

CDFI Banks provide essential lending to growing businesses and entrepreneurs in LMI communities. In many instances the high-touch, relationship-based CDFI Bank business model results in loans to small business owners in communities that are often overlooked by larger mainstream banks. These loans result in job creation and economic activity in the neighborhoods that are in most need. As the below summary indicates, CDFI Banks are open for business and are actively lending to their customers.

In the first quarter of 2013, CDFI Banks had \$4.5 billion in outstanding loans to small businesses, as defined as loans less than \$1 million. The industry currently has 35,990 loans outstanding, with over half (57.7%) of those loans in amounts less than \$100,000. CDFI Banks are able to originate smaller loans to less established borrowers, loans that are typically unavailable from other lenders. Overall, 25.1% of all CDFI Bank lending goes to support small businesses in LMI and underserved areas.

Table 1: First Quarter 2013 Small Business Lending by CDFI Banks

Loan Size (\$000)	Total Loans (\$000)	Total Loans (#)	Average Loan Size (#)
< \$100	\$581,438	20,773	\$27,990
100 – 250	\$874,776	7,404	\$118,149
250 – 1,000	\$3,007,290	7,813	\$384,908
Total	\$4,463,504	35,990	\$124,021

Source: SNL.com, as of 03/31/2013

CDFI Banks generally fall into an asset class of less than \$2 billion, and thus individually have smaller capacity for lending than larger banks. Despite this fact, CDFI Banks have significant individual impact in small business lending within their economically vulnerable communities. The median CDFI Bank's small business lending portfolio is \$37.9 million, and consists of 225 loans. Table 2 outlines the median portfolio statistics for the CDFI Banking industry.

Table 2: First Quarter 2013 Median Loan Data for CDFI Banks – Small Business

Loan Size (\$000)	Median Loan Portfolio (\$000)	Median Loans (#)
< 100	\$2,783	98
100 – 250	\$6,186	49
250 – 1,000	\$25,413	65
Entire Portfolio	\$37,853	225

Source: SNL.com, as of 03/31/2013

In each Quick Take, NCIF will focus on a specific area of interest. This Quick Take focuses on small business lending, where CDFI Banks fill an important role in providing much needed credit to job-creating enterprises in LMI communities where options are limited.

Highlights:

- CDFI Banks have \$4.5 billion of small business loans outstanding, representing 35,990 loans. This represents 25.1% of total lending outstanding by the industry.
- The average CDFI Bank small business loan is \$124,021;
- Over half (57.7%) of CDFI Banks' small business lending consists of loans under \$100,000;
- The median CDFI Bank has 225 small business loans, totaling \$37.9 million.

“CDFIs represent troops on the ground. With the right support, the industry can create a quick turnaround in job growth and small business in this country.”

Alden McDonald
CEO, Liberty Bank & Trust
New Orleans, LA

Appendix: CDFI Sector Small Business Lending by Institution

Institution	State	Small Business Loans (#)	Small Business Loans (\$000)
Advance Bank	MD	51	9,515
Albina Community Bank	OR	334	42,269
American Metro Bank	IL	47	13,510
Austin Bank of Chicago	IL	446	132,206
AztecAmerica Bank	IL	81	19,482
Bank 2	OK	124	20,458
Bank of Cherokee County	OK	227	20,388
Bank of Kilmichael	MS	619	35,185
Bank of Okolona	MS	651	26,288
Bank of Vernon	AL	549	61,822
BankAsiana	NJ	446	99,574
BankFirst Financial Services	MS	1,517	105,928
BankPlus	MS	3,232	240,263
Broadway Federal Bank, F. S. B.	CA	182	62,029
Capitol City Bank & Trust Company	GA	462	87,365
Carver Federal Savings Bank	NY	222	67,232
Carver State Bank	GA	104	10,608
CBW Bank	KS	23	1,292
Central Bank of Kansas City	MO	335	38,283
Citizens Savings Bank & Trust Co.	TN	97	25,576
Citizens Trust Bank	GA	145	30,661
City First Bank of D.C., NA	DC	66	22,367
City National Bank of New Jersey	NJ	208	50,845
Commercial Bank	MS	140	17,074
Commonwealth National Bank	AL	106	16,643
Community Bank	MS	920	84,210
Community Bank Coast	MS	769	117,363
Community Bank of Mississippi	MS	944	92,160
Community Bank of the Bay	CA	207	51,956
Community Bank, North Mississippi	MS	557	55,307
Community Capital Bank of Virginia	VA	10	3,005
Community Commerce Bank	CA	338	94,016
Community Development Bank, FSB	MN	208	15,344
Community's Bank	CT	31	8,218
Edgebrook Bank	IL	47	10,724
First American International Bank	NY	235	85,066
First Choice Bank	CA	116	33,065
First Eagle Bank	IL	144	37,422
First Independence Bank	MI	565	53,769
First National Bank of Decatur Cnty	GA	180	9,792
First Security Bank	MS	694	45,200
First Tuskegee Bank	AL	96	15,894
First, A National Banking Association	MS	891	109,374

Institution	State	Small Business Loans (#)	Small Business Loans (\$000)
Fort Gibson State Bank	OK	147	12,174
Franklin National Bank of Minneapolis	MN	279	40,928
Guaranty Bank & Trust Company	MS	1,672	112,901
Harbor Bank of Maryland	MD	209	56,283
Highland Community Bank	IL	66	7,924
Illinois-Service Federal Savings & Loan	IL	71	10,623
Industrial Bank	DC	187	43,467
Inter National Bank	TX	675	107,819
International Bank of Chicago	IL	316	86,888
Landmark Community Bank	TN	218	44,877
Liberty Bank & Trust Company	LA	547	67,170
Magnolia State Bank	MS	374	54,272
Mechanics & Farmers Bank	NC	251	45,462
Merchants & Farmers Bank	MS	2,742	208,125
Metro Bank	KY	45	10,497
Mission Community Bank	CA	507	75,073
Mission Valley Bank	CA	626	77,904
Mitchell Bank	WI	92	15,198
Native American Bank, NA	CO	50	7,368
Neighborhood National Bank	CA	160	24,763
North Milwaukee State Bank	WI	147	28,966
One PacificCoast Bank, FSB	CA	244	58,543
OneUnited Bank	MA	31	8,882
Oxford University Bank	MS	255	22,692
Pacific Global Bank	IL	88	17,641
Pan American Bank	IL	144	26,655
Park Midway Bank, NA	MN	675	96,424
Peoples Bank of the South	MS	274	13,826
PlantersFirst	GA	434	36,320
Promerica Bank	CA	110	28,168
Seaway Bank and Trust Company	IL	564	92,995
Security Federal Bank	SC	485	61,295
Security State Bank of Wewoka, OK	OK	247	16,502
South Carolina Community Bank	SC	215	30,199
Southern Bancorp Bank	AR	1,592	154,137
Start Community Bank	CT	54	10,228
State Bank & Trust Company	MS	1,757	180,226
Tri State Bank of Memphis	TN	144	21,378
Union Bank	LA	162	29,957
United Bank	AL	651	65,840
United Bank of Philadelphia	PA	128	24,409
University National Bank	MN	263	39,831
Urban Partnership Bank	IL	726	109,926