



MINNESOTA

CDFI COALITION

Strategic Partnerships Built on Mission Alignment

Minnesota CDFI Coalition Conference



Introductions



Zach Tabatt

VP for Economic Opportunity
Initiative Foundation

- Leads CDFI subsidiary lending and parent company economic development lending
- Point of contact for funder and bank partnerships
- Leads program teams and Initiators Fellowship



Joanna Schnedler

Chief Financial Officer
WomenVenture

- Oversees Finance and Lending for WomenVenture
- Manages bank partner relationships
- Engages with fellow CDFIs, nonprofits, and loan capital investors



Rory Bidinger

Community Development Officer
Stearns Bank N.A.

- Engages with CDFIs, nonprofits, and economic development agencies
- Partners on initiatives to promote economic empowerment
- Manages community investments, donations, and sponsorships



Bank and CDFI Partnerships

- Grant, donation, or sponsorship
- Investment
- Loan participation
- Loan purchases
- Banking services
- Referrals
- Board or committee membership
- Volunteerism



Equity Equivalent Investments (EQ2)



AN IMPACT MULTIPLIER

- Bring needed capital into the community
- EQ2 is a Long-term, deeply subordinated loan with features that make it function like equity
- May be eligible for both investment and lending CRA credit
- CDFI's total equity increases, allowing the CDFI to leverage the bank's EQ2, making the CDFI better capitalized to raise additional capital

EQ2'S MUST MEET CRITERIA

- Carried as an investment on the investor's balance sheet
- Must not be secured by any of the CDFI's assets
- Must be fully subordinated to the right of repayment of all of the CDFI's other creditors
- Does not give the investor the right to accelerate payment unless the CDFI ceases normal operations
- Must carry an interest rate that is not tied to any income received by the CDFI
- Must have a rolling term



Benefits of a Partnership

- Collaboration on mission
- Supporting customers and community
- Expand presence and loyalty in emerging segments
- Acquire new bank customers
- Loan referrals – both ways
- Reach Community Reinvestment Act (CRA) goals

**STEARNS
BANK**



Benefits of a Partnership

- Access to capital
- Local relationships
- Opened new possibilities
 - Larger deals
 - Regional reputation
- Increased flexibility
- Built organizational experience



Benefits of a Partnership

- Operating revenue – grants and sponsorships
- Loan Sales and Loan Capital Investment
- Referral partnerships – partnership loans, loan client referrals, banking referral
- New product development and partnership opens up new markets
- Opportunity for thought partnership on industry trends
- Loan committee members
- Depository accounts (including for various loan capital investments)



Partnership in Action



Partnership in Action



Initiative
FOUNDATION

Loan Purchase Impact



\$7.6M

Stearns Bank dollars



\$53M

Other funding leveraged



149

Jobs created, retained



32

New housing units



215

New childcare slots

To Date: 8 Counties Served



Benton

- \$800K invested
- 8 new jobs; 2 existing
- \$1.6M leveraged

Crow Wing

- \$395K invested
- 2 new jobs; 21 existing
- \$1.8M leveraged

Isanti

- \$500K invested
- 8 new jobs
- \$3.0M leveraged

Mille Lacs

- \$420K invested
- 15 new jobs; 10 existing
- \$5.1M leveraged

Pine

- \$1.0M invested
- 32 new housing units
- \$13.5M leveraged

Sherburne

- \$515K invested
- 10 existing jobs
- \$50K leveraged

Stearns

- \$2.6M invested
- 26 new jobs; 14 existing
- \$16.8M leveraged

Wright

- \$1.3M invested
- 28 new jobs; 5 existing
- \$11.2M leveraged



Partnership in Action

- Sponsorship and Grant Support
- Loan Purchase
 - First round Aug 2026
- Building Referral Partnership framework
 - WV goal to increase Greater MN clients to 25%
- Salaam Banking Partnership Ideation
- AWBC Childcare Accelerator Grant
 - Only one in MN
 - Funded YourVenture cohort activities
- Corporate Partnership commitment
 - Includes significant brand and content deliverables, and bank presence (seats and brand) at *Women Mean Business* gala, *Rise with Her* breakfast, and *Invest in Her* dinner series

Empowering Women.
Strengthening Communities.
Driving Economic Growth



Corporate
Partnerships



Let's Talk!



Table & Group Discussion

- Review the worksheets at your table
- Answer the questions from your perspective
- Discuss at your table
- Share key insights from your table
- Ask questions



Thank you!

