

Commerce Home Mortgage, LLC Completes Capital Offering

December 2020

Commerce Home Mortgage, LLC



Preferred Equity Offering

\$81.5 Million*

5.00% Fixed Coupon

*\$50.0MM raised in October 2020

*\$31.5MM raised in December 2020

Sole Placement Agent

Performance Trust Capital Partners

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Commerce Home Mortgage Completes Second Round of Preferred Equity Financing Raising Over \$80 Million Cumulatively to Expand Access to Capital to Minority and Low-Income Americans

- Second Round financing brings total issuance of preferred equity to over \$80 million.
- Investor consortium now includes 18 socially responsible banks.
- Commerce Home Mortgage to use proceeds to expand lending in minority and low income communities in Florida, Georgia, New Mexico, Arizona, and the Midwest.

Transaction Overview

On December 30, 2020, Commerce Home Mortgage, LLC, one of America's largest Community Development Financial Institutions ("CDFI"), announced the pricing and closing of a second round private placement (the "Offering") of \$31.5 million of cumulative, perpetual preferred equity units (the "Preferred Equity Units"), or \$81.5 million when combined with the recently issued \$50 million of Preferred Equity Units in October of 2020. Investors in the Preferred Equity Units now include 18 socially responsible banks seeking to expand access to capital in low-income communities throughout their market service areas. The Preferred Equity Units, which received an investment grade BBB+ rating from Egan Jones, bear a cumulative, preferred return of 5.00% per annum, paid quarterly (and subject to an annual adjustment based on CRA lending credit earned by bank investors).

Commerce will use the net proceeds from the Offering to increase lending to Black, Latino, Indigenous and other minority and low-income borrowers and communities – including those in persistent poverty counties. Commerce expects to grow its lending to well over \$10 billion in 2021 to further its community development mission of lending to the unbanked.

Performance Trust Capital Partners served as sole placement agent for Commerce Home Mortgage, LLC in connection with this issuance of preferred equity.

Commerce Home Mortgage Overview

- One of the largest state and federally certified CDFIs, with licenses in 23 states across the US (9 pending)
- Primary mission of promoting community development with a focus on the following target markets: African-American, Latino / Hispanic, and low income individuals and communities
- Originated over \$7 billion in loan originations on annualized basis for FY 2020

Operating Platform Overview

23 States

35+ Markets

42 Branches

265+ Loan Production Team Members

