Panel Composition

**Moderator:** Doug Schaeffer, Woodforest National Bank

**Panelists:**
- Tammy Halevy, Association for Enterprise Opportunity (AEO)
- Joshua Bracket, Access to Capital for Entrepreneurs (ACE)
- Nelly Rojas-Moreno, LiftFund
- Adam Hoeksema, Bankable.org
- Ross Folkenroth, Woodforest National Bank
AEO & ACE

Seeking Liquidity Through Special Purpose Vehicles (SPVs)

• Problem and Proposed Solutions
• Experience Sharing
• Potential Impact on CDFIs and Investors
• Process / Challenges / Next Steps

LiftFund Overview

• 1994 Created as Microlender
• $250 Million Dollar disbursed in loans to 19,000 clients
• Average Loan Size $13,015
• Historical default rate less than 5%
• Production in the Last five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$18.0 Million</td>
</tr>
<tr>
<td>2013</td>
<td>$20.2 Million*</td>
</tr>
<tr>
<td>2014</td>
<td>$26.3 Million</td>
</tr>
<tr>
<td>2015</td>
<td>$24.8 Million</td>
</tr>
<tr>
<td>2016</td>
<td>$30.5 Million</td>
</tr>
</tbody>
</table>

• Results: Increased need for liquidity
LiftFund

Selling Loan Portfolios to Financial Institutions

• First-of-its-kind Transaction, Post Recession
  • LiftFund sold $8.1 Million dollars to Woodforest between 2013 and 2015
• Benefits
  • Improved liquidity
  • Ongoing servicing revenue
  • Keeping relationship with Borrower
• Best Practices
  • Lending Policies and Procedures
  • Servicing Policies and Procedures
  • Portfolio Quality Practices
• Challenges and Opportunities
  • Loss of Interest revenue
  • Covering the upfront cost to generate the loans
  • Balance Sheet not increasing
  • Explaining the model to investors and funders

Bankable Overview

About - Bankable is a small business lender focused on providing loans up to $250,000 to small businesses in Indiana that are not quite ready for a traditional bank loan.

• CDFI
• SBA Microlender
• SBA Community Advantage Lender
• Started in 2010
• $13 Million in Loans Since 2010
• $6 Million in Last 12 Months
**Bankable-Flagship**

**Loan Loss Reserve/Problem**
- Our board requires a 15% loan loss reserve
- With $6 million in new loans in last 12 months we need approx. $900,000 in new loan loss reserve funding
- Reserve funding is our major bottleneck

**Loan Sale Opportunity**
- Working with Woodforest to sell a portion of our loan portfolio to reduce our demand for loan loss reserve funding.

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**Bankable –Flagship**

Selling Loan Portfolios to Financial Institutions

- Experience
- Best Practices
- Challenges and Opportunities
- WNB Process and Timelines for Loan Acquisition (Ross Folkenroth)
WNB Process and Timelines for Loan Acquisition

Purchasing Loan Portfolios from CDFI Partners

- Opportunity Discovery
- Underwriting Review
- Purchase and Servicing Agreements
- Reporting and Future Opportunities

Explore Product Partnering with CDFIs

Micro Loan Product Partnership

- Woodforest and CDFIs Partner to Offer ReLi Microloans ($500 - $10,000)
- CDFIs Identify Needs for Microloan Product
- Woodforest Originates and Services
- Revenue through origination fees as a possibility
- Building interest and exploring various concepts for implementation
Q&A
Thank You!