NOW!
The State of Opportunity Finance

Prepared Text

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Opportunity Finance Network

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Earlier this year, in June, right about the time we knew for certain that the Presidential race would pit Senators McCain and Obama, I boarded an Amtrak train back to Philadelphia from Washington, DC. A well-dressed commuter sat down next to me. He had been riding that train for about 30 years. He struck me as a person with a lot to offer, real passion about his work, and hard questions to answer about his future.

As the train pulled into the Wilmington, Delaware, station, we shook hands before Senator Biden said goodbye and hurried off the train. As I watched him walk to the exit, I thought "Too bad he is never going to make it to the White House."

I underestimated President-elect Obama, too. Almost two years ago, Bob Weissbourd sat me down to persuade me to join him in backing Obama. I was reluctant. I knew he gave a really good speech but a good speech only goes so far.

And I questioned whether American voters were ready to elect an African American as President.

I was wrong about that, too. I underestimated American voters.

It was just forty short years ago that racism, hatred, and fear fueled the murder of Dr. King as he stood on a moral mountaintop looking out at a Promised Land that perhaps only he had the vision to see.

As President-elect Obama walked off the stage in Grant Park on November 4th, a lot of us wondered if we, as a people, were crossing into that Promised Land.

So I was wrong about Biden. And wrong about Obama. And wrong about the American public.

But at least I can say I was right about one thing.

Three years ago when we introduced the Opportunity Finance brand in Los Angeles, some of you wondered aloud whether we could succeed with a brand that started with the letter "O."

As we enter the O-bama era of American history, I am here to tell you, Yes we can!

Welcome to Opportunity Finance Network's 24th Annual Conference. And welcome to Albuquerque, a remarkable city in a truly enchanted, blue state.

It is an honor for me to stand before you today.

I want to offer my thoughts on where the Opportunity Finance industry is going and the reason I believe we must—and will—get there.

I will talk about the greedy false prophets who have undermined the economy, the early prophets of our own work … the promise our work brings to a troubled nation … and what I believe can—and must—happen.

New Mexico is a great place to be as we work through a transformational moment for our industry, our economy, our global financial system, and our nation. The past is visceral here. You can sense it in the mountains and mesas. You can see it where Native history blends with Latino culture, and where the U.S. government overlaps tribal autonomy.

You can sense the moment—and the challenges—as we prepare for our nation's first African American President … as we look for signs of innovative new policies replacing tired old ones … and as we peer through the haze of economic and financial crises for a glimpse of better times.

As a nation, as an industry, and as individuals we face uncertainty, challenges, and opportunities at a scale and scope we have rarely seen before and perhaps never will see again.

You knew when you arrived here that things are bad in our communities and in our nation. I want you to know as you leave here that you are key to making things better and that we have the experience and the capacity to help make things good again.

For that reason, Opportunity Finance Network is presenting this Conference to prepare us for our future, to respond to our present, and to build on our past.

We will discuss this week how CDFIs are responding to the economy. We will consider our role in fixing the financial market meltdown. We will explore policy possibilities and risks. We will honor the achievements of Native CDFIs and celebrate some of your peers.

This Conference is full of things meant to help you.

Our best resources are the people who are in this room, and so we have tried to organize the Conference to give you many chances and ways to learn with them and from them.

The Capitalization track could not be more timely than in the middle of an once-in-a-lifetime credit freeze.

The Emerging Issues track gives us the chance to get our brains around the complex and fast-paced market environment we are working through.

"Policy NOW" leverages our shared policy campaign anchored by The NEXT American Opportunity: Good Policies for a Great America.

At the OFN Membership Meeting tomorrow afternoon, we will talk about how we are moving our Opportunity Agenda forward.

You are the key to our Opportunity Agenda: To succeed, we need you like never before to tell your story, to reach out to federal policymakers and to leverage your networks with you, and to coordinate closely with OFN's policy team.

We have a Green Finance track. OFN intends to make green, sustainable financing a central strategy for CDFIs.

The Strategic Communications track will help more of you embrace and advance our common effort to tell our story more effectively and to reach new markets of investors, funders, policy makers, and consumers.

We are benefiting from the work of the Native CDFI sector. From the opening ceremony and reception last night to the Native CDFI track to the Native CDFI Awards Ceremony tomorrow night to the concluding Native flag ceremony, we want to honor the accomplishments of Native CDFIs. We also want to learn from them.

We are continuing a tradition we started last year of making our Conference gifts meaningful. This year, I am proud that we are making a $5 donation on behalf of each of you to the National Indian Education Association.

Based on your feedback, we have introduced a Conference Track on CDFI Fundamentals for new CDFI staff, for CDFIs moving into new financing areas, for small and emerging CDFIs, and for funders and investors.

This morning we learned with Jim Collins, one of the most interesting and important business thinkers of our time. There are many ways to continue that learning, including the discussion sessions this afternoon. I will talk in a few minutes about how his work can benefit ours.

One thing we all learned is that Good to Great recognizes that every CDFI can be great.

This evening we will see that idea in practice when we recognize the 2008 Awardees of the **Wachovia NEXT Awards for Opportunity Finance in Partnership with the John D. & Catherine T. MacArthur Foundation**.

To start, tonight we will award $100,000 in four, $25,000 Awards to CDFIs that have achieved great things in the past year in the areas of Policy, Financial Performance, Innovation, and Impact.

And things really heat up when we announce the multimillion-dollar recipients of the 2008 **Wachovia NEXT Awards for Opportunity Finance** and award $8.25 million!

Ten of your peers—10 exceptional CDFIs—earned spots in the Semifinals of this year's awards. Four (4) made it to the finals.

I want your help to recognize our six semifinalists. They are exceptional CDFIs and they deserve your respect and admiration:

- ASI Federal Credit Union
- Corporation for Supportive Housing
- Lower East Side People's Federal Credit Union

- Low Income Investment Fund
- NHS of Chicago
- Southern Bancorp

Four finalists will be competing tonight for $8.25 million in grants and low-cost, long-term loans. All four finalists deserve recognition and investments.

We will award $2.75 million to one of two Finalists in the $10mm-$50mm financial assets category. Let's meet them:

- **Community First Fund** of Lancaster, PA
- **Homewise** of Santa Fe, NM

To top off the Awards, in the $50 million-plus category we will award $5.5 million to either:

- **IFF**, based in Chicago, IL, or
- **New Hampshire Community Loan Fund** based in Concord, NH.

The evening starts at 6:30.

It ends only after we're all exhausted and exhilarated from a night of dancing and partying in a Celebration of CDFIs!

So brush off the brims of your hats, warm up your cowboy boots, put on your bolo ties, and get ready to party.

This Conference is the product of a year-long collaboration. It would not be possible without unique contributions from many partners. I am deeply grateful to all of them.

Let me begin with our major sponsors, all of which provided substantial financial and human resources:

- Bank of America, our Platinum Sponsor
- Our Gold Sponsors: CapitalOne, Citi, Home Depot Foundation, and Wachovia
- Our Silver Sponsors: HSBC, JPMorganChase, and Merrill Lynch
- And all of our Bronze and Community Sponsors

We also need to give our thanks to our partners in planning, organizing, and convening this event:

Our Local Co-hosts have done an extraordinary job at making sure that you experience New Mexico as it is meant to be experienced. Thanks to:

- ACCION New Mexico

- Homewise, Inc.
- The Loan Fund, and
- New Mexico Community Capital.

Our enduring appreciation goes to Oweesta, our National co-host and Native Convening Co-host.

The Federal Reserve Bank of Kansas City, in whose region we are meeting, played a critical role in our planning, as well.

Last, please also help me thank Donna Fabiani and the OFN staff who produced this great gathering.

Last year we introduced the **Ned Gramlich Lifetime Achievement Award for Responsible Lending**. Our highest tribute, The Ned Gramlich Award recognizes exceptional people who, like Ned, have dedicated their lives—and not just their careers—to our shared enterprise.

Last year we honored Ned posthumously. This year we are honoring Ned by giving the award to another unsung champion, a dedicated pioneer, an innovator, a leader, and an inspiration.

The choice this year was unanimous.

Please join me in recognizing **Cliff Rosenthal**, President of the National Federation of Community Development Credit Unions.

Cliff's work reflects his lifelong passion for justice, his unmatched commitment to low-income and low-wealth people and places, and his unerring moral sense. For the Federation and for our industry, Cliff is a leader of leaders.

Cliff has grown the community development credit union (CDCU) sector to more than 200 institutions in 46 states managing more than $4 billion and serving more than 1 million people. He has provided assistance to hundreds of CDCUs and leadership to our industry.

Cliff is so effective on the ground and so modest about his work that very few people know the instrumental role his vision has played for all of us. It was Cliff's prophetic proposal in the late 1980's for a "National Neighborhood Bank" that inspired the CDFI Fund.

On a more personal note, Cliff is a great friend. I see him as a partner and look to him as a trusted counselor. He taught me how to lead a national membership organization, when to compromise and when to fight, and how to win victories that matter and that last.

One of Ned's close friends and colleagues, Federal Reserve Chairman Ben Bernanke, issued a statement when he learned that Cliff would be receiving this award. This is what he said:

"I offer my sincere congratulations to Cliff on being awarded the Ned Gramlich Lifetime Achievement Award for Responsible Lending. Cliff has dedicated an illustrious career to expanding economic opportunities for lower-income households and communities. His considerable contributions toward this end exemplify Ned's legacy as an advocate for policies and practices that help families at the lower levels of the income scale improve their financial well-being."

Thank you, Cliff, on behalf of everyone here and the entire opportunity finance industry. It is an honor for all of us to work by your side.

I vividly remember the beautiful July day in the summer of 1993 when Cliff and I sat with perhaps 100 others on the White House lawn watching President Clinton announce plans for the CDFI Fund.

It was almost too good to be true.

Indeed, what I remember most is the sinking feeling that that July moment was our high point. That the President's proposal would get eroded, that Congress would turn Cliff's beautiful concept and our elegant recommendations into an ugly program.

But for complex reasons that we dared not expect, we got a law—and a CDFI Fund—that was almost exactly what we asked for. In part, we were lucky. In part, we were smart. In part, we had friends in the right places.

But most of all we knew what we were doing, we did it well, and we built our policy recommendations on that. We stuck to what we knew. And we delivered.

Fifteen years and $20 billion of financing later, we are delivering still.

I cannot talk about this moment of opportunity without thinking about how we got here.

We have met and learned together for 24 years—notably, in Waltham, Massachusetts at our organizing Conference in 1985 when we set our course; in Newark, NJ, in 1994 when we welcomed in the CDFI Fund as the marker of a new era; in 2001 in Memphis, TN, just a month after September 11, when we learned how much CDFIs can contribute when the economy and markets are in distress; and in 2004 in Chicago, immediately following the Presidential election, when we learned how important it is for us to come together to share our experiences and to plan.

But this year's conference—in the middle of an epic transformation in the economy, financial markets, and policy—is rooted in our 1990 Conference, the first one I attended.

Let me take you back there.

Fewer than 100 people met that Fall in the basement of the 4H Conference Center just outside Washington, DC. What links it to this year is a remarkable, prophetic plenary on the relationships among capital markets, public policy, and CDFIs.

To understand what happened then is to realize what we can and must do now.

The plenary discussion centered on a set of harsh questions about the economic, financial, and policy mainstream:

We asked, Would Wall Street or Capitol Hill or the White House ever notice—or care—that CDFIs exist? And, should they?

And we asked, What would happen **when**—*not if*, but *when*—the Federal Reserve or the federal government stepped in to rescue Fannie Mae and Freddie Mac—to make explicit the implicit promise behind their federal charters.

Last, we asked—as deregulation gained momentum—What would financial institutions do if they could choose between regulated and an un-regulated marketplaces: One choice would be a completely unregulated charter without a government safety net; The other choice for financial institutions would be a government safety net with commensurate regulations ranging from CRA to capital ratios.

That 1990 discussion anticipated by almost two decades what I believe is the defining challenge of this Conference, this year, this economic crisis, the next Congress, and—perhaps—our industry:

> *What must our global financial system* do *and* be *if we are working toward a sustainable and inclusive prosperity?*
>
> *Or, put another way, how must the financial system as we understand it today improve to serve our core purpose of aligning capital with social, economic, and political justice?*

At the time, we saw ourselves as powerless to affect change.

I found myself sitting in a room full of reluctant prophets. We lacked the institutional ego—and perhaps the track record—to believe in the power of our work and experiences.

No more.

Today we are ready and able to leverage the financial marketplace toward our core purpose … to bend the moral arc of the universe toward justice. We have an opportunity now that we did not dream possible 18 or 10 or 5 or even 1 year ago. And we have the ability to act.

The world around us has changed and, as a result, what you do and what you say has never been more important.

Today we work in an era of "bad money" with painful, empirical evidence that bad money <u>always</u> produces bad results. And so we face a national crisis centered on the question *whether good money can defeat bad money….*

I am here to say that it can and that it will … if we do all we can by doing what we do best.

I believe we will prevail. I believe we can help good money chase bad money from the marketplace.

Because we know who we are and who we are not. … Because we know what we can and should do and what we cannot and should not. … Because we deliver results.

And because we know now that we are right.

We did not know that in 1990. I believe we know that now and that others know it, too.

Now we know.

Now we know what we can do in policy.

In 1992, just two years after the prophetic plenary, we started our march to the CDFI Fund—which has provided almost $1 billion in performance-based equity—and this year, to **The NEXT American Opportunity**, the remarkable effort to take the policy offensive that so many of you helped produce.

Now we know.

Now we know that, in just the last year, our policy efforts have produced the Capital Magnet Fund, CDFI access to the Federal Home Loan Bank system, better results for CDFIs in the New Markets Tax Credit Program, and a significant—albeit insufficient—increase in CDFI Fund appropriations.

Now we know that we have a seat at the table working to include CDFIs in the TARP program and to make sure CDFIs are part of new economic stimulus legislation.

Now we know that the opportunities before us are growing. They range from a federal bond guarantee program for CDFIs to a modernized and expanding Community Reinvestment Act.

Now we know what you are capable of in financing. Since 1990, you and your colleagues have originated more than $20 billion in responsible, productive financing benefiting low-income and low-wealth people and places.

Now we know what happens when the federal government steps in—not just at Fannie and Freddie but at Bear Stearns, at Merrill Lynch, at Washington Mutual, at AIG, and at Goldman Sachs. At banks across the nation, at mutual funds, and at money market funds.

In fact, now we know how the story *starts*. We now must take our seat at the table to decide how the story should end.

As a nation, we are engaged in redefining what financial markets can and can't do, how they work, who they serve, and what role they should and should not play.

Now we know that we *must* play an important part in rewriting the laws and regulations that will govern the financial sector. In May, the OFN Board asked me to organize an effort to make sure we take our seat at the table. We are starting to work with a broad coalition of financial, regulatory, civil rights, consumer, and other groups, and now we know that we will not miss this moment to act.

We need to do our part to drive bad money out of the financial marketplace.

Now we know decisively what financial institutions decide when given the choice of deregulation versus regulation. Goldman Sachs, the last remaining investment bank at the time, answered that without hesitation this Fall when it chose a regulated bank charter over its investment bank business model.

And as a result, Now we know—as we have always known—something fundamentally important about public policy: Sound and prudent standards, regulations, and marketplace behavior are fundamental to strong financial markets and general economic well-being.

As we have experienced, those false prophets who promised false profits did so at great cost to themselves—we hope—and to others.

I want to underscore the meaning of what we know:

Those of us who kept to the fundamental principles of responsible credit—who were clear about our hedgehog concepts and who kept pushing on the flywheel of opportunity finance—have something important to say to policy makers and to teach to Wall Street.

So why was Washington listening to Alan Greenspan and Angelo Mozilo but not to you? What you know and what you have done is a matter of national importance.

In a year when our nation elected a former community organizer to the Presidency, when a conservative Republican President effectively nationalized the financial marketplace, and when Alan Greenspan publicly renounced his "greed is good" ideology, *Now we know* that nothing is *im*possible.

Now we know that this is a decisively a new era. It should be the era of responsible finance. It should be … our era.

If you studied economics you learned about Gresham's Law, which states that bad money *always* chases good money out of a marketplace. Bad money, to Gresham, is when the nominal value of an asset is materially different from its commodity, or trading, value.

The last decade or so has been a really bad "bad money" era.

From appraisals that inflated asset values to brokers who falsified borrower incomes…

From rating agencies that assigned values to securities and derivatives far greater than they could reasonably know them to be …

To investors who deluded themselves into believing that the marketplace had performed financial alchemy that spun gold out of greed …

From regulators who facilitated irresponsible lending through lax regulation and enforcement to national leaders who encouraged homeownership to excess …

From borrowers who knowingly bought homes they could not afford to lenders who maliciously and greedily introduced products that they understood were disasters waiting to happen…

We understand the problem. We know how to lend responsibly. No one knows better than you do what works and what does not work.

We do not know all the answers, but I believe in this room and in this industry that we know as well as anyone else what it will take to re-write Gresham's Law.

When we do—when we prove that good money can drive bad money out of the marketplace—we'll explain what we know and call it the Law of Opportunity.

And because we know that nothing is impossible, we know that that we *can* prove Gresham wrong.

We have the standing and the knowledge to do so because for 30 years we have done what others said was impossible because we knew it was essential.

We have the strategic and tactical expertise to intervene.

We have the networks in our communities and in our business relationship and across our industry to mobilize for change.

We cannot afford to fail.

If we let Congress and the Obama Administration and the regulatory agencies implement the wrong solutions, or if we let them fix only half the problem, or—worst of all—if we fail to make it clear that repeating the past is not an option, we will be stopping short of our potential and our purpose.

I chose to do this work 18 years ago because I saw in this nascent industry the potential to make the world better one transaction at a time.

To bundle those transactions with our relationships and to put them in play in the marketplace of civic discourse and public policy.

To package our transactions, our relationships, our ideas, and our expertise into a new form of social, economic, and political security—rooted in our vision of a world where all people have the resources and opportunities to act in the best interests of their communities, themselves, and future generations.

Our opportunity now is to leverage what we know and what we do and what we stand for … into a set of changes in financial market practice, regulations, laws, and standards that will make good money the norm for our communities, our nation, and the global economy. We will do that in practice and we will do it in policy.

THIS is what it means to create transformational change grounded in a transactional business.

So what do we do know?

Let me outline for you a set of actions to that transformational end and ask you to work with OFN to improve and to implement them.

First, *we need to set a high performance standard for our work and the programs that serve us.*

Good policies are results-oriented and results are performance-based. We cannot change government's tendency to create process-heavy solutions. We can, however, do a few things to counter the old, lowest-common-denominator approach.

- Most important, we need to continue to perform and produce as we have for the last 30 years. The world is watching us more closely than ever before. As long as we stick to what we know and deliver on what we promise, we will be fine.
- And we need to explain what works and why.
  - We need to articulate why the CDFI Fund should be the standard for other government programs. It is performance-based, it is competitive, it is anchored by CDFI market expertise, and it leverages private capital like nobody's business.

- o And we need to explain again and again why responsible lending must be the standard for all lending, for reasons that should be self-evident but are not.

Second, *we need to change the deregulatory rhetoric of the last 30 years and recognize the positive role of market-based regulation in responsible finance.*

For the last thirty years, we have been on the losing side of the war of words.

There are at least three things that need to happen at the federal level:

- *The government needs to extend a community reinvestment responsibility* to ALL financial institutions that depend on taxpayer support—and we now know that that means all financial institutions: insurance companies, mutual funds, money market funds, investment banks (if there are any), and others. Investing in opportunity markets is a good thing, not a burden.

- *Regulators and others need to re-think risk.* For 30 years, we have been told that CDFIs are high-risk. Risk is a practical devil that quietly settles in around lax thinking, lack of discipline, avoidable errors, oversights, greed, and overconfidence. This new thinking needs to recognize that risk is a threat in theory but a danger in practice. CDFIs are good at intervening between theory and practice.

- *Financial services policy needs to establish a level playing field.* We cannot have effective regulatory policy otherwise. This is true for institutional and product risk across financial institution types at least as much as it is for CRA. It is the only way to manage systemic risk—exactly what the markets and the government failed to do for the last decade.

Third, We need to realize our value in the financial system. If CDFIs are the tail to the financial services industry's dog, maybe it's time we did some wagging.

When we started some 30 years ago, we were a solution to an "access to credit" problem on the margins. For much of the last decade, we were a solution to a "cost of credit" problem. Now we are again an "access to credit" solution … with a much expanded role.

We can help in at least two ways:

- Much as we did through the mid-1990s, we can be the fulcrums on which traditional credit levers rest. We can leverage financing where mainstream lenders and investors are reluctant to go.

- We can be "lighthouse lenders" helping the "big boats" of capital avoid hidden dangers and pointing the way to productive ports. Our market knowledge is more valuable than ever. We should not hesitate to share it in the interest of increasing capital flows to the markets we are serving. And we should not be reluctant to expect to be compensated for the value we provide. CDFIs often function as the market research and development arm for the financial market. It is time to structure formal business relationships that value this function.

Fourth, Congress and the White House needs to invest IN A BIG WAY in opportunity finance.

Here are six things the federal government should do right away:

- 1. Appropriate at least $250 million annually to The CDFI Fund, including support for the expansion of the Native CDFI sector and small and emerging CDFIs.

  The appropriations should incorporate at least two statutory changes:

  - The Fund should establish an "innovation bank" based on the concept that Jeremy Nowak presented in **The NEXT American Opportunity**. R&D is one of the things that CDFIs cannot easily pay for from fee and spread income yet it is one thing we do exceedingly well and where we create unique value.

  - In addition, the Fund needs to be able to distribute a mix of small and large investments in support of high-volume CDFIs and high-volume financing systems; the 1994 cap of $5 million over three years made sense then; it is inadequate as appropriations rise sharply.

- 2. The CDFI Fund must continue to use New Markets Tax Credits to support CDFIs and other financial institutions that maximize long-term social and economic impact to communities.

- 3. Congress should appropriate at least $165 million to the newly created Capital Magnet Fund—with a corresponding appropriation of at least $335 million to the Affordable Housing Trust Fund—as part of a short-term economic stimulus program.

- 4. The Treasury Department must open TARP to all CDFIs. At least $1 billion out of $700 billion should support CDFIs. In addition, Treasury must require banks that receive TARP investments to support and partner with CDFIs on a performance basis.

- 5. The Federal Housing Finance Agency should open the Federal Home Loan Banks to CDFI membership and capital access *in the first quarter of 2009*. The Home Loan Banks can provide a rare source of liquidity to some, perhaps many, CDFIs. Last year, Congress authorized this and now the FHFA must implement it quickly.

- 6. Congress should approve OFN's legislation to create a federal bond guarantee for CDFIs. In its current form, our bond bill would generate $1 billion of affordable, 40-year debt each year for five years—$5 billion in total.

Those four broad steps—high standards, responsible regulation, CDFI value, and federal investment—are necessary and would make a significant difference. But each of them alone and all of them together are incremental changes.

We need transformational *change if we are going to prove Gresham wrong.* President Obama could change the game with a stroke of his Presidential pen on January 20th.

Here's how:

President Obama can, and should, issue an executive order directing federal agencies to implement within 30 days a policy based on what I call the Opportunity Principle: That it is an affirmative fiduciary responsibility of all financial institutions to invest in CDFIs, in particular, and Opportunity Finance, in general.

This policy would spur tens of billions of dollars of private financing at affordable rates into CDFIs that would, in turn and over time, generate hundreds of billions—perhaps trillions—of dollars of new financing benefiting low-income and low-wealth people and places. This alone would make it possible for opportunity finance to help push bad money out of the market and restore a "good money" economy.

A similar and equally simple policy change effectively created the venture capital industry.

To be specific, the policy I am suggesting would require that all financial institutions must invest at least one-tenth of one percent (1/10th of 1%) of their assets under management in CDFIs and opportunity finance. Failure to comply would be a breach of their fiduciary responsibilities. No exceptions. The financing would be at rates and on terms that CDFIs can use productively.

It is a logical, reasonable, and necessary next step.

It is a simple but transformational stride toward our core purpose of aligning capital with social, economic, and political justice.

It would be the defining principle of a new era in which good money pushes bad money out of our economy … where responsible finance replaces irresponsible finance … and where hope and opportunity supplants greed and division.

It is what we, the opportunity finance system, can do to help fix a deeply troubled world.

I hear a lot of talk these days about the "Joshua Generation." Joshua led the Israelites into the Promised Land after Moses died. The reference today is to President-elect Obama as "Joshua" to Dr. King's Moses.

We tend to think about the Promised Land in irrationally exuberant terms. But in Joshua's generation, the Promised Land was a place of violence and division, as it remains today.

Let's be brutally honest: We know now that the challenges we face as a nation and a world are overwhelming and frightening. And we know our industry's role in fostering progress—real, sustainable solutions—is limited. We can only do so much.

But I believe that our role is greater than we sometimes want to allow because opportunity carries the heavy weight of responsibility. It is one thing to see ourselves as responsible for local communities and something else altogether to bear the weight of our nation's social, economic, and political well-being.

But that IS our responsibility, and our opportunity.

Nothing about our work is easy or simple. We are small players in a big-money, high-stakes game. But we can prevail. And we know how, because Jim Collins told us how this morning.

We need to be clear with ourselves and with our organizations what should never change and what must change to stimulate progress. What is core and what is not core. Right now, we need to decide what each of us individually and all of us together can do to push bad money out of the marketplace.

We need to make sure we have the right people working with us. I believed 18 years ago that the people in opportunity finance are the right people to transform our world toward our vision. I am more sure of that today. We need people who understand that CDFIs exist to transform, not simply to transact.

We need to continue to think and act with discipline. As an industry, we are already good at this. It is a defining characteristic of CDFIs.

We need to be brutally honest about the facts in front of us yet confident that we will prevail. In our transformational role, we will prevail only by keeping our common purpose—our core purpose—in front of our self-interests.

We need to be clear about our hedgehog concepts. At OFN, we are working with a hedgehog concept of "Expanding and transforming the opportunity finance system." We want to expand it by persuading more mainstream institutions to join in our industry's work. With you, we are working to transform it by proving that good money can defeat bad money, by redefining the standards of success in finance, and by finding ways to leverage the best of Wall Street and main street to serve the interests of the people and places we serve.

Most important, we need to continue to turn the flywheel of social, economic, and political justice. We have been doing it for 30 years or longer—and Cliff Rosenthal has taught us just how powerful it is when you find the right thing to do and keep at it without pause.

The flywheel is probably the most natural thing for many, if not all, of us, because we do not know and cannot imagine any other way. This is what we do. That is who we are.

And we have some momentum.

What God told Joshua in commanding him to cross the Jordan River into the Promised Land, and what Joshua told his people as they prepared for that moment, is this: Be Strong and Resolute.

Nothing more. Be strong and resolute.

I hope this Conference gives you much of what you need over the next year. After we leave here on Friday we will come back together for OFN's 25th Annual Conference in Charlotte, North Carolina. I hope you will join us.

As I wish you well for the remainder of this exciting week in this extraordinary time, as I thank you for participating in this Conference and in this shared enterprise, and as I ask for your help and urge you to action, I can only echo Joshua:

Be strong and resolute.

Thank you.