



CRAFT3 AERIS® RATING

Analysis Date	Impact Management Rating	Financial Strength and Performance Rating
12.31.2021	★★★★	A+

IMPACT MANAGEMENT RATING

★★★★. The CDFI has exceptional alignment of its mission, strategies, programs and services. It fully and effectively uses its financial resources in alignment with its mission, both directly with its portfolio investments and indirectly leveraging off-balance sheet financial resources. Its processes and systems accurately track comprehensive output and outcome data, on an ongoing basis. Impact metrics show positive changes toward achieving its impact goals. Board and management consistently use the data to adjust strategies and activities to improve its effectiveness in achieving its mission.

CONTRIBUTION TO PUBLIC POLICY

Policy change is an integral part of this CDFI's strategies. The CDFI leads initiatives to change government policy to benefit the community development finance industry or disadvantaged people and communities. The CDFI can provide evidence of its leadership role in recent policy changes that produced benefits beyond additional resources for the CDFI itself, and management can clearly articulate the CDFI's leadership role in current policy activities.

FINANCIAL STRENGTH AND PERFORMANCE RATING

A+. The CDFI has strong financial strength, recent performance and risk management practices relative to its size, complexity, and risk profile. It is stable but more vulnerable to fluctuations in its operating environment than higher rated loan funds.

ABOUT AERIS RATINGS

Aeris Impact Ratings assess the pursuit and achievement of social mission as evidenced by programs and strategies, use of resources, and how impact is measured and informs the refinement of those programs and strategies. The Aeris methodology can be applied to any type of mission-driven entity or program.

Aeris Financial Ratings assess capitalization, asset quality, management, earnings, and liquidity—often referred to as a 'CAMEL' assessment. The Aeris methodology evaluates financial strength and risk in the context of the community finance sector, and does not use statistically-generated benchmarks due to the limited size of the sector, the wide variety of business models and operating environments.



FOR MORE INFORMATION

To receive a sample Aeris Rating Report or additional information about Aeris,
e-mail lpelkey@aerisinsight.com.

The Aeris Rating Scale

Impact Management Ratings	
★★★★	The CDFI has exceptional alignment of its mission, strategies, programs and services. It fully and effectively uses its financial resources in alignment with its mission, both directly with its portfolio investments and indirectly leveraging off-balance sheet financial resources. Its processes and systems accurately track comprehensive output and outcome data, on an ongoing basis. Impact metrics show positive changes toward achieving its impact goals. Board and management consistently use the data to adjust strategies and activities to improve its effectiveness in achieving its mission.
★★★	The CDFI has strong alignment of its mission, strategies, programs and services, and portfolio investments with its mission. It effectively uses its financial resources in alignment with its mission, primarily with portfolio investments; investment activities beyond its loan portfolio may be minimal. Its processes and systems accurately track output data, on an ongoing basis. Longer term outcome metrics may be limited. Impact metrics show positive changes toward achieving its impact goals. Board and management use the data on a regular basis to improve strategies and activities in pursuit of mission.
★★	The CDFI has reasonable strategies, programs and services, and portfolio investments that are in alignment with its mission. It has basic systems in place to track essential output data that indicate its resources are used consistent with its mission. Board and management use the data on a limited basis to adjust strategies and activities in pursuit of mission.
★	The CDFI may lack alignment of its mission, strategies, programs and services, and portfolio investments. Either it lacks impact data, the data is unsatisfactory, or data systems are weak. It also may have a history of underutilizing its financial resources consistent with its mission. Board and management rarely use data to adjust strategies and activities in pursuit of mission.
Policy Plus	Policy change is an integral part of this CDFI's strategies. The CDFI leads initiatives to change government policy to benefit the CDFI industry or disadvantaged people and communities. The CDFI can provide evidence of its leadership role in recent policy changes that produced benefits beyond additional resources for the CDFI itself, and management can clearly articulate the CDFI's leadership role in current policy activities.

Financial Strength and Performance Ratings		
Sound	AAA	The CDFI has exceptional financial strength, performance and risk management practices. Any weaknesses are minor and can be handled in a routine manner by the board of directors and management. The CDFI is resilient to significant changes in its operating environment.
	AA+ AA AA-	The CDFI has very strong financial strength, performance and risk management practices relative to its size, complexity, and risk profile. Challenges are well within the board of directors' and management's capabilities and willingness to strengthen. The CDFI is capable of withstanding fluctuations in its operating environment.
	A+ A A-	The CDFI has strong financial strength, recent performance and risk management practices relative to its size, complexity, and risk profile. It is stable but more vulnerable to fluctuations in its operating environment than higher rated loan funds.
	BBB+ BBB BBB-	The CDFI has satisfactory financial strength, performance and risk management practices relative to its size, complexity, and risk profile. It is stable but sensitive to fluctuations in its operating environment.
Vulnerable	BB+ BB BB-	The CDFI exhibits inadequate financial strength, performance, or risk management practices relative to its size, complexity, and risk profile. It exhibits weaknesses in one or more areas that could compromise its financial situation in the medium term, even in a stable operating environment.
	B	The CDFI exhibits weaknesses in several areas that compromise its financial viability. Although the CDFI may be able to sustain operations for a period of time, its financial stability is extremely sensitive to any fluctuation in its operating environment.