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## **Giving to the Givers: Honoring Community Development Organizations**

by Anne Moore Odell

The Wachovia NEXT Awards for Opportunity Finance names ACCION Texas and the Latino Community Credit Union for its 2007 \$8.25 million prize.

SocialFunds.com -- [ACCION Texas](#) and the [Latino Community Credit Union](#) were awarded the [Wachovia NEXT Awards for Opportunity Finance](#) on December 12th in Miami, FL. The two community development financial institutions (CDFIs) will split \$8.25 million in grants and awards. The awards were presented by Wachovia Bank and Opportunity Finance, in partnership with the John D. and Catherine T. MacArthur Foundation.

The two CDFIs were chosen from four semi-finalists announced in October. The other two semi-finalists honored were of [Clearinghouse CDFI](#) Lake Forest, CA and [Housing Development Fund](#) of Stamford, CT.

CDFIs provide capital to individuals, non-profits, and small businesses to finance affordable housing, community facilities, and business expansion.

The awards were created this year to support the economic development work of CDFIs. Currently in the US, CDFIs include over 700 banks, loan fund, credit unions, and venture funds serving low-income people. Wachovia Bank, Opportunity Finance, John D. and Catherine T. MacArthur Foundation see an increasingly important role for CDFIs in the future.

"The first winners of the Wachovia NEXT Awards are innovative, up-and-coming community development financial institutions that create economic opportunity for families and neighborhoods," said Ken Thompson, chairman and CEO of Wachovia Corp. and board chairman for The Wachovia Foundation.

"The Wachovia Foundation recognizes the important role the CDFI industry plays in strengthening communities. We are proud to support these exceptional winning organizations as they rise to the next level of excellence," Thompson continued.

Financial education is a key element of the Latino Community Credit Union's (LCCU) mission. LCCU will receive \$5.5 million from the Wachovia Next Award.

LCCU is headquartered in Durham, NC, and has branches in Durham, Charlotte, Raleigh, Greensboro and Fayetteville. The Wachovia Next Award will help it expand to three new markets.

"Our business model is viable and has a positive effect on thousands of low income families," said Luis Pastor, CEO of the Latino Community Credit Union. "The Wachovia NEXT Award gives us credibility and the opportunity to increase our impact in the community by continuing to expand our efforts to help working families."

Started in 2002, the LCCU was the first financial institution in North Carolina to offer all of its services in both Spanish and English and presently has over 42,000 members.

In 2008 LCCU plans to open additional branches and also launch new affordable loan products for low-income families. Pastor told SocialFunds.com that LCCU plans "to continue to produce financial education products to improve the financial literacy of the community."

ACCION Texas, with main offices in San Antonio, TX, will receive \$2.75 million from the Wachovia Next Awards. ACCION Texas plans to use the prize money to broaden its microlending outreach and to create more partnerships outside of Texas. ACCION Texas serves businesses that aren't able to access commercial lending sources. ACCION Texas makes small business loans from \$500 to \$50,000.

"We plan to work with more institutions in expanding microlending," said Jordana Barton, Vice-President for Development and Communications, ACCION Texas. "There is no reason for others to reinvent the wheel. We can help others with what we learned about microloan processing."

ACCION Texas has invested heavily in the technology and people power necessary to process and monitor the many small loans microfinance institutions make to borrowers. The non-profit loan fund also plans to educate the public about what microfinance can do to expand businesses and the general economic health of communities.

To date, ACCION Texas has created over \$58 million in loans to more than 8,100 people in Texas.

Starting in 2007, and for the next five years, the Wachovia Foundation is granting \$16.75 million and the MacArthur Foundation is making a \$25 million low-cost, long-term loan to fund the Wachovia NEXT Awards for Opportunity Finance.

The Wachovia NEXT Awards for Opportunity Finance will be awarded yearly and will include a \$5.5 million investment and unrestricted grant award to a CDFI with over \$50 million in assets dedicated to lending or investing, a \$2.75 million investment and unrestricted grant award to a CDFI with \$10-\$50 million in assets dedicated to lending or investing, and four \$25,000 unrestricted grant awards to CDFIs of any size that have demonstrated excellence in innovation, advocacy, financing, and community impact.