

## **S&P Reaffirms LISC 'AA' Credit Rating**

*Rating agency changes outlook on debt from stable to negative*

NEW YORK (Feb. 11, 2019)—Standard & Poor's Global Ratings (S&P) has affirmed its 'AA' issuer credit rating for the Local Initiatives Support Corporation (LISC), the top publicly rated community development financial institution (CDFI) in the country.

S&P cited the organization's financial stability, track record of performance and community impact as compelling indicators. At the same time, it revised its outlook on debt issued by LISC from stable to negative in recognition of significant growth in the organization's lending work and reflecting larger trends within the CDFI industry.

"In recent years, substantial loan portfolio growth for community development financial institutions (CDFIs) has outpaced the growth in equity, leading to decreasing equity-over-assets ratios," S&P explained in its opinion.

LISC issued \$100 million in general obligation bonds in 2017 so that it could refinance existing debt and free up capital for additional investment in housing, businesses and jobs, especially for people that have not been able to fully benefit from the nation's robust economy. That capital helps LISC make more than \$1 billion in annual community investments through loans, grants and equity financing to support local partners and developers.

"This rating reaffirms LISC's ongoing capacity to support inclusive growth and broadly shared prosperity across the country," said Maurice A. Jones, LISC president and CEO. "It further confirms the investment-worthiness of community development as an asset class for investors. LISC and other CDFIs demonstrate that investors may finance a good quality of life in a wide range of American communities and earn a reasonable financial return in the process."

S&P described LISC's strategy for assessing future opportunities as both impact-driven and financially sound—informed by four decades of work and more than \$18.6 billion in investments through 2017.

"We believe LISC's financial position has been very consistent, highlighted by growth over the past five years," S&P explained. "Its asset base has consistently experienced year-over-year growth, rising from \$362 million in 2012 to a high of \$661 million in 2017."

2018 was likewise a strong year, Jones said, with extensive support for innovative community programs focused on economic opportunity.

"Over the next five years, LISC is committed to comprehensive revitalization of low-income communities by helping address the financial shortfalls they face by using capital, housing development, and community revitalization efforts," S&P said.

For more on the S&P opinion visit [www.spratings.com](http://www.spratings.com).

**About LISC**

With residents and partners, LISC forges resilient and inclusive communities of opportunity across America – great places to live, work, visit, do business and raise families. Since 1979, LISC has invested \$18.6 billion to build or rehab 376,000 affordable homes and apartments and develop 63 million square feet of retail, community and educational space. For more, visit [www.lisc.org](http://www.lisc.org).