



THE REAL ESTATE COUNCIL
COMMUNITY FUND

Imagine.
Empower.
Impact.

FAQs

Q: WHAT IS THE REAL ESTATE COUNCIL COMMUNITY FUND?

A: The Real Estate Council (TREC) Community Fund is a Community Development Financial Institution (CDFI) certified by the U.S. Department of Treasury CDFI Fund that provides access to capital in the form of loans and technical assistance for real estate projects in low-income areas of Dallas County.

Q: WHAT DOES IT MEAN TO BE A CDFI?

A: Community Development Financial Institutions, or CDFIs, are mission-driven financial institutions dedicated to providing financial services to meet the needs of economically disadvantaged individuals in underserved communities. Learn more at cdfifund.gov.

Q: IS IT A PART OF THE REAL ESTATE COUNCIL FOUNDATION?

A: TREC Community Fund is the next chapter of social venture investment for TREC Foundation. It allows us to leverage existing funding sources and long-term relationships in the nonprofit sector while accessing funding sources that are focused on CDFIs.

Q: WHO IS IN CHARGE OF THE COMMUNITY FUND?

A: TREC Community Fund is its own legal entity, but falls under the governing structure of TREC Foundation. It does have a separate Advisory Board and its own Board of Directors, which include the following community representatives:

ADVISORY BOARD

Maribel De Leon, *Dallas Metropolitan Small Business Development Center*

Christian Evans, *Goldman Sachs*

Paige Flink, *The Family Place*

Susan Hoff, *United Way of Metropolitan Dallas, Inc.*

Libbie Lee, *Golden SEEDS Foundation*

Christopher Lewis, *Nokia Networks*

Roy Lopez, *Federal Reserve Bank of Dallas*

Denise Mason, *BBVA Compass*

Gregory D. May, *Preston Hollow Capital*

Emmanuel Obi, *The Obi Law Firm*

Ken Smith, *Holistic Investments and Revitalize South Dallas Coalition*

Rod Washington, *Frost Bank*

Cynthia Yung, *The Boone Family Foundation*

BOARD OF DIRECTORS

CHAIRMAN Gilbert Gerst, *Bank of Texas*

SECRETARY Maggie Parker, *TREC Community Fund*

TREASURER Diane Chavez, *JPMorgan*

LOAN COMMITTEE CHAIR Troy Daniel, *Thackeray Partners*
Joe Griffith, *JP Morgan*

Mattye Gouldsby Jones, *Coats Rose*

Dora Ramirez, *Wells Fargo Bank*

Chris Roach, *BBG*

Chad Schieber, *The Beck Group*

Matt Siekielski, *NexBank Capital Inc.*

Yelda Tuz, *Bank of America Merrill Lynch*

Linda McMahon, *The Real Estate Council*

Robin Minick, *TREC Foundation*

Q: WHO CONTRIBUTES TO THE COMMUNITY FUND?

A: We are seeking funding from foundations, corporations, financial institutions and individuals. We are certified by the U.S. Department of Treasury CDFI Fund. To date we are thankful for the following donors' funding:

Bank of America Foundation

BBVA Compass

Citi Foundation

Compatriot Capital

Hoblitzelle Foundation

Embrey Family Foundation

Legacy Bank

NexBank

MUFG Union Bank

The Meadows Foundation

The Real Estate Council Foundation

Q: WHAT TYPES OF FINANCIAL PRODUCTS DOES THE COMMUNITY FUND OFFER?

A: Loan products include:

- Pre-development loans
- Subordinate debt
- Participation loans
- Gap/bridge financing
- Capital campaign bridge loans
- Construction loans for community facilities, childcare and healthcare facilities

Q: WHO ARE THE CUSTOMERS OF THE FUND?

A: Customers include:

- Nonprofit developers of affordable housing
- Community service providers
- Charter schools
- Childcare providers
- Healthcare facilities
- Other nonprofit and for-profit developers who are developing in low to moderate income neighborhoods

Q: HOW DOES THE COMMUNITY FUND'S LENDER PROFILE DIFFER FROM THAT OF TRADITIONAL LENDERS?

A: Our loans are inherently higher risk by conventional lending standards. Loans are made when there's a lack of collateral or insufficient collateral, but also little repayment risk. We make loans in areas that have an inability to access traditional loans due to lack of comparable projects such as in highly distressed neighborhoods, i.e. West Dallas, Southern Sector.

Q: ARE THESE RISKY TRANSACTIONS?

A: While these loans are riskier by traditional lending standards, we mitigate that risk through our pro bono development services.

Q: DO YOU CHARGE INTEREST AND FEES FOR A LOAN THROUGH THE COMMUNITY FUND?

A: Yes, each loan is customized in both term, repayment, interest rate and fees. The loan interest rates are at the same rate as a conventional lender would charge; however, these types of projects do not have access to patient capital.

Q: WHAT IS THE MAXIMUM TERM OF A LOAN THAT THE COMMUNITY FUND WOULD OFFER?

A: Maximum term is five years, but each loan is customized to fit the particular repayment ability of the borrower.

Q: DO THE LOANS REQUIRE COLLATERAL?

A: Yes, loans made by TREC Community Fund require collateral, which will be determined by the type of loan request.

Q: DO YOU MAKE MORTGAGE LOANS FOR SINGLE-FAMILY HOMES?

A: No, we do not make long-term loans to direct purchasers but rather make bridge loans or provide lines of credit to the developers of affordable housing.

Q: HOW CAN I GET INVOLVED?

A: If you're interested in volunteering your time for our pro bono development services program with the Community Fund committees, or would like to apply for a loan from the Community Fund, contact the Community Fund Loan Officer Maggie Parker.