

THE COMMUNITY

I N V E S T O R

A Publication of Community Capital Management, Inc.

COMPLIANCE CORNER: DEMONSTRATING CURRENT PERIOD CONSIDERATION

According to the regulations, “When evaluating an institution’s qualified investment record, examiners will consider investments that were made prior to the current examination, but that are still outstanding. Qualitative factors will affect the weighting given to both current period and outstanding prior-period qualified investments. For example, a prior-period outstanding investment with a multi-year impact that addresses assessment area community development needs may receive more consideration than a current period investment of a comparable amount that is less responsive to area community development needs.”

At Community Capital Management, the adviser to the CRA Qualified Investment Fund (CRA Fund), we have seen a shift toward more examiners awarding CRA Fund shareholders current period investments given the process in which we earmark new qualified investments on a bank’s behalf each examination cycle. Documentation is provided to our shareholders to illustrate that their prior period (or initial) investment has been earmarked to **new** community development investments within their community footprint during the current examination cycle.

In the CRA Fund, once an investment has been subject to an examination for CRA credit, it will be un-earmarked and it will not be subsequently earmarked to another shareholder. As mentioned, new qualified investments are purchased and earmarked each exam cycle. *continued on page 2*

2016 NATIONAL INTERAGENCY COMMUNITY REINVESTMENT CONFERENCE

It was wonderful seeing so many of you at the 2016 National Intergency Community Reinvestment Conference. We always enjoy participating which allows us the opportunity to meet clients in person and network with banks that may not be familiar with the CRA Qualified Investment Fund. We thought the sessions were extremely informative and always enjoy hearing from the regulators and banks on current CRA topics. Thank you for stopping by our booth and to those that also joined us at Lucky Strike for some bowling fun. We look forward to seeing many of you at the CRA & Fair Lending Colloquium in Las Vegas this November!



Q&A with CRA Partners powered by the Senior Housing Crime Prevention Foundation

1. What is the mission of CRA Partners and how did the organization come about?

Twenty years ago, our Founder had grandparents living in nursing homes, and he saw horrible atrocities that were occurring in long-term care environments. Seeing that many of the elderly residents in these facilities were low- and moderate-income, he approached the federal regulatory agencies with the idea that banks could fund a crime prevention program to protect vulnerable residents, and the bank could get CRA credit as a result.



CRA Partners®

Powered by the Senior Housing Crime Prevention Foundation

Thus, the Senior Crimestoppers program and the Senior Housing Crime Prevention Foundation were born.

As of March 2016, we rebranded as CRA Partners, powered by the *continued on page 2*

VISIT WWW.CRAFUND.COM/BANKS TO:

- Download the 4Q15 CRA Fund fact sheet
- Watch a video on how the CRA Fund works from a CRA and financial perspective
- Obtain a one-page overview of the CRA Fund called “CRA Overview”



Q&A with Senior Housing Crime Prevention Foundation *continued from page 1*

Senior Housing Crime Prevention Foundation. Our mission is still to provide protection and an enhanced quality of life for vulnerable senior housing residents through a meaningful turnkey CRA compliance solution so banks of all asset sizes and charter types can earn CRA credit.

2. How does CRA Partners target specific communities on behalf of banks?

The bank makes all the decisions. It begins with whether the bank needs CRA loan or investment credit. We are flexible with our funding options so they can fund their participation with a loan, investment or a grant. The bank tells us where in their assessment area they need help and we approach Medicaid-certified long-term care facilities, HUD communities or state Veterans homes within that area for an available senior housing facility to sponsor.

When a bank becomes a partner, we are there with them every step of the way – from participation through their CRA examination. If a bank is going through an exam and an examiner is not familiar with our program, our bank partners can contact us at any time for guidance.

3. Why do long-term care facilities need the Senior Crimestoppers program?

Crime against the elderly is at epidemic proportions and most long-term senior housing facilities are happy to have this program. We ensure that 51% or more of the residents are low- and moderate-income so that banks get guaranteed CRA credit.

Studies report that 2 million elderly seniors in the U.S. experience some form of abuse each year. This means that one out of ten seniors will fall victim to abuse this year and typically only a small fraction gets reported. We'd like to think that seniors living in nursing homes and other forms of elderly housing are immune to abuse and mistreatment but unfortunately, they are not. CRA Partners believes that anything that threatens the safety, security, and peace of mind of a senior resident, no matter how small or insignificant it may seem, should not be tolerated.

Our population is aging at a dramatic pace. According to the Census Bureau, the age 65 and older population is projected to triple from 516 million in 2009 to 1.53 billion in 2050.

The recent trend in the banking industry is that a lot of time and energy is being spent trying to figure out how to reach the millennial generation, and that's important, but it's equally important to pay attention to and understand the aging population and the challenges they're going to present to the banking industry over time. There are an amazing number of facilities being built every day in every community which makes the opportunity to protect the elderly an increasing need and getting CRA credit for doing this is the right thing to do.

4. Does this cover CRA lending, investments and the service test?

Yes, a bank can make loans, investments, or grants in the Foundation for CRA credit. We also have several Service Credit opportunities for banks. We have a Welcome Home Banking website to help bankers

teach financial education to the employees and family members of the residents of their sponsored facilities. We also have the Preventing Elder Financial Abuse Toolkit which helps bankers educate their community about the prevalence of scamming and phishing that can be detrimental to vulnerable adults. As an FDIC Money Smart Partner, both of these tools use information freely, given by the FDIC, so bankers can be assured that the information is timely and accurate.

5. How did you become familiar with the CRA Qualified Investment Fund CRA Shares (CRAIX) and how are your clients using it to fulfill their CRA investment needs?

Given our mission and CRA focus, we were familiar with the CRA Qualified Investment Fund and knew it was something our customers could use as CRA collateral for our investment participations. Our clients are utilizing the CRA Qualified Investment Fund as a pass-through investment in the Foundation. The CRA Fund is able to earmark investments based on banks' assessment areas and provides detailed documentation on CRA investments purchased in those specific geographies. We enjoy this partnership and the value it adds to our clients' CRA investment test needs.

For more information about CRA Partners, please call 877-232-0859 or visit www.SHCPFoundation.org.

The link above goes to a third-party website. CCM is not responsible for the content or condition of third party websites. CCM does not endorse the views, products, or services of third party websites.

COMPLIANCE CORNER: *continued from page 1*

We believe that earmarking each examination period allows us to best respond to a bank's local community development needs, which may change from period to period.

If you have any questions on the earmarking process, please feel free to contact Jessica Botelho, Director of Shareholder Relations, at jbotelho@ccmfixedincome.com or at 980-365-8556.

Follow CCM on Twitter and LinkedIn for firm updates:

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SPOTLIGHT ON RECENT CRA FUND INVESTMENTS

Crescent Manor, Texas

Crescent Manor is an affordable housing property for seniors and the disabled in Mesquite, Texas where 44 of the 45 units receive Section 8 assistance. The community is located close to a shopping mall and a post office and there is a shuttle service for grocery shopping. Building amenities include gardening plots, secured tenant parking, community and craft rooms and entry access system.

As a member of the Retirement Housing Foundation (RHF), residents at Crescent Manor actively participate in RHF's Project H.A.N.D.S. (Helping Angels National Donated Support) program. Project H.A.N.D.S. volunteers sew, knit and crochet items such as mittens, hats, scarves, blankets and stuffed animals for the homeless and local families in need. RHF is a non-profit organization which provides housing and services to more than 18,000 older adults, low-income families and people with disabilities. Founded with a \$7,000 investment and the efforts of three United Church of Christ visionaries, RHF has become one of the largest organizations devoted to building and preserving affordable housing for the most vulnerable members of society.



Crescent Manor is an affordable housing property for seniors and the disabled in Mesquite, Texas (Dallas County).

Catherine H. Gallagher Cooperative, Massachusetts

Catherine H. Gallagher Cooperative (the Cooperative) is a Low Income Housing



Youthland Academy is committed to teaching children that healthy food choices can be delicious, fun and educational.

Tax Credit property for families located in historic Hyde Square, Jamaica Plain, Massachusetts. The complex has 34 units, of which 25 are restricted to residents with incomes at or below 60% of the area median income.

The Cooperative transformed a large blighted and vacant lot into seven buildings of high quality affordable housing. The project was Phase II of the Back of the Hill Community Housing Initiative, a partnership between the Jamaica Plain Neighborhood Development Corporation and the Back of the Hill Community Development Corporation, a grassroots, community-led planning and development effort to turn vacant land in the Back of the Hill section of Mission Hill into quality affordable housing.

Youthland Academy Pleasant Ridge, Ohio

Youthland Academy Pleasant Ridge, LLC in Cincinnati, Ohio is a childcare and

learning center that assists children in realizing success and fulfillment through positive self-image programs. Mindful of the rise in childhood obesity, Youthland Academy is also committed to teaching children that healthy food choices can be delicious, fun and educational. The President and CEO believes that education and nutrition are important components of a child's development. Careful research is coordinated to establish where food served at Youthland comes from and the business only accepts the freshest and highest quality of meat, breads, fruits and vegetables for the children.

The business is located in a moderate-income census tract and the loan to Youthland Academy was authorized through the Small Business Administration's (SBA) 7(a) program which was established to serve small business borrowers that cannot otherwise obtain private sector financing under suitable terms and conditions.

The securities identified and described herein are for illustrative purposes only and their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes. As of 12/31/15, the investment that included a loan to Crescent Manor, the investment to Catherine H. Gallagher Cooperative and the SBA Pool that included a loan to Youthland Academy Pleasant Ridge represented 0.68%, 0.08%, and 0.21%, respectively, of the Fund's assets.



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CRA Fund Highlights

CRA:

- ✓ Extensive documentation on each investment purchased
- ✓ New investments identified, purchased and earmarked to a bank per CRA exam cycle
- ✓ Ongoing dialogue with examiners/regulators
- ✓ Easy way to accomplish your CRA investment needs

Financial:

- ✓ Daily liquidity
- ✓ Monthly dividends
- ✓ Competitive financial performance
- ✓ Investing in high credit quality fixed income securities



ENVIRONMENTAL BENEFITS STATEMENT *of using post-consumer waste fiber vs. virgin fiber*

For the Period: **2/1/2015 to 3/15/2016**

Community Capital Management

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The CRA Qualified Investment Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Community Capital Management, Inc. Carefully consider the risks, investment objectives, and charges and expenses of the Fund before investing. This and other information can be found in the Fund's prospectus which can be obtained by calling 866-202-3573. Please read the prospectus carefully before investing.