



UNPRECEDENTED \$8.25 MILLION “WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE” BOOST TWO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIs)

Investments in CDFIs in North Carolina, Texas Reward Strategies for Creating Economic Opportunities

MIAMI, Fla.///December 13, 2007///Two U.S. financial institutions—Latino Community Credit Union, Durham, N.C., and ACCION Texas, San Antonio, Texas—are sharing \$8.25 million in investments as winners of an unprecedented new prize presented by the Opportunity Finance Network (OFN) and funded by The Wachovia Foundation and the John D. and Catherine T. MacArthur Foundation.

The **Wachovia NEXT Awards for Opportunity Finance** were announced Wednesday evening at the Opportunity Finance Network conference taking place this week at the InterContinental Hotel in Miami. The **Wachovia NEXT Awards** recognize community development financial institutions (CDFIs), or “opportunity finance institutions,” that have exceptional track records and extraordinary potential.

Opportunity finance institutions lend to and invest in small businesses, affordable housing, and community facilities and services such as schools, child care and health care facilities.

The two awardees are:

Latino Community Credit Union (LCCU), of Durham, N.C., which will receive a \$5.5 million prize to support its rapid expansion. Founded in 2000 in response to violence against Latino residents in North Carolina, LCCU now has more than 50,000 members. It was the first multicultural financial institution in North Carolina to provide all of its services in Spanish and English, without discriminating in pricing. LCCU now also serves African and European populations. LCCU has branches in Durham, Charlotte, Raleigh, Greensboro and Fayetteville and plans to expand to three new markets with the help of the investment provided by this **Wachovia NEXT Award**. LCCU partners with the State Employees Federal Credit Union in an innovative partnership that has made its meteoric growth possible.

ACCION Texas, a statewide organization based out of San Antonio, Texas, which will receive a \$2.75 million prize to extend its microlending reach and to grow its business partnerships outside of Texas. ACCION Texas uses an automated underwriting system and business model to distinguish itself in a challenging financial segment, providing credit to small businesses that do not have access to loans from commercial sources. The organization makes business loans from \$500 to \$50,000 for working capital, equipment purchase, inventory and other business needs. ACCION Texas has distributed over \$58 million in more than 8,100 loans to clients in Texas, helping micro-entrepreneurs strengthen their businesses, stabilize their incomes, create additional employment and contribute to the economic revitalization of their communities. ACCION Texas has 12 offices in ten cities and serves clients in over 80 counties throughout Texas.

Selection Committee

Frank DeGiovanni
Ford Foundation

Martin Eakes
Self-Help

Jim Fruchterman
The Benetech Initiative

Mary Houghton
ShoreBank Corporation

Paul Light
Wagner School
New York University

Eugene Ludwig
Promontory Interfinancial Network

Elsie Meeks
First Nations Oweesta Corporation

Kirsten Moy
Aspen Institute

Cecilia Munoz
National Council of La Raza

Jeremy Nowak
The Reinvestment Fund

Sharon Oster
Yale University

Mark Pinsky
Opportunity Finance Network

Luther Ragin, Jr.
F. B. Heron Foundation

Michael Rizer
Wachovia Foundation
Co-Chair, Selection Committee

Debra Schwartz
MacArthur Foundation
Co-Chair, Selection Committee

Julia Stasch
MacArthur Foundation

Eileen Stenerson
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In June 2007, The Wachovia Foundation committed a \$16.75 million grant and the MacArthur Foundation committed \$25 million in a low-cost, long-term loan called a program-related investment to fund the **Wachovia NEXT Awards for Opportunity Finance** through 2011.

"The first winners of the **Wachovia NEXT Awards** are innovative, up-and-coming community development financial institutions that create economic opportunity for families and neighborhoods," said Ken Thompson, chairman and CEO of Wachovia Corp. and board chairman for The Wachovia Foundation. "The Wachovia Foundation recognizes the important role the CDFI industry plays in strengthening communities. We are proud to support these exceptional winning organizations as they rise to the next level of excellence."

"The two winning organizations embody the creativity and innovation of the entire CDFI field," said Jonathan Fanton, president of the MacArthur Foundation. "They use capital, business acumen, and community-oriented solutions to bring greater economic security and opportunity to people of modest means."

Mark Pinsky, president and CEO of the Philadelphia-based Opportunity Finance Network, said: "The **Wachovia NEXT Awards for Opportunity Finance** are designed to propel CDFIs such as Latino Community Credit Union and ACCION Texas to the next level of growth, success, and staying power with a major one-time infusion of capital."

ABOUT THE AWARDS

The Wachovia Foundation, the MacArthur Foundation and the Opportunity Finance Network created the **Wachovia NEXT Awards for Opportunity Finance** to spotlight the growing role opportunity finance institutions play in the U.S. economy. Ultimately, the partners aim to drive investors, policymakers, and talented young leaders to this innovative and critical field.

More than 700 opportunity finance institutions--mission-driven banks, loan funds, credit unions, and venture funds--currently serve low-income and low-wealth people and communities that some mainstream investors consider too risky or difficult to reach. Many opportunity finance institutions provide mortgages, banking accounts, car loans, money transfers, and other services that help customers gain financial literacy, build savings and avoid expensive or predatory financial products.

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

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ABOUT THE GROUPS BEHIND THE AWARDS

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

The John D. and Catherine T. MacArthur Foundation is a private, independent grantmaking institution helping to build a more just and sustainable world. Through the support it provides, the Foundation fosters the development of knowledge, nurtures individual creativity, strengthens institutions, helps improve public policy, and provides information to the public, primarily through support for public interest media. MacArthur has been a leading supporter of the opportunity finance field since the early 1980s, investing almost a quarter of a billion dollars in approximately 100 groups nationwide. With assets of more than \$6.4 billion, the Foundation makes approximately \$260 million in grants annually. More information is available at www.macfound.org.

Opportunity Finance Network is the leading network of private financial intermediaries identifying and investing in opportunities to benefit low-income and low-wealth people in the U.S. The network's financing delivers both sound financial returns and real changes for people and communities. Opportunity finance institutions in the Opportunity Finance Network originated more than \$11 billion in financing in unconventional urban, rural, and reservation-based markets through 2005. This has generated or maintained 171,146 jobs; 35,451 businesses; 484,943 housing units; and, 5,153 community facility projects. With cumulative net charge-off rates of less than 1 percent, these opportunity finance institutions have demonstrated that it is possible to lend prudently and productively in unconventional markets often overlooked by conventional financial institutions. More information about Opportunity Finance Network can be found online at <http://www.opportunityfinance.net>.

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EDITOR'S NOTE: Photos of the winners and a digital download of the **Wachovia NEXT Awards for Opportunity Finance** logo is available at www.opportunityfinance.net/photos.

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