Diversifying our work during a time of global disruption to catalyze economic progress in the communities we serve.
$57.7MM in loan originations; $153.6MM in loans outstanding (85.7% CDFI Qualified); 360 loans closings, including 272 new Pathway borrowers; 16,555 hours of classroom training and 1-on-1 technical assistance; and educational services to 2,325 unique clients.

Metro CARES Act Small Business Recovery Grants: Deployed $6.75MM in grant funds to small & microbusinesses, live music venues, and farmers market vendors in Davidson County.

PPP Lender: Originated $4.04MM in PPP Loans to 196 businesses with an average loan size of just over $10,000.

Chattanooga Small Business Opportunity Fund: Launched a $7.5MM loan fund to advance an inclusive recovery for area small and minority-led businesses.

Memphis Medical District Investment Fund: Launched a $30 million capital fund dedicated to support development of inclusive residential and mixed-use projects in the Memphis Medical District.

FlexFund Product: Received a $1MM grant to expand this alternative to debt and equity statewide in Tennessee with a focus on BIPOC businesses prepared to scale.

New Markets Tax Credits: Received a $30MM NMTC allocation, the first for Pathway Lending, and the only award this round distributed to a Tennessee-based organization.

We hope all of you are doing as well as can be after another difficult year. In 2021, our team and partners worked together to create new programs and deliver new resources to ensure opportunities would not be missed. Through our shared efforts, we feel a sense of optimism. This collaboration, innovation, and investment – our willingness to do more – must become our new normal if we are to emerge from this period stronger, not as individuals, but as an entire community.

COVID-19 highlighted the inequities that too many face – particularly minority, women, and rural entrepreneurs—because of the structural flaws in our economic and social systems. The pandemic amplified the need for responsive products and wrap-around services that not only create a life in times of need, but also provide an ongoing support system to ensure entrepreneurs can generate positive outcomes for themselves, their employees, and their communities for years to come.

Since our inception, Pathway Lending has been committed to the idea of no missed opportunities. In 2021, we worked harder than ever to align our work with the true needs of the community. Through new community partnerships, financial products, and educational services, we returned excellent results:

- $57.7MM in loan originations;
- $153.6MM in loans outstanding (85.7% CDFI Qualified);
- 360 loans closings, including 272 new Pathway borrowers;
- 16,555 hours of classroom training and 1-on-1 technical assistance;
- and educational services to 2,325 unique clients.

We also launched new community-centric initiatives, developed new financial products to meet a wider range of needs, and made significant investments in our ability to deliver education online and in person. Some highlights of our work include:

- Metro CARES Act Small Business Recovery Grants: Deployed $6.75MM in grants to small & microbusinesses, live music venues, and farmers market vendors in Davidson County.
- PPP Lender: Originated $4.04MM in PPP Loans to 196 businesses with an average loan size of just over $10,000.
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- FlexFund Product: Received a $1MM grant to expand this alternative to debt and equity statewide in Tennessee with a focus on BIPOC businesses prepared to scale.
- New Markets Tax Credits: Received a $30MM NMTC allocation, the first for Pathway Lending, and the only award this round distributed to a Tennessee-based organization.

This year’s Stakeholder Insights report highlights how Pathway Lending has built a strong framework, which allows our team to be agile and responsive in our work. We can deliver long-term solutions to economic disparities and also provide relief to the immediate needs of our community. I invite you to learn more about our work, our partners and our financial stewardship. Join us in making an impact and building resilient communities that are stronger than ever.

Regards,
Clint Gwin   Hank Helton
President & CEO  EVP & CSO

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Dr. William (Herb) Byrd | Chairman
VP for Public Service, University of Tennessee

Jon Davies | Vice-Chairman
Compliance Executive - CMS, CRA, & HMDA Regions Bank

Dave Berezov | Chair, Financial Oversight Cmte.
Associate Professor, Vanderbilt University

Ivanetta Davis-Samuels | SVP - General Counsel, Meharry Medical College

Executive Team & Board of Directors
Mission-Focused.
We strive to ensure that 60% or more of our loan dollars directly serve our Target Markets, the communities at the heart of our mission.

CDFI Qualified Lending

- **Portfolio Outstanding**
  - 74.4% by # loans outstanding
  - 83.8% by $ loans outstanding

As of December 31, 2021 | 707 Loans Outstanding Totaling $153.6 Million

Primary Target Markets

- Low-to-Moderate Income Communities
- Low-to-Moderate Income Individuals
- Black-Owned Businesses

US Department of Treasury Certified CDFI Target Markets

Other Target Beneficiaries

- Women-Owned Businesses
- Veteran-Owned Businesses
- Affordable Multifamily Housing
- Energy Efficiency & Renewable Energy

Targeted delivery of services through Pathway Women’s Business Center, Veterans Business Outreach Center, Affordable Housing Loan Program & Education Cohorts, and Energy Efficiency & Renewable Energy Loan Program

Safe, Sound & Secure.
Through investments in staff, technology, and infrastructure, Pathway Lending has established a track record of being more impactful in its Target Markets while maintaining a best-in-class loan loss ratio.

Lending by Fund

- 2017: $20MM
- 2018: $40MM
- 2019: $60MM
- 2020: $80MM
- 2021: $100MM

Lending by Fund

- 2017: $200MM
- 2018: $150MM
- 2019: $100MM
- 2020: $50MM
- 2021: $0MM

Target Market Lending

- 2017: 2.16%
- 2018: 1.07%
- 2019: 1.79%
- 2020: 0.89%
- 2021: 0.05%

Historic LLR

- 2017: 1.69%

Annual LLR

- 2017: 2.16%
- 2018: 1.07%
- 2019: 1.79%
- 2020: 0.89%
- 2021: 0.05%
Capital Access is key.
We believe supporting a variety of capital access needs is key to building stronger businesses and capturing economic opportunity.

A Capital Solution:
As a CDFI, we provide our clients access to a variety of capital solutions as they start, grow, or transition their businesses.

A Catalytic Resource:
Our clients succeed when they have access to complementary solutions that equip them to pursue opportunities and overcome challenges they face in business. At Pathway, catalyzing change in communities starts with flexible loan products and continues with access to financial and managerial education that spans a broad range of topics. This framework allows us to deploy the right capital and advisory services over the life of a business.

Our clients follow their unique path to success, and our business model supports them along the journey.

A Capital Solution:
Financial Capital
We connect entrepreneurs with the loan capital they need to recover, grow, and thrive. With diverse products that reflect the needs of local markets, we help clients build a successful track record and pave the way to access traditional bank loans.

A Catalytic Resource:
Our clients follow their unique path to success, and our business model supports them along the journey.

Financial Capital
We connect entrepreneurs with the loan capital they need to recover, grow, and thrive. With diverse products that reflect the needs of local markets, we help clients build a successful track record and pave the way to access traditional bank loans.

02 Human Capital
Financial literacy and business acumen are crucial for long-term success. Realizing the potential for entrepreneurs to bolster our shared economic system demands investments in human capital with relevant offerings to develop these critical capacities.

03 Social Capital
Successful businesses rely on social networks to get the resources they need. In our work, we create inclusive spaces where diverse entrepreneurs can thrive, and making connections across our network of stakeholders.

Diversifying our impact.
In 2021, Pathway Lending undertook new initiatives to generate new and broader impacts in the communities we serve.

Paycheck Protection Program [Statewide]
With a $5 million loan from PNC Bank, Pathway Lending began delivering first draw PPP loans in January 2021 to Tennessee small businesses. With a focus on 1099, self-employed, nonprofit and small business borrowers who had not secured funding in earlier rounds, Pathway delivered significant technical assistance to these businesses and made 186 PPP loans totaling $4,039,147.67. Women- or minority-owned businesses represented 70.4% of the borrowers.

“We view this as an opportunity to encourage more Tennessee businesses that would benefit from this program to participate, especially business that missed out earlier.” Clint Gwin, President & CEO.

CARES Act Grants [Nashville]
Pathway Lending administered CARES Act grants for Metro Nashville to aid in COVID-19 recovery, awarding 826 grants totaling $6.575 million to businesses, music venues, arts nonprofits and farmers market vendors. A significant portion, 45% to minority-owned businesses, and 68% to microbusinesses.

Built on his experience owning a cafe in Cairo and working as a chef in New York City, Chef Ragab Rashwan opened King Tut’s Food Truck to bring authentic Egyptian food to Nashville. COVID closures temporarily shuttered his business and the Metro CARES Small Business grant helped him bridge that uncertain time and successfully reopen when conditions allowed.

Flex Fund [Memphis then Statewide]
The Flex Fund provides capital for growth-minded minority-and women-owned businesses. With flexible repayment alternatives to regular debt payments, businesses have free funds to invest in growth right away. Following a successful pilot in Memphis, Wells Fargo’s Open for Business Fund awarded $13M to expand Flex Fund to key markets statewide, including Chattanooga, Knoxville and Nashville. In 2021, 100% of Flex Fund loans went to Black-owned businesses.

Phillip Ashley Chocolates launched in 2012. The chocolatier quickly achieved fame and made “Oprah’s Favorite Things” in 2020. Through the Flex Fund, the business purchased an automatic tempering machine to speed production, upgraded its packaging, engaged a firm to help it expand internationally, and created 15 new jobs paying $15 per hour. The business now plans to add more staff and purchase its first building.

"Too often, small businesses trade growth for debt repayment or ownership for equity capital, which can diminish a business’s ability to build wealth where it’s needed. That’s why we created the Flex Fund." Hank Helton, EVP & Chief Stakeholder Officer
Deeper commitments.

Through the launch of the Memphis Medical District Investment Fund, Pathway spurs inclusive & transformative real estate development.

A $30 million capital fund to support transformative residential and mixed-use projects in the Memphis Medical District.

“The creation of the Memphis Medical District Investment Fund brings catalytic capital to facilitate redevelopment and new development advancing the district’s growth and long-term sustainability. We are proud the community and our partners have entrusted us with this capital to further the vision for a thriving district community for all citizens to share.”

Clint Gwin, President & CEO.

$30 Million Fund

- Bank Partners: $10 million loans each from First Horizon, Regions Bank and Trust Bank to capitalize the program.
- Foundation Partners: A guarantee from the Kresge Foundation to offset potential losses and fund the program up to $6 million and operating support from the Hyde Foundation.

Catalytic Capital

In 2021, Pathway’s $5.25 million in MMDIF loans supported $96.3 million in total project costs.

The Memphis Medical District Investment Fund is a critical part of a larger capital stack that yields transformative changes in the Memphis Medical District.

2021 MMDIF Impacts:

$5.25MM

17/2021 MMDIF Loans Originated

435

Residential Units Created

487,282

Sq Ft of Real Estate Rehabbed or Developed

$96.3MM

Total Project Costs Supported by MMDIF Loans

MMDIF | Greyhound Complex Redevelopment

Uptown’s Greyhound Complex will soon be home to a mixed-use development that will repurpose two historic commercial buildings into loft apartments and a destination retail and entertainment space with additional new construction for artist studios and self-storage on the adjacent lot.

November 6 Investments bought the property in January 2020, and utilized the MMDIF to close a $2.25 million loan from Financial Federal, the senior lender and primary capital provider, along with Historic Tax Credits, local public incentives, and developer equity.

The Greyhound Complex redevelopment will convert the 1936 terminal into 45 loft-style apartments with new multifamily construction for an additional 25 units. The second building, built in 1902 as a stable for the old Schlitz Brewery and later used as bus storage, will be transformed into a destination retail and entertainment space with a mix of retail, restaurants, and event and office space. A new building will add artist studios and commercial space.

Expanded opportunity.

Pathway’s New Markets Tax Credit allocation expands high-quality facilities & capacity in rural and urban Tennessee communities.

A first-time $30 million allocation of New Markets Tax Credits from the CDFI Fund was awarded in December 2021.

“Over the years, rural and urban areas have been heavily impacted by forces outside their control and now face significant economic gaps that can be challenging to overcome. The NMTC allocation closes these gaps and helps communities recover economically and improve residents’ quality of life.”

Clint Gwin, President & CEO.

2021 NMTC Impacts:

$22MM

New Market Tax Credits Allocated

$53MM

Total Private Investment Attracted

314

New Jobs Created

Pathway Lending CDE

Lodge Manufacturing, a family-owned company and the largest domestic producer of cast iron cookware, sought NMTC financing for facility upgrades. With $6.75 million in NMTC financing from Pathway Lending, Lodge Manufacturing will purchase equipment to control air temperature and quality in the facility, automate packing, eliminate the need for employees to wear respirators, and bring on more permanent employees. The manufacturer expects to retain 307 permanent jobs and create 155 new jobs with 100 percent offering benefits and an average hourly wage of $23.36.

Container Technologies Industries, a metal fabricator of standard and specialty waste containers for nuclear and commercial utilities, will enter the stainless-steel fabrication market and construct a new 30,000 square foot facility with its $5 million in NMTC financing. Scott County’s first NMTC-financed project, the expansion will increase revenue, attract more customers, create new jobs and lift employee pay. The project has created 12 construction and predvelopment jobs, retained 39 permanent jobs and created 20 new jobs with benefits and an average hourly wage of $16.67.

Regional One Health, a safety net health system will launch a new, onsite full-service oncology program with its $5.25 million in NMTC financing. The hospital seeks to modernize its facilities and equipment and add 29 in patient rooms. The project created 66 permanent jobs and 4 construction jobs at an average hourly wage of $25.96. All permanent employees will receive job training, continuing education and professional development opportunities and programs for career advancement. Without the NMTC financing the project would not have been undertaken, reducing available low- and no-cost services for low-income Shelby County residents.

22MM

New Market Tax Credits Allocated

53MM

Total Private Investment Attracted

314

New Jobs Created

Pathway’s New Markets Tax Credit allocation expands high-quality facilities & capacity in rural and urban Tennessee communities.

Pathway’s New Markets Tax Credit allocation expanded high-quality facilities & capacity in rural and urban Tennessee communities.
Pathway Lending is a certified Community Development Financial Institution (CDFI) that serves businesses throughout Tennessee and Alabama, as well as portions of Arkansas and Mississippi within the Memphis Metropolitan Area. As a nonprofit lender, our focus is on underserved Target Markets that include businesses located in Qualified Investment Areas (as defined by low-income census tracts, poverty rates, and unemployment statistics), Low-Income Entrepreneurs, and African American owned businesses. Since 2018, Pathway Lending has worked to expand its target markets to bring additional resources to more businesses.

CDFIs are required to provide a minimum of 60% of products and services in their certified target markets. Since first being certified as a CDFI in 2002, Pathway Lending has not fallen below this threshold.

The mission of Pathway Lending is to provide lending solutions and learning programs that support the development, growth, and preservation of underserved small businesses, affordable housing, and sustainable communities. We believe education is a key component to the long-term success of our clients. Driven by that belief, we have strategically expanded partnerships, developed new programming, and invested in technology to broaden the delivery of our educational offerings to entrepreneurs across the region. We are pleased with our growth over the last five years and we will continue to make education a focus of our business.

### 2021 Lending Impacts

<table>
<thead>
<tr>
<th>Loans Originated</th>
<th>Businesses Financed</th>
<th>CDFI Qualified (%)</th>
<th>CDFI Qualified (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$57.7MM</td>
<td>301</td>
<td>86%</td>
<td>1,300</td>
</tr>
</tbody>
</table>

**Client Profile:**
- New Relationships: 272
- Minority-Owned: 135
- Woman-Owned: 104
- Jobs Supported: 1,300

**CDFI Target Markets:**
Pathway Lending serves business throughout Tennessee and Alabama, as well as portions of Arkansas and Mississippi within the Memphis Metropolitan Area. It serves businesses located in Qualified Investment Areas (as defined by low-income census tracts, poverty rates, and unemployment statistics), Low-Income Entrepreneurs, and African American owned businesses. Since 2018, Pathway Lending has expanded its target markets to bring additional resources to more businesses.

### 2021 Education Impacts

<table>
<thead>
<tr>
<th>Education Hours Delivered</th>
<th>Unique Clients Served</th>
<th>Classes Hosted</th>
<th>Loans to Education Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,555</td>
<td>2,325</td>
<td>224</td>
<td>$5.8MM</td>
</tr>
</tbody>
</table>

**Client Profile:**
- Women-Owned: 49%
- Minority-Owned: 56%
- Veteran-Owned: 34%
- CDFI Qualified Clients: 79%

**Mission Driven:**
The mission of Pathway Lending is to provide lending solutions and learning programs that support the development, growth, and preservation of underserved small businesses, affordable housing, and sustainable communities. We believe education is a key component to the long-term success of our clients. Driven by that belief, we have strategically expanded partnerships, developed new programming, and invested in technology to broaden the delivery of our educational offerings to entrepreneurs across the region. We are pleased with our growth over the last five years and we will continue to make education a focus of our business.
Each year, Pathway Lending builds on its previous efforts to improve the impact it makes in the communities it serves. Now, more than ever, we feel as though it is important to clearly communicate the impacts of our work to our network of partners, peers, and investors.

As a way to bridge the information gap between the work we do and our partners, we created the following impact section to offer more detail on the outcomes of our efforts.

In 2021, our work continued to support smaller, earlier stage entrepreneurs who were economically impacted by COVID-19 and required more diverse capital and educational needs.
Audited Financial Statement

INCOME STATEMENT 2021 2020 $ Change % Change

REVENUE

PROGRAM REVENUE
Interest Income Loans $7,496,442 $7,039,240 $457,202 6.50%
Interest Income Deposits $250,416 $182,446 $67,970 36.83%
Financing Fees and Charges $1,341,170 $419,312 $921,858 221.46%
Management Fees $410,988 $350,498 $60,490 17.23%

TOTAL Interest and Program Service Revenue $8,069,016 $2,292,330 $5,776,686 251.19%

CONTRIBUTED LOAN CAPITAL
$415.8 million total loans originated

1.618% historic loan loss rate

OUTSTANDING PORTFOLIO COMPOSITION

TOTAL PORTFOLIO O/S (12/31/21):
$153,600,553

Commercial Loans (<$50,000) 30.3%
Commercial Real Estate Loans 20.9%
Energy Efficiency Loans 11.0%
Multi-Family Loans 25.9%
Micro Loans 2.3%

RATIOS (as of 12/31/21)

2021 2020 % Change

Net Assets/Total Assets 16.42% 17.90%
Allowance for Loan Losses/Total Loans 0.05% 0.89%
Net Loans/Outstanding Loans 143.68% 107.94%
Earnings Income/Program Expense 65.31% 75.58%
Staffing Level 47 45.5

LIABILITIES

TOTAL LIABILITIES
$200,575,913 $176,761,942 $23,813,971 13.58%

Accounts Payable $337,738 $213,064 $124,674 58.51%
Interest Payable $61,197 $55,521 $5,676 10.31%
Notes Payable (Program Borrowings) $47,198,233 $17,710,847 $29,487,386 167.52%
Notes Payable (Program EQ2) $105,566,387 $94,304,924 $11,261,463 11.94%
Other Notes Payable $2,871,189 $1,605,415 $1,265,774 78.82%
Other Liabilities $1,245,377 $1,122,345 $123,032 10.96%

TOTAL LIABILITIES $200,575,913 $176,761,942 $23,813,971 13.58%

NET ASSETS

TOTAL NET ASSETS
$220,976,913 $156,567,942 $64,408,971 41.14%

With Donor Restrictions $2,010,711 $2,010,711 $0 0.00%
Without Donor Restrictions $413,419,905 $341,249,231 $72,170,674 21.24%

TOTAL LIABILITIES AND NET ASSETS $264,987,878 $190,816,653 $74,171,225 38.65%

BALANCE SHEET

ASSETS

Cash and Cash Equivalents $7,628,648 $6,154,211 $1,474,437 23.96%
Restricted Cash - Lending $84,580,935 $33,214,858 $51,366,077 154.65%
Restricted Cash - Loan Loss Reserves $15,797,874 $13,790,021 $2,007,853 14.70%
Restricted Cash - Other $14,422,228 $7,372,942 $7,049,286 95.36%
Total Cash $121,023,865 $54,896,132 $66,127,733 122.12%
Loans Outstanding $153,600,553 $138,327,075 $15,273,478 11.04%
Allowance for Loan Losses ($6,937,137) ($9,474,717) $2,537,580 -26.72%
Net Loans $144,663,416 $128,852,358 $15,811,058 12.27%
Grants Receivables $681,181 $955,007 ($273,826) -28.67%
Accrued Interest Receivables $608,256 $1,024,568 ($416,312) -40.63%
Other Assets $2,871,189 $1,605,415 $1,265,774 78.82%
Property and Equipment, net $3,033,151 $3,113,783 ($80,632) -2.59%

TOTAL ASSETS $1,245,377 $1,122,345 $123,032 10.96%

Other Liabilities $105,566,387 $94,304,924 $11,261,463 11.94%
Notes Payable (Program Borrowings) $47,198,233 $17,710,847 $29,487,386 167.52%
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TOTAL LIABILITIES $200,575,913 $176,761,942 $23,813,971 13.58%

2021 PERCENTAGE ASSETS

percent to total assets:

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

2021 FINANCIALS

audited financial statement continued
Helping businesses statewide in Tennessee scale their operations.

The Tennessee small Business Jobs Opportunity Fund was launched to provide entrepreneurs with a new source of capital to scale their operations, generate new streams of revenue for the business, and create jobs and wealth in the communities in which they are located.

Geography: Statewide Tennessee

The Tennessee Small Business Jobs Opportunity Fund (SBJOF) is a public-private collaboration between the State of Tennessee, private financial institutions, and Pathway Lending offers loans up to $3.0MM statewide with an emphasis on business expansion. As businesses recover from the pandemic, we have seen strong demand as growth activities are undertaken on a large-scale.

Historic Activity

Since October 01, 2010

$123.7MM

Total Loans Originated

407 Business Borrowers

4,720 Jobs Impacted

Low- to Moderate-Income Geographies

Minority-Owned Borrowers

Women-Owned Borrowers

CLIENT PROFILE | Gunner Kennels began with an unsatisfying search for a safe pet carrier. Addison Edmonds’ reimagined kennel raised industry safety standards earning the 5 Star Crash Test Rating from the Center for Pet Safety. After early success selling to dealers, partner commitments began to limit options for growth. That’s when Edmonds received a working capital loan that provided relief for margins and cashflow as well as operational flexibility.

“For a business like ours borne out of admiration for dogs’ passion, drive and loyalty, our decisions often come down to shared values. That’s the case with our partnership with Pathway Lending. They get what we’re building and are no less committed to it than we are.”

Addison Edmonds

Gunner Kennels

Founded: 2014

Funded: 2019

Deployment & Capitalization

64%

Deployment Ratio

73%

Deployed & Committed Ratio

$43.1MM

Loans Outstanding & Committed

FUND CAPITALIZATION

BANKS

$42,525,829

LEVERAGED CAPITAL

$16,128,137

TOTAL CAPITAL

$58,654,166

SBJOF

EST. 2010

Tennessee Small Business Jobs Opportunity Fund

Deployment & Capitalization

81%

Deployment Ratio

91%

Deployed & Committed Ratio

$23.8MM

Loans Outstanding & Committed

FUND CAPITALIZATION

BANKS

$10,100,000

LEVERAGED CAPITAL

$16,055,000

TOTAL CAPITAL

$26,155,000

ROF

EST. 2007

Tennessee Rural Opportunity Fund

Deployment & Capitalization

64%

Deployment Ratio

73%

Deployed & Committed Ratio

$28,777,330

Loans Outstanding & Committed

FUND CAPITALIZATION

BANKS

$10,100,000

LEVERAGED CAPITAL

$16,055,000

TOTAL CAPITAL

$26,155,000

TN ROF was expanded in 2017 with a grant from the State of Tennessee, which supports lending with a focus on Disadvantaged Business Enterprises (DBEs) and underserved and underrepresented populations in at-risk and distressed counties.

Geography: 92 Rural Tennessee Counties

This perpetual revolving loan fund provides capital to small, disadvantaged, and early stage businesses in Tennessee’s 92 rural counties (excludes Davidson, Knox, and Shelby Counties).

Historic Activity

Since May 01, 2007

$52.54MM

Total Loans Originated

175 Business Borrowers

3,154 Jobs Impacted

Low- to Moderate-Income Geographies

Minority-Owned Borrowers

Women-Owned Borrowers

CLIENT PROFILE | Thomas Jones, a retired US Army Helicopter pilot was not ready to hang up his wings when he was approached about opening a flight school. With a lot of interest, but little business knowledge, Jones connected with the Veterans Business Outreach Center at Pathway Lending for education and a loan. From there, Highland Rim Aviation quickly took off. With six flight instructors and a fleet of nearly 15 aircraft, Highland Rim offers flight instruction to help meet the nation’s demand for pilots.

“Working with Pathway has been seamless and easy. As a first-time business owner, they answered all my questions about the business loan and steered me in the right direction to be successful.”

Thomas Jones

Highland Rim Aviation

Founded: 2019

Funded: 2019
CLIENT PROFILE | Nearly 30 year ago, Phil Owen and Robert Trent founded First Cumberland Properties “to provide working families with extraordinary housing.” Now leaders in the affordable housing industry in the state, Owen and Trent have utilized Pathway Lending’s Tennessee Affordable Multifamily Housing Fund on three projects to continue their mission.

In Knoxville, they renovated the 195-unit Holston Oaks Apartments and added a playground, community room, pool, and community green space. “Safe, decent, and affordable multifamily rental housing is more important than ever, and we’re grateful to have Pathway Lending as a partner on these projects.”

Creating safe, decent, and affordable multifamily rental housing.

The Tennessee Affordable Multifamily Housing Loan Fund offers a new source of long-term, permanent financing to acquire, develop, rehab, or refinance affordable and mixed-income multifamily housing. Eligible projects must meet affordability standards and can include family, elderly and special needs housing communities.

**Tennessee Affordable Multifamily Housing Loan Fund**

**EST. 2014**

**Geography:** Statewide Tennessee

This fund provides permanent financing to developers of Low-Income Housing Tax Credit and Naturally Occurring Affordable Housing properties in all 95 counties in Tennessee. As Tennessee ranks 34th nationally for the supply of adequate affordable housing, we expect demand for housing-related loans to remain high.

**Historic Activity**

Since January 01, 2014

- $64.2mm Loans Originated
- 35 Rental Properties Financed
- 100% Line-to-Moderate Income Communities Served
- 1,702 Affordable Housing Units Created or Preserved
- 4,545 Beneficiaries Served

**Deployment & Capitalization**

- 90% Deployment Ratio
- 93% Deployed & Committed Ratio
- $47.4MM Loans Outstanding & Committed

**FUND CAPITALIZATION**

- BANKS: $50,318,930
- LEVERAGED CAPITAL: $25,000
- TOTAL CAPITAL: $50,343,930

**CLIENT PROFILE |** DarSalud Care is a multi-specialty, family clinic that works to address heart disease, obesity, diabetes and other issues presented by the city’s most vulnerable populations. The decision to scale required outside investments, so the clinic turned to Pathway Lending for a line of credit and started working with Pathway Business Advisory Services on financial models to support its new initiatives.

“This is the first time we’ve sought outside funding, but it’s not easy to get traditional bank funding when you work with people of limited means. We’ve been proving our model and sustaining it with no outside support for 15 years. Pathway is giving us the chance to bring those outcomes to the wider community.”

**MSBOF**

**EST. 2018**

**Geography:** Memphis Metro Area

In collaboration with Epicenter Memphis and three financial institutions, this fund was launched in 2018 to provide responsible loan capital and technical training to the small businesses in Shelby, Fayette, and Tipton Counties in Tennessee; Tunica, DeSoto, Tate, Marshall, and Benton Counties in Mississippi; and Crittenden County in Arkansas.

**Historic Activity**

Since January 01, 2018

- $10.88MM Total Loans Originated
- 57 Business Borrowers
- 466 Jobs Impacted
- 58% Low-to-Moderate Income Geographies
- 81% Minority-Owned Borrowers
- 48% Women-Owned Borrowers

**Deployment & Capitalization**

- 42% Deployment Ratio
- 51% Deployed & Committed Ratio
- $8.0MM Loans Outstanding & Committed

**FUND CAPITALIZATION**

- BANKS: $15,672,000
- LEVERAGED CAPITAL: $0
- TOTAL CAPITAL: $15,672,000

**Pedro A Velasquez-Meyer**

DarSalud Care, PLLC

Founded: 2004

Funded: 2019
**NASHVILLE OPPORTUNITY FUND**

**NOF**

**EST. 2002**

**Geography: Davidson County Tennessee**

In partnership with the Metropolitan Development Housing Agency (MDHA), this fund addresses the financing needs of underfunded small businesses and underserved commercial corridors throughout Davidson County.

**Historic Activity**

*Since May 02, 2002*

- **$23.95MM** Total Loans Originated
- **70%** Low-to-Moderate-Income Geographies
- **32%** Minority-Owned Borrowers
- **40%** Women-Owned Borrowers
- **117 Business Borrowers**
- **1,041 Jobs Impacted**

**Deployment & Capitalization**

- **56%** Deployment Ratio
- **57%** Deployed & Committed Ratio
- **$6.1MM** Loans Outstanding & Committed

**Client Profile**

The saying “you have to spend money to make money” is familiar to many small business owners. But if you don’t have cash on hand or credit available to purchase inventory or equipment, opportunities can pass you by. Business owner Orlando Pender, Jr. had rented trucks to operate his business. To be competitive and improve cash flow, he needed a loan to purchase a truck of his own. Since that first loan in 2003, Pathway has worked closely with Orlando and his son to grow their fleet of trucks and build a sustainable business.

“Pathway Lending was like a breath of fresh air to our company. They were the wind behind our sails, and they provided us with the means to get the equipment we needed so we could look good in our market.”

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**KNOX COUNTY TECHNOLOGY & JOBS FUND**

**KCTJF**

**EST. 2004**

**Geography: Knoxville Metro Area**

Created in collaboration with Knox County in 2004, this fund provides loans to small businesses and technology companies in East Tennessee, including Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Jefferson, Knox, Loudon, Monroe, Morgan, Roane, Sevier, Scott, and Union Counties.

**Historic Activity**

*Since December 01, 2004*

- **$12.63MM** Total Loans Originated
- **60%** Low-to-Moderate-Income Geographies
- **17%** Minority-Owned Borrowers
- **38%** Women-Owned Borrowers
- **47 Business Borrowers**
- **390 Jobs Impacted**

**Client Profile**

Growing an established business presents a new set of challenges for even the most seasoned entrepreneur. From cash flow management to adopting new sales strategies, growth transforms a business. Owners Brad and Joy Hamlett have worked with Pathway Lending for close to a decade to finance equipment and working capital needed to double their retail space and candy manufacturing capabilities. Along the way, they have closely partnered with Pathway’s Business Advisory Services team to navigate the twists and turns of business ownership.

“Pathway has been a huge part of our story over the years. They’ve walked with us and when we had some very difficult times, which we have, they supported us. They never abandoned us.”

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**Deployment & Capitalization**

- **80%** Deployment Ratio
- **83%** Deployed & Committed Ratio
- **$3.5MM** Loans Outstanding & Committed

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**FUND CAPITALIZATION**

- **BANKS** $10,500,000
- **LEVERAGED CAPITAL** $165,000
- **TOTAL CAPITAL** $10,665,000

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**FUND CAPITALIZATION**

- **BANKS** $4,280,000
- **LEVERAGED CAPITAL** $0
- **TOTAL CAPITAL** $4,280,000
Supporting inclusive economic recovery in Hamilton County, Tennessee.

Launched in June 2021, the Chattanooga Small Business Opportunity Fund is a new $7.5 million loan fund that seeks to advance an inclusive recovery and improve access to capital for area small and minority-led businesses, particularly borrowers who may not qualify for a conventional bank business loan.

Geography: Hamilton County Tennessee

Created in with support from Pinnacle Financial Partners, First Horizon Bank, and Regions Bank provided capital to establish the loan fund along with grant support from The Benwood, Bobby Stone, Footprint and Lyndhurst Foundations, JPMorgan Chase Foundation and Pointer Management Co., the CSBOF deploys loans ranging from $5,000 to $500,000 for working capital lines of credit, term loans for equipment and real estate, and microloans.

Historic Activity
Since June 01, 2021

$389,602
CSBOF Loan Originations
9
Business Borrowers
31
Jobs Impacted

CLIENT PROFILE | When a side-hustle takes off, traditional financing can be tricky to obtain, despite a growing top line. Owner, Shena Allen had been reinvesting profits back into her business but needed a loan to buy a commercial embroidery machine. After finding Pathway through an online search, SewPretty Designs received a microloan along with access to Pathway’s business advisory services.

“To me the first two years are most critical and not being able to get funding is how businesses end up not moving forward. Because of funding from Pathway, we’re able to grow faster now and keep up with the demand.”

Shena Charnee Allen
SewPretty Designs
Founded: 2020
Funded: 2021

$389,602
CSBOF Loan Originations
9
Business Borrowers
31
Jobs Impacted

Fund Capitalization

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<tr>
<th>FUND CAPITALIZATION</th>
<th>BANKS</th>
<th>LEVERAGED CAPITAL</th>
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<tr>
<td>$5,000,000</td>
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Foundations & Public Stakeholders

Alabama Department of Economic & Community Affairs
Appalachian Regional Commission
Association of Women’s Business Centers
Bank of America Charitable Foundation
Benwood Foundation
Christian Brothers University
Community Development Financial Institutions Fund
Epicenter Memphis
Fifth Third Foundation
Footprint Foundation
Hyde Foundation
Joe C. Davis Foundation
JPMorgan Chase Foundation
Kresge Foundation
Lyndhurst Foundation
Metropolitan Development & Housing Agency (Nashville, TN)
Metropolitan Government of Nashville & Davidson County
PNC Foundation
Regions Bank CUC

Private Stakeholders

Appalachian Community Capital
Andrew Johnson Bank
BancorpSouth
Bank3
Capitol Bank
CB&I Bank
Centennial Bank
Citizens Bank (Carthage)
Citizens Bank (Elizabethton)
City National Bank
Commercial Bank and Trust
Decatur County Bank
F&M Bank (Chattanooga)
First Citizens National Bank
First Community Bank of East TN
First Farmers & Merchants Bank
First Horizon
FirstBank
INSBANK
Legends Bank

Stakeholders.
Thank you to the following organizations for believing in our mission and supporting our work.