

**Bank of America, Impact Community Capital Launch
First-of-its-Kind Effort to Create 6,000 California Affordable Housing Units**

Alliance will tap insurance company-backed \$475 million secondary market

SAN FRANCISCO – Bank of America and San Francisco-based Impact Community Capital LLC today announced an unprecedented loan program and alliance that will result in the construction of nearly 6,000 new affordable housing units in California over the next three years.

Nationally, the program will create nearly 15,000 new affordable housing units. The *Community Impact Loan* program is a first-of-its-kind collaboration between the largest originator of community development loans in the U.S. and 10 of the top national insurance companies which are owners and investors in Impact, a secondary commercial mortgage market investment vehicle.

“We think this collaboration will have a positive impact on the communities the Impact insurance companies and Bank of America serve,” said Doug Woodruff, Bank of America Community Development Banking president. “We also think it will have a positive impact on the bottom line of all of the companies involved,” Woodruff said.

“Studies have shown that investments structured to meet community capital needs can provide reasonable returns for investors.”

The Impact insurance companies have made a \$475 million three-year national commitment to provide long-term financing for affordable housing. Bank of America will provide financing to affordable housing developers through its *Community Impact Loan* product. The *Community Impact Loan* is a combined construction and permanent \ or term debt facility.

“The *Community Impact Loan* will provide a reliable source of capital for community investments,” said Woodruff. “They are competitive in terms of pricing, flexibility and efficient execution and provide developers with interest rate certainty in an uncertain environment.”

Impact was created as a vehicle for insurers to invest in communities in California and elsewhere in the United States.

Once the loan program has generated a sufficient volume of loans, Impact will pool them, have the pool rated by a major rating agency and create mortgage-backed securities for its insurance company owner/investors. Impact has developed this format for the securitization of large-scale pools of affordable housing mortgages.

“Impact is pleased to join Bank of America in a program that will result in major improvements in communities throughout America,” said Dan Sheehy, president of Impact. “The insurance companies who are the owners and investors in Impact have demonstrated a clear commitment to community investment by entering into this alliance with the nation’s leading originator of affordable housing loans.”

Sheehy said the *Community Impact Loan* program will help drive smart-growth and urban revitalization initiatives through a one-stop access to long-term capital for affordable housing projects.

Impact owners and investors include Allstate Insurance Company, Farmers Insurance Companies, General Electric Capital Assurance Company, Nationwide Mutual Insurance Company, Pacific Life Insurance Company, PMI Mortgage Insurance Company, SAFECO Insurance, State Farm Insurance Companies, Teacher Insurance and Annuity Association, and 21st Century Insurance Company.

“The housing crisis in California is characterized by high demand and inadequate supply, which has led to a scarcity of affordable housing and exceedingly inflated home prices,” said Orson Aguilar, Associate Director of the Greenlining Institute of San Francisco. “By providing financing for more affordable housing units, Bank of America and Impact Community Capital are working to ensure that all Americans enjoy the American Dream.”

The Greenlining Institute is a public policy research and advocacy organization whose mission is to empower communities of color and other disadvantaged groups through multi-ethnic economic and leadership development, civil rights and anti-redlining activities.

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