



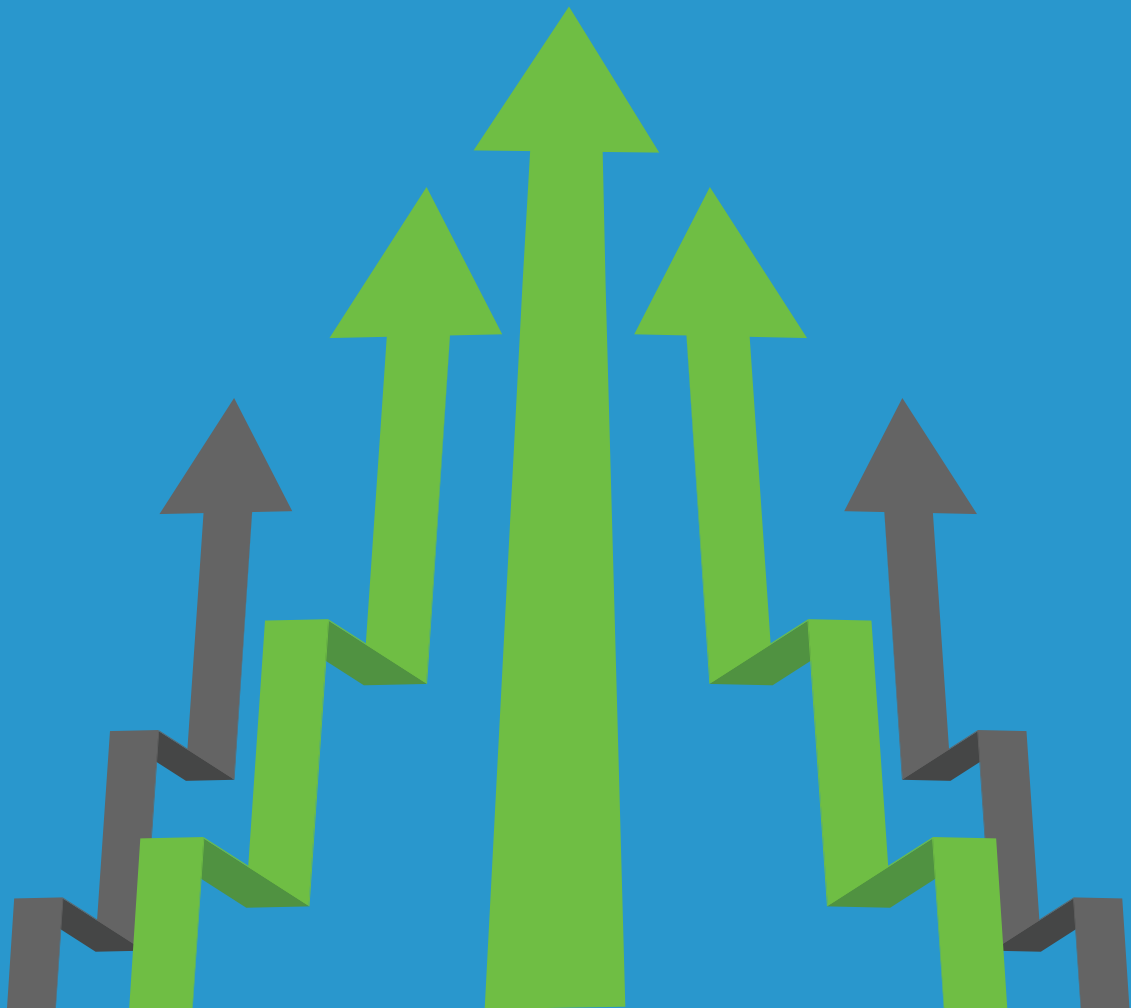
C A P I T A L
Good Fund

Affordable Loans & Financial Coaching

A Year of Crisis

Rising to the Challenge

Annual Impact Report 2020



Our Mission:

Creating pathways out of poverty and advancing a green economy through inclusive financial services.



A Letter from the CEO

To the entire Good Fund Family—Board, Staff, Clients, Funders, Investors, and Community Partners:

2020 was not the year any of us expected or wanted. The Covid-19 pandemic was just one of a series of overlapping crises--of democracy, of racial injustice, of climate change, of poverty and income inequality--that pushed all of us to the brink of despair. However the pandemic didn't create these crises; rather, it exposed pre-existing fault lines in our economy and society. We are therefore presented with a choice: as the virus is slowly subdued, will we return to business as usual, or will we take this opportunity to reorient America to a path that leads to justice and the realization of our democratic ideals? The future is in our hands.

At Capital Good Fund, we are extraordinarily proud of the speed with which we responded to the unprecedented economic, health, and emotional toll of the pandemic. Within weeks of the first stay-at-home orders, we took three steps to meet the needs of those we serve. First, we reached out to our 2,000+ existing borrowers and offered them a no-questions-asked, three-month deferment on their loan. Over the course of the year, roughly 15% of clients took us up on this offer, which gave struggling clients much-needed breathing room. This is one of the reasons why our loan portfolio held strong in the midst of an economic collapse: we build relationships with our clients and are always ready to work with them, through thick and thin.

Second, we launched a brand-new product, the Crisis Relief Loan (CRL). Ranging from \$300 - \$1,500, the product has an APR of just 5%, a three-month deferment period, and both flexible and expedited underwriting. Over the course of the year, we closed 1,100 of these loans, reaching over 3,000 individuals who used the proceeds for key needs: rent, utilities, security deposits, vehicle repair, technology purchases, paying off high-interest debt, and more.

And finally, our Coaching department created both a "Crash-Course" version of our traditional Financial and Health Coaching program, as well as a hotline that people can call 7 days a week, including with extended evening hours, to get advice and guidance on how to navigate the crisis.

As you'll see in this report, not only did we meet the challenges of 2020 through our products and services, but we brought in record revenue; expanded into two new states, Illinois and Texas; maintained phenomenal loan portfolio performance; grew our staff; and closed 500 more loans than we did in 2019. But we recognize that much work remains to be done to address the multitudinous crises I just outlined. We are prepared to play a critical role, to fight for justice, and to be responsible stewards of the trust our donors, investors, partners, and clients place in us.

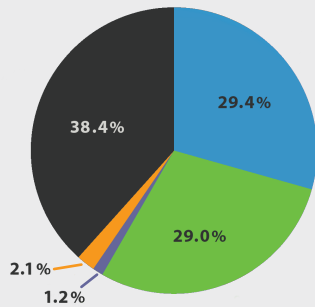
Here's to better tomorrows.

Andy Posner
Founder & CEO

- Issued **1,609** equitable loans
- Provided **120** households with financial coaching
- Expanded services into **two** new states
- Clients saved **\$1,400,000** compared to predatory financial services
- Launched and issued **1,055** Crisis Relief Loans

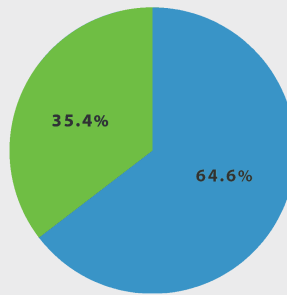
Borrower Demographics

Race/ Ethnicity



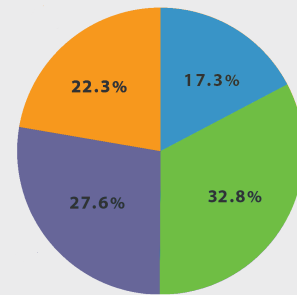
- African-American
- Hispanic or Latino
- Native American
- Native Hawaiian / Other Pacific Islander
- Other

Gender



- Female
- Male

Income



- Extremely low-income
- Very low-income
- Low-income
- Moderate-income or above

Other includes Caucasian and Other race / ethnic selections

Income level categories determined using Average Median Income (AMI) thresholds. Extremely Low \leq 30% AMI. Very Low $>$ 30% \leq 50% AMI. Low $>$ 50% \leq 80% AMI. Moderate $>$ 80% \leq 120% AMI. Above Moderate $>$ 120% AMI.

Loan Breakdowns

Loans and Dollars Issued by State

	Loans Issued		Loan Dollars Issued	
	#	%	\$	%
Rhode Island	457	28.4%	\$869,307	26.4%
Massachusetts	177	11.0%	1,027,287	31.2%
Florida	691	42.9%	1,123,540	34.1%
Delaware	39	2.4%	32,685	1.0%
Illinois	163	10.1%	167,034	5.1%
Texas	82	5.1%	70,590	2.1%
Total	1,609	100.0%	\$3,290,443	100.0%

Loans and Dollars Issued by Product

	Loans Issued		Loan Dollars Issued	
	#	%	\$	%
Credit Builder	109	6.8%	\$17,460	0.5%
Emergency	99	6.2%	47,900	1.5%
Other Personal	132	8.2%	208,205	6.4%
Crisis Relief	1,055	65.6%	942,557	28.6%
Immigration	59	3.7%	350,837	10.7%
DoubleGreen	105	6.5%	1,156,502	35.1%
Car	50	3.1%	566,982	17.2%
Total	1,609	100.0%	\$3,290,443	100.0%

2020 Achievements

Equitable Loans

The foundation of our mission is providing equitable financial services. In 2020, we issued 1,609 equitable loans--a 36% increase compared to the prior year.

Crisis Relief Loans

Covid-19 became a painful reality for many Americans in 2020. Realizing that our target client base needed immediate and low-cost liquidity, we launched our Crisis Relief Loans to meet the moment. Two-thirds of the loans we issued in 2020 were CRLs.

Financial Coaching

The coaching team expanded from four to five people during the year and served 120 households. Additionally, as a response to the pandemic, we created a condensed version of the coaching program and established a pandemic hotline to address urgent needs with our programing.

Expansion

With expansion into Illinois in January and Texas in November, we increased our potential client base by 135%. To serve our expanding market we increased our headcount by eight team members.

National Recognition

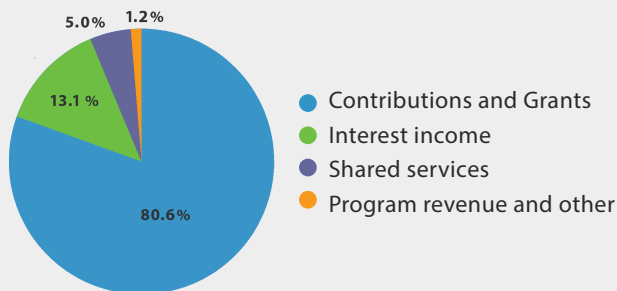
Capital Good Fund received coverage from numerous media outlets during the year. Most notable were several articles by national publications: [WSJ](#), [Fortune](#), [Forbes](#) and [CNBC](#).

Portfolio Performance

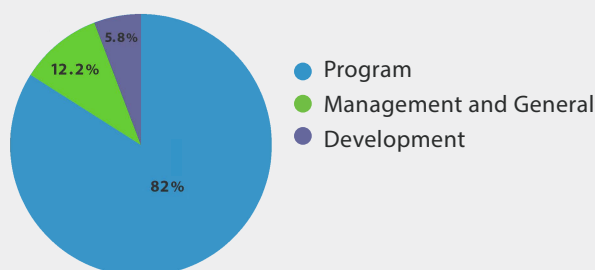
Capital Good Fund was started on the heels of the Great Financial Recession in early 2009. By working with our clients, not against them, we proved that communication and relationships creates resilience. Even in the middle of a pandemic, we were able to keep our borrowers on track by offering deferments and interest-only payment periods.

Financials Results

Revenue Breakdown



Expenses Breakdown



Financial Position

Fiscal Year Ending December 31,	2019	2020
Assets		
Cash	\$3,234,174	\$4,627,514
Grants receivable	74,913	12,276
Loans receivable, net	4,741,004	5,339,698
Accrued interest receivable	19,390	27,281
Prepays and other	71,121	95,991
PP&E, net	64,654	50,993
Total Assets	\$8,205,256	\$10,153,753
Liabilities		
Payables and accrued expenses	\$84,001	\$115,270
Accrued loan interest	35,430	69,124
Deferred revenues	369,301	541,851
Lines of credit and loans payable	5,636,120	6,638,041
Equity equivalent loans payable	1,688,713	1,931,112
Total liabilities	\$7,813,565	\$9,295,398
Net Assets	\$391,691	\$858,355
Total Liabilities and Net Assets	\$8,205,256	\$10,153,753

Client Stories



Michele Hamed

The five-week wait for her first unemployment check was excruciating for single mother Michele Hamed, 44, of Jacksonville Florida. Both she and her older son were furloughed from their work at a local restaurant on March 14. "During the gap, I had no steady source of income," she recalled. "Many nights I would go to my bed crying because I didn't want my kids to see me scared." The family was eating Ramen noodle soup, stretching meals as much as they could, and avoiding driving the car until they found out about Capital Good Fund's Covid-19 Crisis Relief Loan. Hamed applied for a \$1,500 loan, and the money was in her account within a few days. "The process was simple," she says. "It was a relief to be able to pay my first priority bills." She has since started receiving unemployment, and her son returned to the restaurant in the first wave of re-openings on May 4. She returned to work in June.

D.I.

Deborah Irlanda

Deborah Irlanda, 48, of Providence RI needed a \$1,200 Capital Good Fund Covid-19 Crisis Relief Loan in September of 2020 to pay for moving expenses. "Capital Good Fund took a big load off my shoulders. It was a huge thing for me," she says. She had recently lost her job as a culinary worker during the pandemic and is now training to be a community health worker. The single mother of two grown daughters moved to Rhode Island from Puerto Rico after her family lost everything during Hurricane Maria. She received a year of financial coaching from Capital Good Fund in 2018 and describes her Capital Good Fund Financial Coach Isabel as a friend, advocate, and mentor. "Every question I had that I didn't know where to go or who to ask, she was there," she recalls. The two remain in touch.

M.S.

Margaret Sizemore

Margaret Sizemore, 62, of San Antonio Texas had been burned by predatory lenders many times before taking out a low-interest \$1,000 Crisis Relief loan with Capital Good Fund. "Predatory lenders couch themselves in 'we understand you' to get you in the door, then make it impossible for you to get back out," she says. "Without Capital Good Fund, I would have been back on the downward spiral, all for the sake of a thousand dollars." Sizemore is working fulltime as a care coordinator, but years of neurological issues and having to act as a caregiver for family members with health problems have taken a major toll on her finances. "I am frugal, but I couldn't make ends meet. My experience with Capital Good Fund was outstanding and very different from anything I had experienced," she added. "The rate is reasonable and it's clear what I've committed to. It's a true opportunity to recover without taking any steps backward." She says she feels more secure knowing she can turn to Capital Good Fund if she has trouble in the future.

Reviews

Charamaine Franklin

"Lately, we have all had to deal with this pandemic and how it is taking us away from our normal way of life. With all this stress, finances are taking the biggest hit. Not knowing where to turn because every door tried has closed. Until a google search for hardship loans brought Capital Good Fund to my attention. I was skeptical at first and rightfully so but with patience and excellent customer service, I was approved. The process took a couple of days and the result was greatly appreciated. I am glad to finally find a company who understand the stressful time we are going through and look forward to helping with my credit score as well. Thank You to the team at Capital Good Funds and continue to help those in need."

Lisa

"I have to say, I am blessed that my good friend told me about Capital Good Fund.
Most people don't know about the help they can get.
And if you think you can't afford a financial advisor here, you're wrong!
Capital Good Fund can help you with many things.
I almost lost my mind without my financial coach!
She is always there for me and helps me make the right decisions for my future.
We all need a little guidance at times."

Tiawoo "Tim" Olasanoye

"I was shown the upmost courtesy and service and the results speak for themselves whether your looking for a loan or to get started building your credit this is the place to be!"

AnnMarie LeFort

"This was so amazing to be able to get some relief and it was very simple and fast. I had first heard of Capital Good Fund last year and after I applied I got a response the next day. As soon as I obtained all the information they needed my approval came through. I am so grateful. This was a great experience and I would not hesitate to contact them in the future."



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