Dear Friends,

I am proud to present High Impact’s 2015 Annual Report, covering our first full year in operation. Since our start in June 2014, we have seen a lot of growth—we’ve grown from an idea into a business, from one client to 15, and from servicing the CDFI industry exclusively to operating in three mission-driven sectors.

We are carrying great momentum into the new year and are on the precipice of another growth spurt. Kevin Riba, a fixture in the CDFI industry, has just joined our team through an exclusive contract to underwrite business loans. In early 2016 we will be hiring new full-time staff to further expand our capacity and areas of expertise. These additions are important steps toward establishing High Impact as a long-term resource to help mission-focused lenders of all types build and maintain strong community development portfolios.

Surveying the work we’ve done and what we plan to do, one thing stands out: it’s not our work, but your work, the work of our clients, that matters most. It is a true privilege to be a part of Housing Development Fund bringing affordable housing to notoriously expensive Greenwich, CT; Seattle Housing Authority exiting a New Markets transaction that gave two nonprofits significant equity in their properties; and Low Income Investment Fund underwriting and monitoring charter school loans in Los Angeles and Rochester, NY.

We could not be more proud of the diverse and thriving clients we serve, and we would like to thank each of them for putting their trust in High Impact.

Best,

Peter Schaeffing
President
As a socially-responsible company, High Impact has continually sought a double bottom line, striving for community impact as well as a financial return. Entering 2016, we are excited to make that a triple bottom line as we create a positive environmental impact through an added focus on “green” lending.

In Tacoma, WA, we will be supporting Tacoma Power’s zero-interest loan program for energy efficiency retrofits for commercial, industrial, and multi-family properties. Through a four-year contract with the City of Tacoma, High Impact will underwrite the loans and close them with the help of our partner counsel, Tacoma-based law firm McGavick Graves, P.S. In Salem, MA, we are providing loan and grant underwriting services under a multi-year contract for the Salem-Peabody Brownfield Revolving Loan Fund, an EPA-funded public partnership to facilitate redevelopment of brownfield sites.

In addition to these programs, High Impact is currently assisting a CDFI client with the structuring and underwriting of a projected $8 million fund for energy efficiency retrofits of multifamily housing in Bronx, NY. The fund will target retrofits that not only save energy but also reduce the incidence of asthma in the low-income residents of the housing, which is abnormally high due to outdated heating systems.

Fostering a healthier and more efficient environment is a natural extension of our work. We look forward to expanding our environmental impact by helping these and other initiatives grow and thrive.

“We needed an underwriter for our new fund, but High Impact’s support goes far beyond underwriting. The expertise they provided us in developing our loan application and criteria is invaluable to the long-term success of our fund in turning vacant brownfields into new opportunities.” – Tom Devine, Senior Planner, City of Salem

For mission-driven lenders, formulas and blueprints only go so far. For each to serve its unique market, it must be flexible and adaptive, operating with its own evolving loan products, sources of capital, internal structure, and risk appetite. For High Impact to effectively serve our clients, we must be flexible right along with them.

New Jersey Community Capital (NJCC), High Impact’s first client, is one such lender whose needs have changed over our 19 months of service to them. High Impact has assisted NJCC with a portfolio-level risk analysis of its core loan funds, an asset-liability matching model that integrates new capital from the CDFI Fund’s Bond Guaranty Program, revisions to its lending policies and procedures, and, most recently, ongoing application underwriting support for its multi-state mortgage modification program.

The needs of New Jersey Community Capital have been unique, but our adaptiveness and responsiveness to them is typical: it is how we engage each one of our clients as they manage their changing opportunities and challenges.

“High Impact has been able to adapt to our needs as they’ve shifted over the past year and a half. Their professionalism, efficiency, and analytical expertise has earned our trust in them to adapt to each new assignment.” – Marie Mascherin, Chief Lending Officer

In January 2015, the Leviticus Fund found itself in need of assistance in the midst of a personnel transition. The CDFI was short of the lending staff it needed to underwrite all of the loans in its pipeline, including some that were already in process. In the words of Leviticus Executive Director Greg Maher, “it felt like we needed to change an engine midflight.”

Leviticus turned to High Impact to take over underwriting while it recruited new staff. Since then, we have helped Leviticus advance 9 loans, deploying $3.93 million in critical project capital. Leviticus has since hired a new Lending Officer, but it continues to use our underwriting and consulting services to help keep the plane climbing.

“Leviticus trusted High Impact to make sure our borrowers got the loans they needed. They delivered efficient and professional services at a crucial moment for us. We continue to rely on High Impact to support our underwriting so that our Lending Officer can spend less time mired in analysis and more time building relationships with current and future borrowers.” – Greg Maher, Executive Director, Leviticus 25:23 Alternative Fund
Underwriting Completed:
- Direct Underwriting: $23,592,602
- Assisted Underwriting: $17,749,413

Industries We’ve Served:
- CDFI Loan Funds
- Socially-responsible Investment Funds
- Government Entities

Underwriting Outcomes:
- 822 Housing Units
- 152,000 sf Commercial Real Estate
- 1,110 Education Slots