

# Deutsche Bank

## Community Development Finance Group



Deadline to Apply: Wednesday, August 31, 2018, 3 PM ET

### Deutsche Bank's *Native Community Capital Access Program* Request for Proposals (RFP)

#### Executive Summary

Deutsche Bank is issuing this Request for Proposals to identify high-performing financial institutions that are ***promoting community development, entrepreneurship, and financial well-being within Native communities***. Awards will take the form of low-interest loan capital, in amounts from \$200,000 up to \$1,000,000, with a range of interest rates, maturities and subordination. We expect to make available up to \$2.5 million for this program.

#### Background

Native Communities face higher poverty rates and limited access to financial services, relative to the non-Native U.S. population. Over the last decade there has been significant growth in the number of financial institutions dedicated to Native communities to address economic and community development. There have also been technological innovations that have changed the landscape of financial services in the U.S. The growth of financial institutions in Native communities, however, remains constrained by access to capital.

Deutsche Bank has a long history of providing capital to promote community development in low-income communities in the U.S. Our primary geographic focus is New York City, however, Deutsche Bank leverages its platform as a global financial services provider to invest throughout the U.S. in communities with limited access to capital. Motivated by this mission, in 2014 Deutsche Bank began its *New CDFI Partners* program, which created partnerships in rural low-income areas of the U.S. that lack access to Community Reinvestment Act (CRA) motivated capital. Through this program, Deutsche Bank invested in low-income communities in the Appalachian Region, Texas, Wisconsin, Minnesota, and Puerto Rico.

With guidance from leading Native American community development organizations, non-profits and government agencies, Deutsche Bank aims to build on this work with the *Native Community Capital Access* program. Under this Request for Proposals, we are seeking to identify high-performing financial institutions that promote community development, entrepreneurship, and financial well-being within Native communities.

#### Eligibility

Applicants to Deutsche Bank's Native Community Capital Access program should meet the following requirements:

- Be a mission-driven financial institution (either non-profit or for-profit), including but not limited to CDFIs, with solid financial performance
- Have total assets of at least \$1M, and a lending history of 2+ years
- Have a primary focus on improving opportunities for underserved and low-income Native communities (i.e., more than half of activities must be directed at these communities)
- Create social impact by bringing innovative financial services to Native communities and/or by serving communities that otherwise would lack financial services
- Demonstrate a commitment to measuring social impact

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- Deutsche Bank will prioritize applications from Native-led organizations, defined as having majority Native representation in the board and senior management

Deutsche Bank is seeking a wide range of applicants whose activities could include (but are not limited to): fostering entrepreneurship through business loans and services; enabling wealth creation through homeownership and home improvement; and advancing community development through real estate development of community facilities and affordable housing.

### **Awards**

The awards will primarily be in the form of low-interest term loans originated out of the Deutsche Bank Americas Foundation's New Initiatives Fund. Loan amounts will range from \$200,000 - \$1,000,000, with terms of 2 to 5 years. Loans will be interest-only bullet loans with concessionary fixed interest rates expected to be between 1%-3% p.a. Deutsche Bank expects that the typical award will be in the form of an unsecured loan, however, we will also consider making awards in the form of deposits (for banks and credit unions), or Equity Equivalent (EQ2) awards. It is expected that the recipients of the awards will share quarterly financial data and annual social impact data with Deutsche Bank throughout the duration of the loan.

### **RFP Process & Key Dates**

- **FAQ Document.** Questions about the RFP may be submitted by e-mail, with the subject line "Questions about Native Community Capital Access Program", to **both** [ina.trustorff@db.com](mailto:ina.trustorff@db.com) and [joanne.gan@db.com](mailto:joanne.gan@db.com) by 3 PM ET on **Wednesday, August 1**. Deutsche Bank will not respond to individual questions but will release a Frequently Asked Questions (FAQ) document with responses to all questions within one week of that deadline. The FAQ document will be e-mailed to anyone who submitted questions and to anyone who requests it by e-mailing [ina.trustorff@db.com](mailto:ina.trustorff@db.com) with the subject line "Native Community Capital Access FAQ document request".
- **Submissions due.** All submissions must be submitted through e-mail by 3 PM ET on **Friday, August 31** to **both** [ina.trustorff@db.com](mailto:ina.trustorff@db.com) and [joanne.gan@db.com](mailto:joanne.gan@db.com). Please follow the instructions below for submission.
- **Finalists.** Finalists will be determined on or about September 30, 2018. During October and November, finalist organizations may be asked to submit additional materials and key staff will be interviewed by phone.
- **Awards.** Awards will be determined on or about November 30, 2018. Loans are expected to be disbursed in 4Q18 or 1Q19, subject to the finalization of loan agreements and approval through Deutsche Bank's client onboarding process.

### **How to Apply**

All proposals must be submitted electronically by 3 PM ET on Friday, August 31 to **both** [ina.trustorff@db.com](mailto:ina.trustorff@db.com) and [joanne.gan@db.com](mailto:joanne.gan@db.com). Please include in your subject line "Native Community Capital Access RFP response from [your organization name]". Please submit two documents as part of your application: 1) a PDF document including the Narrative and Attachments discussed in I and II below, and 2) the Excel document described in III.

- I. **NARRATIVE** (Maximum of 5 pages, using reasonable font and margins)
  - A. **Overview.** Brief overview and history of your organization, and contact info (email address, phone number, mailing address) of Executive Director/President/CEO and project lead



- B. **Products, Programs, and Market Description.** Describe the key products and programs that your organization offers. Describe your target market including tribal communities, geography, size, and demographics, and other important market factors (example – competition or lack thereof). Describe how your work supports low- and moderate-income populations.
- C. **Proposal.** Please describe your need for low-interest, debt capital. How would you put this loan capital to work? In what ways would this loan capital meet an important need in your market and/or drive programmatic innovation? In what ways is your work additional – i.e., how do you create social impact that would not otherwise exist? Please note that Deutsche Bank may provide awards with a range of sizes, maturities, interest rates, and subordination. If you have particular preferences along these dimensions, please let us know and help us understand how your programmatic objectives would be impacted by your proposed terms. For banks and credit unions requesting deposit capital, please include the proposed term and interest rate.
- D. **Social Impact.** Describe your mission, target outcomes, and provide key social impact metrics tracked for the most recent period, including any metrics on low- and moderate-income populations.
- E. **Description of Financial and Portfolio Trends.** Please highlight any notable trends in your financial or portfolio performance over the last three years. Please help us understand any context that would facilitate our evaluation of your financial and portfolio performance. This could include key operational or market trends, explanation of trend drivers, and one-time events (e.g., large grants or write-offs). Please reference financial and portfolio data that you submit (see requested information below), and feel free to provide charts/graphs to illustrate any key points.
- F. **Current Capital Providers.** Describe your capitalization and sources/providers of capital (debt/ equity/grants). Please include information on sources of loan capital and operating support.
- G. **Statement of Equity and Inclusion.** Internal: describe how your organization reflects the people you serve through your board, senior management, and staff. External: please also describe how your organization advances racial equity in the U.S.

## II. ATTACHMENTS

(Note: the information requested below is meant to be relatively easy for you to compile, based on information you commonly report to your board and funders. Please feel free to provide us information in the format that is typical of your organization.)

- A. Current (or most recent) business and/or strategic plan
- B. Financial statements for the last three fiscal years, audited if available
- C. Year-to-date financial statements, showing information as of most recent available quarter
- D. Portfolio information for the last three fiscal years and most recent available quarter. Please feel free to provide those metrics that you typically track. You do not need to create any new analyses of your portfolio for the purposes of this submission. For reference, below is a list of typical portfolio metrics that our current partners provide us with.
  - Total outstanding loans
  - Origination volume by year
  - Total outstanding by loan purpose / category
  - Total outstanding by security (real property, personal property, unsecured)
  - Total outstanding by sector
  - Total outstanding by location



- Delinquencies (\$, % of portfolio), 30+ days
  - Delinquencies (\$, % of portfolio), 90+ days
  - Charge-offs (% of portfolio)
  - Cumulative charge-off (% written off of total historic originations)
  - Loan loss reserves (\$, % of portfolio)
- E. Organizational chart
- F. Key staff with bios or resumes
- G. Board members and affiliations
- H. Lending/credit policies and procedures manual, including members of key credit committee(s)
- I. 501(c)3 letter, if applicable

### III. EXCEL SUMMARY TEMPLATE

Please fill in the attached excel worksheet providing summary information on your organization.