



Virginia Community Capital, Inc & Community Capital Bank of Virginia

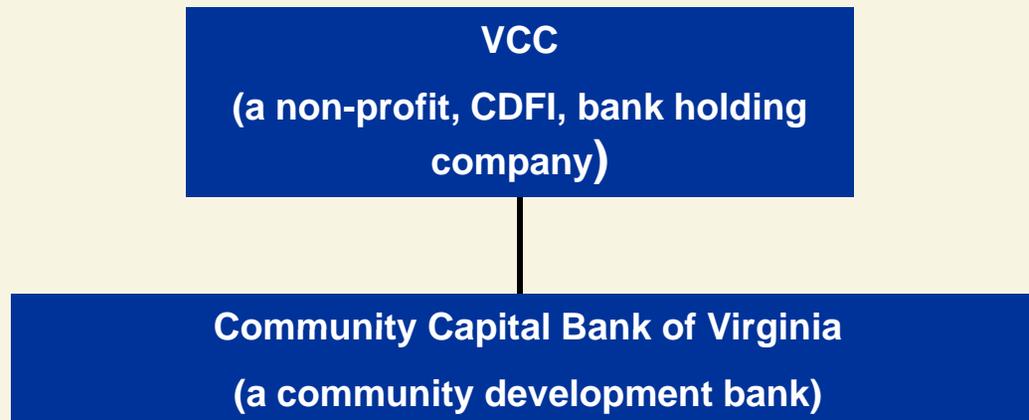


Benefits for Community Bank
Partners

Who is Virginia Community Capital?

A \$38M non-profit, CDFI & community development banking entity

- Operating statewide in Virginia
- Strictly mission focused on low and moderate income and underserved communities
- Offering innovative, flexible financial products designed to support housing and community development ventures, increase jobs and build sustainable communities.



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What does CCB offer to communities?

Capital Assistance

- Loans for community development projects
 - Must have positive impact in low- to moderate-income communities in underserved geographies and markets
- Flexible Products
 - We will consider projects with little equity
 - We will work with less experienced non-profit developers
 - We will take second and third collateral positions
 - We will consider the track record of organization in underwriting
- Willingness to be part of multi-funding scenarios

Technical Assistance

- Free technical assistance to newer groups or towns
 - Our teams understands government funding sources – CDBG, HOME, LIHTC, NMTC and more



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Benefits for Virginia

Access to free technical assistance for community development deals

Additional source of loan funding for community development deals

- affordable rental housing development
- homeownership and home improvement initiatives
- revitalization of downtown areas and neighborhoods
- mixed use development projects – housing and economic dev.

Not a competitor for local banks – we work with the banks to create lending partnerships

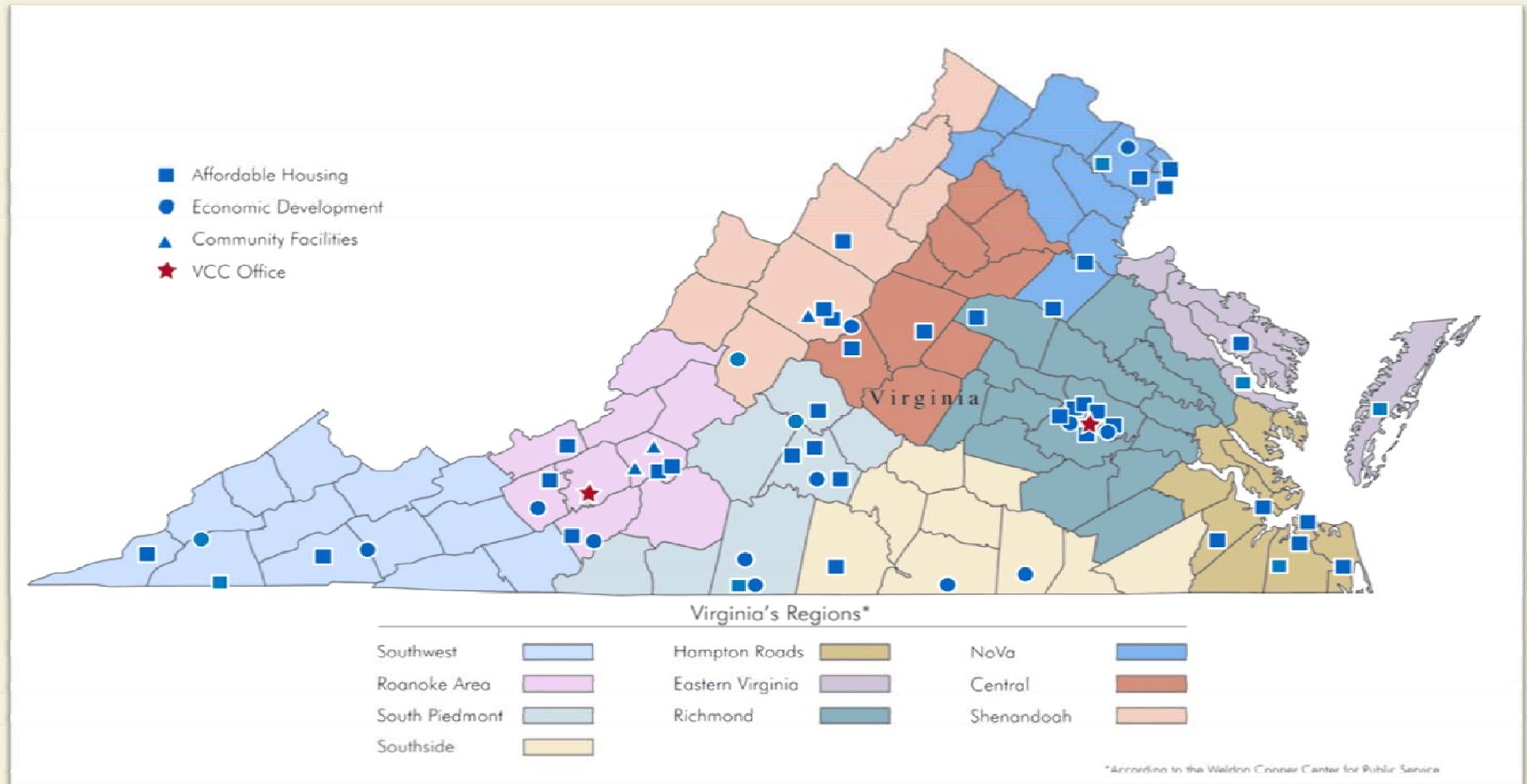
Lender with an understanding of VHDA, DHCD, HUD funding sources

Mission focused – willing to work with other funding sources and credit enhance deals



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Our Service Area



Affordable Housing



Sample Loans

- Loan to Habitat organization to purchase mobile home park
- Loan to CDC in Lynchburg for home improvement program
- Loan to create affordable housing for persons with mental disabilities – sponsored by local Services Board
- Loans to house local non-profit organizations
- Loans to support LIHTC deals

Economic Development



Sample Loans

- Loan to a small business to purchase permanent facilities (funding partner Mt. Rodgers Planning Commission)
- Loan to revitalize an abandoned grocery store; converting it into smaller, rentable retail space
- Loan to entrepreneur to open new automotive repair shop
- Mixed use project – 8 apartments and 6,000 square feet of commercial space on Main Street
- Loan to CDC to fund micro loans in Fairfax to Hispanic law care businesses

Community Facilities



Sample Loans

- Loan to community services board for renovation and new construction of 6 affordable housing units and medical facilities for people with mental disabilities in Augusta County.
- Loan to a community medical center in Lynchburg, VA
- Loan to a new physicians office in Duffield, VA
- Loan to purchase the rural hospital in Patrick County, VA

How can local banks partner with CCB and VCC?

Partner with CCB and VCC on loan transactions

- Share risk in a community development deal
- Let VCC bring gap financing to your first lien position
- Let us partner with you and bring our technical background in community development governmental funding
- Refer community development clients when you have reached your maximum exposures

Make a deposit in CCB

- Opening a deposit in CCB qualifies as a CRA Investment for your organization
- You earn a good rate and are FDIC insured

Provide grant money for VCC's free technical assistance

- VCC is a non-profit and can accept donations to further help communities with technical assistance, training and other supportive services
- Any donation qualifies as a CRA Investment



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Bank Enterprise Award (BEA)

- Federal Grant program
- Administered by the Community Development Financial Institutions (CDFI) Fund – a division of the Treasury
- Available to any commercial banking entity
- Applications are submitted annually
- “Rebate” awards are granted on Qualified Community Development loans, deposits and investments
- Maximum annual award may not exceed \$1 million (max. award in 2009 was \$700,000/institution)
- Historical Funding Pools - \$20 m in 2008, \$22 m in 2009, \$20+? Proposed for 2010



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Qualified Community Development Activity

<p style="text-align: center;"><u>Priority One</u> (all applications with Priority One activity funded first)</p>	<p>Any of the following activity with a CDFI:</p> <ul style="list-style-type: none"> • a loan at a below-market rate • an equity investment • a grant or donation • a deposit into an insured CDFI, must be at below market rate, and a minimum of 3 years 	<p><u>Increase in:</u> Equity investments and grants receive a 15% award ----- Loans and deposits receive a 6% award</p>
<p style="text-align: center;"><u>Priority Two</u> (Priority Two activity is funded only after all Priority One application activity is funded)</p>	<p>Loans into qualified Lower Income Census Tracts:</p> <ul style="list-style-type: none"> • home mortgage loans • small business loans • consumer loans • community development loans 	<p><u>Increase in:</u> activity is multiplied by 2 or 3 (depending on loan type) to get a score, then score is multiplied by 3% for award</p>
<p style="text-align: center;"><u>Priority Three</u> (Priority Three activity is funded only after One and Two levels totally fund)</p>	<p>Service activity that benefits Lower Income Census Tracts:</p> <ul style="list-style-type: none"> • Financial Education • IDA savings accounts • opening of new branches 	<p><u>Increase in:</u> activity is multiplied by 1 or 3 (depending on type of activity) to get a score, then score is multiplied by 3% for award</p>



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Priority #1 – Investments in CDFI's

- CDFI – Community Development Financial Institution
- Must be certified by the Treasury
- Currently, there are 13 CDFI's in Virginia
 - Community Capital Bank of Virginia
 - Virginia Community Capital, Inc
 - People Inc. (Abingdon)
 - Shiloh of Alexandria Federal Credit Union
 - ECDC Enterprise Development (Arlington)
 - REDC Community Capital Group (Richmond)
 - Southeast Rural Community Assistance (Roanoke)
 - Piedmont Housing Alliance (Charlottesville)
 - Lynchburg Community Loan Fund
 - Newport News Neighborhood CU
 - NCP Comm. Dev. CU (Norfolk)
 - Neighborhood Housing Service (Richmond)
 - VA Comm. Dev. Loan Fund (Richmond)
- “Investment” may be equity, grant, loan at a below-market rate or deposit with a minimum of 3 years
- Investment must occur this calendar year for award in 2010
- Any activity here also automatically qualifies for CRA compliance credit



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Example of CDFI Deposit in CCB

Calculation of Effective Yield on Investment

Investment Amount:	\$ 250,000	\$500,000
Rate Applied:	1.54%*	2.50%**
Term in years:	3.00	3.00
Investment Date:	9/30/09	9/30/09
Rebate Rate: (at end of yr 1)	6.00%	6.00%
Cumulative Value	\$261,729	\$ 538,445
Earnings	\$11,729	\$ 38,455
Rebate	\$ 15,000	\$ 30,000
Income Stream	\$ 26,729	\$ 68,445
Fee for Application	(2,000)	(2,000)
Net Income from deposit	\$ 24,729	\$ 66,445
Effective Yield	3.30%	4.43%
Market rate on 3 year CD	2.50%	2.50%
Difference	.80%	1.93%

*rate applied is one bp less than the Treasury 3-yr constant maturity as of 9/17/09

**rate applied is current market rate for 3-yr CD's as of 9/17/09

- The CDFI can be located anywhere, no census tract to worry about
- No mapping to complete
- Yield enhancement and CRA credit
- No risk:
 - Investment can be FDIC insured & discounted
 - CCB will reset your investment to market rate if award not granted
 - Could invest above FDIC limits if interested in more award money & even higher yields
- Effective yield on investment increases 80 to 190 basis points



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