



“INSPIRED” FSCLF HOLDS ANNUAL MEETING

JPMorgan Chase Presents \$258,000 Grant to Support Small Business Lending

First State Community Loan Fund held its Annual Meeting, which was themed “Inspired Giving Inspires Growth,” in Wilmington on May 22, 2007. Highlighting the gathering was the presentation of a check for \$258,000 from the JPMorgan Chase Foundation to support FSCLF’s small business lending program within the City of Wilmington and throughout the State of Delaware.

“It is not everyday that you get a \$250,000 grant. What is as important to me as the actual dollars is the confidence and faith that the JPMorgan Chase Foundation has that we will be good stewards of these funds,” said Vandell Hampton, Executive Director, FSCLF.

In 2006, First State Community Loan Fund made 31 loans totaling over \$1.8 million. Over the past 14 years, the Loan Fund has seen phenomenal growth. Since its inception, FSCLF has given out nearly 900 loans and over \$12 million.

Representatives from two organizations who have benefited from FSCLF support, the New Knollwood Civic Association and the Harvest Youth and Development Center, shared their success stories with over 50 board members, investors, borrowers and supporters attending the meeting.

Sylvia Carson, Director of Revitalization & Housing Development for New Knollwood Civic Association, told the audience that, “I knew that if we assembled an experienced development team with partners like First State Community Loan Fund, with a sound and exciting plan, only good things would happen.” NKCA rehabbed six homes in Phase I of the revitalization and there are currently two properties under construction in Phase II.

Pastors Raymond and Rhonda Williams started their child care and education facility, the Harvest Youth and Development Center with 10 church members, two kids and a strong business plan. “Because First State believed in our vision and believed in our plan, the \$100,000 loan they provided enabled us to finish the renovations and open the child care center. Today we own the building which at the time we were leasing,” added Pastor Raymond Williams. Two years – and two FSCLF loans later – the center’s growth is astounding. The Wilmington-based center has 92 children, 18 employees, a full-service day care center, and a Christian Academy for preschool to sixth grade opening in September of this year.

During the meeting, FSCLF presented awards to Rufus Miller, Executive Director, Episcopal Diocese of Delaware, and Pat Ponzo, Assistant Vice President, Wilmington Trust, for their outstanding service to the Board of Directors and Loan Review Committee.

In closing, Hampton told attendees that, “Whether you give of your time and talents on the board, or provide funding in the way of a grant or loan, your support is crucial and ultimately enables us to finance opportunities often missed by conventional lenders.”

He went on to add, “Many of the businesses that we work with are early stage, and some lack the necessary resources to secure a loan from a bank. I am proud to say that, thanks to First State, many businesses can hang open signs in their window.”



Daryl Graham and Helen Stewart of JPMorgan Chase Foundation presenting a check to Vandell Hampton, Jr., Exec. Dir., First State Community Loan Fund

PART ART GALLERY, PART BISTRO, PART COFFEE SHOP... ADDS UP TO SUCCESS



Diners and art lovers enjoy the pleasant ambience of The Gallery Espresso in Rehoboth Beach, DE.

With the help of a \$35,000 loan from the First State Community Loan Fund, Linda Heitzman and Judy Rioux recently completed renovations and secured the necessary working capital to start their new venture, The Gallery Espresso. Both owners recently relocated from upstate New York to launch the restaurant.

Located in the first ocean block of Rehoboth Beach, The Gallery Espresso opened its doors in early May. The concept, developed by Heitzman and Rioux, is part art gallery, part bistro and part coffee shop.

Known for their breakfast, the Gallery Espresso is open 7:30 a.m.-10 p.m., seven days a week, for all-day breakfast, lunch and dinner. "The Gallery Espresso is a healthier twist with a coffee house atmosphere," said Heitzman. Proudly displayed in the gallery is art by Rioux, local and international artists. The Gallery Espresso imports espresso from

Italy and is known for healthy foods, such as whole grains, fresh fruits and vegetables. Customers appear to be pleased with the uniqueness of the gallery. A regular customer had the following comment, "The Gallery Espresso has a lovely atmosphere, great art and the best coffee I've had in Rehoboth."

Appreciative of the loan received from First State, Linda Heitzman commented that the First State Community Loan Fund was "professional, timely and a great help during our start-up phase." Bob Kauffman, FSCLF Loan Officer, stated, "I am really impressed with the way the restaurant turned out. It's a first class facility and I am sure they will do well."

IDA PROGRAM CELEBRATES ITS 200TH MATCH

The Delawareans Save! Individual Development Account Program has proven to be the type of initiative that not only invokes dreams and visions, but it also builds personal financial responsibility, family stability, and community revitalization. The Delawareans Save! IDA Program, which began as a pilot project in 2001, has quickly grown to become an integral part of the work that First State Community Loan Fund does in the low income communities throughout Delaware.

In July 2007, Delawareans Save! reached a major milestone – its 200th match. To date, 168 homes have been purchased, 12 small businesses were started or expanded and 20 participants used their match to pursue post-secondary education. "We are currently administering the third phase of the Delawareans Save! program and I couldn't be more pleased on how the program has progressed. I think we have shown that if people are willing to actively pursue their goals and dreams, anything is possible," commented Vandell Hampton, Jr.



New homeowner – and IDA match recipient – Shanika Warner poses proudly in the home she purchased with help from her IDA match. She is one of the 200 IDA matches since the program's inception.

Recently, FSCLF conducted property searches in each of the three Delaware counties and discovered that of all the homeownership matches, there have been no foreclosures. "With rising foreclosure rates and the fact that the homeownership matches are all low-income, first-time homebuyers, we are extremely proud of the success of the program, which not only helps people to buy their first home but also helps them keep it," said Jan Slattery, Asset Building Program Director. "The financial fitness training and homeownership counseling has paid off in a big way for our participants."

TAKING CARE OF (CHILD-CARE) BUSINESS

Awards Ceremony Celebrates Winners of DE Home-Based Child Care Providers Business Plan Competition



Representatives from First State Community Loan Fund, Citi Foundation and Delaware Family Child Care Alliance joined other Delaware community organizations to celebrate the winners of the first Home-Based Child Care Providers Business Plan competition.

The operators of five children's day care businesses received grants to improve their business operations in a ceremony held on June 12, 2007 at Delaware State University in Dover. All of the participants were either Delaware Childcare Licensed Family Level 2 or Large Family providers.

Recipients of the five \$2,000 Citi Foundation equity award checks, pictured above, are (l to r): Jacquelyn Saunders, The Young & Restless Therapeutic Day Care; Sarah Reyes, Semillas de Jesus/Seeds of Jesus Home Family Day Care; Rita Foster, Caring Hands Child Care; Martina Williams, Shooting Star Family Day Care; and Violet Waters, Stepping Stones Day Care. Certificates of achievement were presented to all participants.

"I had an opportunity to look at the business plans that were submitted and they were all really good," said Vandell Hampton, Jr., Executive Director of First State Community Loan Fund. "It was apparent that the providers put a lot of time and hard work in preparing their business plans. They should all be very proud of themselves."

Nearly 60 individuals turned out for the award ceremony. The business plan competition is part of First State Community Loan Fund's initiative to help childcare providers grow and enhance their businesses. The Delaware Family Child Care Alliance, a co-sponsor of this initiative, helps build capacity for home-based childcare providers through business training, networking, and advocacy on policies which impact the child care industry.

The award proceeds will be used to improve the operations and quality of care provided by the day care business. Additional information about Citi Foundation and the efforts it supports can be found at <http://www.citigroupfoundation.org/>.

For more information on the business plan competition, contact First State Community Loan Fund at (302) 652-6774 or visit www.firststateloan.org.

CHANGING THE FACE OF WILMINGTON

City-based Association makes an impact by developing affordable – and quality – housing

Since 1980, River's Edge Association, led by its director Judy Gallucio, has been dedicated to changing the face of Wilmington by developing affordable housing in the Browntown and Hedgeville neighborhoods.

First State Community Loan Fund, through its affordable loan fund, provided River's Edge Association with a \$500,000 line of credit. Utilizing the line of credit, River's Edge has developed and sold three houses in the Browntown and Hedgeville areas of Wilmington. One house is currently under construction.

Organized in 1980, the association changed its name in February 2002 from Southwest Wilmington Community Center, Inc. to River's Edge Association, Inc. The organization's primary purpose changed as well. The focus shifted from that of a referral agency that strictly provided social services to a housing development agency that is dedicated to the stabilization and growth of the Browntown and Hedgeville neighborhoods.

"When River's Edge approached us a few years ago about financing, we were very excited to have them as a partner because they were working in a part of the City where we had not made many loans," said Vandell Hampton, Executive Director, FSCLF. "They were just getting into affordable housing and did not have the track record of some of the more experienced developers in our portfolio. I'm really glad we were able to work with them because they have developed some beautiful homes and are really making a difference towards the revitalization of their community."

River's Edge Association is changing the face of Wilmington, house by house, through the work that it's doing under its affordable housing program.



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