



## U.S. Bank, Enterprise Community Partners announce innovative racial equity bond

July 14, 2021

### *The \$30 million bond will support housing developers of color*

MINNEAPOLIS--(BUSINESS WIRE)--Jul. 14, 2021-- U.S. Bank and Enterprise Community Partners (Enterprise) today announced the issuance of an innovative bond designed for targeted and measurable racial equity results. Issued by Enterprise Community Loan Fund, Enterprise's Community Development Financial Institution (CDFI), the \$30 million bond will help provide loans to Black, Indigenous and people of color housing developers under Enterprise's [Equitable Path Forward](#) initiative.

This is the first CDFI-issued racial equity bond. The designation of this social bond as a racial equity bond provides for targeted investments in underserved communities of color. CDFIs have rigorous standards about eligibility and reporting when it comes to how funds are used, and this bond will require additional project-level vendor requirements and thorough impact reporting data for investors. The introduction of this new social bond framework into the capital markets for mission-driven institutions like CDFIs offers companies the opportunity to directly invest in projects that support racial equity in underinvested communities of color.

"It is time to take decisive action to ensure the businesses that create affordable homes are more representative of the people who live in them," said Lori Chatman, president of Enterprise Community Loan Fund. "Through Equitable Path Forward, our partnership with U.S. Bank will enable Enterprise to support talented developers across the country who have the skills and experience to create positive change in their communities."

To achieve its impact goals, Enterprise will use the bond proceeds to finance loan capital to people of color-led community-based nonprofit organizations and mission-aligned for-profit developers. These loans are primarily for multi-family housing and community facilities. The loans themselves will vary in both type and stage of project development, including acquisition, construction, mini-perm, permanent and predevelopment.

U.S. Bank served as structuring agent, advisor and sustainability coordinator on the design of this unique framework. The company, which announced its long-term [U.S. Bank Access Commitment](#) earlier this year, is purchasing the initial \$10 million of this \$30 million bond. This structure provides more flexibility for Enterprise's strategy to match its future Equitable Path Forward funding needs.

"We see tremendous opportunity for positive social impact with racial equity bonds, especially with this type of innovative framework. This structure allows an investor to see, down to project-level details, how their investment is advancing racial equity," said Marcus Martin, managing director and head of ESG, Fixed Income and Capital Markets at U.S. Bank. "We expect this transaction will inspire other organizations – including corporations, municipalities, not-for-profits and more CDFIs – to issue similar bonds that address critical social challenges and deliver the most robust results for all stakeholders involved."

"U.S. Bank is a strong supporter of CDFIs, which play an incredibly important role in financing entrepreneurs and small businesses that traditionally have been left out or underserved because of systemic inequities," said Zack Boyers, president and CEO of U.S. Bancorp Community Development Corporation, the tax credit and community development subsidiary of U.S. Bank. "We've helped ensure more than \$450 million in capital was available to CDFIs and their customers – the majority of that just in the last four years – and we look forward to continued collaboration to help build thriving communities."

### **About Enterprise Community Partners**

Enterprise is a national nonprofit on a mission to make home and community places of pride, power and belonging for all. To make that possible, we operate the only organization designed to address America's affordable housing crisis from every angle: we develop and deploy programs and support community organizations on the ground; we advocate for policy on a nonpartisan basis at every level of government; we invest capital to build and preserve rental homes people can afford; and we own, operate and provide resident services for affordable communities. All so that people not only make rent, they build futures. With this end-to-end approach, 40 years of experience and thousands of local partners, Enterprise has built and preserved 793,000 homes, invested \$61 billion in communities and changed millions of lives. Join us at [EnterpriseCommunity.org](#).

### **About U.S. Bank**

U.S. Bancorp, with nearly 70,000 employees and \$553 billion in assets as of March 31, 2021, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2021 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at [usbank.com/about](#).

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