

*THE NEXT AMERICAN OPPORTUNITY*

**For Immediate Release:  
Friday, September 26, 2008**

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**AMID ECONOMIC TURMOIL, RESPONSIBLE LENDERS PROVIDE NEW POLICY  
RECOMMENDATIONS IN TIMELY BOOK, "THE NEXT AMERICAN OPPORTUNITY"**

*54 Opportunity Finance Experts, including Community First Fund's CEO Dan Betancourt, Share What Works to Lend Successfully, Build Wealth in Distressed Markets*

PHILADELPHIA, PA – Just days before the first presidential debate, a new book released this week by a national network of responsible lenders showcases the opportunity finance industry's 30 years of successful financing in underserved markets.

As most headlines highlight foreclosures and bailouts, these expert practitioners point to successes that argue for increasing profitable – but not profit-maximizing – financing to low-wealth and low-income people and places, not reducing it.

"Just as a lighthouse shows big ships safe harbors," says Mark Pinsky, Opportunity Finance Network's President and CEO, "opportunity finance illuminates ways to steer clear of unsafe lending and reduced credit practices in serving low-income and low-wealth people and places." Opportunity finance serves housing, small business, and community facility markets.

Published as a guidebook for the next President and Congress, "**The NEXT American Opportunity: Good Policies for a Great America**" was compiled by the Opportunity Finance Network (OFN), a national network of high performing community development financial institutions (CDFIs). Replete with new data and seldom heard stories, **The NEXT American Opportunity** is a comprehensive set of more than 200 smart, sensible, and proven federal policy recommendations to create opportunities for economic growth, including green growth, particularly when the economy is distressed.

In addition to providing sound policy recommendations, **The NEXT American Opportunity** highlights the inspiring achievements of this little-known and under-reported financial markets phenomenon.

"The magic of opportunity finance is no sleight of hand," notes Pinsky. "It's what happens when sound, wise, market-based strategies are given a fair chance."

To date, the opportunity finance industry has financed more than \$25 billion in underserved markets in all 50 states, yielding more than 200,000 jobs, 500,000 housing units, and the nation's biggest pool of charter schools – all with its winning "slow and steady" strategy.

Locally, Community First Fund, headquartered in Lancaster is has been providing opportunity finance for more than 16 years. In that time, Community First, which is a CDFI, has provided nearly 700 loans totaling more than \$22 million to new and emergent entrepreneurs, affordable housing developers and community service organizations. Community First Fund's success lead to the writing of its small cities strategy detailed in the "**The NEXT American Opportunity: Good Policies for a Great America.**"

“Since inception, Community First Fund’s mission has focused on the reduction of the concentration of poverty in small cities, by increasing affordable housing, improving access to community services, enabling individuals to earn a livelihood via entrepreneurship and other avenues, and supporting individual and community wealth building, said Dan Betancourt, Community First Fund’s President and CEO. Our small cities strategy is a concise way for us to explain our work to those not familiar with smaller cities, their needs, and obstacles and to demonstrate the ripple effect that our work creates.”

“There are predatory lenders and responsible ones,” Mark Pinsky observes. “Our economic crisis should not be blamed on borrowers. It is the product of irresponsible lending. Over 700 CDFIs – steady, sturdy engines of success – have proven it’s possible and profitable to lend and invest responsibly to low-income and low-wealth individuals and communities across the U.S.”

Amid some of the worst news since the Great Depression, **The NEXT American Opportunity** offers insight from 54 successful practitioners into everything from the Capital Magnet Fund to New Markets Tax Credits, from manufacturing to manufactured housing, and from disaster relief to charter schools. Taken together, they make **The NEXT American Opportunity** an indispensable resource for policy makers, opinion leaders, journalists, and industry leaders alike.

Among **The NEXT American Opportunity’s** key recommendations and findings:

- That the U.S. Department of Treasury’s CDFI Fund receives a minimum of \$250 million per year to continue to provide the equity capital for profitable and responsible lending. The CDFI Fund is unlike every other federal program and agency; it invests in financing strategies rather than projects and leverages \$19 or more in non-federal support for every \$1 it invests.
- Across the country, CDFIs are helping thousands of low-income and minority families create wealth through homeownership. CDFIs, including California-based Clearinghouse CDFI, have provided \$4.7 billion in financing for more than 50,000 home loans since 1980, reaching out to female, rural and minority borrowers across the U.S.
- CDFI’s are vital lending laboratories providing responsible loan opportunities for charter schools. For example The Reinvestment Fund, a CDFI based in Philadelphia, has provided \$120 million in financing to 42 charter schools since October 2007.
- CDFIs are national leaders in financing green real estate development, green affordable housing projects, and green energy production, often in redlined areas. Because the marketplace around these green dynamics is new and evolving, many green businesses need funding – which CDFIs offer – that is risk tolerant and flexible.

An eye-opening page turner, **The NEXT American Opportunity** – edited by OFN’s Sandra Kerr and Cheryl Neas – presents 40 stunning success stories. In seven clear, themed sections, articulate and inspiring practitioners share – many for the first time – the lessons their CDFIs have learned through a series of strategic and profitable investments.

According to Pinsky, no other federal funding is more productive than the CDFI Fund in the U.S. Treasury Department – every public dollar leverages between \$19 to \$27 in new private sector investment. Less than 10% of the capital CDFIs hold comes from government.

Betancourt also said, "Our policy recommendation calls upon federal officials to level the playing field in the competition for and allocation of scarce federal resources between major metropolitan areas and smaller communities like those found in the Susquehanna Valley. We share the same needs as those bigger cities, albeit at a lesser scale, and require support from the federal government to help us solve those problems."

Are these results replicable, scalable and sustainable? Yes, says Kerr – and they're already attracting bipartisan support. According to President George W. Bush's FY2008 budget request, "the CDFI Fund helps address the urgent problems of declining economic and social infrastructure, loss of jobs, lack of private enterprise, and deteriorating housing facing many American communities today." From across the aisle, Sen. Robert Menendez (D-NJ) has said in the *Congressional Record*, "CDFIs have a history of prudently using scarce public funds to leverage additional private funding to finance emerging domestic markets."

To learn more about what makes the opportunity finance industry poised to point the way to sound financial policy and practice, and to arrange interviews with its lenders, borrowers and visionaries, please contact Jeanine Plant at [jplant@pro-mediacomunications.com](mailto:jplant@pro-mediacomunications.com) or 212.245.0510.

To read Community First Fund's article [Small Cities, Micropolitan Communities & Suburban Clusters](#), please click on the link. To view parts of the entire book *The Next American Opportunity: Good Policies for a Great America, Opportunity Finance Network*, Sandra Kerr, Ed., (2008) visit [www.nextamericanopportunity.org](http://www.nextamericanopportunity.org).

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