2017 YEARS
TWENTY YEARS OF BRIGHT FUTURES
2016 ANNUAL REPORT
“In the long history of human kind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed.”

CHARLES DARWIN

Our Justine PETERSEN (JP) origin story is one that sustains us as we age past 20 years. It is the story of Justine M. Petersen and local banks **collaborating** on behalf of our community, and it is the story of Justine **improvising** by developing a social entrepreneurial model that allows for and requires such collaborating and improvising. Our many collaborators’ successes remain our successes, and our successes are theirs. This simple cooperation creates the virtuous cycle that sustains our work, the work that Justine began. Operating at the intersection of banking and social work, our gift is to say “yes” and to build on small successes to create larger ones for the families that we serve, and therefore for our community.

In 1997, our community honored Justine posthumously for her work by founding our company in her name, however 20 years before then, she herself created the “brand” by simply “doing the work” – work that is guided by a principal of fairness to allow each of us access to more-safe and more-affordable capital. The work offers individuals and families support for success in a system that fundamentally requires capital to succeed. This work – stimulating capital by delivering product – is propagated through successes and through word of mouth, through innovation and through improvisation, and through collaboration.
Our recent year, 2016, JP Legacy awards honored the late John Herzog for his 30-year career and for his committed advocacy for our JP work in Illinois, Dennis Melton for his dedicated leadership as the SBA’s District Director, Regions Bank for its partnership investment into JP, the United Church of Christ Building & Loan Fund for its $1M capital contribution, and the W.K. Kellogg Foundation which supports those formerly incarcerated and their families through partnership with JP and with the Small Business Administration. We give honor to each as they have offered their gifts to JP, and we remain most grateful for their collaboration.

Throughout the past year, and for the past 20, we remain most grateful to those of our JP and GRCC Boards who remain purposeful, resolute, and always friendly in offering prudent counsel and consistent support to our JP Mission. Their confidence enables our most remarkable JP operations team to pragmatically navigate toward enduring change by improvising and through collaboration.

We thank you all for collaborating with us at JP as we do our part to create enduring change.

– Rob Boyle, CEO & Founder
Each year, JP participates in the Aspen Institute’s FIELD micro-Tracker Program Performance and Client Outcomes Survey and is consistently categorized as a top performer in performance and outcomes. The Aspen Institute FIELD 2016 outcomes study of JP clients showed:

- **$13MM** in more than **1,361 Loans**
- **479** Counselors trained on the JP method of credit building
- **94%** Business survival rate after almost two years
- **72%** of surviving businesses surveyed reported increased revenues
- **4** Jobs supported for every business assisted
- **$17** Average wage of employees hired by assisted businesses

WE SERVED CLIENTS IN **14 STATES**

**Loan Portfolio**

- **19%** Construction
- **14%** Consultant Professional
- **11%** Real Estate
- **10%** Retail
- **6%** Care Provider
- **6%** Catering/Restaurant

Other:
- Consumer Loans: 5%
- Haircare/Beauty: 5%
- Art/Entertainment: 5%
- Healthcare/Medical: 4%
- Delivery/Hauling: 4%
- Service: Other: 3%
- Auto Repair/Towing: 2%
- Custodial/Janitorial: 2%
- Finance/Insurance: 1%
- Landscaping: 1%
- Nonprofit: 1%
- Manufacturing: 1%
- Wholesale: <1%
- Agriculture: <1%
- Animal Services: <1%
- Housing Related Loans: <1%
Justine PETERSEN embraces the philosophy that a good credit score is the most important asset as it leads to greater access to affordable capital and reduced expenses.

Our Credit Building Counselors meet one-on-one with clients to assess income, debt, credit history and financial goals, and create a Credit Action Plan. We also offer a monthly financial capability series which covers topics such as student loans, asset development, budgeting and college savings accounts for kids. The sessions link clients with expertise, products and programs, and provide hands-on activities and take-aways for participants.

**SUCCESS STORY**

Louis Erby Jr. is one of the first graduates from the St. Louis Aspire Entrepreneurship Program, a public-private partnership between Justine PETERSEN, the Small Business Administration, and the W.K. Kellogg Foundation designed to provide financial capability, entrepreneurship education and financial products to returning citizens that are parents of young children.

Mr. Erby borrowed funds from Great Rivers Community Capital to consolidate several high interest rate payday loans and to settle old collection debt. He also opened a secured credit card to establish a revolving line of credit. This made room in his budget to begin to save for his small business goal of opening a food truck.
Justine PETERSEN meets the credit needs of micro-entrepreneurs who are unable to obtain financing through banks or relatives and who would otherwise turn to high interest credit cards or payday lenders. We originate micro-loans and small business loans up to $150,000 (average loan size $7,500).

JP also provides potential and current borrowers individual counseling and business technical assistance, financial education, business plan development, business training, business mentoring, and post-loan technical assistance.

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**SUCCESS STORY**

Referred by the Small Business Administration in 2005, Michelle Wright came to Justine PETERSEN after she was denied bank financing to open Michelle’s Place Child Care Center, Inc. The initial loan assisted her to finish the renovations of their new facility and transition from home-based to center-based care. She has attended many Justine PETERSEN training workshops to strengthen the administrative side of the business. Through thick and thin, JP has assisted Mrs. Wright to keep her business going during difficult times, weathering state funding ebbs and flows. In 2016, Mrs. Wright was able to open a second location with JP’s assistance, now employing 15 full-time employees and 76 child care slots.

“I’m grateful for this company,” Michelle said. “Justine PETERSEN helped me to help others.”
Justine PETERSEN provides pre-purchase counseling, homebuyer education and foreclosure intervention services. Justine PETERSEN renovates donated foreclosed properties and sells them to low-income families at affordable prices.

These services include assisting prospective homebuyers to address credit, debt, and income barriers to accessing an affordable mortgage loan, teaching a homebuyer seminar to instruct potential purchasers on vital information, and assisting clients who struggle with mortgage loan repayment by reviewing options, negotiating with lenders, modifying loans, and in some cases, assisting with refinancing.

SUCCESS STORY

Cindy Barrios and her husband, Gustavo Herrera, were interested in purchasing a property rehabbed and owned by Justine PETERSEN. Ms. Barrios entered the homeownership program with a good credit score, but needed guidance to be ready for homeownership. She worked with her Justine PETERSEN housing counselor and was able to develop a savings plan so she would be eligible for home purchase. Justine PETERSEN assisted Ms. Barrios to qualify for a mortgage loan with TheBank of Edwardsville so she could purchase a lovely property in Granite City, Illinois. Justine PETERSEN also assisted her to qualify for two down payment grants, the Federal Home Loan Bank of Chicago and Madison County Down Payment Assistance, so she was able to close on the home with only $1,000 out of pocket!
Income
Contributions $3,075,659
Donated Services and Property 1,319,986
Program Fees 3,126,890
$7,522,535

Expenses
Housing $1,211,829
Economic Development 5,100,828
Savings (Credit Building) 331,642
Management and General 143,370
Fundraising 62,186
$6,849,855

Net Income $672,680

See our website for our complete financial statements:
justinepetersen.org/support_us/annual_report
Loan Fund Partners

- Bank of America
- TheBANK of Edwardsville
- The Business Bank of St. Louis
- Calvert Foundation
- Capital One
- Carrollton Bank
- Citizens National Bank
- Deaconess Foundation
- Dieterich Bank
- First Bank
- First Collinsville Bank
- First Congregational Church
- First County Bank
- First National Bank of Staunton
- Guaranty Bank
- Heartland Bank
- IFF
- Illinois National Bank
- Liberty Bank
- Lindell Bank
- Madison County Community Development
- Marine Bank
- Mercy Investment Services
- Midland States Bank
- Midwest Bankcentre
- Montgomery Bank
- Morton Community Bank
- Morgan Stanley New Markets LLC
- Opportunity Finance Network
- PeopleFund
- PNC Bank
- The Private Bank & Trust
- Regions Bank
- Reliance Bank
- Stifel Bank & Trust
- U.S. Bank
- U.S. Dept of Agriculture
- U.S. Dept of Treasury–CDFI Fund
- U.S. Small Business Administration

Contributors

Government
- City of Kansas City
- City of Springfield IL
- City of St. Louis
- Illinois Attorney General Office
- Illinois Housing Development Authority
- Madison County Community Development
- U.S. Dept of Health & Human Services
- U.S. Dept of Housing & Urban Development
- U.S. Dept of Treasury
- U.S. Small Business Administration

Foundation
- Bank of America Charitable Foundation
- Tides Foundation
- PNC Foundation
- U.S. Bank Foundation
- Wells Fargo Foundation

Corporate
- Association of Enterprise Opportunity
- Bank of America
- TheBANK of Edwardsville
- Capital One
- Central Reform Congregation
- Centrue Bank
- Dieterich Bank
- First Church of Christ, Scientist
- First Collinsville Bank
- First County Bank
- Greater St. Louis Foundation
- Housing Action Illinois
- Local Initiatives Support Corporation
- Metropolitan St. Louis CRA Association
- Montgomery Bank
- Reliance Bank
- Second Presbyterian Church
- M-Slice
JP Awards & Recognition

Credit Builders Alliance
Most Successful Credit Building Initiative
Justine PETERSEN received the award for Credit Building Nation—our partnership model with other nonprofit organizations to expand credit building across the country. Through this model, JP provides training on our Credit Building Method to other organizations’ financial counselors. Once trained, the partner organizations incorporate JP’s Credit Building Method into their financial counseling. As counselors identify clients that could benefit by pairing financial product to financial counseling, JP provides loan origination, loan servicing and credit bureau reporting.

FINANCIAL SUPPORT

Individuals
Kimberly Adeyinka
Elizabeth Anderson
Kathryn Arnold
Pat Barry
Rochelle Bea
Kiley Bednar
Maris Berg
Robert Boyle
Gail Brown
Mary Brown
Angela Burrage
Darnell Cage
CJ Caldwell
Christine Carney
Linda Clark
Rezhe Connelly
Chris Cushing
Karen Cushing
Eddie Davis
Filomena Dean
Jaymes Dearing
Jaclyn Delfosse
Donald Doherty
Nicole Drone
Luke Duden Hoeffer
Chassidy Duffy
Victoria Ellis
Sheri Flanigan-Vazquez
Randy and Amy Fleisher
Matthew Ghio
Joanna Giddens
Brian and Amy Glaser
Galen Gondolfi
Amber Gooding
Jane and Randall Grady
Martina Gutierrez
Laurie Hauber
Ronald Hawley
Chris Hayes
Michele Hintz
Gavin Holohan
Kimberly Hughes-Gill
Richard Isserman
Allan Ivie
Tracy James
Breanna Kelly
Sarah Kirschner
William Kovacs
William Kreutzer
Dan Lee
Christine McKenzie
Constance Mueller
and Kim Portnoy
Sylvia Nissenboim
Rev Trust
Bridjes O’Neil
Laurel Peterson
Tasha Pettis Bonds
Ebonie Reed
Elissa Schauman
Nancy Swrezynslu
Jackie Taylor
Tamra Thetford
Richard Torack
Nancy Wegler
Marjorie Weisman
Gregory White
Robert Williams
Keith Willy
Janet Young Rodgers
2016 Justine M. Petersen Awards

Each year, Justine PETERSEN recognizes individuals, companies, and partners that truly live up to the legacy of the Justine M. Petersen who was tirelessly dedicated to helping people build economic assets and transform their lives.

Legacy Award

John Herzog is honored for his exemplary thirty-plus year career and for his committed advocacy for JP work in Madison County, and throughout Illinois.

Lifetime Achievement Award

Dennis Melton is praised for his years of leadership as the Small Business Administration's District Director, and for his steady counsel and commitment to the 15-year SBA/JP partnership.

Lending Partner of the Year

Regions Bank propelled JP’s mission by investing more than $1.5MM for small business lending throughout the Missouri and Illinois markets.

Faith-Based Investor of the Year

United Church of Christ Building & Loan Fund pioneered faith-based socially responsible investing through a $1MM Capital Contribution.

Innovative Partner Award

The W.K. Kellogg Foundation is applauded for its groundbreaking work with Returning Citizens and their families through a partnership with JP and the Small Business Administration.

Small Business Administration Micro-Lender

Justine PETERSEN was recognized as the #1 SBA Micro-Lender by the Eastern District of Missouri, Kansas District and the State of Illinois. As an SBA Micro-Lender, Justine PETERSEN borrows loan funds from the SBA and makes an independent underwriting decision. Since joining this SBA program in 2001, JP has originated more than $19MM to over 3,650 micro-entrepreneurs across the states of Missouri, Illinois, and Kansas.
Justine PETERSEN Board of Trustees

President
Mr. Eddie Davis
Executive Director,
Center for the Acceleration of
African-American Businesses

Directors
Ms. Martina Gutierrez
Social Worker, Grace Hill
Settlement House

Secretary
Ms. Rochelle Bea
Entrepreneur, Beginning Futures

Ms. Laurie Peterson
Vice President, PNC Bank

Treasurer
Mr. Allan D. Ivie, IV
President, Community Banking,
Reliance Bank

Mr. Keith A. Willy
Twain Financial Partners

Great Rivers Community Capital Board of Directors

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Mr. Richard Torack
Attorney

Ms. Angela Burrage
Owner, AB Consulting Services

Secretary/Treasurer
Mr. Mathew Ghio
Attorney

Ms. Michele Hintz
Vice President Client Manager,
Bank of America

Directors
Mr. Robert F. Boyle
CEO, Justine PETERSEN

Mr. Eddie Davis
Executive Director,
Center for the Acceleration of
African-American Businesses

Mr. Ron Hawley
Market President, Regions
Financial Corp.

Mr. Donald P. Doherty
Regional President, Montgomery Bank

Mr. William Kovacs
Attorney, Retired

Ms. Elissa Schauman
Vice President New Business
Development, U.S. Bancorp CDC
### Economic Development

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<td>JP incorporated</td>
</tr>
<tr>
<td>1997</td>
<td>200 first-time homebuyers assisted to purchase homes</td>
</tr>
<tr>
<td>1998</td>
<td>Certified as HUD Housing Counseling Agency</td>
</tr>
<tr>
<td>1999</td>
<td>Offered Matched Savings Product</td>
</tr>
<tr>
<td>2000</td>
<td>1,000 first-time homebuyers assisted to purchase homes</td>
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<tr>
<td>2001</td>
<td>JP incorporated</td>
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<td>2002</td>
<td>U.S. Treasury portfolio for Major River Community Capital and a Community Development Financial Institution</td>
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<tr>
<td>2003</td>
<td>K44 4782, 8010 Commercial  Investment for Preliminary Investment</td>
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<tr>
<td>2004</td>
<td>Ocmumans Foundation</td>
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<td>2005</td>
<td>C R 500 individual development accounts opened</td>
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<td>2006</td>
<td>Great Rivers, Organized on Credit Building Loan</td>
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<td>500 micro-loans originated</td>
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<td>2008</td>
<td>JP for the Housing Institute State Academy</td>
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<tr>
<td>2009</td>
<td>JP with SBA to offer a Guaranteed Credit Card</td>
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<tr>
<td>2010</td>
<td>Construction completed on TIF</td>
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<tr>
<td>2011</td>
<td>Great Rivers awarded $1MM loan capital from the CDFI Fund</td>
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<td>2012</td>
<td>Loan originations surpass $1MM</td>
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<td>2014</td>
<td>JP partners with Citi to offer a Guaranteed Credit Card</td>
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