

# 2024 Financial Management Conference

## CDFI Ratings Panel

**Moderator,** Matt Glattig, NeighborWorks Capital

**Panelists,** Debra Turner, Community Housing Capital, Nora Wittstruck, S&P Global Ratings

Sept. 4, 2024

**STRENGTHMATTERS**<sup>®</sup>



# Continuing Professional Education (CPEs) Requirements for CPAs

- Please find the **SESSION HOST** to **SIGN IN** at the beginning and **SIGN OUT** at the end of every session using the QR code. We use that attendance log to verify your participation for CPE credits.
- Please **submit all conference evaluations**. Evaluation links are emailed to registrants daily. Please see the session host (the person monitoring the sign-in process) if you prefer a paper evaluation.
- For more information on CPE credits, contact Lindsay Wells at [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com).

# Questions

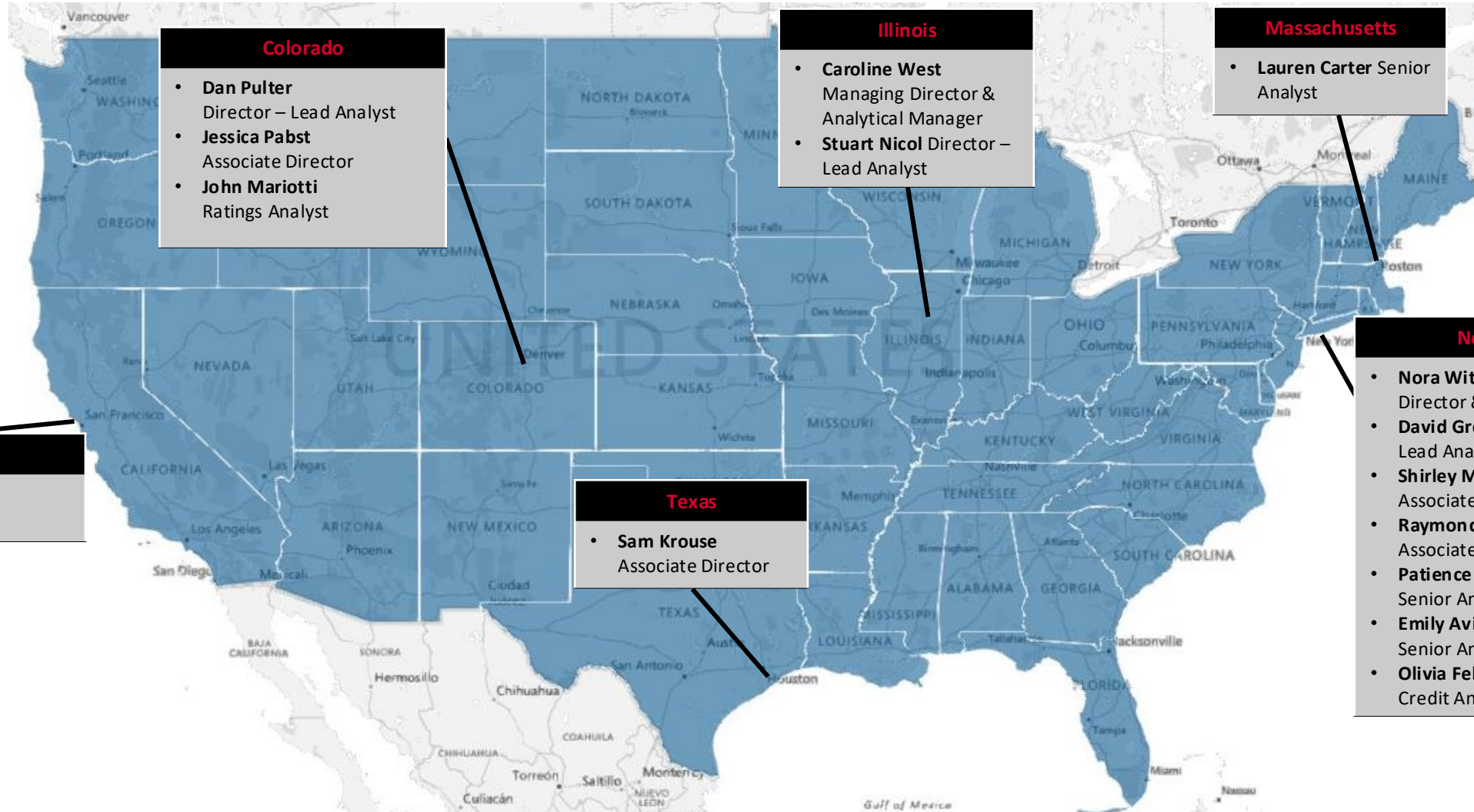
- We will pause during presentation and again at the end for Q&A.

# Strength Matters Conference

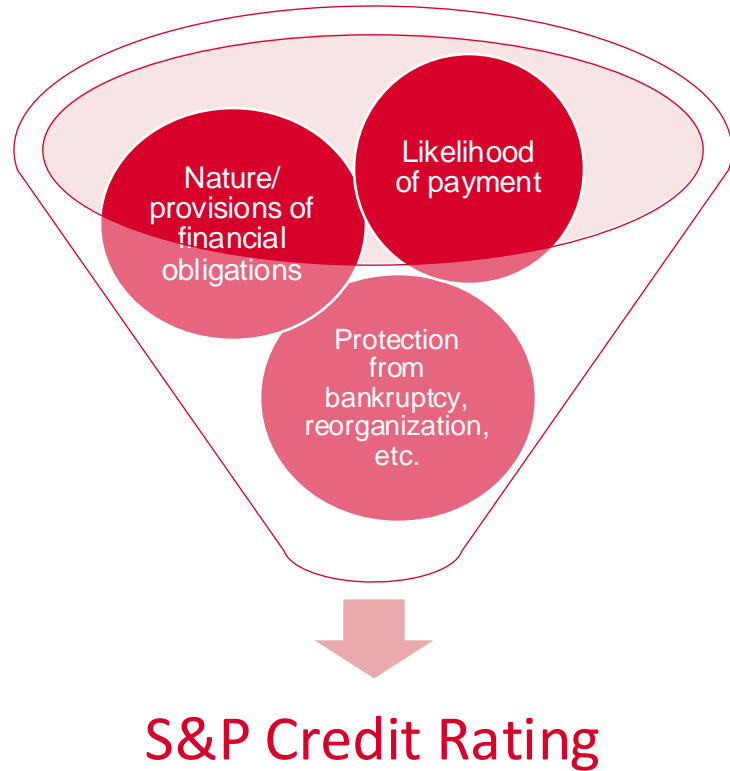


**Nora Wittstruck**  
**Managing Director, Sector Lead**  
September 4, 2024

# Americas Public Finance | Housing Team



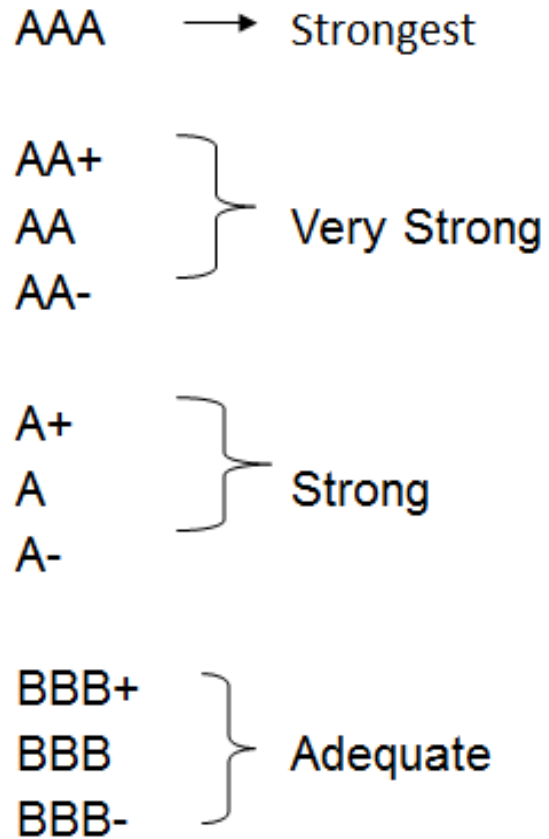
# Ratings in Perspective | as of Aug. 28, 2024



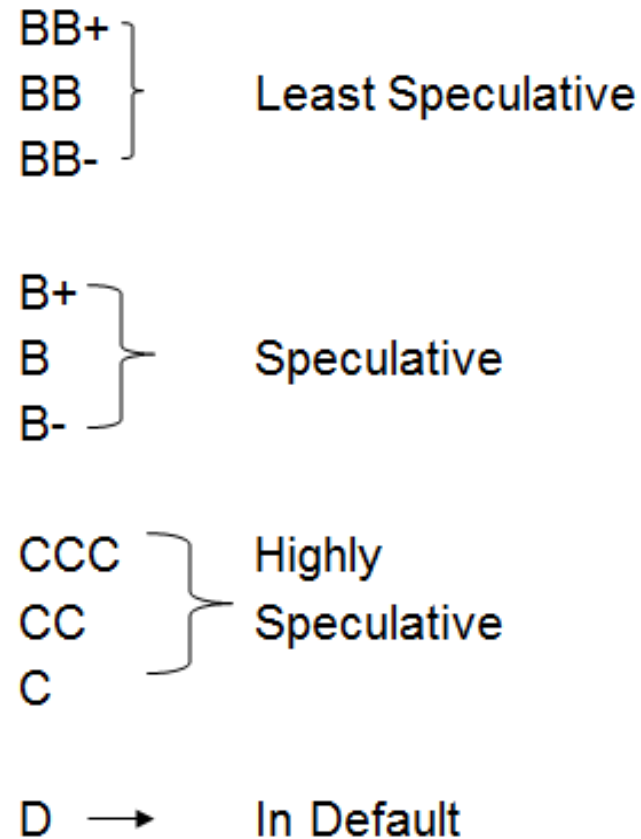
S&P Rating	
AAA	 Microsoft 
AA+	   <div style="border: 1px solid gray; padding: 2px;">Median HFA MRB Issue Rating</div>
AA	  <div style="border: 1px solid gray; padding: 2px;">Median HFA Issuer Rating</div>
AA-	   <div style="border: 1px solid gray; padding: 2px;">Median SHP and CDFI Issuer Rating</div>
A+	  
A	   
A-	   
BBB+	  

# S&P Global's Ratings Scale

## Investment-Grade

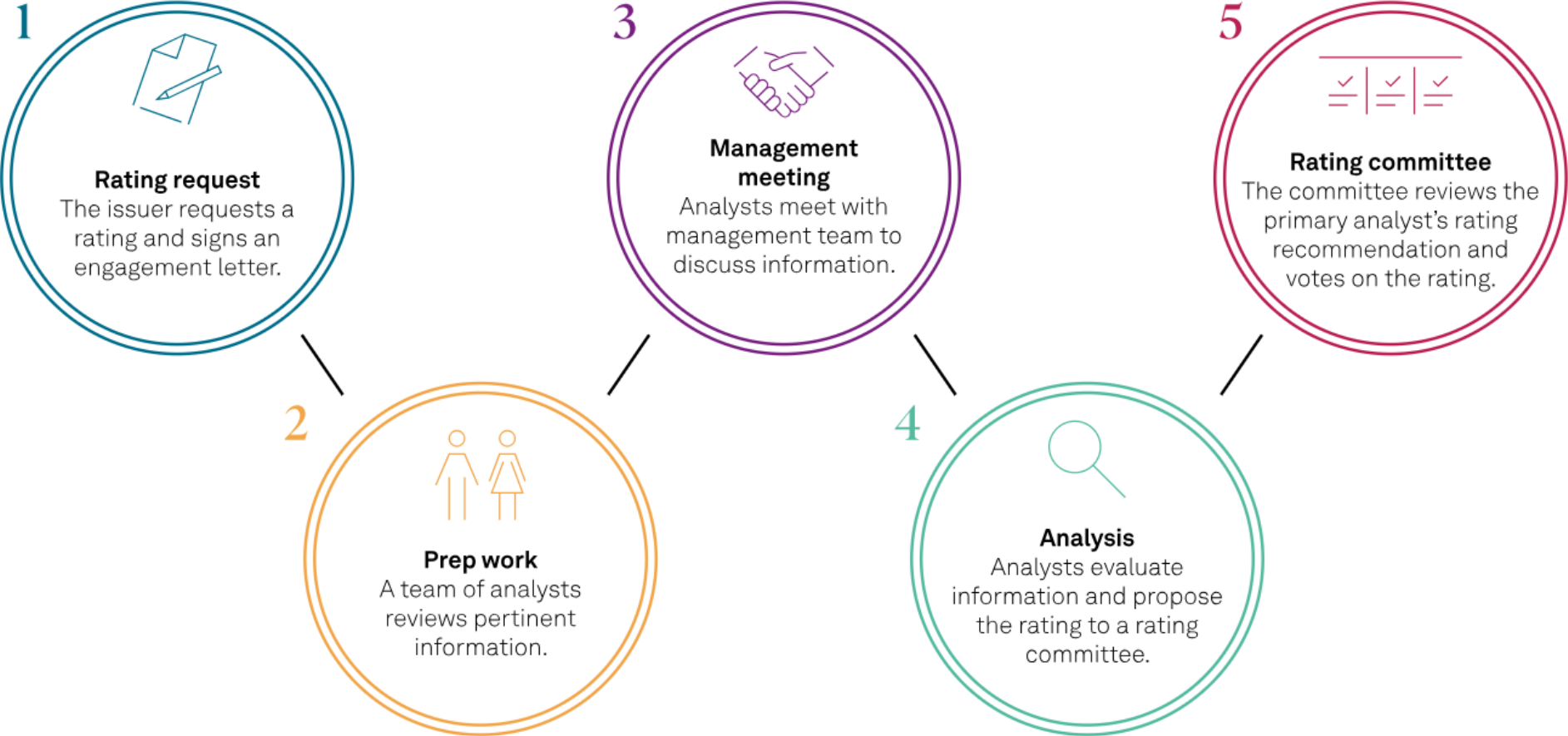


## Speculative-Grade



Short-term U.S. Public Finance note ratings: **SP-1+, SP-1, SP-2 & SP-3**

# Ratings Process – Pre-Committee



Source: S&P Global Ratings.  
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# Ratings Process – Post Committee

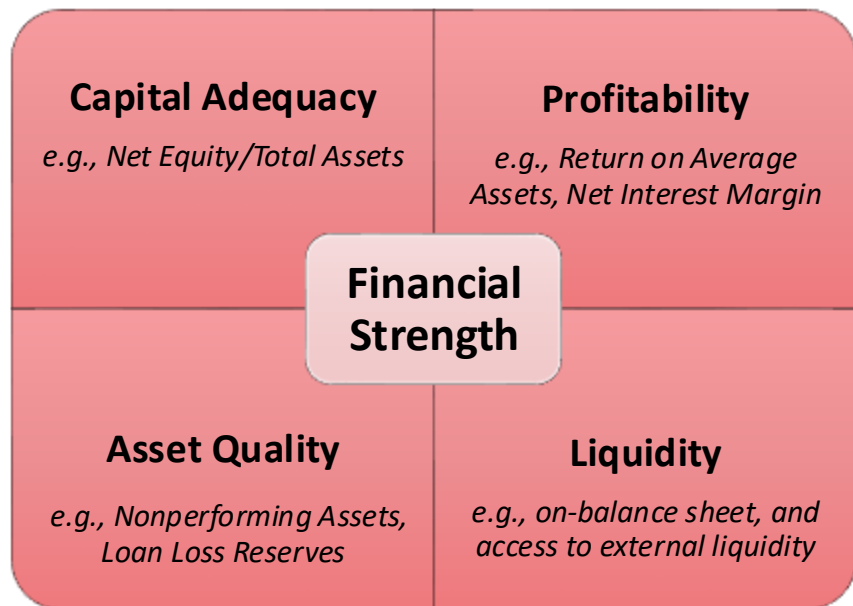


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# Credit Analysis for CDFIs

To determine a CDFI's ICR, we consider:

- Financial strength
- Management
- Economy



**As of Aug. 2023:**

## Community development financial institutions (CDFIs)--by the numbers



**A+**

average rating



**13**

rated CDFI organizations



**9**

years weighted average loan term



**26%**

of median loan balance vs. 8% of median debt maturing within one year



**41%**

median revenue derived from loan interest income

### Year-over-year changes (2022 vs. 2021)



**9%**

increase in median equity



**8%**

increase in median debt outstanding



**3%**

increase in median gross loan balance



**20**

basis points decrease in median NPAs to total loans and real estate owned



**12**

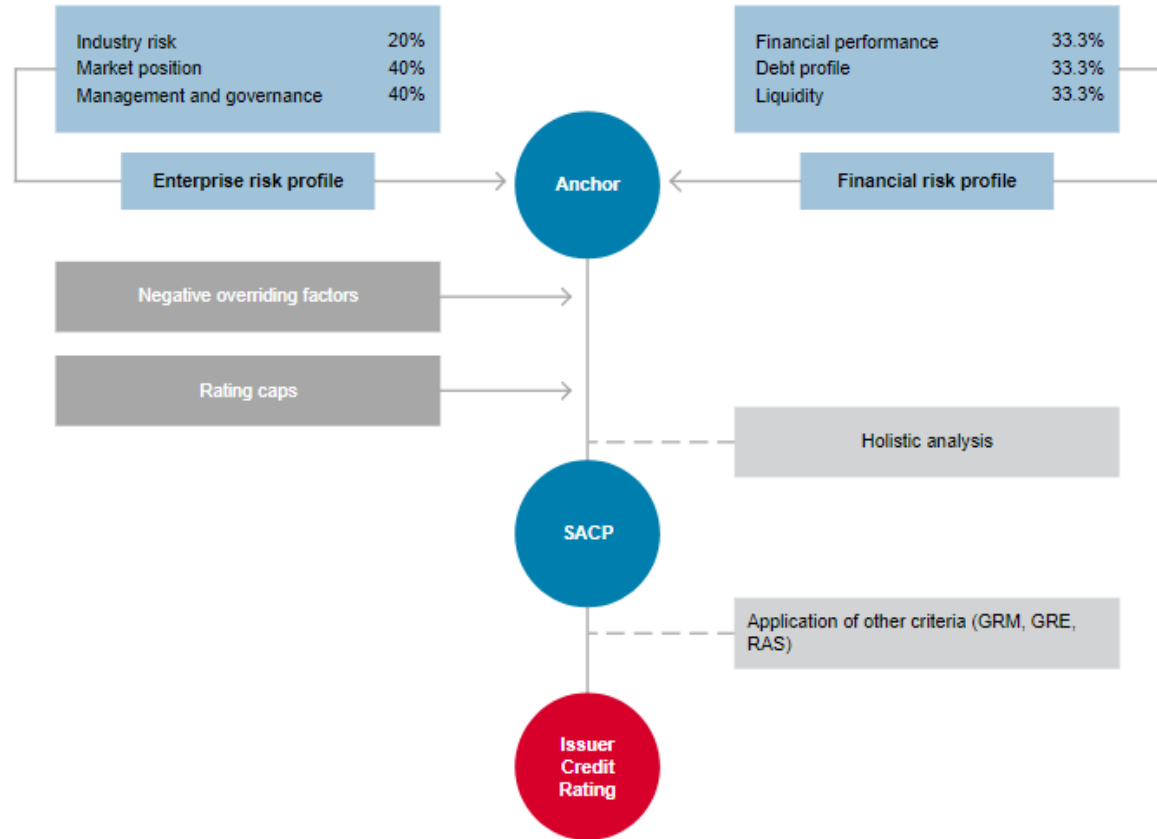
basis points median decrease in weighted average loan interest rate

Source: S&P Global Ratings.

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# Credit Analysis for PHAs and nonprofit social housing providers/developers

## Overview Of Framework For Rating Public And Non-Profit Social Housing Providers

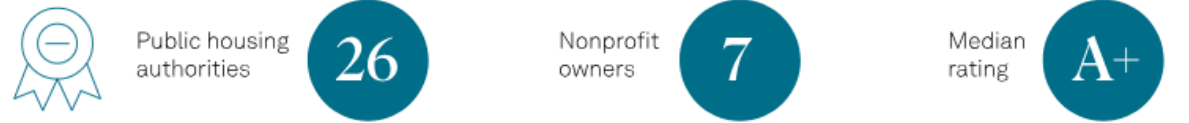


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## As of Oct. 2023:

### U.S. social housing providers by the numbers

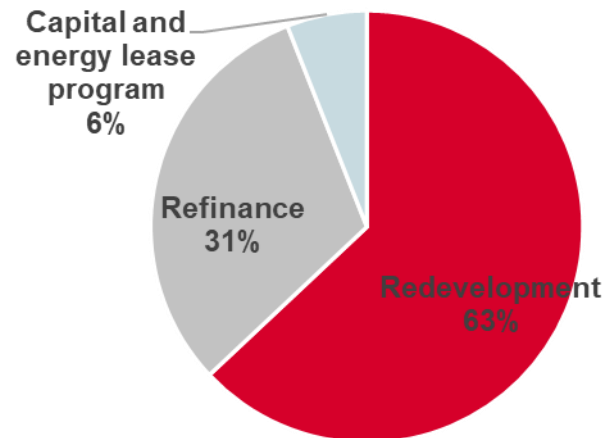
#### Overview



#### Portfolio overview



### Rated bond issuance by purpose



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# CONTACT INFORMATION

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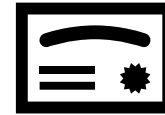
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