Helping Individuals Navigate CDFI Investment Opportunities

Liz Rogers, Tern Strategies, and **Pam Porter,** Stepping Stone Partners

Overview

In this trailblazing report, we are pleased to share a list of ninety-nine community development financial institutions (CDFIs) across thirty-six states that accept investments from individual investors or issue investment note offerings for mission-driven investors.

This report includes a summary of findings from a CDFI investment landscape analysis by Tern Strategies and Stepping Stone Partners, including an inventory of CDFI investment opportunities. The findings come from interviews and surveys of CDFIs and investors, including individuals, asset managers, faith-based and nonprofit organizations, and foundations whose values and goals align with the mission and work of CDFIs. This briefing summarizes key findings from that work and provides guidance for how investors can support local economies.

We express our sincere thanks to the CDFI Research Consortium, an initiative of the Center for Impact Finance at the University of New Hampshire's Carsey School of Public Policy made possible through support from Citi Foundation's Community Finance Innovation Fund, and to ASBN, the American Sustainable Business Network, for supporting and promoting briefings on this topic.

— Liz Rogers and Pam Porter

> Local impact, higher impact, lower risk, more flexible terms as compared to our other alternative investments.
>
> *– From an investment advisor on the benefits of CDFI investments*

What is a CDFI Investment Note Offering?

Investment notes are general, unsecured obligations issued through a securities offering, or "investment note offering", recognized by contractual agreements between issuers and investors expecting a return, thus fitting into the broad definition of a security under the Securities Act of 1933. The issuance includes an investment note offering memo, or prospectus, describing the federal and state regulations that the CDFI is following in accepting an investment, and outlines the rates, terms, risks and conditions of the investment. The investment agreement, or subscription agreement, serves as a legal contract between issuer and investor.

Typically, CDFIs with notes offerings have experienced demand from multiple individual investors and see potential for growth. While many CDFIs welcome investments in the form of a private note with a fixed interest rate and term, CDFIs that have taken steps to develop and issue an investment note offering have formalized the investment process, providing a more structured legal mechanism for securing investments from multiple investors.

> I think more people should know about [CDFI investment opportunities]. It couldn't be easier, makes a difference in my state.
>
> *– From an individual investor*

What We Learned: Key Insights from the Landscape Analysis

CDFIs Value Investment Notes

- **99 CDFIs from 36 states listed in this report** that offer investment opportunities for individuals. This list was compiled from multiple sources, including prior research, reports from investors about CDFIs they invest in, and new survey data.

- Our in-depth survey discovered 28 CDFI issuers who reported offering investment notes, with a **combined $1.04 billion in notes capital under management.**

- These offerings attract **over 7,400 individual and institutional investors**.

Our note offering brings in valuable, low-cost capital, and raises our profile in the eyes of other organizations in our industry, when they see the breadth and depth of the individuals and organizations that have chosen to invest in us.

– From a CDFI on the benefits of its investment note program

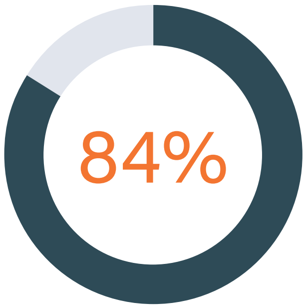
TOP BENEFITS INCLUDE:

86%
Diversifying Capital Sources

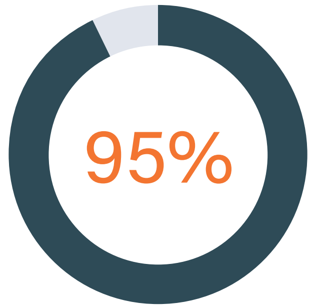
82%
Lowering the Cost of Capital

75%
Expanding Mission-driven Support

Individual Investors in CDFI Investment Notes are Engaged and Growing



of surveyed individual investors plan to renew their CDFI investment at maturity



plan to increase their investments

TOP MOTIVATORS:

94.7%
Mission Alignment

63.2%
Alternatives to Wall Street

63.2%
Reputation of the CDFI

Investment Advisors Play a Growing Role

Over 60 asset managers and/or investment advisors were identified that have clients with CDFI investments. 12 completed our in-depth survey.

Most of the advisors report that **51-100% of their clients** are investing in CDFIs.

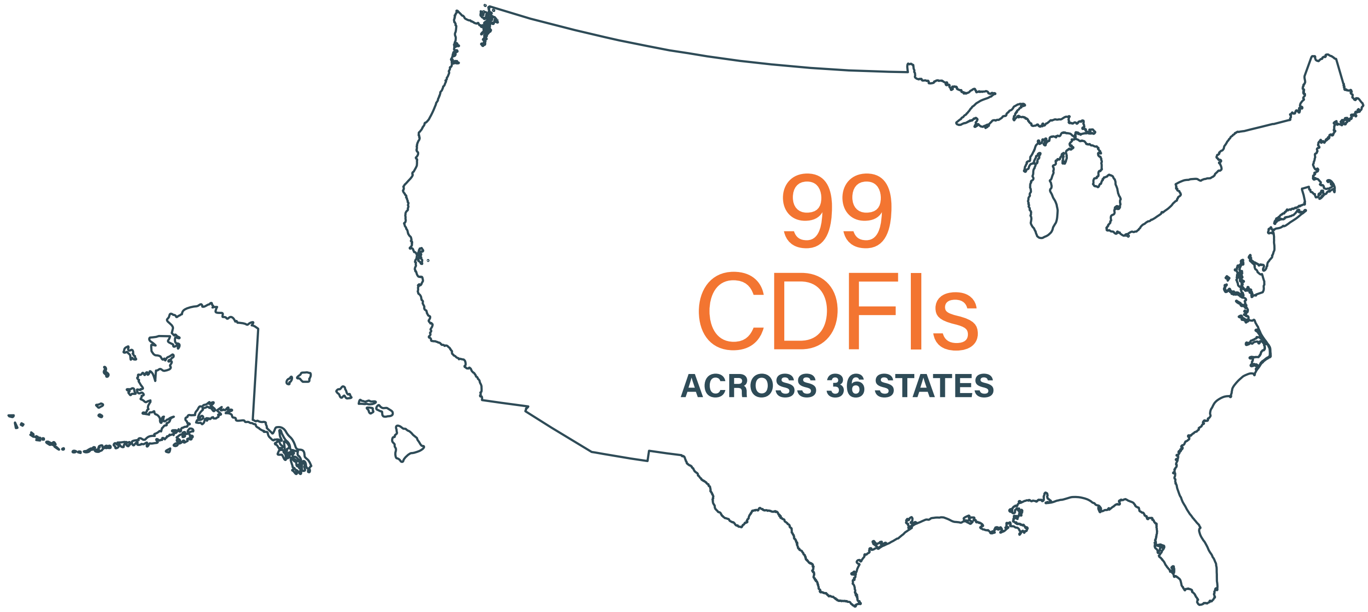
Their clients' top motivators include: location, focus area, and desire to move capital into mission-aligned organizations

Background

Since the Community Development Financial Institutions (CDFI) Fund was established in 1994 at the U.S. Treasury Department, the increasing allocation, with bipartisan support, of federal resources to CDFIs as effective channels for community economic development has contributed significantly to the growth of the industry, and the economic health and well-being of communities throughout the country. As a greater number of institutional and individual investors have sought options for local impact, CDFI investment note offerings are gaining traction as an established pathway for private placement investment capitalizing community loan funds. Yet, the mission-driven work of 1,400 CDFIs throughout the U.S. is largely unknown and under recognized, even in the impact investing universe.

In 2021, the first national inventory of Community Development Financial Institutions (CDFIs) offering investment opportunities to individuals was written by Pam Porter and Babbie Jacobs and published by ASBN. That resource helped connect impact-oriented investors to more than 60 CDFI loan funds.

Combined with research conducted by Tern and Stepping Stone in 2024, the inventory now includes 99 CDFIs across 36 states.



Public-market CDFI Investment Opportunities

The majority of CDFI investment notes are private placement investments, offered by CDFIs directly to investors. However, three CDFIs, Capital Impact Partners, LISC, and Century Housing, are accessing public markets through Standard & Poor's-rated public offerings available on InspereX. Eight CDFIs have rated bond issues, also available via the capital markets. More information is available in CDFIs and the Capital Markets: Trends in Investment & Impact Measurement, published by Enterprise and LISC in 2023.

Another way to invest in CDFIs is through publicly-traded CDFI Banks. There are only a small number and they are thinly traded. However, many benefited from significant capital support in 2023 through a program called Emergency Capital Investment Program (ECIP). Learn more about these investment opportunities from a research report by Stepping Stone Partners: Publicly Traded CDFI Banks Research.

Three Steps to Invest in CDFIs

STEP 1:
Discover and Align

- Find out more about CDFI loan funds aligned with your values and priorities.
- Look for indicators such as mission, location, lending focus (e.g., small business, affordable housing, community services, mixed-use real estate).

STEP 2:
Evaluate and Engage

- Determine whether the CDFI accepts direct investments and/or if investment note offerings are open to all investors, or only accredited[1] investors.
- Conduct due diligence looking at their experience managing external investments, capital ratios, and loan portfolio performance.

STEP 3:
Invest and Support

- Many investors work with their financial advisors on a CDFI investment strategy.
- For CDFI Banks and Credit Unions, form a deposit relationship. These are insured up to the maximum allowed by law, currently $250,000.
- In addition to investments, CDFIs welcome grant funding and donations to support their programs.

[1] Accredited individual investors have a net worth over $1 million, excluding primary residence (individually or with spouse or partner); or income over $200,000 (individually) or $300,000 (with spouse or partner) in each of the prior two years, and reasonably expects the same for the current year. Accredited entities have assets in excess of $5 million. https://www.sec.gov/resources-small-businesses/capital-raising-building-blocks/accredited-investors.

Inventory of Loan Funds

The following list published in April 2025 provides information about certified CDFI Loan Funds that offer investment options for individuals, foundations, and others. Please read information on the CDFIs website or ask the noted contacts about limitations for investments based on state of residency or other factors that may apply. This document is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any security or other investment referred to in this briefing. All investors should conduct appropriate due diligence before making investment decisions.

LIST OF CDFIs	STATE HQ	WEBSITE ADDRESS	CONTACT EMAIL ADDRESS	INVESTOR PROFILE	SOURCE*
FORGE Inc./ Forge Community Loan Fund	AR	forgefund.org	philip@forgefund.org	All investors	24, P
People Trust Loan Fund	AR	peopletrustloans.org	arlo@providing equalopportunities.org	All investors	24, P
Southern Bancorp Community Partners	AR	southernpartners.org/contact/			AM
Growth Partners Arizona	AZ	growthpartnersaz.org/	info@growthpartnersaz.org	Accredited investors	P
Accion Opportunity Fund Community Development	CA	aofund.org	vfigoli@opportunityfund.org	Only accredited investors	24, P, RIA
Black Cooperative Investment Fund	CA	bcifund.org	info@bcifund.org	All investors	P
California Capital Small Business Financial Development Corporation	CA	cacapital.org		Accredited investors	P
California FarmLink	CA	californiafarmlink.org/farmlink-investment-notes/	info@cafarmlink.org	All investors	P
Century Housing Corporation	CA	century.org/invest		All investors	P
Community Vision Capital & Consulting	CA	communityvisionca.org	choward@communityvisionca.org elopez@communityvisionca.org	Accredited investors	24, P, RIA

*Source of Info: P=PriorSurvey; 24=2024Survey; RIA=Registered Investment Advisor: I=Investor; AM=Asset Manager

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Fondo Adelante	CA	medasf.org/programs/fondo-adelante-community-loan-fund/	edwyer@medasf.org	Accredited investors	P
Housing Trust Silicon Valley	CA	housingtrustsv.org/invest/	juliem@housingtrustsv.org	Accredited investors	P
ICA Fund Good Jobs	CA	ica.fund	yui@ica.fund	All investors	24, P
IRC's Center for Economic Opportunity	CA	irc-ceo.org			AM
Low Income Investment Fund	CA	liifund.org			RIA, AM
Main Street Launch	CA	mainstreetlaunch.org	jen@mainstreetlaunch.org	All investors	24, P
MCE Social Capital	CA	mcesocap.org			RIA
Mission Community (dba Fondo Adelante)	CA	medasf.org/programs/fondo-adelante-community-loan-fund/	nowen@medasf.org	Accredited investors	P
Rural Community Assistance Corporations	CA	rcac.org/	jhallstrom@rcac.org	Accredited investors	P, RIA, AM
San Luis Obispo County Housing Trust Fund	CA	slochtf.org	jeff@slochtf.org		24, P
TMC Community Capital	CA	tmccommunitycapital.org	hanna@tmccommunitycapital.org	All investors	P
Mercy Community Capital	CO	mercyhousing.org/partner-with-us/mercy-community-capital/			RIA, AM
Oweesta Corporation	CO	oweesta.org	chrystel@oweesta.org	All investors	24, P, RIA
Capital for Change	CT	capitalforchange.org/investing-and-donating/invest	tgrady@capitalforchange.org	All investors	24, P, RIA
City First Enterprises	DC	cfenterprises.org/	info@cfenterprises.org	All investors	P
EatsPlace Farm and Food Entreprises Loan Fund	DC	eatsplace.com	info@eatsplace.com	Accredited investors	P

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Housing Assistance Council	DC	ruralhome.org	eileen@ruralhome.org	All investors	P
Opportunity Finance Network	DC	ofn.org			RIA
Partners for the Common Good	DC	pcgloanfund.org			AM
Pay Your Tuition Funds	DC	gopyt.com	Info@gopyt.com	All investors	P
Washington Area Community Investment Fund	DC	wacif.org/invest/	info@wacif.org	All investors	P
Florida Community Loan Fund	FL	fclf.org/invest/investor-faq		All investors	AM
Access to Capital for Entrepreneurs (ACE)	GA	aceloans.org	edwards@aceloan.org	All investors	24
Atlanta Affordable Housing Fund	GA			Only accredited investors	P
Chicago Community Loan Fund	IL	cclfchicago.org			RIA
IFF	IL	iff.org/investors/michigan-impact-connection/	jneri@iff.org	Accredited investors	P, AM
Fahe	KY	fahe.org	investments@fahe.org	All investors	AM
Redbud Financial Alternatives, Inc.	KY	redbudfinancialalternatives.org/get-involved/	info@redbudloan.org	All investors	24, P
BlueHub Loan Fund	MA	bluehubcapital.org	invest@bluehubcapital.org	All investors	24, P, RIA
Boston Impact Initiative Fund II	MA	bostonimpact.org			RIA
Common Capital	MA	commoncapitalma.org/	rlanzaweil@commoncapitalma.org	All investors	24, P
Cooperative Fund of the Northeast	MA	cooperativefund.org/investor-info/	mjosephy@coopfund.coop	All investors	24, P, RIA

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LEAF – Local Enterprise Assistance Fund	MA	leaffund.org/		All investors	P
Root Capital	MA	rootcapital.org			RIA
Worcester Community Housing Resources, Inc. Community Loan Fund	MA	wchr.org		All investors	24, P
Enterprise Community Loan Fund	MD	enterprisecommunity.org/capabilities/community-development-financial-institution-cdfi/impact-note	asmukowski@enterprisecommunity.com	All investors	24, P
Coastal Enterprises, Inc.	ME	ceimaine.org/donate	kelsie.bouchard@ceimaine.org	Accredited investors	24, P, RIA
Four Directions Development Corporation	ME	fourdirectionsmaine.org	evirgilio@fourdirectionsmaine.org	All investors	P
Northern Maine Development Commission	ME	nmdc.org	rclark@nmdc.org		24, P
The Genesis Fund	ME	genesisfund.org/donate-invest.html#invest	jenny@genesisfund.org	All investors	24, P, RIA
Northern Great Lakes Initiatives	MI	northerninitiatives.org	esangalli@northerninitiatives.org	All investors	P
Opportunity Resource Fund	MI	oppfund.org			AM
Shared Capital Cooperative	MN	sharedcapital.coop/invest/	samantha@sharedcapital.coop	All investors	24, P
Justine Petersen / Great Rivers Cmty Cap.	MO	justinepetersen.org/great-rivers-community-capital/	rboyle@justinepetersen.org	Accredited investors	P, AM
Hope Community Credit Union	MS	hopecu.org			P, RIA
Hope Enterprise Corporation	MS	hopecu.org/our-team/	marybruce.alford@hope-ec.org	All investors	P, AM
MoFi (Montana Community Dev Corp)	MT	mofi.org	grega@mofi.org	Accredited investors	24, P, RIA

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Carolina Small Business Development Fund	NC	carolinasmall business.org			AM
Latino Community Credit Union	NC	latinoccu.org			RIA
Self-Help Credit Union	NC	self-help.org/who-we-are/resources/invest-with-us	invest@self-help.org	All investors	24, P, RIA
New Hampshire Community Loan Fund	NH	communityloanfund.org/invest/	dwarrender@community loanfund.org	All investors	24, P, RIA, AM
ROC USA Capital	NH	rocusa.org	pbradley@rocusa.org	Only accredited investors	P
New Jersey Community Capital	NJ	newjerseycommunity-capital.org			AM
Dream Spring	NM	dreamspring.org	info@DreamSpring.org	Accredited investors	P
Homewise Community Investment Fund	NM	homewise.org/invest-in-homewise/individual-impact-investing/	invest@homewise.org	All investors	24, P, TR, I
Corporation for Supportive Housing	NY	csh.org			AM
Disability Opportunity Fund	NY	thedof.org/how-you-can-help/	info@thedof.org	All investors	24, P
Inclusiv	NY	inclusiv.org			AM
LaunchNY Seed Fund LLC	NY	launchny.org/investors/	Mlavigne@ launchny.org	Accredited investors	24
Leviticus 25-23 Alternative Fund, Inc.	NY	leviticusfund.org	cryan@leviticus fund.org	All investors	24, P
Local Initiatives Support Corporation	NY	lisc.org/invest	kkeefe@lisc.org	All investors	24, P
Seed Commons	NY	seedcommons.org	investing@seed commons.org	Accredited investors	24, P
Invest Local Ohio (ILO)	OH	ecdi.org		Accredited investors	P

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Mvskoke Fund	OK	mvskokefund.com	estarr@muscogeenation.com		24
Micro Enterprise Services of Oregon	OR	mesopdx.org	Nshah@mesopdx.org	Accredited investors	P
Bridgeway Capital, Inc.	PA	bridgewaycapital.org/impact/investors-grantors/	dseckler@bridgewaycapital.org	All investors	24, P
Community First Fund	PA	communityfirstfund.org/invest/how-to-invest/	jbroadhead@communityfirstfund.org charrison@communityfirstfund.org	All investors	24, P
Neighborhood Community Development Fund	PA	ncd-fund.org	masterson@ncd-fund.org		24
Reinvestment Fund	PA	reinvestment.com/invest/investor-relations-team/	timothy.gillespie@reinvestment.com	All investors	24, P, RIA
The Enterprise Center Capital Corp	PA	theenterprisecenter.com	smcinneshin@theenterprisecenter.com	All investors	24, P
Capital Good Fund	RI	capitalgoodfund.org	Invest@GoodFund.us	Accredited investors	P, AM
CommunityWorks	SC	communityworkscarolina.org	ehughes@cwcarolina.org	Accredited investors	P
Solar and Energy Loan Fund	SC	solarenergyloanfund.org			AM
South Carolina Community Loan Fund	SC	sccommunityloanfund.org/give/	deborah@sccommunityloanfund.org	All investors	P
The Housing Fund	TN	thehousingfund.org/become-an-investor/	jhawk@thehousingfund.org	All investors	P
LiftFund	TX	liftfund.com/support/why-invest/	communications@liftfund.com	All investors	P
On the Road Sustainability Funds	TX	ontheroadcompanies.com	info@ontheroadlending.org	Accredited investors	P
Appalachian Community Capital	VA	appalachiancommunity-capitalcdfi.org	appalachiancommunity-capitalcdfi.org/contact	Accredited investors	

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Capital Impact Partners/ Momentus	VA	capitalimpact.org/invest/capital-impact-investment-notes-prospectus/	invest@capitalimpact.org	All investors	P
Community Investment Collaborative	VA	cicville.org	stephen@cicville.org		24
Foodshed Capital	VA	foodcap.org	michael@foodcap.org	Accredited investors	24, P
Opportunities Credit Union	VT	oppsvt.org			RIA
Vermont Community Loan Fund	VT	investinvermont.org/invest/	jake@vclf.org	All investors	24, P, RIA
Business Impact NW	WA	businessimpactnw.org		Only accredited investors	P
Community Credit Lab	WA	commonfuture.co/community-credit-lab	hello@commonfuture.com	Accredited investors	P
Craft3	WA	craft3.org/get- involved/community- impact-investment-note	mkirby@craft3.org	Accredited investors	24, P, RIA
Forward Community Investments, Inc.	WI	forwardci.org/our-investors/			AM
Legacy Redevelopment Corporation	WI	lrcmke.com	ebarnett@lrcmke.com	All investors	P
Partner Community Capital	WV	partnercap.org/for-investors/	mjenkins@partnercapital.org	Accredited investors	24, P

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TernStrategies.com

SteppingStonePartners.com

About Us

Pam Porter is Managing Partner of Stepping Stone Partners, a women-led consulting firm serving mission-oriented leaders and investors. She works with a range of investors to stand up and scale mission investment programs that align with each organization's goals and characteristics. The team at SSP have decades of underwriting, monitoring, and evaluation experience including over $500 million deployed into CDFIs. Prior to SSP, Pam was EVP at Opportunity Finance Network, where she led the national consulting practice providing services to thousands of CDFI practitioners each year. Pam started her career at JPMorgan. Contact: pam@steppingstonepartners.com

Liz Rogers is CEO of Tern Strategies, a consulting practice at the intersection of community investment, strategic communications and policy development. Previously, in executive leadership roles at Coastal Enterprises, Inc. (CEI) and Oral Health America, Liz helped guide financial product management, investor relations and fundraising, contributing to over $160 million in investments and grant awards. Liz also designed award-winning campaigns that were instrumental in attracting capital and influencing state and federal policy improvements. Earlier, Liz owned Rogers Public Relations and was a producer at Chicago Public Radio. Contact: liz@ternstrategies.com