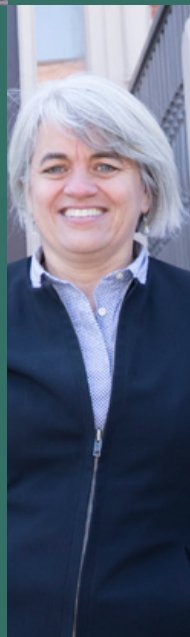
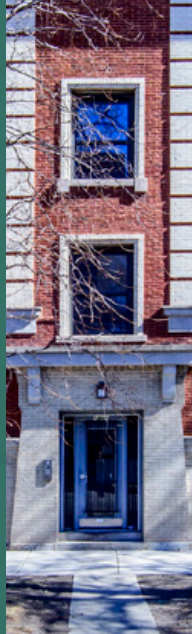


Real
returns.
Real
impact.





Vibrant Communities

Strong Local Businesses

A Place to Call Home

Real Returns. Real Impact.

Community Investment Corporation, the region's leading lender for affordable rental housing, builds vibrant communities, strengthens local businesses, and provides well maintained homes for families—all while delivering real returns to investors.



Vibrant

Communities

Secure and well maintained apartment buildings set the tone and provide the foundation for healthy, vibrant communities. Through expert and experienced hands-on lending, CIC helps borrowers acquire, rehab, and preserve affordable rental housing.

“CIC’s financial instruments create a win-win for bank investors and Chicago communities.”

—Carl Jenkins, Managing Director, Corporate Finance-Community Investments, BMO Harris Bank



CIC financing is critical to improving and preserving rental housing across the Chicago region.

With capital from Chicago area financial institutions, CIC focuses on providing credit when and where it is needed most.

A 2018 report by DePaul University’s Institute for Housing Studies found that over the past 10 years, CIC has been the top multifamily lender in its low- and moderate-income target areas. CIC financing was especially important when CIC was one of the few sources of credit in the years following the market crash of 2009.

- » CIC lends throughout the six county region, but 90% of its loans are in Chicago, and most are in south and west side communities.
- » Virtually all CIC loans are made in low and moderate income census tracts.

CIC has a stellar track record: Since 1984, it has preserved 62,000 housing units through 2,400 loans totaling \$1.4 billion.



2,400
loans



62,000
units rehabbed
and preserved



\$1.4 billion



Strong

Local Businesses

Seventy-five percent of low cost rental housing in the United States is unsubsidized and privately owned by local hands-on entrepreneurs.

54%

of CIC borrowers are minority or women owned businesses.

50%

of CIC borrowers are full-time building owners or managers.

1/3

of CIC borrowers obtained their first acquisition/rehab loan from CIC.



CIC has fueled the success of hundreds of small businesses. CIC borrowers are local entrepreneurs who create safe, high quality, affordable housing and are committed to the communities where they work. They come from many different backgrounds. The diversity of their experience leads to a wide range of business models.

- › 54% of CIC borrowers are minority or women owned businesses.
- › 50% of CIC borrowers are full-time building owners or managers; 90% manage their own properties.
- › The typical borrower owns 35 units, though 20% own more than 200.
- › On average, a CIC borrower has four employees, but 39% are sole operators.
- › Two-thirds of CIC borrowers have been in business for a decade or more, but 1/8 started their business within the last five years.

Whatever their business model, all CIC borrowers build local wealth that not only improves their lives and businesses, but helps drive the neighborhood economy. They strengthen communities by investing in their properties, hiring local residents, and patronizing other local businesses.



“Small businesses create two out of three new jobs each year. By engaging with small businesses, we can accelerate the revitalization of our economically distressed communities.”

—Implementation Plan for the White House Opportunity and Revitalization Council





A Place to Call Home

The rehabbed and well maintained apartments in CIC financed properties foster family stability and improve the quality of life for people who call these buildings home.



People who live in CIC financed buildings are typical of low and moderate income renters throughout the Chicago region. They are usually younger and less affluent than the population at large. They fill a wide variety of positions in the workforce, including health care professionals, construction workers, child care providers, food service employees, and retail clerks.

- › 92% of households living in CIC financed buildings have incomes less than \$40,000.
- › One-third have incomes less than \$20,000.
- › One-third receive some form of rental assistance.
- › Over one-third have children.
- › Typical rent in a CIC financed building: \$800–\$1100 per month.



“Housing is at the epicenter of all opportunities and outcomes. From health, to economic mobility, to educational opportunity, to racial equity, and beyond, housing shapes families and communities.”

—How Housing Matters, an initiative of The MacArthur Foundation



Real Returns. Real Impact.

Real Returns. Real Impact.

35 yrs

\$1.4 billion

62,000
units

Since 1984, CIC and its investors have made an enduring impact on the Chicago region. Beginning with \$17.5 million in commitments from 14 investors, CIC has grown to \$365 million in commitments from 50 investors.

Over the years, CIC has provided \$1.4 billion to finance 62,000 affordable rental units and consistently delivered positive returns to its investors.

These are the numbers. But equally important, over the past 35 years, CIC has strengthened communities by investing in affordable housing that would otherwise be lost. With financing from CIC, local housing entrepreneurs have grown their own businesses, provided jobs, and supported other local enterprises. They have created affordable rental housing in vibrant communities that Chicago's workforce can call home.

This is an
extraordinary
impact.

Real Returns. Real Impact.

CIC's success is directly related to the investments of Chicago area financial institutions, who have made long-term commitments to CIC loan programs.

“As a long-time and trusted government partner, CIC leverages limited public resources with substantial private investments to preserve Chicago's affordable housing.”

—David Reifman, Commissioner of the Department of Planning and Development, City of Chicago

50

investors

\$365 million

current investments



Why invest in CIC?

CIC is the largest lender for multifamily rental housing in low and moderate income Chicago neighborhoods. CIC loans perform better than other lenders, and have provided 30 years of positive returns to investors.

Experienced. CIC staff, board, and loan committee members have decades of lending and community development experience.

Prudent, Cautious, Conservative. Skilled loan officers carefully underwrite loan proposals to ensure good performance and low default rates. Loan committees review and approve proposals and ensure compliance with CIC lending policies.

Strong Relationships. Strong relationships with government, academic, and philanthropic institutions, as well as the private sector, broaden CIC's reach, maximize results, and lead to responsive and innovative programs.

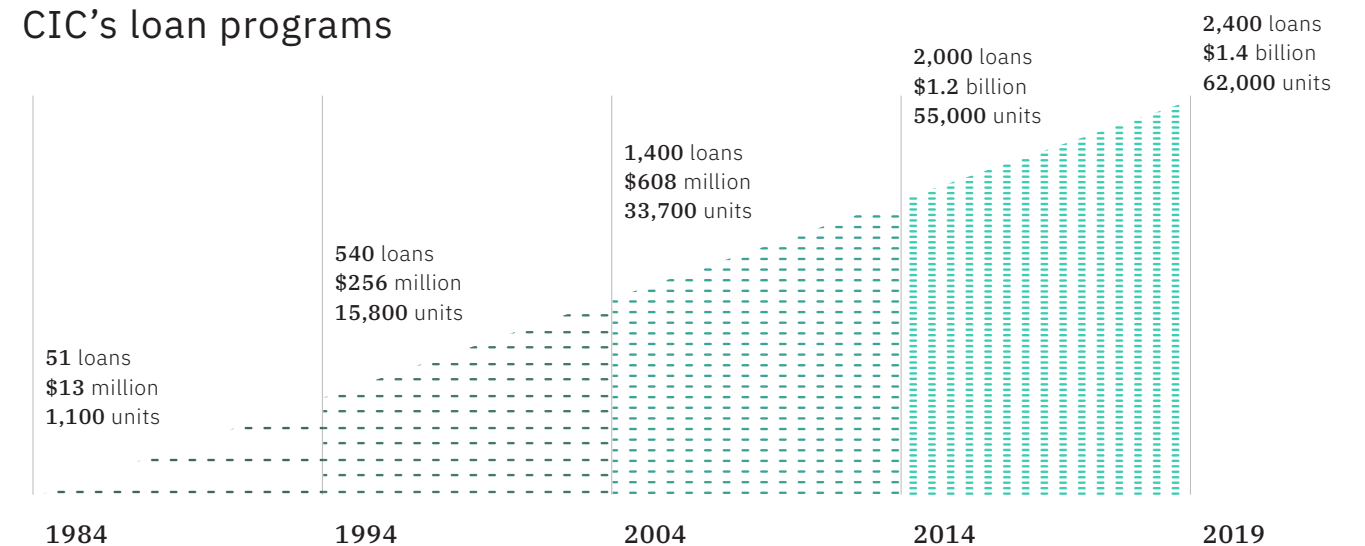
Solid Returns. CIC consistently delivers social impact—rehabilitation and preservation of affordable rental housing and community development—as well as economic returns to investors.

Comprehensive Approach. Beyond the financial transactions, CIC assists borrowers throughout the loan process and provides information and resources to strengthen property management. CIC's complementary programs—buying and selling distressed properties and pursuing code enforcement on troubled buildings—create an environment that supports the long-term success of CIC investments.

“Investing in CIC is an extremely efficient and effective way for a bank to participate in financing affordable housing and community development throughout Chicago.”

—David Dykstra, Senior Executive Vice President and COO, Wintrust Financial Corporation

CIC's loan programs



CIC’s success is directly related to the investments of Chicago area financial institutions, who have made long-term commitments to CIC loan programs.

“As a long-time and trusted government partner, CIC leverages limited public resources with substantial private investments to preserve Chicago’s affordable housing.”

—David Reifman, Commissioner of the Department of Planning and Development, City of Chicago

50
investors

\$365 million
current investments



How it works

At the core of CIC’s sustained success over the past 35 years is a unique concept—the **Note Purchase Agreement (NPA)**. Originally created in 1984, and amended many times over the years to adapt to changing conditions, the NPA is a proven, effective, and efficient vehicle for investors to participate in CIC loan programs. Currently, CIC administers two Note Purchase Agreements—the original Multifamily NPA, and since 2013, a 1-4 Unit NPA. The NPAs provide a predictable source of long-term capital for acquisition and rehabilitation of affordable housing, and they offer banks a unique opportunity to support low and moderate income communities.



Bank Investment in CIC Loan Programs. Banks participate in CIC Loan Programs by purchasing Limited Recourse Collateral Trust Notes that are issued by CIC and secured by mortgages on the properties. To facilitate loan servicing, CIC retains ownership of the loans and mortgages with individual borrowers. Multiyear Note Purchase Agreements, signed by CIC and the investors, govern program operations.

Loan Approvals. Loan Committees, whose members represent at least 51% of investor commitments for Multifamily and 100% for 1-4s, approve all loans. Approval of Multifamily loans up to \$500,000 is delegated to CIC management. The Loan Committees set the interest rate and terms for all loans.

Note Sales. A loan becomes eligible for sale to investors when construction is complete and stabilization has been achieved. Approximately 2-4 times per year, CIC groups eligible loans and conducts a note sale, in which each investor purchases a portion of the notes equal to its overall share of outstanding investor commitments. Current investor commitments range from \$1 million to \$40 million.

Loan Servicing. Loan servicing is performed by CIC. Each month, CIC remits to investors their proportional share of loan repayments less a

charge for loan servicing (0.5%) and a payment into the Investor First Loss Fund (currently set at 55 bps).

Loan Losses. Loan losses are covered first by the Investor First Loss Fund. In the event that a loss exceeds the balance in the Fund, the loss would be borne proportionally by the investors on the specific loan. Since 2001, CIC has not passed on any losses to participating investors.

Reporting. On a monthly basis, CIC reports to investors on loan delinquencies, and every six months, CIC updates the risk ratings on the loans. Once a year, CIC reports on the physical condition, net income, and debt service coverage ratios for properties in the portfolio.

Service Area. CIC provides loans for the acquisition and rehab of rental housing in Cook, McHenry, Lake, DuPage, Will, and Kane Counties. Most of the loans are located in low and moderate income communities, areas in which private lending has dramatically declined since 2005.

CIC Borrowers. CIC generally lends to hands-on entrepreneurs, who own 90% of the rental housing and 75% of the low cost rental housing in the U.S. Often, these apartment building owners are among the strongest and most stable local businesses.

CIC Loan Products.
 » Multifamily (See Term Sheet for details.)
 —Standard Loan: For acquisition, refinance, and/or rehab.
 —Innovative and Complex (Flex) Loan: Intended to reach unmet community development needs, with flexible application of DSC and LTV ratios.
 » 1-4 Unit (See Term Sheet for details.) Loans to provide takeout debt for groups of investor owned 1-4 unit buildings.

Residents in CIC Financed Buildings. While most CIC financed buildings are not income or rent restricted, virtually all of the apartments are affordable to, and most are occupied by, households at or below 80% of median income. Median income for renter households in Cook County is \$40,341.

Community Reinvestment Act (CRA). Because CIC is a certified Community Development Financial Institution (CDFI), and because CIC makes loans for affordable housing that is predominately located in low and moderate income communities and is occupied by households earning less than 80% median income, banks receive favorable consideration under CRA.

Loan performance

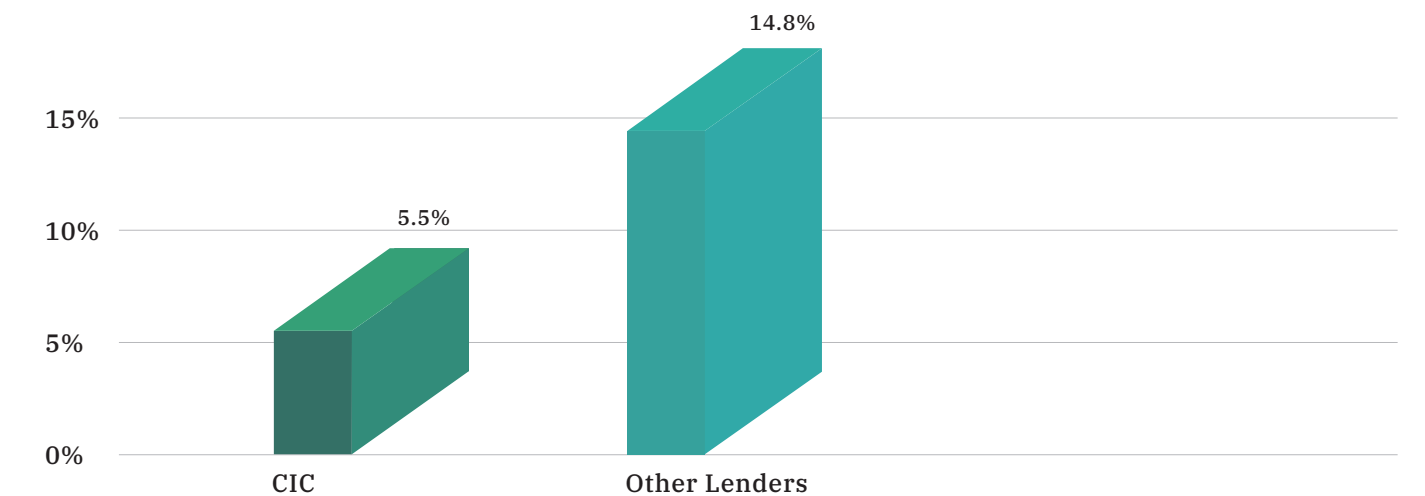
Multifamily Loan Program FY 2018

Outstanding Notes Sold to Investors	\$197 million
Net Return to Investors, FY 2018	3.5% (1.7% over rolling average for 3 year T-bills)
Average Net Return to Investors, 1989-2018	5.7% (2% over rolling average for 3 year T-bills)
Portfolio Losses, FY 2018	\$1.3 million
Losses Passed on to Participating Investors	\$0 (No losses to participating investors since 2001)

1-4 Unit Loan Program FY 2018

Outstanding Notes Sold to Investors	\$21.8 million
Net Return to Investors, FY 2018	5.125%
Average Net Return to Investors, 1989-2018	5.125%
Portfolio Losses, FY 2018	\$0
Losses Passed on to Participating Investors	\$0

Overall, CIC’s multifamily lending has significantly outperformed other lenders. Overall Share of Small Multifamily Mortgages with a Foreclosure (2005 to 2017)



*DePaul Institute for Housing Studies. Report on CIC lending activity and performance in CIC markets.

Investors

As of May 2019

CIC Note Purchase Program Investors

The Northern Trust Company
Bank of America
BMO Harris NA
PNC Community Development Company, LLC

CIBC Bank USA
Citibank
Wintrust Financial Corporation
Fifth Third Bank
First Midwest Bank
TCF Commercial Real Estate
Associated Bank of Chicago

Byline Bank
MUFJ Union Bank
First Bank of Highland Park
Wintrust Bank (WFC)
Leaders Bank
Northbrook Bank and Trust Company (WFC)
Providence Bank
First Bank and Trust Company of Illinois
Huntington Bank
First Savings Bank of Hegewisch
Lake Forest Bank and Trust Company (WFC)
First Eagle Bank
Inland Bank and Trust

Bridgeview Bank
Community Bank of Oak Park River Forest
First American Bank
First National Bank of Brookfield
Liberty Bank for Savings

CIC Note Purchase Program Investors

Oxford Bank
Hinsdale Bank & Trust Company (WFC)
Amalgamated Bank of Chicago
Forest Park National Bank & Trust
Barrington Bank and Trust (WFC)
Hoyne Savings Bank
International Bank of Chicago
Old Plank Trail Community Bank (WFC)
Town Center Bank
Village Bank and Trust Company (WFC)

Additional Investors and Supporters

City of Chicago
Illinois Housing Development Authority
Federal Home Loan Bank of Chicago
U.S. Department of the Treasury
—CDFI Fund
—Capital Magnet Fund

MacArthur Foundation
Benefit Chicago
Energy Foundation
The Chicago Community Trust
Polk Bros. Foundation

JPMorgan Chase Foundation
Wells Fargo
U.S. Bank

CIC holds the following designations

Certified Community Development Financial Institution (CDFI)

Member of the Federal Home Loan Bank of Chicago

Approved FHA Multifamily Lender

“CIC deeply understands the neighborhoods, properties, and building owners. The Multifamily Loan Program is emblematic of the market-driven approach used by CIC.”

—The Urban Institute



Community Investment Corporation
222 South Riverside Plaza, Suite 380
Chicago, IL 60606-6109

312.258.0070 cicchicago.com