CHIEF EXECUTIVES REPORT

MCF Loans
Midlands Community Finance

MELANIE ANDREW APRIL 2009

BACKGROUND

- Derbyloans, the first Community Development Finance Institution (CDFI) to be set up in the East Midlands, is a lending institution aimed to tackle debt / financial exclusion and contribute to wider community and economic regeneration.
- Derbyloans purpose is to make loans to financially excluded individuals who cannot access affordable credit from mainstream banks and building societies. It is owned and managed by local people. registered with the F.S.A. It raises funds from a wide range of public, private and charitable sources for lending on to disadvantaged communities in the city.
- We offer loan finance to individuals, businesses and social enterprises; help reduce the burden of debt and high interest charges faced by low income households in Derby. Repayments from these loans are recycled back into the local community to further contribute to community regeneration and reduce poverty. We rebranded as we expanded, to MCF.

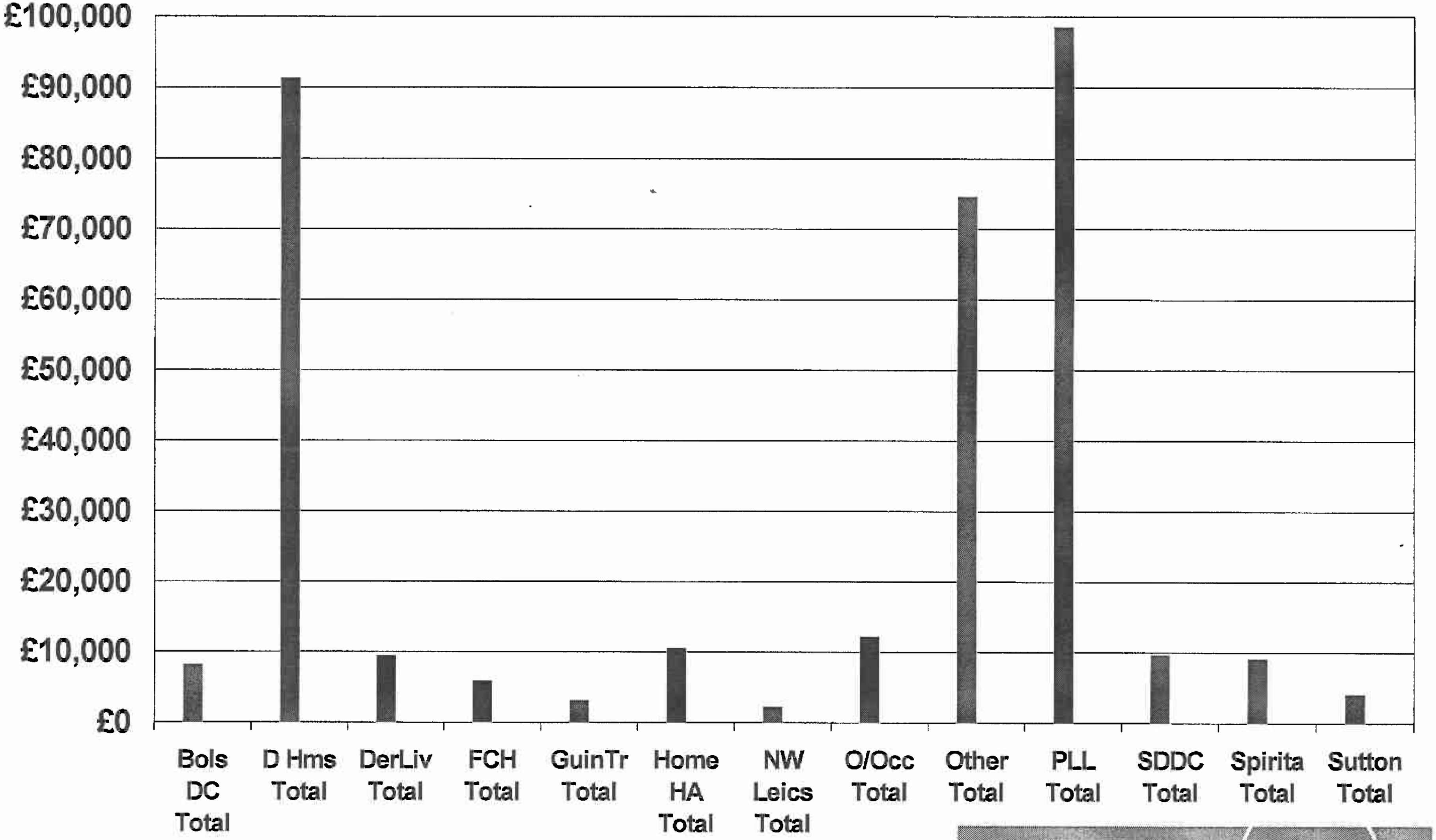
TO DATE

- Derby Loans to date have received the following funding from Derby Homes / Derby City Council:-
- £15K overheads (revenue) and £35K loan fund 2004, £15K overheads (revenue) 2005, £15K overheads (revenue) 2006.
- We have delivered to financially excluded communities in Derby. We want to continue to expand our services to deprived communities and Derby Homes tenants, especially during the credit crunch which will be putting many people through the financial stresses of unemployment and difficulties with credit. The latest management information up to 31 /12 /08, shows that we are effectively delivering into the most deprived areas of the city.
- The second largest customer base are Derby Home tenants, in addition we have customers with a number of other social landlords (housing associations). We are also talking to these groups about future funding.
- In twelve months, Jan to Dec 2008 we delivered £90,000 to Derby Home Tenants, recycled funds from the original £35K pot with additional funding from other sources e.g. Growth Fund / DWP.
- We offer budgetary advice and support to customers at the application stage, referring them to the relevant organisation for further assistance where relevant, e.g.: Debt Advice / grants for utility bills / opening basic bank accounts.

WORKING TOGETHER

- We can promote rental payments to Derby homes by direct debit at the loan application stage. We can help customers complete Derby Home direct debit forms. This not only helps collection of rents but can help tackle and reduce rent arrears.
- We can raise our profile and promote / advertise what we do to Derby Homes staff especially tenant support staff but also those working on Supporting People which is targeted at old and vulnerable people.
- We can set up a service level agreement between Derby Homes and MCF Loans for delivery of affordable loans to tenants to include the advice, support, referral of people in debt. This agreement would cover provision of £50K for loan fund in both financial years 2009-2010 and 2010-2011 (total £100K) and funding to support a loans officer post for these two years at a suggested cost of £20K revenue each year (total £40K).This assumes a loans officer salary of £17K plus on costs.
- A potential new area of activity and partnership with Derby homes could be the offer of loans for bonds to tenants moving into a new private sector tenancy.

PERSONAL LOANS ADVANCED 2008 – LANDLORD £



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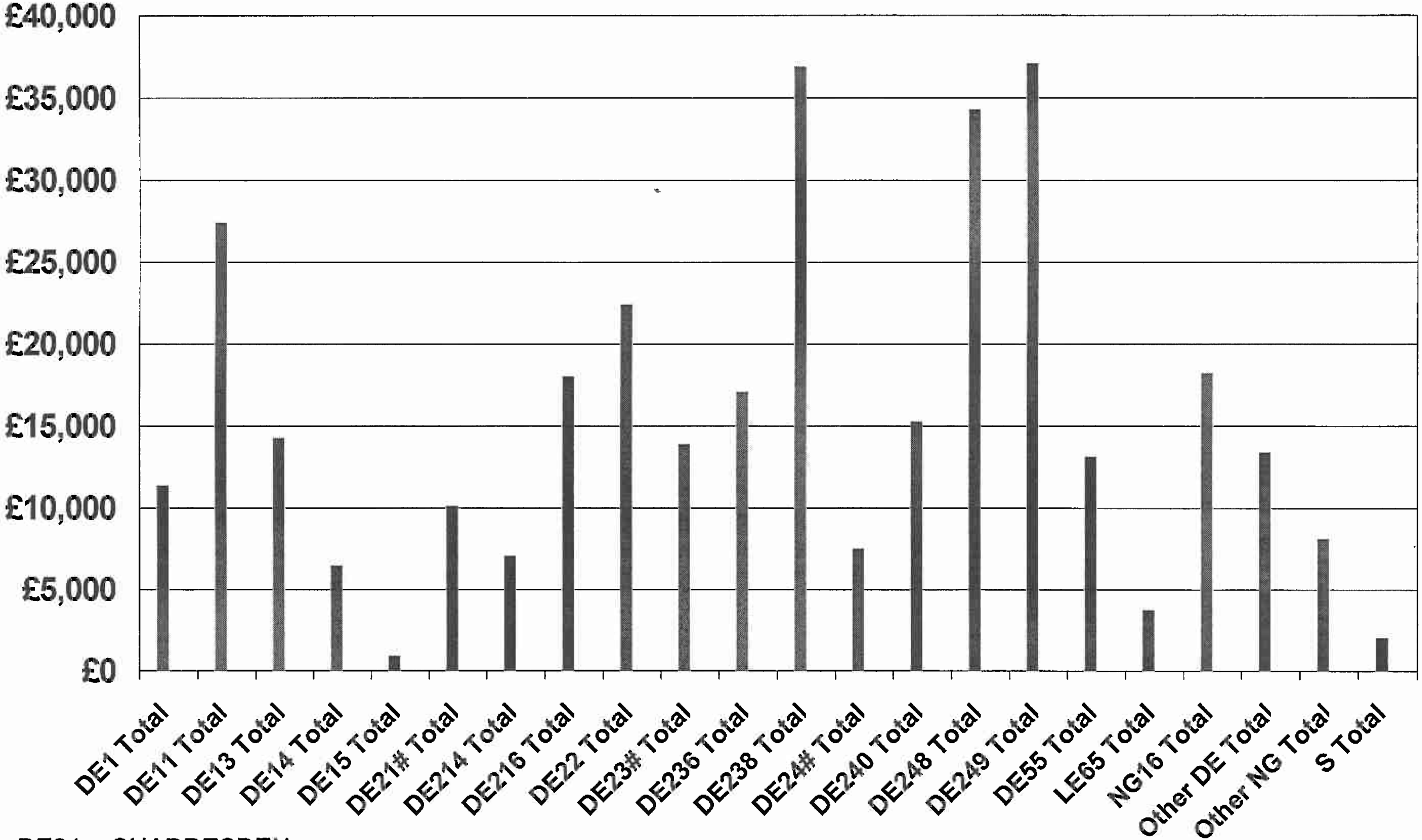
Rolling 12 months to Dec 08

PERSONAL LOANS ADVANCED 2008 – PRIMARY POSTCODE £



DE21 = CHADDESDEN
DE22 = MACKWORTH
DE23 = NORMANTON
DE24 = ALVASTON & BOULTON

Rolling 12 months to Dec 08

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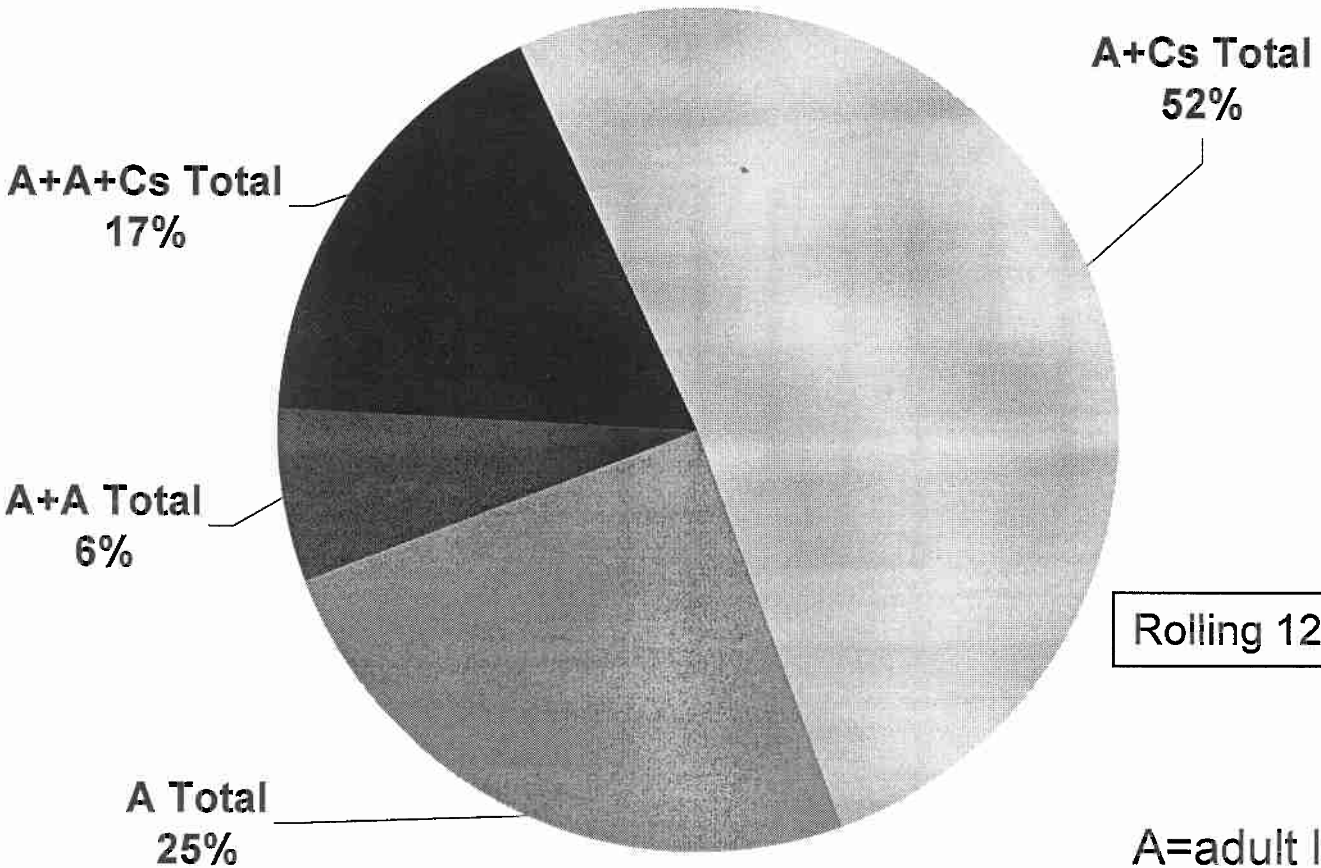
PERSONAL LOANS ADVANCED 2008. £ by HOUSEHOLD



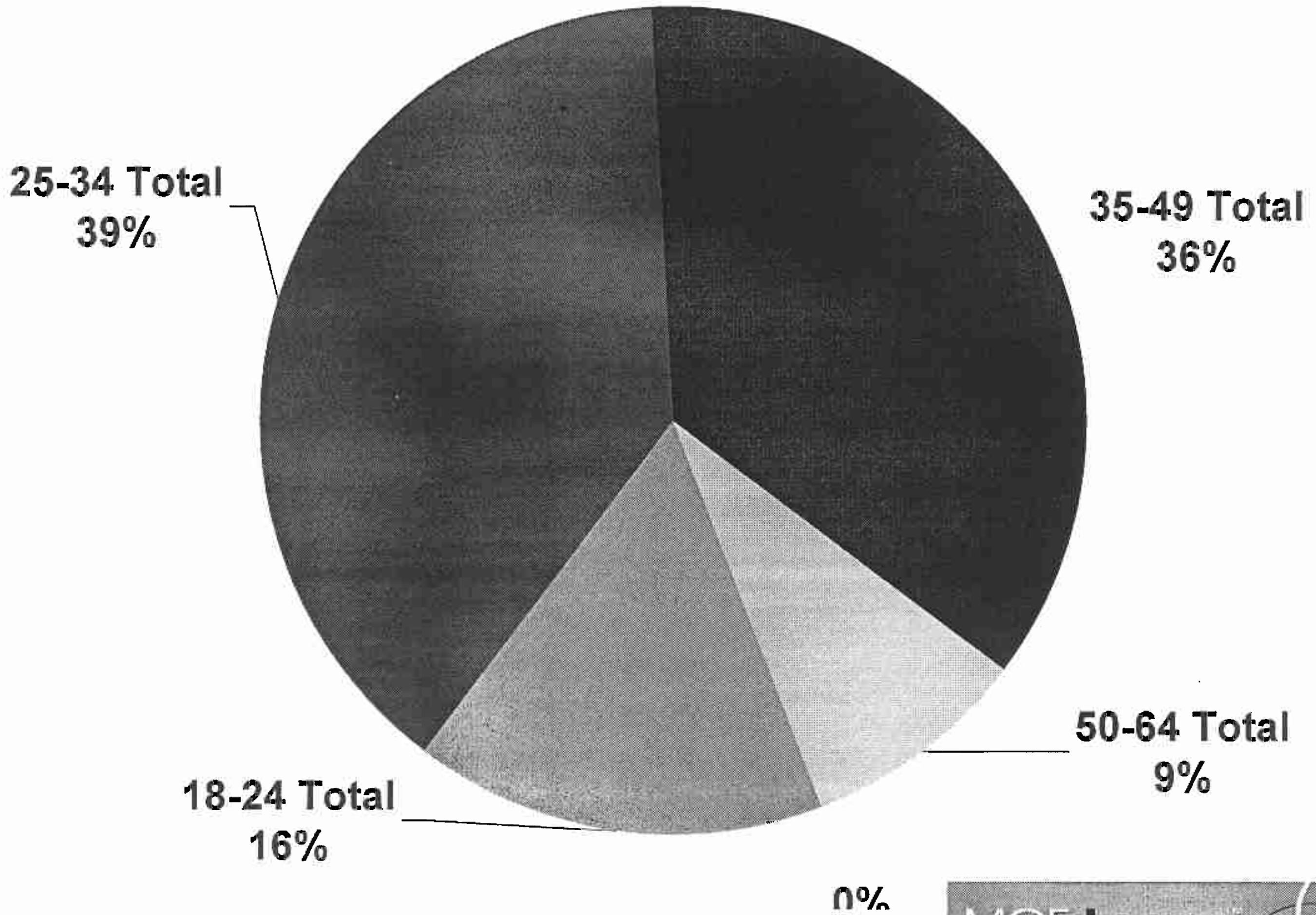
Rolling 12 months to Dec 08

A=adult living alone

A+Cs = single parent

etc

PERSONAL LOANS ADVANCED 2008. £ by AGE



Rolling 12 months to Dec 08