

FOR IMMEDIATE RELEASE:

April 28, 2020

Contacts:

Ellen Svrcek
VP, Marketing and Business Development
Community First Fund
esvrcek@communityfirstfund.org

Community First Fund Announces Merger With Philadelphia-based FINANTA

(Lancaster, PA): Two regional community development financial institutions (“CDFIs”) serving Philadelphia and the surrounding region have announced their intent to merge later this year. Effective July 1, 2020, Community First Fund (“Community First”) and FINANTA will be joining forces as one, larger entity that will allow them to have a greater impact and drive change in the communities they both serve.

When considering the merger, both organizations focused on their shared mission and strong cultural fit. Community First Fund and FINANTA have worked as peer organizations providing capital access to people who are overlooked by mainstream financial providers in the region. The people they serve are hardworking entrepreneurs – predominately first- and second-generation Latino, African and Asian immigrants, and African Americans who need financial counseling and business loans. The majority of their borrowers live and work in some of the most economically challenged communities in the nation, facing high poverty and unemployment rates.

Moving forward, the combined organization will continue to offer all of their financing products and technical assistance programs in a 20-county region in Pennsylvania, Delaware, and New Jersey. To ensure continuity in the market, Community First Fund will continue to operate and expand the FINANTA Microlending Program and all other products offered by both CDFIs. All existing FINANTA and Community First employees will retain their positions and all existing offices will remain open. Once fully integrated, Community First anticipates \$101 million in total assets and \$129 million in assets by 2024.

The recommendation for the merger of Community First and FINANTA was reviewed at a joint board meeting on April 3, 2020 including Community First Fund’s David Schankweiler, Chair, and Daniel Betancourt, President and CEO, plus FINANTA’s Chair, Allen C. Lamboy, and Luis Mora, President. Subsequently, the board of directors for both entities approved, effective July 1, 2020, that two organizations will operate under the name of Community First Fund with Daniel

Betancourt as its President and CEO. Timing of the integration allows for a smooth transition, as Luis Mora, founder and president of FINANTA, will be retiring on June 30 after 24 years of leading that organization.

“It has been a pleasure to have worked with Dan and both board of directors, especially Lenin Agudo, Jonathan Encarnacion, Marilyn Hedge and Lawrence McComie to bring this integration to fruition. I know that together, we are stronger and more capable to facilitate broader technical assistance services and financial products to the communities we love and strive to better serve, and where our resources are most needed,” said Mora.

Betancourt and Mora began sharing their CDFIs’ unique synergies and plans for future growth and expansion over three years ago. Their passions for economic equality and advocacy for low-income minorities and immigrants are evident throughout the history of their organizations.

In 2018, Community First and FINANTA solidified their collaboration through the newly formed Kensington Lending Partnership. As the shared worked evolved, it became evident that by deepening the collaboration, they could significantly strengthen the services and loan products they offer in the market, and substantially expand the number of people served yearly.

“Working with FINANTA as a partner in Philadelphia has made it clear we can achieve much more in the market when we join forces,” said Daniel Betancourt, president and CEO of Community First Fund. “Together we are stronger, and our combined resources can only increase the number of businesses and nonprofits we can serve in the future.”

Both Community First and FINANTA offer lending products that meet business needs for flexible financing solutions. The array of loan products is complementary since there is significant synergy with little overlap. The combined loan product and technical assistance offerings will allow for a continuum of business support from early to expanding stage.

During the current COVID-19 crisis, both organizations worked together to close nearly 300 SBA Paycheck Protection Program loans totaling \$15 million, funneling much-needed dollars to small business owners who could not access the program locally.

“As we watch the economic challenges stemming from COVID-19 unfold, we are deeply committed to helping businesses that historically have been unable to access sufficient capital – small businesses owned by low-income people, people of color and women,” states Daniel Betancourt, president and CEO of Community First Fund.

As Community First Fund, the integrated organizations will continue to drive their shared mission and deliver services to the newly expanded 20 county region. Future plans may include supporting other low-income communities with similar demographics and needs.

###

About Community First Fund

Community First Fund was founded in 1992, with a mission to create sustainable prosperity for low wealth communities and individuals, especially Latino, African Americans and women, by aligning capital, knowledge and advocacy to advance business ownership, housing, and community development in its market. Over the past 28 years, it has provided over \$290 million in financing to more than 1,850 borrowers; over 80% of loans benefitted low and very-low income communities and borrowers, and nearly 60% are made to Latinos and African Americans. Its market includes fifteen counties covering eastern Pennsylvania. It has 40 employees in Allentown, Harrisburg, Lancaster (headquarters), Philadelphia, Reading, and York.

About FINANTA

FINANTA was founded in 1996 as a nonprofit lending institution facilitating access to capital and consultation services to entrepreneurs, first-time homebuyers, and consumers in the Delaware Valley region. FINANTA creates opportunity for economic self-sufficiency by eliminating the obstacles keeping the financially underserved constituencies from accessing the capital and credit building support they need to advance. In the past 24 years, FINANTA has provided over \$67 million in loans to more than 2,800 borrowers, with 92% of loans extended to minorities and 95% to lower income people. Its market includes eleven counties covering Delaware, the Greater Philadelphia area, and Southern Jersey. Headquartered in Philadelphia's lower Kensington, it has 18 employees.