

## In The Media – News Release / Statements

### Insurers Unveil Major Affordable Housing Investment IMPACT Community Capital Announces Addition of New Member Company

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SAN FRANCISCO - Eight of California's leading insurance companies today unveiled a first-of-its-kind pooled investment in affordable housing for communities throughout California in what promises to be a major community investment initiative by these insurers.

At the same time, IMPACT Community Capital also announced that Nationwide Mutual Insurance Company has committed to become the newest company to join IMPACT's growing ranks of insurer/members. Nationwide is among the nation's largest diversified financial and insurance services providers, with over \$115 billion in assets and more than 35,000 employees.

Nationwide joins Allstate Insurance Company, Farmers Insurance Companies, Pacific Life Insurance Company, PMI Mortgage Insurance Company, SAFECO Insurance, State Farm Insurance Companies, Teachers Insurance and Annuity Association and 21st Century Insurance Company as members of IMPACT.

"Nationwide is very pleased to join IMPACT's existing membership and looks forward to making an important contribution to community development efforts in California," said Robert H. McNaghten, vice president for real estate investments at Nationwide's headquarters in Columbus, Ohio. "We are confident that the investment strategies IMPACT offers its member insurance companies will become a major source of affordable housing dollars in California as well as a source of sound investments for insurers."

Daniel F. Sheehy, president and CEO of IMPACT, said Nationwide's decision to join the insurance industry-managed investment consortium "is very significant. Nationwide brings to IMPACT a demonstrated dedication to community investing. It is solid evidence of IMPACT's value to insurers and to California communities."

The announcement that Nationwide has committed to join IMPACT follows completion of the organization's first investment transaction. IMPACT members purchased the mortgages of 12 multi-family rental housing properties comprising 1,456 units from the California Community Reinvestment Corporation (CCRC), a nonprofit lending consortium funded by 45 member banks and thrifts throughout California.

"The insurance companies who have joined IMPACT should be commended for their vision and leadership in this area," said Mary Kaiser, president of CCRC.

By purchasing the mortgages, IMPACT's members provided \$40.5 million that will be recycled into additional mortgage loans to provide housing for low-income and moderate-income families. Each of the properties in the IMPACT loan pool provides housing for families with incomes that do not exceed 60 percent of area median income. Some of the properties offer units for families whose incomes do not exceed 50 percent of area median income.

IMPACT securitized the pool of loans which were rated by Standard & Poor's, one of the nation's leading rating agencies. The transaction represents a unique method of creating community development investments suitable for insurance company portfolios.

"We, and our IMPACT partner companies, have always been major investors in housing and other bonds to help build California communities. Through IMPACT, we will play a more direct and active role in this area," said Thomas C. Sutton, chairman of the board and chief executive officer of Pacific Life Insurance Company. "We are committed to investing in all of California's communities. This initial transaction demonstrates that IMPACT's member companies are acting on that commitment."

Dan C. Dunmoyer, president of the Personal Insurance Federation of California, said completion of the initial transaction should pave the way for much broader participation by insurers in IMPACT. "IMPACT and its founding member companies have shown that community investing can be accomplished successfully - both for insurers and communities. This should be a rallying cry to our industry to join the visionary companies that created IMPACT to help California communities grow stronger."

By pioneering the securitization of community investments for insurers, IMPACT helps its members make long-term community investments. IMPACT was able to obtain unprecedented "A" and "BBB" ratings from Standard & Poor's for 65 percent of the CCRC mortgage pool, thereby allowing IMPACT to issue investment grade securities.

"The insurance companies who created and belong to IMPACT are really on the forefront of an exciting movement that is the beginning of something important. These companies have created a unique and powerful investment management strategy for community investing," IMPACT CEO Sheehy said.

The properties included in the IMPACT loan pool are the Meridian Apartments, Santa Maria; Seville Gardens, Huntington Park; Sunny Gardens Apartments, La Puente; Heritage Apartments, Roseville; Lorin Station, Berkeley; Dinuba Manor, Dinuba; 6th & Minna, San Francisco; Casa Serena Senior Apartments, Lompoc; Ross Gardens, Fresno; Temple/Edgeware Apartments, Los Angeles; Evergreen Village, Los Angeles; and Auburn Heights Apartments, Bakersfield.

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