New Hampshire
COMMUNITY
LOAN FUND

Quarterly Financial Update

Summary of asset quality, portfolio risks and mitigants

As of 12/31/2024

Thank you for your leadership and investment in our community! Together we are providing people and communities with the financial, human, and civic resources they need to be economically secure.

1. What is the allocation of loans across the portfolio?

Portfolio by Program – Borrower Composition
12/31/2024

Portfolios by Program	# of loans	Aggregate Loan Balances $	% of portfolio $	Nonaccrual* loans #	Nonaccrual* loans $	Nonaccrual* loans % of portfolio $
ROC-NH Manufactured Housing Coops	129	112,969,873	57%	0	-	0.0%
Welcome Home Loans Single Family Housing	1029	57,530,385	29%	29	1,466,833	2.5%
Business & Community:						
Multi-Family Housing	9	6,011,880	3%	0	-	0.0%
Nonprofits	9	2,799,601	1%	0	-	0.0%
Child Care	4	414,708	0%	0	-	0.0%
Business Finance	36	10,545,204	5%	2	161,908	1.5%
Northern Community Investment Capital (NCIC)	126	8,869,909	4%	6	152,022	1.7%
Total Loan Portfolio	**1342**	**199,141,560**	**100%**	**37**	**1,780,763**	**0.9%**

*Nonaccrual Loans: when a loan is more than 90 days past due, or if it displays problems and full and timely collection of principal or interest is unlikely.

2. How is the portfolio performing?

Loan performance is improved. Currently, 0.9% of our loans are on nonaccrual (nonperforming). This is down from 1.3% last year, in December 2023.

We continue to provide payment relief to borrowers-in-need on a case-by-case basis that can include continuation of payment moratoriums, loan modifications, or the addition of suspended payments to the back end of loans. We are committed to providing new loan products, patient capital, and increased technical assistance to borrowers.

Loan losses have been $187,187 during the past 12 months. We have also received $97,317 in recovery payments from loans charged-off in prior years, which translated into a net loan loss of $89,870 (0.05% of loans outstanding).

Net Loan Losses

	Twelve months ended:		
	12/31/2022	12/31/2023	12/31/2024
Loan Losses	92,784	147,348	187,187
Recoveries	(214,857)	(62,275)	(97,317)
Net Loan Losses $	**(122,073)**	**85,073**	**89,870**
Net Loan Losses %	**-0.06%**	**0.06%**	**0.05%**

3. Where are the risks in our portfolio?

If we were to enter an economic downturn, our small business and child care loans are at highest risk. Together they represent $19.8M (10%) of the total lending portfolio. These borrowers are performing well. All but 8 of the 184 Business and Community loans are currently paying as agreed.

There are 2 Business Builder loans and 6 NCIC loans (to 3 NCIC borrowers) on nonaccrual for $313,930. Each is being managed on an individual basis tailored to their specific situation.

4. What reserves do we have to cover future loan losses or other financial challenges?

We have three ways to cushion any potential borrower losses, and remain extremely confident in continuing our 100% investor repayment rate:

1. **Net Assets** available to protect investors total $73,861,255, or 31% of total assets, and they consist of:

    - Financing activity net assets (Equity) of $65,324,456; and

    - Unrestricted program activity net assets (operating reserves) of $8,536,799 which cover nine months of our current operating budget expenses.

2. These net assets, plus **Subordinate Debt** of $11,600,000, protect our investors with a total of $85,461,255, or 36% of our total assets. Note that in our 40-year history, total net borrower losses have been $9,897,141 (2.0% of total lending).

3. In addition to the net assets and subordinate debt of $85,461,255, we also have an **Allowance for Credit Loss** (ACL) to cover future loan losses. Currently, based on this quarter's portfolio review to ensure the ACL reflects any deterioration in credit quality, the ACL is set at $3,844,311 or 2.0% of loans outstanding.

Furthermore, we set aside a portion of our available lending capital so that we have the liquidity to repay investors who choose not to renew. Our **Liquidity Reserve** currently totals $14,300,025 based on the Board-approved policy to reserve 10% of our senior unsecured debt investments.

5. How have our investors been helping us?

Our investors have been strong partners in support of mission, helping to keep people in their homes, businesses open, and nonprofits strong.

While interest rates have been rising, many of our investors have shown strong support for our mission by renewing their investments at their current or even lower rates.

We are grateful for the incredible leadership of our investor community.