

## The Support Center Annual Report

Citation of Law or Resolution:	S.L. 2011-145
Section Number:	Section 14.10(a)
Due Date:	Sept. 1, 2012
Submission Date:	Sept. 1, 2012

### Receiving Entities:

The House of Representatives Appropriation Subcommittee on Natural and Economic Resources  
The Senate Appropriations Subcommittee on Natural and Economic Resources  
The Joint Legislative Commission  
The Fiscal Research Division

### Submitting Entity:

The Support Center

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## **Introduction**

The Support Center respectfully submits this report for the period covering July 1, 2011 through June 30, 2012. This report includes a full description of all organizational programs and activities, capacity grants, and accomplishments for the past year along with goals and objectives for the upcoming year.

All organizational and programmatic activities have been carried out in accordance with the organization's vision and mission.

## **Vision**

To create economic opportunity for all people.

## **Mission**

To partner with Community Development Credit Unions and community-based organizations in providing equitable financial services and resources that foster economic development in underserved communities.

## **About The Support Center**

Founded in 1990, The Support Center is a certified Community Development Financial Institution (CDFI) and nonprofit that promotes economic development by providing loans, support, and programs to help our communities grow and thrive. Our core activities include the following:

- Capital Support & Technical Assistance to Community Development Credit Unions
- Small Business Lending
- Policy & Research
- Housing Lending Services
- Financial Education Training

## **General Administration**

The Support Center's board and staff have developed and maintained the highest standards of fiscal integrity and accountability for the organization. These procedures include the accurate recording and maintenance of all accounting records and the preparation and timely submission of required reports to various state and federal entities and private foundations.

During the 2011-2012 legislative sessions, the NC General Assembly appropriated **\$2,502,984** to The Support Center. The funds were appropriated and utilized for operational and program support and capacity grants for our affiliate Community Development Credit Unions (CDCUs). An independent CPA firm conducts the organization's annual audit. The auditing firm has begun its review for the report for the fiscal year ending June 30, 2012. The complete audit is expected in late October and will be submitted to all "Receiving Entities" listed in this report.

The Support Center has successfully leveraged our state funds to generate additional funding from foundations and financial institutions to help support our small business lending and marketing activities.

We are also proud of our ability to sustain long-term relationships with many of our supporters, funders, state representatives and financial institutions. *(Please see the list of our strategic partners below.)* We firmly believe that through our partnerships we can develop comprehensive, multidisciplinary, and interdependent strategies that help groups with limited resources achieve economic stability.

## The Support Center's Programs & Activities

### *Capacity Grant Program*

During our last fiscal year ending June 30, 2012, The Support Center awarded five capacity grants to our affiliate credit unions totaling **\$1,265,842**. The credit unions were able to use the funding for a variety of self-sustaining programs. One credit union used the funds to cover a branch relocation and upfit, allowing the credit union to offer better security and services to low-income communities. Others were able to upgrade computers and software equipment that allowed them to better serve their members. The grants were also used to support skill enhancement training and technical improvement to offer new and better services. Most importantly, the grants allowed the credit unions to maintain equity to continue to make loans and provide other financial services to their members.

Unfortunately, the tough economic conditions have caused severe hardship on a couple of our affiliates resulting in one affiliate, Shepherd's Federal Credit Union, to be liquidated and another, Greater Kinston Community Credit Union, to be placed under state conservatorship. The Support Center's staff continues to provide advocacy and on-site assistance to help restore Greater Kinston to a self-sustaining organization.

### *Capital Support Loan Fund*

Over the years, The Support Center has received approximately \$4 million of state economic development funds that were earmarked for a small business lending revolving loan fund. The Support Center has used these funds to guarantee small business loans for our affiliate CDCUs in their designated areas. We currently have a loan portfolio of 52 loans totaling \$2.8 million.

Surveys of business owners in distressed and low-wealth communities have shown that many would not have access to capital without programs such as ours, particularly in recent years as credit markets have tightened. Over the history of the program, we have provided guarantees for more than 160 loans totaling more than \$8 million. We estimate these loans have helped to create or maintain more than 1,100 jobs across the state. The majority of the funds remain in the revolving loan fund, having sustained only nominal losses over the years.

### *Small Business Lending Program*

With the success of guaranteed lending program and The Support Center's strong desire to increase our impact on underserved markets, in 2010 we launched a direct Small Business Revolving Loan (SBRL) program with a \$750,000 IRP loan from the U.S. Department of Agriculture. Since then, The Support Center's Loan Fund has grown to nearly \$5 million in lending dollars, while the loan portfolio has grown to nearly \$2 million. The Support Center originates, processes and underwrites loan applications, and owns and services its loan portfolio using Down Home Solutions loan management software. Of the loans made through the SBRL

program, almost 60 percent were to minority business owners, and almost one-third went to women business owners. The program also targets rural borrowers, who often have the most difficulty in obtaining capital. As such, 34 percent of the loans made were in rural areas.

The Support Center also markets the program through other community-based partners, such as Small Business Technology & Development Centers and other technical assistance centers. The Support Center's lending program allows us to serve a greater number of small businesses across the state. Since we started the direct lending program, we have partnered with a number of federal agencies to provide specific loan products that are not readily available through traditional banking institutions. They include:

**USDA Intermediary Relending Program (USDA IRP):**

- Covering 14 counties in eastern NC
- For new and existing small businesses that have been turned down by traditional banks.
- Aims to create and maintain jobs in underserved communities
- Maximum loan amount is \$150,000

**SBA Intermediary Lending Pilot Program (SBA ILPP)**

- Covering 7 counties in mid-western NC
- Focused on lending in underserved and distressed areas.
- For new and existing small business
- Aims to spur economic development through small business development
- Maximum loan amount is \$200,000

**US Department of Transportation Short Term Lending Program (US DOT STLP)**

- Funds available for transportation-related contracts funded by the U.S. Department of Transportation
- For Small Disadvantaged Businesses, Service Disabled Veteran Owned Businesses, or businesses with DOT Disadvantage Business Enterprise (DBE) certification
- One year line of credit for up to \$250,000, renewable for up to five years

**Farming/Agricultural Lending Program with the Farm Service Agency**

- Lending available to farmers, especially smaller agricultural operations
- Flexible payment schedules available, to meet a farmer's seasonal workload
- Aims to allow farmers to innovate, diversify, and grow their farms
- Maximum loan is for \$200,000

**NC Small Business Development Loan Program**

- Offered through our affiliated credit unions for small businesses
- For new and existing members with limited collateral
- Maximum loan amount is \$50,000

The Support Center's Small Business Revolving Loan program is supported by nearly \$5 million funding, which includes \$750,000 grant from USDA , \$2.5 million CDFI funding, \$1 million SBA Intermediary Lending Program, and \$500,000 Bank of America Funding.

The Support Center's loan department consists of a Vice President of Business Services & Operations, Small Business Lending Director & Senior Loan Underwriter, Small Business Lending Manager and a Loan Processor. Together they have more than 50 years of experience in originating, underwriting and managing small business loans in rural, low income and underserved communities across the state. Each has extensive experience with compliance with government lending programs and SBA guaranteed programs including.

The Support Center's lending team also includes an administrative assistant and accounting/administrative officer to help collect, manage and track lending data, and a nine-member credit committee of business leaders from the counties and communities that we serve.

### *Policy Research Program*

The Support Center serves as an advocate on behalf of the state's underrepresented communities, small credit unions and CDCUs. In 2011, we launched a Policy & Research department that coordinates responses to federal and/or state regulatory actions, CDFI legislation, and policy debates that affect low-to-modest income communities. Under the leadership of our Policy Research Director, this program harnesses The Support Center's unique opportunities to communicate with, inform and mobilize people around issues that are relevant to individuals and small business owners in low-wealth communities. Through collaborative efforts with universities, corporations and research groups, The Support Center will publish research reports and impact studies that will be used to advocate and provide recommendations on policy and legislative issues that affect under-represented communities.

### *Housing Lending Services*

The Support Center offers mortgage underwriting services to small credit unions and non-profit community groups. We are an approved lender in the USDA Guaranteed Home Loan Program. Our Housing Director is also a certified housing counselor. The Director will work with CDCUs and community-based organizations to assist with their training and counseling needs.

### *Small Business Lunch & Learn Series and Training Events*

The Support Center continued our successful Small Business Lunch & Learn series and other training in partnership with local Small Business Centers and Community Development Corporations. The goal is to educate business owners—particularly women and minority groups— in low-wealth communities about developing business plans, cash flow management, loan applications and capital access opportunities for small businesses. The lunch and learn sessions were produced through financial grants provided by Bank of America and Wells Fargo. Together we will help to improve the overall economic landscape in some of the most distressed, underserved areas in the state by helping local business owners get access to much needed capital.

The Support Center's Vice President and Small Business Lending Manager have formed successful strategic alliances with several community partners and federal agencies and have

become regular participants on panels and conferences that provide financial education to individuals and entrepreneurs. During the past fiscal year, the small business lending staff has participated nearly a dozen educational events held by our partners. In many of these events The Support Center staff was the key note speaker or prominent member of the panel. The topics ranged from how to complete a small business loan application to learning the components of a good business plan. The number of attendees for these events ranged from 20 to 300. We have reached over 350 entrepreneurs over the last year with these educational programs. Providing that we receive additional funding from supporters, The Support Center will continue the series during this current fiscal year.

The following is a list of some of the events from fiscal year 2012:

- Small Business Administration Alternative Access to Capital workshop at Cape Fear Community College, Lumberton, NC and Onslow County
- NC Association of Community Development Corporations Just Health and Food Summit, Rock Mount, NC
- National Federation of CDCUs Conference, Atlanta, GA
- Presented to Agricultural Business Owners at Operation Spring Plant; Annual Small Rural Economic Summit
- Participated in 2012 Annual Meeting for United Minority Contractors of NC, Greensboro, NC
- Presented to Agricultural Business owners at Operation Spring Plant town hall event, Shannon, NC
- Attended Opportunity Finance Network Small Business Forum, Chicago IL.
- Gave a dinner presentation on The Support Center Lending at the NC Farmers and Landowner Conference, Rocky Mount, NC
- Presented at Roanoke Electric Cooperative's offices to their local partners and citizens on The Support Center's lending efforts, Ahoskie, NC
- Presented to a group of small business owners in Union County

## Accomplishments July 2011-June 2012

### **Small Business Lending Program**

The Support Center's small business lending team finished its second fiscal year of lending strong, approving 24 loans totaling nearly \$1.8 million, creating 86 new jobs and maintaining 218.

We also received several awards to support our small business lending program:

- \$1.5 million from Certified Development Financial Institution for Small Business Lending Program
- \$500,000 loan fund from Bank of America CDFI Lending Program
- \$100,000 grant from Z. Smith Reynolds to small business lending operations.

During the year, The Support Center was approved to participate as a guaranteed lender with two federal programs. The first is the Department of Transportation's (DOT) Short Term Lending Program. The Short Term Lending Program provides short-term financing to underserved contractors who are working to build and repair our nation's transportation network. The program allows

historically underutilized small businesses to compete for larger projects, expand their market share, and create more jobs. The Support Center is the only CDFI in North Carolina that has been accepted into this program.

Under the Short Term Lending Program, the DOT guarantees The Support Center's small business loans in amounts up to \$250,000. The small businesses will receive a line of credit for one year that can be renewed for up to five years.

Second, The Support Center was accepted as a select eligible lender in the U.S. Department of Agriculture Farm Service Agency (FSA) Guaranteed Lending Program. This program will guarantee some loans made by The Support Center up to 95%. This is an historical selection for The Support Center because it will be the only CDFI in North Carolina that participates in FSA's Guarantee Lending Program. The program will allow The Support Center's Health to provide short-term financing to help small and minority farmers cover expenses between seed time and harvest. Farmers have had difficulty obtaining credit from traditional financial institutions due to the credit crunch and that this is a huge lending need that is going unmet and is causing many small farmers to lose their farm land.

### **Capacity Grants**

The Capacity Grant Cycle that ended June 30, 2012 was successful with all affiliates in compliance with terms agreed upon in their proposals. The board has approved the award amounts for capacity grants in FY 2012-2013 totaling \$1.4 million. These grants helped affiliate credit unions total assets to increase by 3% to \$197,673,606. And their total amount of loans to low income areas increased 14% to \$135,486,376

### **Policy and Research**

The Policy and Research Department began distributing its first paper – a lending analysis focusing on small businesses in underserved markets to key legislative members and other small business groups. The Department has completed the first draft of its second paper that details the impacts of having dual examinations—one by the North Carolina Credit Union Division and second by the National Credit Union Administration—on small state-chartered credit unions. The Director helped to promote The Support Center by being a guest on WAUG morning radio program to discuss lending and our Healthy Food Financing Forum.

The Director continues to post to The Support Center's blog daily on issues and topics that related to our target market. In August the blog received over 400 views.

### **Housing**

The Department expanded its housing counseling resource program by attending relative events such as the 38th Annual Conference on Serving the Underserved: Federation Credit Union Conference and the Financial Literacy Summit III-East Carolina University. The Director met with Leigh Holmes from North Carolina Housing Finance Agency to seek input on the development of The Support Center's Housing Counseling Policy Manual. The goal of this program is to become recognized in the economic development community as a resource for housing counseling for our affiliates and other community based organizations.

### **Healthy Foods Forum**



On October 9, 2012, The Support Center will be hosting a statewide Healthy Foods Forum. We are expecting 250 attendees.

The theme of the conference is, “**North Carolina Grown: Moving Healthy Food from Farms to Kitchens.**”

The **objective of the conference** is to look holistically at the entire supply chain of the Healthy Food Initiative in North Carolina to identify ways to improve access to healthy foods across the state. The forum will focus on some of the best healthy food distribution practices and related success stories in the farming industry occurring across our state. We will bring together key groups in this supply chain – farmers, distributors, aggregators, lenders, policy makers, retailers, restaurateurs— to improve healthy food networks in North Carolina. The goal is to improve the understanding of how all stakeholders can effectively participate in this initiative to help rid our communities of food deserts, which are areas where people lack access to healthy foods. The keynote speaker will be Donna Gambrell, Director of the U.S. Department of Treasury’s Community Development Financial Institutions Fund.

#### **UNC Small Business Lending Impact & Future Opportunities Study**

The Support Center finalized its Small Business Lending Impact & Future Opportunities Study project, which was done in partnership with researchers from the University of North Carolina Chapel Hill, with funding from the NC Rural Center. The report was distributed to affiliate CDCUs and other targeted organizations. It includes a qualitative analysis of the impact that small business lending has in rural and low-income areas. The study will be used to help shape The Support Center’s new business model, expand into new programmatic projects, advocate new policies, demonstrate The Support Center’s value to community partners and funding supporters, better identify target markets and identify best practices to serve low wealth communities more effectively. Please see the attached Executive Summary of the report.

#### **Partnership Developments**

Building sustainable partnerships remain a very high priority for The Support Center. During the year we worked to deepen our partnerships with a number of community groups. For example, our Policy & Research department collaborated with the NC Credit Union League on the above mentioned study on dual examinations, which we will use to advocate for small credit unions against the practice of dual examinations, which is causing undue financial hardship on small credit unions. We also became members of the Carolinas Minority Suppliers Association and will attend their annual conferences. The NC Bankers Association has agreed to promote The Support Center as community investment for its members, while we promote their efforts that benefit our target markets. We continue to attend the Race Relations dinners held by BluePrint where we meet and interact with a number of nonprofit groups across the state. We also met with the head of the Small Business Center group, George Millsaps. He has arranged for The Support Center staff to do a presentation at their next annual meeting in November.

#### **Marketing**

The Support Center’s staff has worked to increase brand awareness in the community and educate the public about our programs. We attended the Co-op-A-Fair with Generations, Latino, Self-Help, and the NC Credit Union League where hundreds of people gathered to learn more

about locally grown farm products. We had an exhibit booth at the NC Credit Union League Annual Event and passed out brochures and marketing literature to dozens of credit union representatives and potential members. We distributed our first policy research report on small business lending to more than 100 key small business legislatures and other targeted groups. We continue to publish our online monthly newsletter and daily blog posts, and regularly submit press releases to the local and statewide media contacts.

### **Memberships**

As outlined in our five-year business plan and to add to our efforts to become self-sustaining, The Support Center launched its first membership drive this year. *(Please see attached membership brochure for details about the membership benefits.)*

### **Goals & Objectives for FY 2012-2013**

In this new fiscal year, The Support Center has outlined a number of major goals that are aligned with our five-year business plan. These goals are designed to better achieve our mission of creating economic opportunity and fostering economic development in underserved communities. These goals are outlined below.

#### ***Growing our Small Business Lending Program***

While all of The Support Center's products and services are critical to the success of its customer, we believe that the Small Business Revolving Loan Fund program will yield the greatest impact on the underserved communities. The goal of this program is to expand our reach into low-income areas and to make sure that no one who qualifies for a small-capital business loan is denied due to lack of access to affordable capital resources.

We have begun a \$5 million capital fundraising effort to meet the growing demand for small business loans across the state and particularly in low-wealth communities.

Our lending program will be focused on creating and retaining private sector job opportunities as well as to provide an incentive for businesses to stay, locate and expand in rural and underserved communities. To do this, we will need to increase the capital we have available to lend as well as the amount of loans we process in a year.

#### ***Business Training Program***

The Support Center is aggressively seeking foundation funding for a Small Business Training Program that will develop a financial literacy curriculum designed to meet the specific educational needs of small business owners, particularly women, minorities and entrepreneurs in low-wealth and rural communities. Their needs differ broadly from business owners based closer to traditional banks and financial resources. The curriculum includes a series of workshops—offered during non-business hours—covering credit building, record keeping, budgeting, managing loan funds and loan processing. The Support Center will work with small business managers from major financial institutions and small business service providers to conduct training for small business owners.

The Support Center will implement a quarterly cycle of training events throughout the target market to reach at least 100 business owners per quarter. Our goal is to help fund nearly 20% of those borrowers, or 80 small businesses.

### *Home Lending Services*

To successfully implement the USDA Rural Development Single Family Housing Guaranteed Loan Program, we will provide training and skill enhancement for the staff at affiliate CDCUs. In the next year, The Support Center will work with lending and mortgage managers and other finance experts to design a training workshop that will aid in developing underwriting skills, improving loan application review process, designing a template for monitoring and preparing monthly reports that comply with the requirements of the USDA Rural Development Single Family Housing Guaranteed Loan Program. This training will be required attendance for all affiliates in order to participate in the USDA lending program with The Support Center.

### *Impact Studies on Small Business Lending in Rural and Low Income Areas*

The Policy Research departments will produce at least two research reports that will document the impact that organizations such as The Support Center are having small businesses and the overall economy. The papers will also promote and identify best practices to serve low-wealth communities more effectively.

**The Support Center**  
Statement of Activities  
ALL FUNDS  
JUNE 30, 2012

	JUL ACTUAL	AUG ACTUAL	SEP ACTUAL	OCT ACTUAL	NOV ACTUAL	DEC ACTUAL	JAN ACTUAL	FEB ACTUAL	MAR ACTUAL	APR ACTUAL	MAY ACTUAL	JUN ACTUAL	YTD ACTUAL	ANNUAL BUDGET	FAVOR % (UNFAVOR)	BUDGET REMAINING	% REMAIN
<b>Revenue and Support</b>																	
Grant Income - State	208,528	208,636	208,582	208,582	208,582	208,582	208,582	208,582	208,582	208,582	208,582	208,582	2,502,582	2,502,984	100%	-	0%
Grant Income - CDFI													1,000,000	50,000	72%	14,046	28%
Grant Income - RFOG													30,954	-			
Grant Income - OFN													20,000	-			
Contributions			2,000	-	10,000	-	-	1,023	3,975	-	-	-	14,023	-			
Dividend Income	9,561	9,555	9,933	11,448	18,168	10,885	9,529	10,274	1,000	-	-	-	126,369	150,000	84%	23,632	16%
Mortgage Interest	2,534	2,122	3,402	3,750	(2,683)	3,873	2,987	1,057	2,988	5,240	10,845	(5,915)	30,459	32,000	114%	(1,541)	-14%
Business Loan Interest	-	-	1,336	1,230	2,394	2,224	4,106	5,664	4,736	5,519	6,172	10,227	40,608	8,000	570%	(37,608)	-470%
Miscellaneous Income:	97	-	97	-	1,800	500	2,687	302	-	-	-	(97)	5,436	-			
Rental Income:	2,571	2,500	2,500	2,500	2,500	2,500	2,509	-	-	-	-	-	17,509	15,000	118%	(2,509)	-16%
Loan Origination Fees	1,030	1,358	1,358	2,222	2,222	1,730	2,309	-	775	1,750	2,550	2,084	15,807	5,000	318%	(10,807)	-218%
<b>Total Miscellaneous Income</b>	<b>2,571</b>	<b>3,530</b>	<b>3,658</b>	<b>2,500</b>	<b>4,722</b>	<b>4,230</b>	<b>4,609</b>	<b>-</b>	<b>775</b>	<b>1,750</b>	<b>2,550</b>	<b>2,084</b>	<b>38,911</b>	<b>50,000</b>	<b>78%</b>	<b>11,089</b>	<b>22%</b>
Balance Carry Forward (Temp. Restricted)																	
<b>Total operating revenue</b>	<b>223,291</b>	<b>223,843</b>	<b>229,208</b>	<b>227,510</b>	<b>1,742,973</b>	<b>244,354</b>	<b>241,324</b>	<b>235,549</b>	<b>234,248</b>	<b>241,659</b>	<b>233,123</b>	<b>243,152</b>	<b>4,320,310</b>	<b>2,762,984</b>	<b>156%</b>	<b>4,008</b>	<b>0%</b>
<b>Expenses</b>																	
Salaries	30,916	29,712	47,891	34,913	38,626	50,435	41,863	44,141	66,211	44,141	44,341	53,717	527,906	535,000	99%	7,094	1%
Personnel Contracts	7,679	7,673	6,968	7,423	7,423	8,423	7,423	7,423	7,423	9,423	7,423	7,423	92,330	89,080	104%	(3,250)	-4%
Payroll Taxes	2,620	2,450	4,439	3,343	3,729	4,400	4,517	7,576	9,332	4,981	4,351	3,962	55,691	42,601	131%	(13,090)	-31%
Medical Benefits Expense	4,146	5,193	4,558	8,421	5,560	6,972	4,30	7,433	13,483	5,673	5,484	3,518	70,753	90,000	78%	19,247	21%
Retirement Expense	-	-	-	-	-	125	-	1,233	2,230	1,236	1,386	474	6,636	12,000	56%	5,364	44%
Office Rent	10,017	10,227	17,036	(6,524)	19,064	9,962	-	1,233	2,230	7,019	7,019	3,571	73,534	102,244	72%	28,710	28%
Training, Seminars, Materials	(119)	-	-	-	65	2,653	318	3,313	1,763	(2,75)	30	670	11,520	10,000	113%	(1,520)	-15%
Office Supplies	372	602	728	238	305	546	918	1,589	(116)	149	475	(8,610)	6,854	17,500	26%	10,646	60%
Equipment Repair & Maintenance	590	775	624	321	593	535	-	586	473	556	199	324	1,325	2,500	5%	2,175	86%
Equipment Expense, copier/cleaning	484	182	929	1,962	1,526	4,960	5,229	4,294	5,748	4,883	5,178	(200)	38,164	34,137	103%	3,027	9%
Staff Travel	-	-	-	-	157	-	491	317	346	307	5,012	17,346	2,736	8,000	34%	5,264	66%
Board Development	884	779	-	473	1,350	-	-	-	136	-	5,012	17,346	2,736	11,000	240%	(15,410)	-140%
Staff Development	296	211	-	-	355	551	220	-	136	199	188	195	2,241	10,000	22%	7,759	78%
Audit & Accounting	266	177	6,589	192	272	7,020	1,441	188	285	199	188	195	17,011	20,000	85%	2,989	15%
Consultants: all	25,474	24,045	12,464	22,480	4,833	15,129	24,691	8,193	10,021	8,710	8,671	11,489	176,200	248,353	71%	72,153	29%
Legal Expense	-	1,470	2,716	1,858	1,476	-	-	-	840	1,740	425	(69)	10,446	12,000	87%	1,554	13%
Marketing & Advertisement	1,202	-	-	-	900	-	-	-	355	3,270	3,484	10,002	18,312	10,000	183%	(8,312)	-83%
Association Dues	-	-	1,500	650	-	-	1,060	50	-	-	1,000	590	1,000	11,000	47%	5,940	53%
Sponsorships	-	-	-	-	-	-	-	-	650	-	-	590	1,220	2,000	62%	760	38%
Subscriptions	-	50	75	-	12	12	-	-	35	-	-	1,360	1,421	1,000	142%	(423)	-42%
Telephone	927	931	1,370	761	1,354	1,162	2,408	1,693	2,275	1,684	891	1,998	17,457	15,000	116%	(2,457)	-16%
FedEx shipping	274	305	362	270	237	-	220	257	230	263	53	108	2,353	5,000	32%	2,647	53%
Postage	-	6	28	-	129	-	-	136	-	-	-	408	407	1,000	47%	593	59%
Office Copying	-	505	245	362	194	163	272	203	308	194	589	295	3,330	5,000	67%	1,670	33%
Online subscription	575	597	462	-	148	615	1,686	195	236	155	155	1,604	6,584	6,500	101%	(84)	-1%
Bank Fees	60	60	-	20	21	377	69	3	142	40	64	126	922	500	184%	(422)	-84%

**The Support Center**  
Statement of Activities  
ALL FUNDS  
JUNE 30, 2012

	JUL ACTUAL	AUG ACTUAL	SEP ACTUAL	OCT ACTUAL	NOV ACTUAL	DEC ACTUAL	JAN ACTUAL	FEB ACTUAL	MAR ACTUAL	APR ACTUAL	MAY ACTUAL	JUN ACTUAL	YTD ACTUAL	ANNUAL BUDGET	FAVOR % (UNFAVOR)	BUDGET REMAINING	% REMAIN
Insurance & Bonding		-	-	-	-	-	2,292	-	6,719	-	25	-	6,744	9,000	75%	2,256	25%
Loan Loss	517	516	-	-	-	212,708	-	-	-	-	-	-	216,000	81,675	263%	(133,325)	-163%
Interest Expense	15	-	450	1,250	683	2,536	-	-	2,366	-	-	2,142	10,202	16,825	62%	6,333	39%
Miscellaneous		-	57	-	50	-	-	1,004	-	(21)	76	(610)	611	2,000	31%	1,389	69%
Loss on disposal of asset					191	-	930	591	749	385	1,193	765	7,375	5,700	92%	(7,375)	100%
Servicing Fees		240	221	221	-	-	-	-	-	-	-	-	5,203	5,000	0%	435	8%
Reserve Expense				488,479	-	-	2,488	-	41,761	277,588	-	287,606	1,075,433	1,240,293	87%	50,000	100%
Capacity Grants				-	48	1,374	-	1,200	1,547	225	-	2,895	9,776	15,000	65%	164,860	13%
Printing				-	-	325	-	2,030	8,152	1,495	-	(6,866)	5,137	-		5,224	35%
Software																(5,137)	
<b>Total operating expenses</b>	<b>87,135</b>	<b>88,808</b>	<b>110,702</b>	<b>547,768</b>	<b>97,822</b>	<b>331,065</b>	<b>99,777</b>	<b>95,637</b>	<b>187,128</b>	<b>374,209</b>	<b>97,818</b>	<b>403,932</b>	<b>2,519,800</b>	<b>2,753,708</b>	<b>92%</b>	<b>233,908</b>	<b>8%</b>
<b>Income/(loss) from operating activities</b>	<b>136,156</b>	<b>137,035</b>	<b>118,506</b>	<b>(320,288)</b>	<b>1,846,151</b>	<b>(86,710)</b>	<b>141,547</b>	<b>139,912</b>	<b>47,121</b>	<b>(132,550)</b>	<b>135,305</b>	<b>(160,780)</b>	<b>1,800,530</b>	<b>9,276</b>			
<b>Non-operating revenue (Carry Forwards)</b>																	
Z Smith Reynolds					-									90,306		78,648	87%
Kellogg					-									32,767		30,101	92%
Rural Center					-									21,427		20,760	97%
<b>Total non-operating revenue</b>														<b>144,500</b>		<b>129,509</b>	
<b>Non-operating expenses</b>																	
Depreciation	1,342	202	710	710	710	710	710	710	710	710	710	8,617	16,003	9,276		(7,277)	-78%
Z Smith Reynolds	2,850	5,961	18,015	12,475	61,007	1	-	-	-	-	-	(48,050)	42,258	90,306		48,048	53%
Kellogg	1,400	1,333	1,367	2,234	1,417	1,825	1,866	3,153	2,182	1,417	1,417	1,317	20,636	32,767		11,831	36%
Rural Center	667	-	-	188	-	-	-	516	-	-	-	-	16,336	21,427		5,092	24%
<b>Total non-operating expenses</b>	<b>6,259</b>	<b>7,496</b>	<b>20,092</b>	<b>15,607</b>	<b>53,134</b>	<b>2,536</b>	<b>2,576</b>	<b>4,381</b>	<b>2,902</b>	<b>17,089</b>	<b>2,127</b>	<b>(38,117)</b>	<b>96,001</b>	<b>153,776</b>		<b>57,695</b>	
<b>Net position after non-operating revenue and expenses</b>	<b>129,897</b>	<b>129,539</b>	<b>98,414</b>	<b>(335,865)</b>	<b>1,592,017</b>	<b>(86,246)</b>	<b>138,971</b>	<b>135,530</b>	<b>44,219</b>	<b>(149,639)</b>	<b>133,178</b>	<b>(122,664)</b>	<b>1,704,447</b>	<b>-</b>			

\*Note - Transfer from Temco Restricted non operating revenue (grants residual carried forward)



**THE SUPPORT CENTER  
BUDGET TO ACTUAL COMPARISON  
FY 2011-2012 (JUN'12)**

	BUDGET STATE	BUDGET GEN OPER	BUDGET RBOG	BUDGET CDFI	BUDGET RURAL CTR	BUDGET ZSR	BUDGET KELLOGG	ACTUAL YTD STATE	ACTUAL YTD GEN OPER	ACTUAL YTD OFN	ACTUAL YTD RBOG	ACTUAL YTD CDFI	ACTUAL YTD RURAL CTR	ACTUAL YTD ZSR	ACTUAL YTD KELLOGG	YTD Comd Total Review	COMBINED TOTAL
<b>REVENUE AND SUPPORT</b>																	
Grant Income	2,552,984							2,552,984	291,353	20,000	35,954	1,500,000		90,306	34,100	4,330,319	2,552,984
Contributions			50,000													4,059,038	2,552,984
Dividend Income																120,358	100,000
Mortgage Interest		150,000														150,000	100,000
Business Loan Interest		32,000														32,000	32,000
Origination Fees		9,000														45,906	90,000
Mail Income		15,000														15,807	5,000
Meal Income																17,608	15,000
Carry Forward																5,438	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>2,552,984</b>	<b>210,000</b>	<b>50,000</b>	<b>-</b>	<b>21,427</b>	<b>90,306</b>	<b>32,767</b>	<b>2,552,984</b>	<b>291,353</b>	<b>20,000</b>	<b>35,954</b>	<b>1,500,000</b>	<b>21,427</b>	<b>90,306</b>	<b>34,100</b>	<b>4,330,319</b>	<b>2,552,984</b>
<b>EXPENSES</b>																	
Business	510,000							505,609								547,153	554,207
Business Contracts	41,351							84,907								103,362	106,080
Payroll Taxes	60,000							52,765								55,688	44,343
Medical Benefits Expense	12,000							1,754								70,754	90,000
Retirement Expense	87,244							6,684								64,400	64,400
Office Rent	5,000	15,000						58,504	16,000							73,504	102,240
Training, Seminars, Materials	5,000	5,000						8,977	6							11,570	10,000
Office Supplies	15,000							6,348	946							8,041	23,106
Office Equipment	10,000							4,880								6,384	46,965
Equipment Repair & Maintenance	2,500	7,500						6,384								128	2,500
Office Expense	10,000							5,384								5,384	10,000
Staff Travel	27,138							29,298	18							27,366	27,366
Board Travel	6,000							2,796	18							6,389	6,389
Staff Development	10,000	500						2,796	(50)							2,746	10,000
Staff Development	10,000							26,267	143							26,409	11,000
Audio & Recording	2,000							1,782	461							2,243	10,000
Consultants	166,103							17,010	48,856							202,796	296,307
Legal Expense	10,000							8,893	10,000							10,486	12,000
Marketing & Advertisement	10,000							12,333	5,980							15,313	15,313
Association Dues	2,000							5,160	350							5,510	11,000
Sponsorships	1,000							890								1,240	2,000
Subscriptions	15,000							1,423								1,423	1,000
Postage	5,000							17,456	2							17,457	15,000
FedEx shipping	1,000							2,406	41							2,447	5,000
Office Copying	15,000							3,320								3,320	1,000
Printing								8,871	118							9,000	1,000
Software	6,500							5,137								5,137	6,500
Business Insurance	9,000							125								1,101	16,320
Insurance & Bonding								6,744	742							6,584	6,500
Loan Loss																502	500
Loss on disposal of asset								7,375	15,000							2,150	10,000
* Depreciation	9,276							16,554								2,150	10,000
Interest Expense								(484)								16,554	9,276
Miscellaneous									10,291							10,291	16,625
Reserve Expense									5,265							5,265	2,000
Capacity Grants																5,700	5,700
Due to/from ZSR								1,075,433								1,075,433	1,240,293
<b>TOTAL EXPENSES</b>	<b>2,552,984</b>	<b>210,000</b>	<b>50,000</b>	<b>225,000</b>	<b>21,427</b>	<b>90,306</b>	<b>32,767</b>	<b>2,917,757</b>	<b>103,343</b>	<b>-</b>	<b>35,953</b>	<b>205,152</b>	<b>16,335</b>	<b>90,306</b>	<b>21,086</b>	<b>2,615,633</b>	<b>2,997,484</b>
<b>REVENUE OVER (UNDER) EXPENSES</b>																<b>\$ 1,704,447</b>	<b>1,333</b>

\* Note - Even though we only budget cash items, and the state does not fund depreciation expense, it is non operating. We will budget them back out for State reporting purposes.

The Support Center  
FY Ended June 30, 2012  
Statement of Financial Position  
June 30, 2012

ASSETS	July 2011	August	September	October	November	December	January	February	March	April	May	June	Prior Year JUNE 2011
<b>Current Assets:</b>													
Operating Funds:													
General Deposits	347,563	\$ 347,938	\$ 323,050	\$ 349,019	\$ 349,839	\$ 360,986	\$ 360,646	\$ 381,024	\$ 351,799	\$ 382,141	\$ 252,746	\$ 263,237	347,079
Operating Deposits	2,509,521	2,170,708	1,074,865	1,794,136	1,796,376	2,868,307	2,425,554	2,468,207	2,468,207	2,468,207	2,468,207	2,468,207	2,811,181
SEDA Operating Deposits	1,000,661	1,126,054	1,101,429	1,076,701	1,300,108	1,011,997	1,072,405	1,173,203	1,173,203	1,173,203	1,173,203	1,173,203	1,223,869
Mortgage Payment Account	26,398	3,576	2,966	2,966	4,569	1	2,150	1,150	3,358	3,358	3,358	3,358	7,265
Mortgage Escrow Account	3,095,039	3,675,244	3,407,516	3,227,420	3,452,892	3,694,043	3,652,424	3,996,245	4,140,006	3,927,178	4,131,689	4,263,459	26,423
Total operating funds													3,675,416
Committed Loan Funds:													
Small Business Lending - CDFI													
Small Business Lending (SBA)	-	-	500,000	500,000	500,000	1,420,999	1,447,249	1,292,733	1,194,110	1,200,588	1,176,508	1,085,595	-
Loan Loss Reserve on Deposits (SBA)	-	-	-	-	-	500,000	500,000	500,000	480,972	480,972	500,000	592,289	-
IRP Intermediary Relending Program	-	-	-	-	-	-	-	-	-	-	-	-	-
First Citizens Loan Funds	187,501	163,451	168,864	171,318	198,966	203,636	208,745	216,445	216,445	224,990	224,990	230,002	187,501
Other committed loan support funds	403,475	403,475	403,475	403,475	403,475	403,475	403,475	403,475	403,475	403,475	403,475	403,475	403,475
Total committed loan support funds	590,976	566,926	572,342	575,793	602,441	607,111	617,220	624,925	624,925	634,435	634,435	634,435	590,976
Other Committed Support Funds:													
Securities Investment Funds	3,004,661	2,974,974	3,097,974	3,106,219	2,862,863	2,854,066	2,841,348	2,878,348	2,878,348	2,878,348	2,878,348	2,878,348	3,004,661
Mortgage Account - SECU	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810
Secondary Capital	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
Loan Loss Reserve	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)
Total other committed support funds	4,376,257	4,255,227	4,384,208	4,388,539	4,146,133	4,124,663	4,149,169	4,167,169	4,167,169	4,167,169	4,167,169	4,167,169	4,376,257
Other Loans:													
Loans - Small Business Lending	138,412	393,660	312,482	311,464	614,775	632,144	785,394	785,219	893,124	1,052,651	1,292,651	1,412,651	138,412
Loan Loss Reserve - Small Business Lending	-	-	-	-	-	(200,000)	(200,000)	(200,000)	(200,000)	(215,000)	(215,000)	(215,000)	-
Unearned Interest	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810	795,810
Unearned Interest - SBA	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)	(219,572)
Less: Allowance for loan loss (Mortgages)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)	(203,659)
Total Loans	702,848	775,839	684,661	684,661	1,196,009	1,224,383	1,368,555	1,368,555	1,368,555	1,368,555	1,368,555	1,368,555	702,848
Accounts Receivable:													
Grant Receivable	208,528	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest	9,202	16,088	24,291	12,353	21,870	16,436	9,333	18,179	14,032	17,562	28,278	18,219	9,202
Sales Tax Receivable	7,104	7,104	7,150	7,255	9,066	2,252	2,252	433	777	1,084	1,270	1,695	7,104
Miscellaneous Receivable	-	-	-	-	7,019	7,019	7,019	7,019	7,019	7,019	7,019	7,019	-
Due to/from other funds	-	-	-	-	7,019	15,888	10,020	8,697	3,975	4,651	4,651	8,651	-
Total Accounts Receivable	224,834	23,193	31,441	29,627	37,765	41,585	28,874	34,228	25,753	30,296	33,218	36,084	224,834
Total current assets	9,784,154	9,478,815	9,769,207	9,594,296	11,419,468	11,452,913	11,627,214	11,620,310	11,799,553	11,692,826	11,638,618	12,253,759	9,784,154
<b>Fixed Assets:</b>													
Equipment and Computers	66,045	66,045	66,045	66,045	66,045	66,045	66,045	66,045	66,045	66,045	66,045	66,045	66,045
Furniture and Fixtures	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520
Less accumulated depreciation	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)	(89,855)
Net fixed assets	26,740	26,740	26,740	26,740	26,740	26,740	26,740	26,740	26,740	26,740	26,740	26,740	26,740
Other assets	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086
Total other assets	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086	326,086
Total assets	10,135,980	9,830,441	10,122,029	9,944,590	11,768,592	11,779,599	11,954,114	11,946,914	12,125,639	12,018,912	11,965,358	12,580,177	10,135,980
<b>LIABILITIES</b>													





THE SUPPORT CENTER CASH POSITION 6/30/12										
	First Legacy	Generations	Greater Kinston	Latino	Self Help	Shepherd	First Citizens	SECU	BB&T	Total
Total Funds	\$ 1,916,697	\$ 1,918,232	\$ 207,972	\$ 1,534,393	\$ 1,309,400	\$ -	\$ 115,943	\$ 707,999	\$ 240,616	\$ 7,951,252
SBA Funds							817,292			817,292
GDFI				1,085,585						1,085,585
SEDA Reserve				1,229,260						1,229,260
Joint Funds	20	200,000		100,000	100,000					400,020
Total	\$ 1,916,677	\$ 1,718,232	\$ 207,972	\$ 3,745,238	\$ 1,209,400	\$ -	\$ 733,234	\$ 707,999	\$ 240,616	\$ 10,483,388
Funds inherently at risk										
SEDA - Committed	\$ 1,650,828	\$ 979,597	\$ 197,913	\$ 362,019					\$ 53,116	\$ 3,200,457
IRP								700,000		53,116
GCUC Collateralized				70,000						700,000
Secondary Capital		730,000								800,000
Subtotal	\$ 1,650,828	\$ 1,709,597	\$ 197,913	\$ 432,019	\$ -	\$ -	\$ -	\$ 700,000	\$ 53,116	\$ 4,753,573
Total Funds less F.I.A.R	255,849	8,535	10,059	3,317,219	1,209,400	-	733,234	7,999	187,500	5,729,796
Subtotal	255,849	8,535	10,059	3,317,219	1,209,400	-	733,234	7,999	187,500	5,729,796
Total	\$ 1,916,677	\$ 1,718,232	\$ 207,972	\$ 3,745,238	\$ 1,209,400	\$ -	\$ 733,234	\$ 707,999	\$ 240,616	\$ 10,483,368

\*Notes - Cash position shown is the exposure the Support Center has. The joint accounts are subtracted because of the agreements with the credit unions and first citizens. The Joint acts are insured by NCUA for up to \$200K

\*Notes - Cash position shown is the exposure the Support Center has. The joint accounts are subtracted because of the agreements with the credit unions and first citizens. The joint assets are insured by NCUA for up to \$200K

## 2012-13 BOARD OF DIRECTORS

The Support Center's Board of Directors serves staggered two-year terms. Elections are held at an annual meeting each year. In accordance with the by-laws, nominations for the board are taken first from the Community Development Credit Union community, from partner community development organizations, and from other sources. The Board & Executive Committee meet quarterly.

NAME, OFFICE	AFFILIATION, CITY	REMAINING TERM	TERM ENDS	COMMITTEES
1. Peter Skillern (WM), Chairman	CEO, Reinvestment Partners, Durham	1	Ann. Mtg. '15	Executive, Chair
2. Armeer Kenchen (BM)	President, Generations' Credit Union, Durham	2	Ann. Mtg. '17	Development; Policy
3. Sue Perry-Cole (BF), Secretary	CEO, NC Association of CDC's, Raleigh	1	Ann. Mtg. '14	Executive
4. Tony Hayes (NAM), Vice Chairman	CEO, NC Indian Economic Dev. Corp., Raleigh	1	Ann. Mtg. '14	Capacity Grant, Chair; Executive; Membership
5. Luis Pastor (HM), Treasurer	President, Latino Community CU, Durham	1	Ann. Mtg. '15	Budget/Finance, Chair; Executive
6. John Radebaugh (WM)	President, NC Credit Union League, Raleigh	2	Ann. Mtg. '17	Membership, Chair; Budget/Finance; Policy
7. A. Napoleon Wallace (BM)	Special Assistant to CEO, Self Help, Durham	2	Ann. Mtg. '17	Housing, Chair; Budget/Finance
8. Dr. Lucy Reuben (BF)	Professor, Duke University, Durham	2	Ann. Mtg. '17	Policy, Chair; Capacity Grant
9. Nancy Patrick Stroud (BF)	Marketing Director, First Legacy CU, Charlotte	2	Ann. Mtg. '17	Small Business; Membership
10. Marshall Cherry (BM)	Vice President, Roanoke Electric Coop, Aulander	2	Ann. Mtg. '17	Small Business, Chair; Budget/Finance
11. Melanie Chernoff (WF)*	Public Policy Manager, Red Hat Corp, Raleigh	2	Ann. Mtg. '17	Development, Chair*; Capacity Grant

\* Inactive

**Total: 3 Black Females, 3 Black Males, 1 Hispanic Male, 1 Native American Male, 2 White Females, 1 White Male**

Total: Males: 7

Total: Females: 4

Approved August 23, 2012

### NCMSC Strategic Partners

Center for Community Self Help  
Coalition for Responsible Lending  
Community Reinvestment  
Association of North Carolina Fair Housing Center  
IDA Collaborative  
Land Loss Prevention Project  
Local Government Federal Credit Union  
National Federation of CDCUs  
NC Association of CDCs  
NC Bankers Association  
NC Coalition of Farm and Rural Families  
NC Community Development Initiative  
NC Credit Union Network  
NC Institute for Minority Economic Development  
NC Rural Economic Development Center

### Supporters

Mary Reynolds Babcock Foundation  
Bank of America  
BB& T  
U.S. Dept. of Treasury  
First Bank  
First Citizen Bank  
Ford Foundation  
F.B. Heron Foundation  
Golden Leaf Foundation  
Charles and Mary Grant  
National Credit Union Foundation  
NC Community Shares  
NC General Assembly  
NC Rural Economic Development Center  
Z. Smith Reynolds Foundation  
USDA Rural Development  
Wachovia Bank

## Affiliates & Counties Served

### **First Legacy Credit Union**

431 Beatties Ford Road

Charlotte, NC 28216

**Counties served:** *Mecklenburg, Gaston, Lincoln, Cleveland, Rowan, Davie, Alexander, Catawba, Cabarrus, and Iredell*

### **Generations Community Credit Union**

123 W. Main Street, 1<sup>st</sup> Floor

Durham, NC 27701

**Counties served:** *Hertford, Camden, Durham, Wake, Chowan, Perquimans, Gates, Pasquotank, Vance, Warren, Person, Franklin, Halifax, Northampton, Edgecombe, Washington, Pitt, Martin, Bertie*

### **Greater Kinston Credit Union**

901 N. Queen Street

Kinston, NC 28501

**Counties served:** *Lenoir, Greene, Jones, Craven, and Pitt*

### **Latino Community Credit Union**

100 W. Morgan Street

Durham, NC 27701

**Counties served:** *Mecklenburg, Wake, Forsyth, Guilford, and Cumberland*

### **Self-Help Credit Union**

301 W. Main Street

Durham, NC 27701

**Counties served:** *All*



## BOARD OF DIRECTORS

**Peter Skillern, Chairman**  
Executive Director  
Reinvestment Partners

**Melanie Chernoff**  
Public Policy Manager  
Red Hat, Inc.

**Marshall Cherry**  
Vice President  
Roanoke Electric  
Cooperative

**Susan Perry Cole**  
President / CEO  
NC Association of CDCs

**W. A. "Tony" Hayes**  
CEO  
NCIEDI

**Armeer Kenchen**  
President / CEO  
Generations Community  
Credit Union

**Luis Pastor**  
President / CEO  
Latino Community  
Credit Union

**John Radebaugh**  
President / CEO  
NC Credit Union League

**Dr. Lucy Reuben**  
Professor  
Duke University  
Fuqua School of Business

**Nancy Patrick Stroud**  
Marketing Director  
First Legacy Community  
Credit Union

**A. Napoleon Wallace**  
Special Assistant to CEO  
Sell-Help



# The SUPPORT CENTER

**Y**our membership in The Support Center serves a **two-fold purpose.** First, you are aligning your organization with community leaders in economic development. You will be recognized as a significant contributor to efforts to improve the lives within our distressed communities. As a result, all North Carolina citizenships improve when every community is lifted through economic expansion. Secondly, every member of The Support Center is entitled to participate in business opportunities and innovative financial services. Whether you take part as a retailer of services, support mechanism or funder, your organization will reap a return on investment that goes beyond the bottom-line.

*Our services and programs help sustain and improve the quality of life for low- and moderate-income individuals with our flexible loans, training and partnerships that support community development across the state.*

*The Support Center is a Community Development Financial Institution (CDFI) and statewide nonprofit organization established in 1990. We partner with credit unions and community-based organizations to provide small business and mortgage lending services to create economic opportunities for individuals, families, and communities in underserved markets.*

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## Programs, Services and Benefits Offered by The Support Center

### Small Business Lending Program

- ❖ The Support Center provides flexible, affordable business loan products that are not easily available through traditional bank services.
- ❖ Our small business underwriting services are offered to small credit unions and community organizations to assist in providing loans to their members.

### Housing Program

- ❖ The Support Center offers mortgage underwriting services to small credit unions and non-profit community groups.

### Policy Research

- ❖ The Support Center believes that great community work begins with great minds. To that end, our Policy and Research invests in turning innovative thought into real actionable results. Our work connects bright minds with policymakers, industry leaders and community resources.
- ❖ Through these collaborative efforts with universities, corporations and research groups, The Support Center will broker white papers and impact studies that will be used to advocate and provide recommendations on policy and legislative issues that affect under-represented communities.

### Monthly Publication

- ❖ The Support Center provides its members with a monthly newsletter that describes the latest information about issues concerning community development including new legislation, development projects, grant opportunities and research.

### Training

- ❖ Financial education is key to the success of all our programs. The Support Center provides quarterly workshops to assist our members in various development goals including asset growth, membership development, financial set up, and marketing and presentation skills.

### Events, Forums and Conferences

- ❖ The Support Center believes in strengthening and enriching our communities by convening relevant forums, summits and conferences that build networks among community groups, foster development initiatives and increase awareness of how the work of credit unions and community groups benefits the economy.



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# Impact Study:

## Findings from Interviews with our Borrowers



In 2011, The Support Center partnered with the UNC Urban Investment Strategies Center to undertake a survey of borrowers from our Community Development Credit Union (CDCU) affiliates. From a pool of more than 140 borrowers, the Urban Investment Strategies team was able to conduct in-depth interviews with 23 individuals, representing a range of industries and areas of the state. The CDCUs that participated include Generations, First Legacy, and Greater Kinston. These interviews provide valuable insight into the role that CDCUs play in helping small businesses to access affordable financing and grow. These are the key findings from the 23 interviews.

### 1 Accessing capital remains a significant challenge.

The UNC team asked whether these business owners could have obtained financing through other financial institutions, such as a traditional bank. Of the 17 that responded to this question, eight, or **47 percent, replied that they would not have been able to secure funding outside the credit union.** Many indicated that the process at traditional banks was too cumbersome and difficult to navigate, or that the qualifying criteria at the banks were too stringent.

### 2 CDCU small business lending supports job creation.

The 23 businesses that participated in this survey supported **102 full-time and 149 part-time positions.** This is just a fraction of the over 140 borrowers who are members of our CDCU affiliates. These are jobs in communities that are among the most economically distressed in the state. Ten businesses indicated that 35 of the full-time positions and 22 of the part-time positions were directly linked to the loans they received from the credit union.

### 3 CDCU small business lending helps to sustain a variety of industries.

From trucking to restaurants to after-school programs, CDCU lending supports a range of industries. Many of these business owners operate more than one business, and the funding provided by the CDCU helps to sustain these multiple ventures. **The businesses that participated in this study represented 13 different industry codes.**

### 4 CDCUs foster strong relationships with their borrowers.

One of the most striking themes that emerged from these interviews is the importance of the personal relationship between the individuals and the CDCUs. **19 of the 23 businesses (83 percent) said they would approach the credit union for future financing needs.** Fourteen of the businesses interviewed said they anticipate having future financing needs. Many respondents have multiple accounts and loans with the credit union. This relationship will be crucial as businesses expand.



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**The Support Center** is a statewide nonprofit and certified Community Development Financial Institution. We partner with Community Development Credit Unions (CDCUs) and community-based organizations to provide small business and mortgage lending services to our members, and to provide training, grants, and loans with the aim of creating economic opportunities for individuals, families, and communities in underserved markets.