



December 15, 2008

For immediate release

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National Innovation Award Honors Community-Based Lender - BEREA, KY

At a ceremony last week the Wachovia NEXT Award for Opportunity Finance presented its Innovation award to Federation of Appalachian Housing Enterprises (FAHE), a nonprofit lender based in Berea, Kentucky. The award acknowledges FAHE's pioneering application of Low-Income Housing Tax Credits to support citizens with special needs in rural areas. This marks a huge accomplishment as these funds historically have been used in cities, seldom touching rural communities. In under two years, FAHE attracted more than \$17 million in private equity investments to develop multiple rental housing projects for the disabled. Through its inventive strategy, FAHE bridges market gaps by offering a market-rate return to mainstream financial institutions that want to create opportunities and spark growth in hard-to-serve markets.

Over the past year, FAHE has emerged as a true leader among community development financial institutions, receiving multiple recognitions for its social enterprises. The Wachovia NEXT Awards for Opportunity Finance is the nation's largest and most prestigious honors among alternative lenders, FAHE. The awards recognize excellence among financial institutions that put communities first, and were established to spotlight how community-based finance increasingly supports a prosperous economy and stabilizes communities.

In fact, FAHE and other Community Development Financial Institutions inspired the new Capital Magnet Fund, by demonstrating smart use and responsible lending practices in leveraging large investments successfully. Signed into law earlier this year as part of the Housing and Economic Recovery Act, the Capital Magnet Fund has the potential to bring hundreds of millions of dollars in new funding to stem the tide of fallout from predatory lending practices. Established outfits, who demonstrate responsible lending practices institutions, like FAHE, will be the key successfully deploying aid in local communities.

The Wachovia NEXT Awards for Opportunity Finance is run and funded through the Opportunity Finance Network by The Wachovia Foundation and The John D. and Catherine T. MacArthur Foundation. "All four of these exceptional CDFIs have proven their ability to transform communities and their readiness to make significant leaps forward," said Mike Rizer, executive vice president for the Wachovia Foundation. "We congratulate these organizations and look forward to the economic opportunity they will create in underserved markets."

To learn more about FAHE, please visit www.fahe.org or call 1-888-969-1399.

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FAHE is a regional non-profit based in Berea, Kentucky that leads a network of Appalachian organizations through collective voice and access to capital that creates housing and promotes community development. As a financial intermediary, FAHE brings together community-based nonprofits to connect resources with communities in KY, TN, VA and WV. For more information visit www.fahe.org or call 1-888-969-1399.

Opportunity Finance Network is the leading network of private financial intermediaries that delivers both sound financial returns and real opportunities for low-wealth people and communities in the U.S. More information is available at: www.opportunityfinance.net.



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The Wachovia Foundation is a private foundation that provides grants to eligible 501(c)(3) tax-exempt organizations in two primary focus areas, education and community development. The Foundation's mission is to build strong and vibrant communities, improve the quality of life and make a positive difference. More information is available at: www.wachovia.com/wachoviafoundation.

The MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world. MacArthur has been a leading supporter of the Opportunity Finance field since the early 1980s, investing almost nearly \$250 million in approximately 100 groups nationwide. More information is available at: www.macfound.org.