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NEXT Awards Funds Innovation, Provides Increased Access to Responsible Consumer Finance Products

CDFIs Win $4 Million to Serve Customers in Disinvested Communities

(Philadelphia, August 19, 2016) – The Wells Fargo NEXT Awards for Opportunity Finance today awarded nearly $4 million to improve responsible financial products and services to consumers in disinvested communities. Through investments in five community development financial institutions (CDFIs), the NEXT Awards aim to transform how the underbanked and unbanked in rural, urban, and immigrant communities access capital. It is the nation’s largest awards program for CDFIs.

The winning CDFIs have demonstrated how technology, strategic partnerships, and new consumer finance products can address the more than 60% of Americans struggling with financial health and a growing number of households across the country who are turning to high-cost financial products and services because they do not have access to responsible ones.

“The NEXT Awards delivers on Prudential’s mission to help people build long-term financial security,” said Lata Reddy, vice president, corporate social responsibility, Prudential Financial, Inc. and president of The Prudential Foundation “We’re proud once again to partner with OFN to accelerate innovation in consumer finance by investing in the winning CDFIs. We applaud their efforts to expand access to critical, affordable financial products and services that meet the needs of underserved communities.”

This year’s NEXT Awards recipients are merging fintech with community banking, creating easy-to-use credit and savings products, and employing targeted strategies to impact communities often left out of traditional banking.

The multi-million-dollar NEXT Opportunity Award Recipients are CDFIs with powerful consumer finance strategies that are ready to be implemented. The awardees are:

- **Appalachian Community Federal Credit Union (Gray, TN)**
  Appalachian Community Federal Credit Union won a $2 million NEXT Award for its innovative strategy to expand the credit union’s services in central Appalachia. Appalachian Community Federal Credit Union will use NEXT Award funds to place Virtual Teller Machines in rural areas and leverage the award to rapidly deploy $17 million in additional loans in its service areas. This strategy represents the latest...
innovation in the credit union's investment in technology and remote delivery of services including a state-of-the-art electronic delivery system and a 24/7 call center.

**Rio Grande Valley Multibank Corporation (Brownsville, TX)**

*Rio Grande Valley Multibank Corporation* won a $1.6 million NEXT Award to substantially expand the Community Loan Center Small-Dollar Loan Program throughout Texas and into additional states working with CDFI and CDC partners. The program offers employer-based, small-dollar loans using a franchise model, which has the ability to scale geographically and become a viable competitor to payday loans. With the award, Rio Grande Valley Multibank Corporation plans to make more than 13,000 additional loans over the next 10 years producing more than $10 million in total borrower savings. Rio Grande Valley Multibank Corporation is the leader in envisioning, piloting, and creating the innovative product and proprietary lending platform.

The NEXT Seed Capital Award Recipients each received a $100,000 NEXT Seed Capital Award for their start-up consumer financial services strategies:

**Lower Valley Credit Union** will use seed funds, along with strategic partnerships, to place Virtual Teller Machines in rural immigrant communities in Washington where residents have limited access to traditional bank branches. The 2,100 agricultural laborers who are employed at Broetje Orchards during peak fall harvest season will now have easy, local access to credit union services such as ITIN mortgage and consumer loans, and LVCU’s nationally acclaimed Citizenship Program.

**Texas Community Capital** is the network administrator of Rio Grande Multibank Corporation’s innovative Community Loan Center Small-Dollar Loan Program. Seed capital will allow Texas Community Capital to expand the employer-based loan program to borrowers needing access to credit as an alternative to high-cost payday and auto title loans by signing on and providing support to new mission-based franchisees in and outside of Texas.

**The Housing Fund** is establishing home loan solutions for immigrant communities, seeking affordable and ethical housing financing in Tennessee. The Nashville and Middle Tennessee area is home to over 80,000 Kurds, Egyptians and Somalis, as well as many Sudanese and Hispanics. The Housing Fund is working closely with representatives of the local community and local bankers to implement the Alternative Payment Plan mortgage loan product in compliance with cultural norms and ethical financing.

“At Wells Fargo, we know the importance of helping customers succeed. These CDFIs represent the future of consumer finance and their winning strategies promise to strengthen the financial well-being of our communities. We applaud and congratulate this year’s
winners,” said Lesley Milovich, EVP, head of Wells Fargo Community Lending and Investment.

“Never before has it been more necessary for CDFIs to embrace fintech, explore new distribution models, and develop leading-edge, responsible financial products. The winning strategies prove that community lenders are the next frontier for innovation in responsible consumer finance,” said Fran Lutz, interim president and CEO of Opportunity Finance Network (OFN), the nation’s premier CDFI network.

OFN presents the NEXT Awards in partnership with Wells Fargo and Prudential and support from the John D. And Catherine T. MacArthur Foundation and the Kresge Foundation.

For more information visit NEXTawards.org.

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**About the Awards**

The **Wells Fargo NEXT Awards for Opportunity Finance** celebrate the CDFI industry—its creativity, accomplishments, and enduring importance.

This year marks the 10th anniversary of the NEXT Awards. Launched in 2007, the NEXT Awards celebrate the innovation of the nation’s most promising CDFIs by awarding more than $76 million through a competitive awards process. Each year the NEXT Awards culminates in a ceremony at OFN’s Annual Conference to spotlight Awardees and the entire CDFI industry.

**About the Groups behind the Awards**

**Wells Fargo & Company (NYSE: WFC)** is a diversified, community-based financial services company with $1.9 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 8,600 locations, 13,000 ATMs, the internet (wellsfargo.com) and mobile banking, and has offices in 36 countries and territories to support customers who conduct business in the global economy. With approximately 268,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 27 on Fortune’s 2016 rankings of America’s largest corporations. Wells Fargo’s vision is to satisfy our customers’ financial needs and help them succeed financially. Wells Fargo perspectives are also available at **Wells Fargo Blogs** and **Wells Fargo Stories**.

**Prudential Financial, Inc. (NYSE: PRU),** a financial services leader with over $1 trillion of assets under management as of June 30, 2016, has operations in the United States, Asia, Europe, and Latin America. Prudential’s diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a
variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit www.news.prudential.com.

The John D. and Catherine T. MacArthur Foundation supports creative people, effective institutions, and influential networks building a more just, verdant, and peaceful world. MacArthur is placing a few big bets that truly significant progress is possible on some of the world's most pressing social challenges, including over-incarceration, global climate change, nuclear risk, and significantly increasing financial capital for the social sector. MacArthur has been a leading supporter of the Opportunity Finance field since the early 1980s, investing nearly $250 million in approximately 100 groups nationwide. More information is available at: www.macfound.org.

The Kresge Foundation is a $3.6 billion private, national foundation that works to expand opportunities in America’s cities through grantmaking and social investing in arts and culture, education, environment, health, human services, and community development in Detroit. In 2015, the Board of Trustees approved 371 grants totaling $125.2 million, and nine social investment commitments totaling $20.3 million. For more information, visit kresge.org.

Opportunity Finance Network (OFN) is the leading national network of community development financial institutions (CDFIs) investing in opportunities that benefit disinvested communities across America. Through 2014, OFN's network originated over $42 billion in financing in urban, rural, and Native communities, with a net charge-off rate of less than one percent. For more information, visit ofn.org.