

EXECUTIVE COUNCIL ECONOMIC JUSTICE LOAN COMMITTEE

Membership

The Rev. Will Mebane, <i>Chair</i>	Massachusetts, I	2021
Mr. Timothy Gee	El Camino Real, VIII	2021
The Rt. Rev. Anne Hodges-Copple	North Carolina, IV	2021
The Rev. Andrew Walter	Washington, III	2021
Mr. Warren Wong	California, VIII	2021
The Most Rev. Michael Curry, <i>Ex Officio</i>	North Carolina, IV	
The Rev. Gay Clark Jennings, <i>Ex Officio</i>	Ohio, V	

Changes in Membership

The Rev. Paula Jackson (resigned 3/2020)	Southern Ohio, V	2021
Ms. Lindsey Parker (resigned 9/2019)	Massachusetts, I	2021

Representation at General Convention

The committee representatives at General Convention are Bishop Anne Hodges-Copple and Deputy Warren Wong.

Acknowledgements

Mr. Kurt Barnes, *DFMS Treasurer and Chief Financial Officer*
Ms. Margareth Crosnier de Bellaistre, *Director of Investment Management and Banking*
Mr. Tanie Oconer, *Assistant Controller*
Mrs. Nancy Caparulo, *Staff Liaison*
Mr. Casey Clark, *Corporate Social Responsibility Liaison*

Mandate

2015 - AN/FFM 007

The following is a true copy of a Resolution adopted by the Executive Council at its meeting from November 15-18, 2015 at which a quorum was present and voting. Resolved, That the Executive Council, meeting in Linthicum Heights from November 15-18, 2015, establish the Executive Council Economic Justice Loan Committee to be responsible for overseeing the assets set aside by General Convention and Executive Council for loans that support greater economic justice by enhancing people's ability to improve their economic well being and empowering the powerless and oppressed. The Economic Justice Loan Committee is to be made up of a minimum of five persons nominated by the Presiding Officers and appointed by the Executive Council, from the Investment Committee and Committee on Corporate Social Responsibility and other appropriate persons at large. The Committee will report on its work to Executive Council at least once annually through the Committee on Corporate Social Responsibility or the Investment Committee. Loan criteria are to be approved by Council.

Summary of Work

The Episcopal Church has committed \$7 million of its assets for economic justice initiatives around the globe and in the United States. The Executive Council Economic Justice Loan Committee (EJLC) administers this \$7 million in TEC endowment funds as a loan portfolio. The funds in the portfolio are used on a revolving basis to provide loans, indirectly, to organizations, institutions and individuals that may not qualify in the regular credit markets but have worthy community economic justice development programs and projects. The principal, upon repayment to TEC, is re-loaned by TEC to others. All the loans pay interest, and that interest income is used to support TEC's program budget.

During the 2019-2021 triennium, EJLC has met six times, and will continue to meet once each quarter, to review potential borrowers.

EJLC loans generally range in size from \$100,000 to \$300,000 and may be as large as \$500,000. EJLC makes no loan unless the appropriate diocesan bishop approves in advance. The most recent loan portfolio is posted on the Finance Office website at <https://episcopalchurch.org/fles/pi.july20.pdf>

The EJLC program does not lend directly to the end users of the funds but only to financial intermediaries such as community development loan funds or community development credit unions. These intermediaries, commonly called Community Development Financial Institutions

(CDFIs), themselves re-lend the monies provided by TEC to groups, organizations and individuals with needs to finance community economic justice development programs and projects. Many CDFIs operate in the United States, and many operate globally.

Examples of investments made through the program overseen by EJLC include:

- Support of community economic development in the Holy Land, TEC has made a \$500,000 deposit with the Bank of Palestine, earmarked by TEC for creating and supporting small businesses in the Palestinian community, especially businesses owned by women.
- Support of community economic development among Native Americans, TEC has made a \$200,000 loan to Four Directions Development Corporation(FDDC), a community development corporation organized and operated in Maine by the Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of Maliseet, and the Aroostook Band of Micmac. Principally, FDDC serves the community financial needs of members of these tribes and their families.
- Support of community economic development in South Africa, TEC has made a loan of \$300,000 to Shared Interest, a U.S. based fund that guarantees loans by South African banks to members of low-income communities in South Africa to enable them to construct houses, launch small businesses and create jobs.

Portfolio Composition and Risk Performance

The EJLC triennial period runs from January 1, 2019 through December 31, 2021. As of January 1, 2019, \$5,850,000 of the allocation was funded into 15 loans and two-term deposits with an average annual yield of 3.4%.

Through December 1, 2020, eight loans and two term deposits expired over the past 23 months totaling \$2,850,000 with an annual average yield of 3.3%. At the same time five new and two renewal loans plus a new term deposit were funded equal to \$2,550,000 at an average annual yield of 3.2%, while two new loans and a renewal totaling \$650,000 were approved and await year-end funding with a projected annual yield of 2.5%.

We anticipate \$6,200,000 of the \$7,000,000 EJLC portfolio allocation to be funded by December 31, 2020 at an annual average yield of 3.2% -- a rate that is reasonable relative to Treasury yields while providing below market rates to our borrowers.