

justine PETERSEN

2017
YEARS

TWENTY YEARS OF
BRIGHT FUTURES

2016 ANNUAL REPORT

“In the long history of human kind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed.”

CHARLES DARWIN

Our Justine PETERSEN (JP) origin story is one that sustains us as we age past 20 years. It is the story of Justine M. Petersen and local banks **collaborating** on behalf of our community, and it is the story of Justine **improvising** by developing a social entrepreneurial model that allows for and requires such collaborating and improvising. Our many collaborators’ successes remain our successes, and our successes are theirs. This simple cooperation creates the virtuous cycle that sustains our work, the work that Justine began. Operating at the intersection of banking and social work, our gift is to say “yes” and to build on small successes to create larger ones for the families that we serve, and therefore for our community.

In 1997, our community honored Justine posthumously for her work by founding our company in her name, however 20 years before then, she herself created the “brand” by simply “doing the work” – work that is guided by a principal of fairness to allow each of us access to more-safe and more-affordable capital. The work offers individuals and families support for success in a system that fundamentally requires

capital to succeed. This work – stimulating capital by delivering product – is propagated through successes and through word of mouth, through innovation and through improvisation, and through collaboration.



Alderwoman
Marlene DAVIS



Justine PETERSEN

Our recent year, 2016, JP Legacy awards honored the late John Herzog for his 30-year career and for his committed advocacy for our JP work in Illinois, Dennis Melton for his dedicated leadership as the SBA's District Director, Regions Bank for its partnership investment into JP, the United Church of Christ Building & Loan Fund for its \$1M capital contribution, and the W.K. Kellogg Foundation which supports those formerly incarcerated and their families through partnership with JP and with the Small Business Administration. We give honor to each as they have offered their gifts to JP, and we remain most grateful for their collaboration.

Throughout the past year, and for the past 20, we remain most grateful to those of our JP and GRCC Boards who remain purposeful, resolute, and always friendly in offering prudent counsel and consistent support to our JP Mission. Their confidence enables our most remarkable JP operations team to pragmatically navigate toward enduring change by improving and through collaboration.



We thank you all
for collaborating with
us at JP as we do
our part to create
enduring change.

– Rob Boyle, CEO & Founder

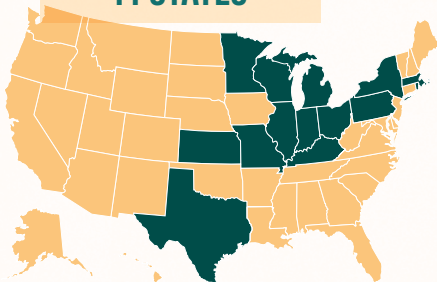


1,361
LOANS

479 COUNSELORS TRAINED ON THE JP METHOD OF CREDIT BUILDING

Each year, JP participates in the Aspen Institute's FIELD micro-Tracker Program Performance and Client Outcomes Survey and is consistently categorized as a top performer in performance and outcomes. The Aspen Institute FIELD 2016 outcomes study of JP clients showed:

WE SERVED CLIENTS IN
14 STATES



Come in **WE'RE OPEN**

94%
BUSINESS SURVIVAL RATE after almost two years



72%
of surviving businesses surveyed reported **INCREASED REVENUES**

NOW HIRING

4
JOBS SUPPORTED for every business assisted



\$17
AVERAGE WAGE of employees hired by assisted businesses

LOAN PORTFOLIO



OTHER:	5% Consumer Loans	4% Delivery/Hauling	1% Finance/Insurance	1% Wholesale
	5% Haircare/Beauty	3% Service: Other	1% Landscaping	<1% Agriculture
	5% Art/Entertainment	2% Auto Repair/Towing	1% Nonprofit	<1% Animal Services
	4% Healthcare/Medical	2% Custodial/Janitorial	1% Manufacturing	<1% Housing Related Loans

Justine PETERSEN embraces the philosophy that a good credit score is the most important asset as it leads to greater access to affordable capital and reduced expenses.

Our Credit Building Counselors meet one-on-one with clients to assess income, debt, credit history and financial goals, and create a Credit Action Plan. We also offer a monthly financial capability series which covers topics such as student loans, asset development, budgeting and college savings accounts for kids. The sessions link clients with expertise, products and programs, and provide hands-on activities and take-aways for participants.

SUCCESS STORY

Louis Erby Jr. is one of the first graduates from the St. Louis Aspire Entrepreneurship Program, a public-private partnership between Justine PETERSEN, the Small Business Administration, and the W.K. Kellogg Foundation designed to provide financial capability, entrepreneurship education and financial products to returning citizens that are parents of young children.

Mr. Erby borrowed funds from Great Rivers Community Capital to consolidate several high interest rate payday loans and to settle old collection debt. He also opened a secured credit card to establish a revolving line of credit. This made room in his budget to begin to save for his small business goal of opening a food truck.



Louis ERBY Jr.

Justine PETERSEN meets the credit needs of micro-entrepreneurs who are unable to obtain financing through banks or relatives and who would otherwise turn to high interest credit cards or pay day lenders. We originate micro-loans and small business loans up to \$150,000 (average loan size \$7,500).

JP also provides potential and current borrowers individual counseling and business technical assistance, financial education, business plan development, business training, business mentoring, and post-loan technical assistance.

SUCCESS STORY

Referred by the Small Business Administration in 2005, **Michelle Wright** came to Justine PETERSEN after she was denied bank financing to open Michelle's Place Child Care Center, Inc. The initial loan assisted her to finish the renovations of their new facility and transition from home-based to center-based care. She has attended many Justine PETERSEN training workshops to strengthen the administrative side of the business. Through thick and thin, JP has assisted Mrs. Wright



Michelle WRIGHT

to keep her business going during difficult times, weathering state funding ebbs and flows. In 2016, Mrs. Wright was able to open a second location with JP's assistance, now employing 15 full time employees and 76 child care slots.

"I'm grateful for this company," Michelle said. "Justine PETERSEN helped me to help others."

Justine PETERSEN provides pre-purchase counseling, homebuyer education and foreclosure intervention services. Justine PETERSEN renovates donated foreclosed properties and sells them to low-income families at affordable prices.

These services include assisting prospective homebuyers to address credit, debt, and income barriers to accessing an affordable mortgage loan, teaching a homebuyer seminar to instruct potential purchasers on vital information, and assisting clients who struggle with mortgage loan repayment by reviewing options, negotiating with lenders, modifying loans, and in some cases, assisting with refinancing.

SUCCESS STORY

Cindy Barrios and her husband, **Gustavo Herrera**, were interested in purchasing a property rehabbed and owned by Justine PETERSEN. Ms. Barrios entered the homeownership program with a good credit score, but needed guidance to be ready for homeownership. She worked with her Justine PETERSEN housing counselor and was able to develop a savings plan so she would be eligible for home purchase. Justine PETERSEN assisted Ms. Barrios to qualify for a mortgage loan with TheBank of Edwardsville so she could purchase a lovely property in Granite City, Illinois. Justine PETERSEN also assisted her to qualify for two down payment grants, the Federal Home Loan Bank of Chicago and Madison County Down Payment Assistance, so she was able to close on the home with only \$1,000 out of pocket!



Cindy BARRIOS & Gustavo HERRERA

Income

Contributions	\$ 3,075,659
Donated Services and Property	1,319,986
Program Fees	<u>3,126,890</u>
	\$ 7,522,535

Expenses

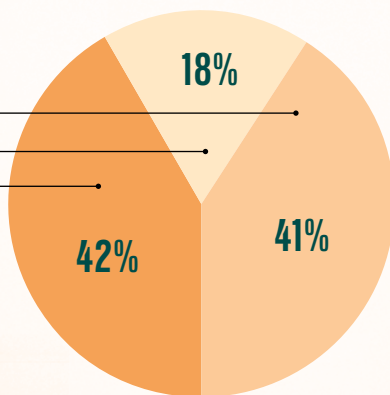
Housing	\$ 1,211,829
Economic Development	5,100,828
Savings (Credit Building)	331,642
Management and General	143,370
Fundraising	<u>62,186</u>
	\$ <u>6,849,855</u>

Net Income

\$ 672,680

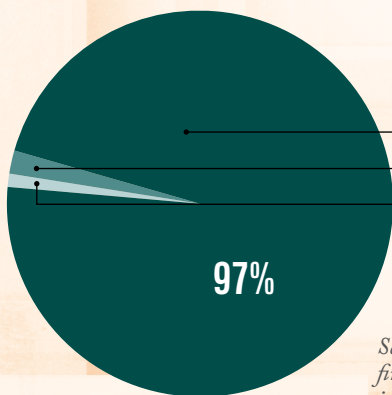
Income

Contributions
Donated Services and Property
Program Fees



Expenses

2%
1%



Program Services \$6,644,299
Administrative \$143,370
Fundraising \$62,186

See our website for our complete financial statements:
justinepetersen.org/support_us/annual_report

Loan Fund Partners

Bank of America
 TheBANK of Edwardsville
 The Business Bank of St. Louis
 Calvert Foundation
 Capital One
 Carrollton Bank
 Citizens National Bank
 Deaconess Foundation
 Dieterich Bank
 First Bank
 First Collinsville Bank
 First Congregational Church
 First County Bank
 First National Bank of Staunton
 Guaranty Bank
 Heartland Bank
 IFF
 Illinois National Bank
 Liberty Bank
 Lindell Bank
 Madison County Community
 Development
 Marine Bank
 Mercy Investment Services
 Midland States Bank
 Midwest Bankcentre
 Montgomery Bank
 Morton Community Bank
 Morgan Stanley New Markets LLC
 Opportunity Finance Network
 PeopleFund
 PNC Bank
 The Private Bank & Trust
 Regions Bank
 Reliance Bank
 Stifel Bank & Trust
 U.S. Bank
 U.S. Dept of Agriculture
 U.S. Dept of Treasury–
 CDFI Fund
 U.S. Small Business
 Administration

Contributors

Government

City of Kansas City
 City of Springfield IL
 City of St. Louis
 Illinois Attorney General Office
 Illinois Housing Development
 Authority
 Madison County Community
 Development
 U.S. Dept of Health &
 Human Services
 U.S. Dept of Housing &
 Urban Development
 U.S. Dept of Treasury
 U.S. Small Business Administration

Foundation

Bank of America Charitable
 Foundation
 Tides Foundation
 PNC Foundation
 U.S. Bank Foundation
 Wells Fargo Foundation

Corporate

Association of Enterprise
 Opportunity
 Bank of America
 TheBANK of
 Edwardsville
 Capital One
 Central Reform Congregation
 Centrue Bank
 Dieterich Bank
 First Church of Christ, Scientist
 First Collinsville Bank
 First County Bank
 Greater St. Louis Foundation
 Housing Action Illinois
 Local Initiatives Support
 Corporation
 M-Slice
 Metropolitan St. Louis
 CRA Association
 Montgomery Bank
 Reliance Bank
 Second Presbyterian
 Church



Individuals

Kimberly Adeyinka
Elizabeth Anderson
Kathryn Arnold
Pat Barry
Rochelle Bea
Kiley Bednar
Maris Berg
Robert Boyle
Gail Brown
Mary Brown
Angela Burrage
Darnell Cage
CJ Caldwell
Christine Carney
Linda Clark
Rezhe Connelly
Chris Cushing
Karen Cushing
Eddie Davis
Filomena Dean
Jaymes Dearing
Jaclyn Delfosse
Donald Doherty

Nicole Drone
Luke Duden Hoeffler
Chassidy Duffy
Victoria Ellis
Sheri Flanigan-Vazquez
Randy and Amy
Fleisher
Matthew Ghio
Joanna Giddens
Brian and Amy Glaser
Galen Gondolfi
Amber Gooding
Jane and Randall Grady
Martina Gutierrez
Laurie Hauber
Ronald Hawley
Chris Hayes
Michele Hintz
Gavin Holohan
Kimberly Hughes-Gill
Richard Isserman
Allan Ivie
Tracy James
Breanna Kelly

Sarah Kirschner
William Kovacs
William Kreutzer
Dan Lee
Christine McKenzie
Constance Mueller
and Kim Portnoy
Sylvia Nissenboim
Rev Trust
Bridjes O'Neil
Laurel Peterson
Tasha Pettis Bonds
Ebonie Reed
Elissa Schauman
Nancy Swrezynslu
Jackie Taylor
Tamra Thetford
Richard Torack
Nancy Wegler
Marjorie Weisman
Gregory White
Robert Williams
Keith Willy
Janet Young Rodgers

JP Awards & Recognition

Credit Builders Alliance

Most Successful Credit Building Initiative

Justine PETERSEN received the award for **Credit Building Nation**—our partnership model with other nonprofit organizations to expand credit building across the country. Through this model, JP provides training on our Credit Building Method to other organizations' financial counselors. Once trained, the partner organizations incorporate JP's Credit Building Method into their financial counseling. As counselors identify clients that could benefit by pairing financial product to financial counseling, JP provides loan origination, loan servicing and credit bureau reporting.



2016 Justine M. Petersen Awards

Each year, Justine PETERSEN recognizes individuals, companies, and partners that truly live up to the legacy of *the* Justine M. Petersen who was tirelessly dedicated to helping people build economic assets and transform their lives.

Legacy Award

John Herzog is honored for his exemplary thirty-plus year career and for his committed advocacy for JP work in Madison County, and throughout Illinois.

Lifetime Achievement Award

Dennis Melton is praised for his years of leadership as the Small Business Administration's District Director, and for his steady counsel and commitment to the 15-year SBA/JP partnership.

Lending Partner of the Year

Regions Bank propelled JP's mission by investing more than \$1.5MM for small business lending throughout the Missouri and Illinois markets.

Faith-Based Investor of the Year

United Church of Christ Building & Loan Fund pioneered faith-based socially responsible investing through a \$1MM Capital Contribution.

Innovative Partner Award

The W.K. Kellogg Foundation is applauded for its groundbreaking work with Returning Citizens and their families through a partnership with JP and the Small Business Administration.

Small Business Administration Micro-Lender

Justine PETERSEN was recognized as the **#1 SBA Micro-Lender** by the Eastern District of Missouri, Kansas District and the State of Illinois. As an SBA Micro-Lender, Justine PETERSEN borrows loan funds from the SBA and makes an independent underwriting decision. Since joining this SBA program in 2001, JP has originated more than \$19MM to over 3,650 micro-entrepreneurs across the states of Missouri, Illinois, and Kansas.



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Entrepreneur, Beginning Futures

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justine PETERSEN
BUILDING ASSETS. CHANGING LIVES.

justine PETERSEN

	Economic Development	Housing	Financial Capability	Administration
1996				JP incorporated
1997		200 first-time homebuyers assisted to purchase homes		JP operations began
1998			1,000+ families counseled	
1999		Certified as HUD Housing Counseling Agency	Offered Matched Savings Product	Great Rivers Community Capital incorporated
2000		1,000 first-time homebuyers assisted to purchase homes Opened Missouri Real Estate Brokerage	100 individual development accounts opened	
2001	Joined SBA Micro-Loan Intermediary Program US Bank makes Equity Investment			
2002	U.S. Treasury certifies Great Rivers Community Capital as a Community Development Financial Institution	1,500 first-time homebuyers assisted to purchase homes		
2003	100 SBA micro-loans originated		500 individual development accounts opened	
2004	Deaconess Foundation makes Program Related Investment			
2005	Danforth Foundation invests to expand micro-lending in Sustainable Neighborhoods	2,000 first-time homebuyers assisted to purchase homes		
2006			Great Rivers Originates first Credit Building Loan	
2007	500 micro-loans originated			With IFF Financing, JP purchases, renovates and moves-in to 1023 North Grand
2008	JP Selected for the Aspen Institute Scale Academy	JP Awarded Tax Credits for development of Twenty-First Homes (TFH)		
2009	Great Rivers awarded \$1MM loan capital from the CDFI Fund		JP Partners with Citi to offer a Secured Credit Card	
2010		Construction completed on TFH		JP Awarded Citi Communications Capacity Grant
2011	Great Rivers awarded \$1.5MM loan capital from the CDFI Fund	JP expands foreclosure intervention services through National Foreclosure Mitigation Counseling and Hardest Hit Fund programs		JP expands service area across State of Missouri
2012	Loan originations surpass \$20MM		JP partners with Local Initiatives Support Corporation to train counselors and originate credit building loans	JP expands service area to 28 Kansas counties
2013	JP hosts the Association for Enterprise Opportunity National Conference JP joins the USDA Intermediary Relending Program			JP opens office in Granite City, Illinois
2014	JP partners with Twain Financial, Opportunity Finance Network and Morgan Stanley on New Market Tax Credit Micro-Loan transaction	JP Awarded \$1MM from the IL Attorney General to address effects of increased foreclosure		JP expands service area to 73 Illinois counties
2015	Loan originations surpass \$50MM		JP receives Opportunity Finance Network NEXT Seed Capital Award to expand Credit Building Nation	
2016	In partnership with the W.K. Kellogg Foundation and the SBA, JP augments services to returning citizens with young children JP awarded Diverse Community Capital from Wells Fargo Foundation			JP completes 20 years of operations

TWENTY YEARS **OF** BRIGHT FUTURES

