

California Community Reinvestment Corp.

May 20, 2026

This report does not constitute a rating action.

Credit Highlights

- S&P Global Ratings' issuer credit rating (ICR) on [California Community Reinvestment Corp.](#) (CCRC) is 'A+'.
- The outlook is stable.

Rationale

Security

An ICR reflects our view of an obligor's general creditworthiness and its capacity and willingness to meet financial commitments when they come due. It does not apply to any specific financial obligation and does not consider the obligation's nature and provisions, bankruptcy standing, liquidation, statutory preferences, or legality and enforceability.

Credit overview

CCRC is a 501(c)(3) corporation in Glendale that the U.S. Department of the Treasury certified as a community development financial institution (CDFI) in 1996. It was founded in 1989 with support from the Federal Reserve Bank of San Francisco and major banks throughout California for the purpose of providing financing and technical assistance to facilitate the development of affordable housing in the State of California. The corporation's primary function and mission is to be a lender of permanent mortgages to developers of to-be-constructed or rehabilitated low-income housing tax credit (LIHTC) properties throughout the state.

CCRC's business model has historically been to build up a portfolio of high-quality, permanent multifamily loans and then securitize a large portion of those loans, generating substantial one-time revenue and cash from the sale, and then using that capital to rebuild the loan portfolio. Management's strategic plan includes continuing to follow this model when market conditions are favorable, while simultaneously building its on-balance-sheet loan business to generate annuity revenue from the high-quality, high-performing loan portfolio. This cyclical model of accumulating and then selling off balance-sheet assets appears extremely volatile, but we view the volatility as intentional and monitored, resulting from a thought-out and proven strategy. We recognize certain risks associated with this model related to forecasting and analyzing

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performance, and have considered these risks in our assumptions and credit analysis. We believe that management's expertise, proven track record, and monitoring of funding and lending of the business largely mitigate this risk.

As part of the lending model, CCRC enters forward commitments whereby the terms of the permanent loan are locked in during the construction and conversion phase. Once all requirements are met, CCRC will fund the permanent loan according to the forward commitment terms. This model could expose CCRC to interest rate risk, especially in a rising-interest-rate environment, such as that seen in recent years. However, in our view, management's extensive understanding and diligent monitoring of economic and market conditions as well as its prudent oversight of the on-balance-sheet loan portfolio, in the context of forward commitments that are expected to be converted to on-balance-sheet permanent loans, greatly mitigate this risk. Management has several strategies and tools, including the business model itself as pertains to timing of funding and rate-setting, to help protect the corporation's financial position against sharp rises in interest rates.

The ICR reflects our view of CCRC's:

- Financial strength measured by five-year average S&P Global Ratings-calculated net equity to total assets of 30.9% for fiscal years 2021 through 2025, which--despite prior-year volatility and a recent downward trend resulting from robust growth of the loan portfolio--we consider average compared with that of similarly rated peers and criteria benchmarks for the rating category;
- Very strong and above-benchmark profitability metrics as measured by five-year (fiscal years 2021 to 2025) average net interest margin (NIM) of 2.1%, partly offset by a more volatile albeit very strong average return on average assets (ROA) given the cyclicity of the business model;
- Very strong asset quality characterized by minimal nonperforming assets or delinquencies of any kind over the past 10 fiscal years (2016 through 2025) and a loan portfolio underwritten according to a thorough and stringent credit policy;
- Extremely strong management and governance assessment based on the experience, expertise, sector knowledge, and proficiency of the corporation's senior management team as well as on a detailed multiyear strategic plan and substantive operational and financial policies and procedures that, among other qualities, guide operations, set performance standards, and monitor loan portfolio underwriting and reviews;
- Relatively high year-over-year volatility in key financial metrics compared with that of peers and industry standards; and
- Interest rate exposure related to forward commitments that are instrumental to the business model.

Environmental, social, and governance

We have analyzed CCRC's environmental, social, and governance factors relative to its financial strength, management, federal designation, and local economy. In our opinion, the ICR exhibits opportunities related to social capital. The organization's mission to use transformative housing finance and public and private partnerships to create more equitable and affordable communities is aimed at addressing socioeconomic inequities affecting demographic and income trends considered in the rating. The rating also incorporates our view of California's elevated physical risks given its exposure to various climate-related events such as wildfires and drought, and natural disasters such as earthquakes, which can affect the economy and disrupt population

migration. However, we believe CCRC's financial strength, strong underwriting guidelines, and insurance requirements mitigate these risks. We view governance factors as neutral in our credit rating analysis.

Outlook

The stable outlook reflects our view that CCRC's financial and operational performance will remain consistent with the rating during at least the two-year outlook period. Despite some contraction of capital adequacy ratios in the past few years as total assets have outpaced equity, we believe that the corporation could absorb material changes in its balance-sheet size following the continued implementation of its cyclical strategy. We continue to believe that, despite the inherent volatility in key metrics that occurs following a material securitization, the corporation is well embedded among peers and compared with criteria benchmarks.

Downside scenario

Should CCRC's financial strength, as evident in average capital adequacy and profitability ratios and loan performance, deteriorate to levels no longer commensurate with the rating and those of peers, we could take a negative rating action on the ICR. We could also do so should exposure to interest rate risk associated with forward commitment contracts negatively affect the financial position and overall credit quality.

Upside scenario

All else equal, should CCRC's capital adequacy and profitability metrics hold, on average--through business cycles and with incorporation of management's plans--at levels commensurate with those of higher-rated peers, we could take a positive rating action.

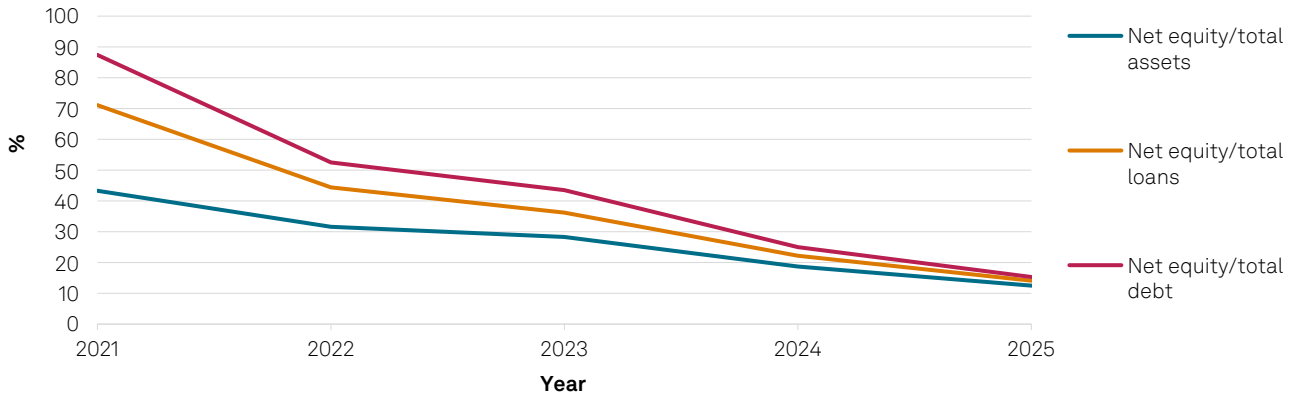
Credit Opinion

Financial Strength

Capital adequacy

We view CCRC's capital adequacy to be very strong according to five-year average metrics for fiscal years 2021 through 2025, specifically net equity to total assets of 26.9%. Following the November 2020 securitization--the largest and most lucrative in the corporation's history--CCRC's capital adequacy ratios shot up to levels well above those of similarly rated peers and compared with criteria benchmarks. While the resulting net equity to assets of 43.3% calculated for fiscal 2021 represented a high-water mark, this ratio has since declined on an annual basis as the debt-financed asset base growth has outpaced that of equity. Nevertheless, in conjunction with the corporation's plans to continue to strengthen its loan portfolio and balance sheet, we anticipate that both the annual and the trailing five-year average ratios will remain well above the 10% criteria benchmark for the 'A' category.

CCRC--capital adequacy ratios



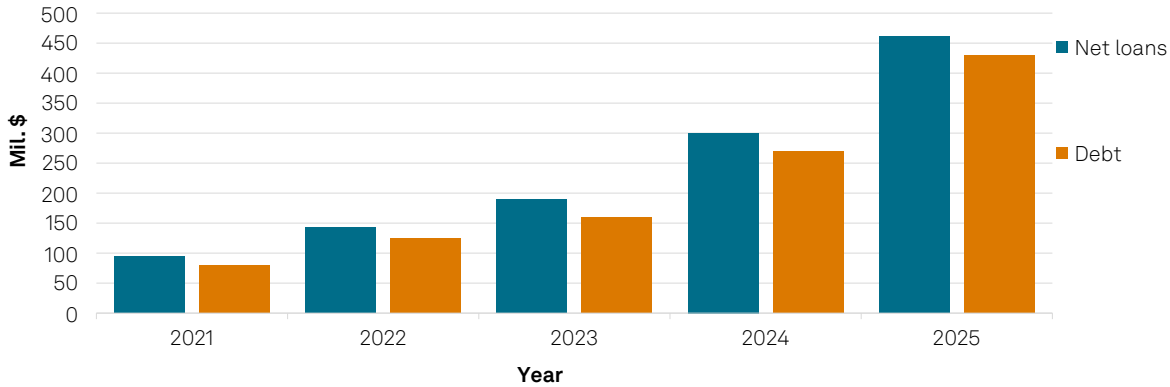
Source: S&P Global Ratings.

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Also reflecting the corporation's business model, debt will fluctuate following balance-sheet buildup and sell-off cycles. Following the November 2020 loan securitization, CCRC paid down a significant portion of the debt related to the loans sold, and as of Sept. 30, 2021, reported debt outstanding of \$79.5 million a 65% reduction from fiscal 2020. As the organization has focused on strengthening its balance sheet in the years since, both loans and debt continued in fiscal 2025 the growth trend of the three prior fiscal years, reaching \$466.3 million in gross loans and \$429.1 million in debt--increases of 54% and 59%, respectively, from fiscal 2024 (see chart below).

On-balance-sheet debt balances have historically followed the same two- to three-year cyclical pattern of being built up and then being materially reduced when the corporation's loan portfolio grows and is then securitized. In the audited financial statements, once a plan to conduct a sale with an identified pool of loans is finalized, those loans are classified as loans held for sale, a line item under real estate loans. For our analysis, however, we have historically included such loans as short-term assets rather than as real estate loans, as they are reported in the audit, because they will generate immediate revenue and liquidity in the short term as opposed to generating annuity revenue associated with on-balance-sheet loan portfolios. This classification has translated into a reduction of on-balance-sheet loans in our analysis before the commensurate reduction of related debt, materializing immediately preceding loan securitizations. Proceeds from the loan sales are used to pay down related borrowing and then to supplement new borrowings to fund new loans from the corporation's forward commitment pipeline and begin the cycle again. However, no loans were held for sale at fiscal year-end 2025.

CCRC--loan and debt balances



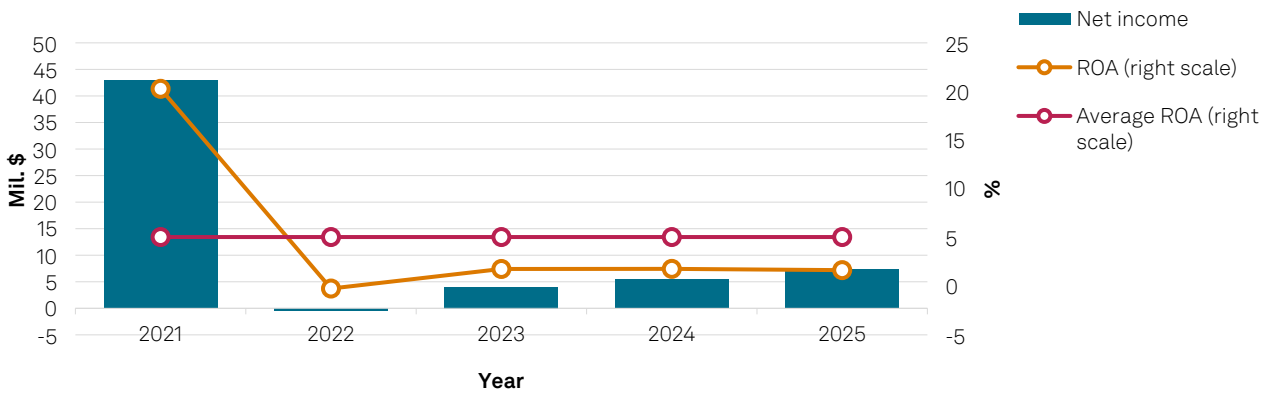
Source: S&P Global Ratings.

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Profitability

We view five-year average profitability metrics as very strong and above average compared with those of peers and criteria benchmarks for the rating category, somewhat offset by prior year-over-year volatility of the metrics. The corporation's five-year average ROA is 5% for fiscal years 2021 through 2025 (see chart below), with a high of 20.3% in fiscal 2021 and a low of negative 0.24% in fiscal 2022. As with many of the corporation's financial metrics, profitability jumped in fiscal 2021 as a result of one-time revenue realized from the loan securitization early in the period. Net income and related metrics have stabilized following the negative 2022 result, with ROA finishing at 1.655 to 1.80% since 2023. NIM contracted slightly to 2.2% in fiscal 2025 from a record 2.7% in 2024, in conjunction with interest expense on debt outpacing interest earnings on loans, and resulting in a trailing five-year average NIM that still improved year over year to 2.1%. Stable and generally increasing NIM indicates that even as net income fluctuates through business cycles, the spread earned on the loan portfolio is reliably strong and positive.

CCRC--profitability and net income



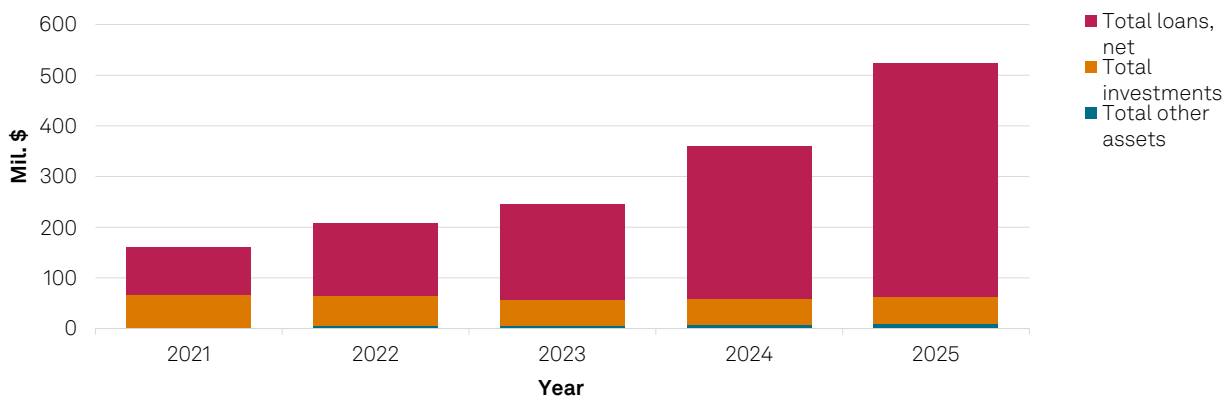
Source: S&P Global Ratings. ROA--return on assets.

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Asset quality

We view CCRC's asset quality to be very strong compared with that of peers and according to our criteria. The corporation's total assets, excluding cumulative effects of fair value accounting, increased 45.5% in fiscal 2025 to \$524 million--more than three times higher than the \$160.7 million reported in fiscal 2021 after the corporation's last securitization (see chart below). Again, this prior balance-sheet contraction was related to CCRC's business model rather than performance or access to capital, nor was it a reflection of shifting demand for the affordable housing loans the corporation provides. Furthermore, the balance-sheet growth seen between fiscal years 2022 and 2025 reflects the corporation's initiative to rebuild its loan portfolio following the November 2020 securitization, and maintain a higher baseline for balance-sheet assets in the future. The corporation's portfolio of affordable multifamily housing loans totaled \$466.3 million in fiscal 2025, an increase of 53.6% over 2024 levels and 4.7x higher than the \$97.8 million loan balance following the 2021 selloff. Even after securitization cycles loans typically make up the majority of the corporation's assets, averaging between 70% and 90% of total assets, except in years where loans held for sale are reported as investments. The corporation plans on continuing to build its loan portfolio in the near term, focusing on diversification of loan products--particularly those focused on climate resilience and sustainability--and securing capital through new partnerships and funding sources to improve lending capacity.

CCRC--total assets composition



Source: S&P Global Ratings.

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Excluding loans held for sale, cash and investment securities make up the balance of total investments year to year. Investment securities consist of interest-only strips guaranteed by Freddie Mac and nonguaranteed subordinate Freddie Mac certificates. The balances of interest-only strips and certificates in 2025 were \$4.5 million and \$6.7 million, respectively. In addition, the corporation holds approximately \$13.3 million in pledged Freddie Mac A certificates.

We view the corporation's on-balance-sheet loans as very high quality, underwritten in accordance with a stringent and thorough credit policy, and its loan portfolio as generally lower risk compared with that of peers, based on characteristics such as low loan-to-value, very high occupancy, generally strong coverage ratios, and additional oversight provided by LIHTC investors. In addition to stringent underwriting practices that result in only higher-quality loans ever making the balance sheet, management diligently oversees and monitors the underlying loans, including conducting at least one loan review report on every loan serviced annually--

assigning and updating risk ratings on every loan, and authoring a detailed annual loan portfolio analysis. In addition, all CCRC's loans are permanent multifamily affordable housing loans, in contrast with many peer CDFIs, which often have material portions of construction, predevelopment, and nonhousing loans, which we view as higher-risk assets. As a reflection of CCRC's high-quality and lower-risk loan portfolio, the corporation has had only three loss events in its mortgage history, the most recent occurring more than 19 years ago. The corporation experienced in 2025 its first payment defaults since 2004 across four different loans, but coordination with subordinate lenders and other partners resulted in no actual loss, the preservation of project affordability, and no remaining credit exposure at fiscal year-end. To date, CCRC investors have never incurred a principal loss on mortgage loans.

Liquidity

CCRC maintains strong liquidity, in our view, to cover short-term financial needs and investment guidelines that support maximizing returns while monitoring risk and maintaining careful stewardship of corporate assets. We consider asset liability management a primary mitigant of liquidity risk, as most CDFIs' balance sheets consist of long-term obligations with maturity dates that are structured to match the maturities of long-term assets. CCRC, however, has a proven business model whereby long-term assets can be monetized quickly should that become necessary. The corporation's easiest path to liquidity is to transfer self-funded loans to the bank pool, freeing up corporation cash. As of fiscal year-end (Sept. 30) 2024, CCRC had approximately \$50.1 million in cash, cash equivalents, and short-term investments (including the \$13.2 million in pledged Freddie Mac A certificates), representing approximately 10% of total assets. Furthermore, its balance-sheet loans totaled approximately \$466.3 million (\$10.1 million of which are CCRC self-funded loans), or 88% of total assets and 106.1% of total liabilities, which we view to be indicative of a very strong liquidity position. On an ongoing basis, the business model has historically followed a two- to three-year cycle, generating substantial liquidity when loans are securitized. However, should liquidity needs arise between these cycles, CCRC can use the robust secondary market it established throughout the years to generate cash from the sale of long-dated assets. We also view CCRC's access to external liquidity sources and capital markets as strong.

In our opinion, interest rate exposure related to the forward commitment pipeline could affect liquidity and equity positions in the near term. However, the business model--whereby the funding of loans in the forward commitment pipeline and the setting of rates on those loans is matched to the current interest rate environment--largely protects CCRC from material exposure and mitigates this risk during rising-interest-rate environments.

Management

We view CCRC's management as extremely strong given its experienced, knowledgeable, and proactive senior leadership and board members. A 15-member board consisting of industry and community leaders throughout the State of California and CCRC's president governs the corporation. Senior management consists of a president/CEO, executive vice president, and risk officer with substantial industry experience and expertise. The autonomy and stability of the management team strongly support and facilitate day-to-day and ongoing operations that serve the corporation's mission, address the needs of the citizens it serves, and create financial stability and viability. In our opinion, the corporation's relationship with the state government and other jurisdictional bodies is strong given the state's historical support of affordable housing initiatives and CCRC's track record of successfully navigating the political landscape for several

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decades. We consider management's ability to resolve difficult situations during its operating history very strong.

We view the corporation's strategic plan, operational and financial policies and procedures, and general oversight, involvement with, and management of the organization to be very strong and above average compared with those of peers. In our view, the corporation's guiding documents, plans, policies, and reports are the foundation for and a key factor in its historical and ongoing success. Overall, we view CCRC as exhibiting extremely strong organizational, administrative, financial management, and strategic planning capabilities and as maintaining a strong governance structure.

CCRC--financial ratio analysis

%	2021	2022	2023	2024	2025	Five-year average
Capital adequacy						
Equity/total assets	46.5	36.0	31.9	23.3	17.0	30.9
Net equity/total assets	43.3	31.6	28.3	18.7	12.5	26.9
Net equity/total loans	71.1	44.4	36.2	22.2	14.1	37.6
Equity/total debt	94.0	59.7	49.1	31.0	20.8	50.9
Net equity/total debt	87.4	52.5	43.5	25.0	15.3	44.7
Available liquid assets/ total loans	87.6	50.9	35.3	21.4	14.1	41.9
Profitability						
Return on average assets	20.3	-0.2	1.8	1.8	1.7	5.1
Net interest margin	1.5	1.7	2.4	2.7	2.2	2.1
Net interest margin (loans)	2.1	1.5	2.4	2.7	2.2	2.2
Asset quality						
NPAs/total loans + REO	0.0	0.0	0.0	0.0	0.0	0.0
Loan loss reserves/total loans	2.7	2.1	0.5	0.2	0.2	1.1
Liquidity						
Total loans/total assets	58.7	69.1	77.1	83.4	88.1	75.3
Short-term investments/total assets	39.8	26.0	18.9	13.7	10.0	21.7
Total investments/total assets	40.3	28.4	20.1	14.3	10.0	22.6

CCRC--five-year trend analysis

	2021	2022	2023	2024	2025
Total assets (\$000s)	160,671	206,720	245,680	360,144	524,027
% change		28.7	18.9	46.6	45.5
Total debt (\$000s)	79,545	124,572	159,678	269,809	429,079
% change		56.6	28.2	69.0	59.0
Total equity (\$000s)	74,770	74,325	78,335	83,741	89,312
% change		(0.6)	5.4	6.9	6.7

CCRC--five-year trend analysis

	2021	2022	2023	2024	2025
Total net equity (\$000s)	69,551	65,348	69,446	67,336	65,553
% change		(6.0)	6.3	-3.0	(2.7)
Revenues (\$000s)	53,589	11,545	16,447	22,044	30,881
% change		(78.5)	42.5	34.0	40.1
Expenses (\$000s)	10,249	12,015	11,831	16,926	23,335
% change		17.2	(1.5)	43.1	37.9
Net income (\$000s)	42,938	(445)	4,011	5405.7	7,294
% change		(101.0)	4011.0	34.8	34.9
Total loans (\$000s)	97,797	147,181	192,049	303,491	466,269
% change		50.5	30.5	58.0	53.6

Ratings List

Current Ratings

California Commnty Reinvest Corp, CA Issuer Credit Rating	A+/Stable
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Housing

California Community Reinvestment Corporation, CA General Obligation ICR	A+/Stable
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The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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