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Building strong communities

26
years



of Improving the Lives of Texans
Through Economic Opportunity



BCL of Texas

Year End Highlights



Lending the way

LENDING CAPITAL
\$14,361,655 deployed
1,482 individuals



Advance Your Purpose

BUSINESS DEVELOPMENT
156 businesses coached
85% low to moderate income



Mission to Inspire

HOMEOWNERSHIP
547 pre-purchase clients
51% became homeowners



Investing in Opportunity

COMMUNITY DEVELOPMENT
Improvements to 3 properties
Launched NextStep



Letter from the CEO

As a community and economic development firm, BCL of Texas has been providing affordable capital and development services for homeowners, small businesses, and local communities for 26 years. Created by rural leaders during an economic recession, BCL is proud of the nearly 6,000 jobs we've created, which contributes to payroll impact in excess of \$148 million annually.

The BCL board and management recognize and embrace the challenges ahead of us, and we remain firmly committed to balancing economic opportunity and growth in rural, suburban, and urban communities.

We are pleased to share our fiscal year 2016 annual report that highlights our accomplishments. This was a year of growth and expansion, as we originated over \$14 million in capital to underserved families and individuals, creating over 100 livable wage jobs.

Moving into 2017, BCL embraces the people, place, and purpose in today's economy with a fresh new look. We invite you to follow our journey and stay connected with us throughout the year as we work to advance our purpose together.

Rosa Rios Valdez
Chief Executive Officer

Mission to Inspire: Mortgage Lending



BCL HomeOwnership Director Helps Families Secure a Home of Their Own

Inspired to help families transition from renting to homeownership, Merecia Smith joined the BCL HomeOwnership team and is now in the role of Director of HomeOwnership. Merecia has 10 years of experience helping families achieve their housing goals and has helped to build a

strong team of dedicated professionals that provide financial fitness counseling, and home retention services to over 500 customers in Austin and Dallas each year. At BCL of Texas, we believe that informed customers are sustainable, prepared customers.

HomeOwnership provides the opportunity for better schools, safer environments, and wealth building.

The BCL HomeOwnership team builds confidence and trust and provides encouragement for families to achieve their dream of becoming home owners.

“Seeing people go through the home buying process is really exciting. And for them to get to that closing date—that’s a great feeling,” says Merecia.

In 2016, BCL’S HomeOwnership team worked with 602 total housing clients



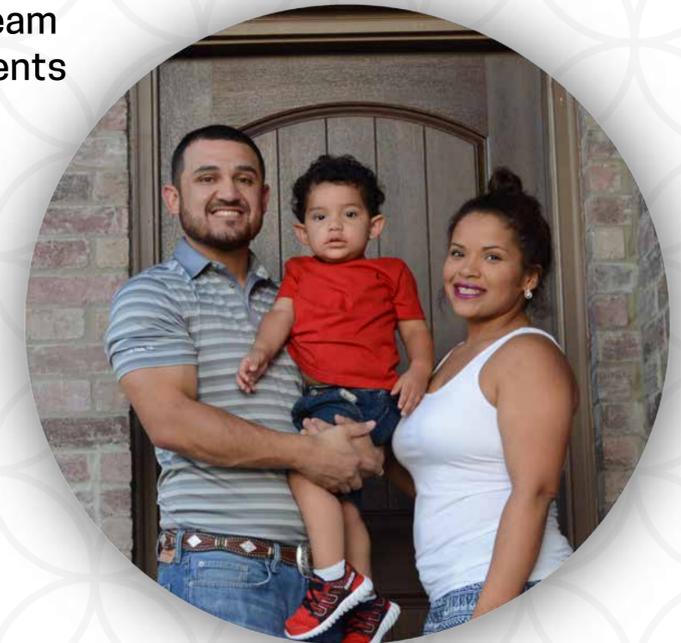
79% within minority populations



Created 280 new homeowners



\$42,724,463 in new mortgages



A Home of Our Own

BCL’s homeownership counselors guide our clients through home purchase, credit and budget counseling, financial coaching, and home retention. We work with our clients at every step along the lending cycle to bring the dream of homeownership to underserved communities across Texas.

Advance Your Purpose: Small Business & Entrepreneurship

Tamale Addiction Fuels Bodies and Hearts in Downtown Manor



Adrian Paredes, owner of the Austin-based Tamale Addiction, was helped with two loans from the BCL Business Growth Fund. From pork pastor with pineapple and onions to vegan nopalitos and sweet guava tamales, Paredes has been able to learn from his customers and successfully diversify his product to meet new market trends.

The company's first loan from BCL helped Tamale Addiction to purchase products, develop a strong marketing campaign, and grow their presence in the market. After repaying the first loan, BCL approved a second loan to help the business with production equipment to increase capacity and scale.

Paredes says his ultimate goal reach a level of growth that allows his business to become a household name. "When someone asks, what are the three places you have to visit in Austin, we want to be on that list.," he said.

BCL believes that small businesses are critical to a growing local economy and Tamale Addiction agrees. Paredes says, "It's not just food you're selling. You're part of a community."

Guiding Entrepreneurs to Build Their Dreams

As small business champions, BCL of Texas works to help our customers grow from solopreneurships that support one job to managed organizations that create 100 livable wage jobs and have an annual economic impact of \$20 million or more. Our work in entrepreneurship aims to make a sustainable impact to the local economy.

To achieve this, we operate Business Assistance Centers (BACs) in key locations in Austin and across the Dallas metroplex. Small business owners or aspiring entrepreneurs can attend no-cost classes or sign up for business coaching for help in creating a business plan, business valuation, financial management, and marketing.

BAC impact since 1990:

- 23,000 hours of coaching provided
- Over \$310 million of lending capital leveraged

"The Business Assistance Centers provide a key service to empower underserved communities to participate in the thriving, diverse entrepreneurship culture of Texas."

- Brian Marshall, Director of Entrepreneurship



BCL's Business Support Model



Investing In Community: Community Development

NextStep Partnership Brings Affordable Housing to La Grange through Infill Initiative

Faced with booming population growth and a shortage of affordable housing, the Central Texas housing market offers limited options to working families. As a retail director provider of Next Step modular housing, BCL of Texas can work with other communities across Texas to provide an affordable housing solution with our affordable energy star modular homes on a permanent foundation.

Working with the city managers of La Grange and Flatonia, we have identified centrally located and highly visible lots for infill development to begin building Next Step homes in 2017. These homes will be highly customizable to customer design preferences, and will serve as a model to other communities across the country.

BCL Community Development Manager David Dinoff, said, "Most homes for sale in this area need repairs and are priced up to \$200,000 or more. With the modular homes we offer through Next Step, homebuyers will get brand, energy efficient homes at affordable prices."



Community Loan Center Provides Affordable, Employer-Based Lending

Compared to most states, Texas has few regulations for payday and auto title lenders. With interest rates of 400 percent or more and repayment due within two weeks, the predatory practices of these lenders often create a cycle of debt.

BCL has partnered with Brownsville Community Development Corporation to bring our Community Loan Center (CLC) program to Dallas and Austin. Offered as an employer benefit, this program lends up to \$1,000 to be repaid over 12 months, helping employees maintain a secure work and home lifestyle without financial distractions from their work.

Since its launch, the Community Loan Center has provided an affordable lending solution for over 4,000 borrowers, and deploying approximately \$4 million in affordable lending capital. COO Raquel Valdez said, "This program helps keep dollars in our local communities, while saving borrowers an average of \$650 per loan."



Looking Forward: Lending the Way



Raquel Valdez, COO

BCL is prepared to meet the challenges of our changing economy to promote diverse and balanced growth in Texas communities. We will continue meet our customers at all levels, from affordable housing and entrepreneurship coaching to short-term consumer lending, mortgage products, and commercial lending.

Our top three priorities moving forward are:

- Promote the creation of livable wage jobs
- Facilitate sustainable economic growth in rural as well as urban areas
- Offer new and customized lending products to complement our diverse portfolio

Major Supporters

- Alliance for Economic Inclusion
- BBVA
- BB&T Bank
- Brazos Valley SBDC
- Broadway Bank
- Capital One
- City of Dallas
- Compass
- Crockett National Bank
- eHome America
- Federal Deposit Insurance Corporation
- Federal Reserve Bank of Dallas
- Financial Fitness Greater Austin
- I-10 Corridor Association
- JPMorgan Chase & Co
- NeighborWorks Alliance of Texas®
- NeighborWorks America®
- NextStep Network
- Rio Grande Multibank
- Small Business Administration
- Texas Association of Community Development Corporations
- Texas Community Capital
- Texas Department of Agriculture
- TREE Partners
- United States Department of Agriculture
- Wells Fargo
- Woodforest Bank

Financials

2016 Capital Impacts

Commercial	112 jobs created	\$148 million payroll impact
Mortgage	280 new homeowners	
Consumer short-term	1445 borrowers	
		\$42.3 million in mortgages
		\$1.4 million in affordable lending

Total 1892 clients

\$192 million economic impact

BCL Loan Portfolio

\$28,351,159

