

**Remarks by Mark Pinsky, President & CEO, Opportunity Finance Network
June 27, 2007**

Good Afternoon.

My name is Mark Pinsky. I am President & CEO of Opportunity Finance Network, a national network of financial institutions dedicated to benefiting low-income and low-wealth people and communities.

With me today are Mike Rizer of Wachovia and Debra Schwartz of the John D. and Catherine T. MacArthur Foundation. They will speak to you in a few minutes.

Today we are announcing the **WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE...IN PARTNERSHIP WITH THE JOHN D. AND CATHERINE T. MACARTHUR FOUNDATION**. Over the next five years, the **WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE** will award \$41.75 million to 30 exceptional opportunity finance institutions.

You can find detailed information about the awards, copies of our statements, and additional materials at the **WACHOVIA NEXT AWARDS** Web site—that is www.nextawards.org. Let me repeat that: www.nextawards.org.

There is not and never has been anything like this awards program.

Each year starting in 2007 through 2011, we will recognize and reward six (6) institutions known as CDFI's—or community development financial institutions—that are the leaders of the Opportunity Finance industry.

Four of the awardees each year will receive \$25,000 grants—one each for achievements in the past year in Innovation, Impact, Financing, and Advocacy.

Two CDFIs with exceptional past performance and extraordinary potential will receive much larger awards:

- A CDFI with financing assets of \$10 million to \$50 million will receive a \$250,000 grant and a \$2.5 million low-cost, long-term loan.
- A second CDFI with financing assets greater than \$50 million will receive a \$500,000 grant and a \$5 million low-cost, long-term loan.

We will present the awards annually at the Opportunity Finance Network Conference. This year, the conference will take place December 11–14 in Miami, Florida.

The scale of the **WACHOVIA NEXT AWARDS** is unique thanks to the unprecedented financial commitments Wachovia and the MacArthur Foundation are making today:

- The Wachovia Foundation has made a \$16.75 million grant commitment to Opportunity Finance Network.
- The John D. and Catherine T. MacArthur Foundation has committed a \$25 million, very low-cost 15-year loan—or program-related investment—to Opportunity Finance Network.



As Mike Rizer and Debra Schwartz will explain, these are truly unprecedented: this is the largest grant The Wachovia Foundation has ever made to a single organization and this is the largest program related investment that MacArthur has ever made.

I said earlier that there has never been anything like this before. There is a clear and compelling reason that we are launching this now: the Opportunity Finance industry in general and some CDFIs in particular are on the verge of great things. These awards will mark an inflection point after 30 years of unheralded accomplishments.

The opportunity finance industry is one of our nation's least-known and under-valued strategic assets. The **WACHOVIA NEXT AWARDS** will shine a spotlight on the industry to give more investors, more funders, more skilled professionals, and more communities the opportunity to be part of this remarkable success story.

Over the past 30-plus years, the opportunity finance industry has originated more than \$24 billion in financing, 100% of it benefiting low-income and low-wealth people, communities, and markets. In 2005 alone, according to the CDFI Data Project, \$4.3 billion in new financing resulted in:

- 39,151 jobs in 9,074 businesses
- 55,242 units of affordable housing
- 613 community facilities such as charter schools, child care, and health care centers
- 138,045 low-income people opening their first bank account.

The industry has out-performed even the most ambitious expectations. Despite working in markets that conventional wisdom consider high-risk, CDFIs have recorded net charge offs—losses—of less than one percent.

CDFIs specialize in managing risk in urban, rural, and reservation-based markets where conventional financial institutions find it difficult to go. In this way, they help those people, communities, and markets join the economic mainstream. At the same time, they help mainstream financial and other institutions enter these "Opportunity Markets."

Today—with the introduction of the **WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE**—we are also introducing the next opportunity era. My organization's goal is simply this: to make prosperity in our nation inclusive by giving all people the resources and opportunity to act in the best interests of their communities, themselves, and future generations.

The **WACHOVIA NEXT AWARDS FOR OPPORTUNITY FINANCE** will recognize and reward the next generation of industry leaders, the next set of innovative solutions, and the next round of opportunities for low-income and low-wealth people and communities.

That concludes my opening comments. I will be glad to answer your questions after you hear from Mike and Debra.