



WALL STREET

WITHOUT WALLS

SURVIVING & GROWING
IN THIS ENVIRONMENT

Program Income – Revenue Line

What are the Options ?

Interest Rates

- Access to Capital or Cost of Capital
- Payment vs Rate
- Step-up, Fixed, Floating

Loan Volume

- The Key Determinant
- Caution: Workload

Loan Term

- Long vs Short
- Balloon

Asset Mix: Cash vs Loans

- More Loans!
- But Less Cash!

Loan Fee Income

- Upfront Cash

Service Fee Income

- Cash Over Time

Program Expenses – Funding Costs

What are the Options ?

Debt vs Asset Sales

- Value of Assets
- Value of your Non-Profit

Access to Debt

- Social Investors
- Financial Institutions
- Capital Markets

Cost of Funds

- Compared to other Non-Profit Costs
- Compared to Market

Blended Cost of Funds

- The REAL Cost of Funds

Debt vs Equity

- The Spread: Net Interest Margin
- The Cushion: Loss Rates

Program Expenses – Operating Costs

What are the Options?

Defining Service Gap

- Technical Assistance
- Training
- Originating
- Servicing
- Workout
- Administration

Breakeven

- Key Concept

Activity-Based Costing

- Amount of Expense per Revenue Generating Item by Type

Partnering

- Aligned Community Entities
- Aligned Corporate Capabilities

Outsourcing

- Internal Services: Bookkeeping
- External Services: Origination, Marketing

Technology

- Transactional
- Services
- Data

Fundraising

- For Operating Expenses


Program Expenses – Credit Losses

What are the Options?

Risk Diversification

-  Type
-  Term
-  Size
-  Loss Profile
-  Location

Delinquency

-  Speed of Response
-  Range of Responses
-  Range of Remedies

Charge-Offs

-  Coordination with Origination
-  Workout
-  Clarity of Criteria