportunities to support recent federal programs and to enable our nation’s hardest-hit communities to recover quickly from the devastating effects of foreclosures and mortgage delinquencies.”

MISSION-DRIVEN SERVICING

CRF provides contract loan servicing for lenders around the country, and currently services more than 5,600 loans with a total value of approximately \$605 million. CRF is an active Fannie Mae servicer and is the only nonprofit servicer in the country rated “Select” by Standard and Poor’s. CRF also holds a “AA” CARS Impact Performance Rating.

For more information on servicing, contact your CRF Market Manager at 612.338.3050.

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FROM THE DESK OF FRANK ALTMAN

CRF Proposes Economic Stimulus Actions to Obama Administration

In December, a group of industry professionals and I met with President Barack Obama's transition team in Washington, D.C. As part of this community development-focused gathering, I offered CRF's perspective on the Emergency Economic Stimulus Act (EESA) and suggested four ways the Treasury Department and Congress can put capital in the hands of established, mission-driven institutions, where it can make an immediate difference.

- **Help CDFIs Improve Liquidity.** Give \$1 billion of the \$700 billion EESA to Community Development Financial Institutions (CDFIs) and other organizations that provide liquidity to CDFIs.
- **Support Alternative Financing Sources.** Appropriate \$100 million to the CDFI Fund to be distributed under Section 113 of the CDFI Fund Statute to CDFIs and other liquidity providers.
- **Require Banks to Lend to CDFIs and other Community Development Organizations.** Establish an affirmative obligation for institutions that receive funding under the Capital Purchase Program to lend to, invest in or otherwise support CDFIs and liquidity providers.
- **Strengthen New Markets Tax Credit Program.** Reauthorize the New Markets Tax Credit (NMTC) program at \$5 billion annually for five years, and increase the credit to 50% from 39%.

Given the community development industry's position and positive track record—and the urgent need for smart economic stimulus at local levels—I strongly encouraged Washington to act by directing a sizable amount of economic stimulus dollars to community development entities, where the money can save homes from foreclosure, save businesses from bankruptcy and create jobs for working men and women immediately.

—Frank Altman, President and CEO

ABOUT THE CRF INDIVIDUAL INVESTOR PROGRAM

Through this program with CRF, Calvert Social Investment Foundation, a 501(c) 3 nonprofit, offers the Community Investment Note, a 1- to 10-year note earning up to 3 percent interest. The Note is subject to certain risks, is not a mutual fund, is not FDIC or SIPC insured, and should not be confused with any Calvert Group-sponsored investment product. This document is neither an offer to sell nor a solicitation of an offer to buy these securities; only the prospectus, which should be read before investing, makes the offering.

Note: This does not constitute as an offer to sell securities. The investments known as Community Investment Notes, are not obligations of, or in any way guaranteed by, Community Reinvestment Fund, USA. Community Reinvestment Fund, USA is not a registered broker-dealer under Federal securities law.

With the current turmoil in the nation's credit markets, the collective role that CRF plays in low-income communities—along with its local lending partners, borrowers, investors, and supporters—is more important now than at any time in CRF's history.

CRF NEEDS YOUR SUPPORT

As you know, more Americans than ever need community-based support. CRF recently launched two programs that enable individuals to directly support CRF and its lending partners.

We need your help to spread the word about these new options for consumers. Please direct your friends and colleagues to our web site, www.crfusa.com, to learn more or to contribute.

CRF Individual Investor Program

The CRF Individual Investor Program, offered by Calvert Foundation, allows individual or institutional investors to earn a financial return while helping thousands access capital for small businesses, affordable housing, and community services. Investors at all income levels can participate with investments starting at \$1,000 and an investor-selected financial rate of return from 0%-3%. For every \$1 invested, CRF and its lending partners can create \$28 of direct economic benefit within communities across the country. For more information, visit www.crfusa.com/SROI or contact Valerie Hohman at 612.305.2067.

Online Donation Portal

Anyone can now easily make contributions—of any amount—with a credit card by visiting www.crfusa.com. These tax-deductible donations help make an immediate impact on those hardest hit by the turbulent economy. CRF is a tax-exempt 501(c)3 nonprofit organization.

**LOOKING FOR WAYS
TO INCREASE
BUSINESS
EFFICIENCIES IN
TODAY'S ECONOMY?
CRF Customized
Consulting Can Help**

CRF provides community development loan funds with customized consulting services to help optimize operations and become more self-sufficient, while fulfilling specific economic development and affordable housing needs within communities. CRF's expertise includes: portfolio audits, strategic planning, capitalization alternatives, and more. CRF recently held an informational webinar on Lender Liability, outlining the heightened risks and responsibilities lenders face in today's environment.

To learn more about CRF's tailored consulting, contact Claudette Konola, Manager of Partner Services, at 970.434.5318 or email Claudette@crfusa.com.

TRACKING IMPACT

Since inception, CRF and its lending partners have served more than 192,318 people, resulting in:

- 16,224 affordable housing units
- 40,978 jobs created or retained
- 107,230 people served at community facilities
- Funding for 540 minority- and women-owned businesses