

- Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets by improving commercial buildings and helping to reduce financial costs for start-up ethnic and small businesses.
- Promote public community and private partnerships to address disparities and to support strong healthy families and communities by partnering with neighborhood financial institutions to leverage public dollars for business development and employment.

Comprehensive Plan: N/A

Zoning Code: All City Zoning regulations were followed.

Living Wage/Job Linkage: N/A

Background/Supporting Information: Following is a list of delinquent 2% loans and a summary of the portfolio as of 10/31/2005:

<u>NAME OF BUSINESS</u>	<u>PARTICIPATING BANK</u>	<u>ORIGINAL LOAN AMT.</u>	<u>PRINCIPAL BALANCE</u>	<u>DATE OF DEFAULT</u>
Big E's Soul Food, Inc.	Nonprofits Asst. Fund	\$12,500	\$10,514.41	6-10-04

The Nonprofits Assistance Fund has informed us of the extensive efforts they have made to collect payment on this defaulted loan but they do not anticipate receiving sufficient funds from the liquidation of assets to make any further payments on our loan which is in a subordinate lien position.

The original borrowers closed the business in September 2004. The Nonprofits Assistance Fund was able to secure the equipment and furniture which was appraised with a liquidation value of \$10,400. Rather than having an auction they felt that they could recover a higher amount by selling it to the new restaurant owner. The new owner was to pay \$21,000 for the equipment, but only a portion of that was collected before the new owner went out of business. The Nonprofits Assistance fund will continue their efforts to collect on the balance due but at this time we are recommending that this loan be charged off.

PORTFOLIO SUMMARY

The following is a breakdown of the entire portfolio, including the loan to be written off as a result of this report.

Total # of Loans to Date: 767	Total Loans Outstanding: 154
Total 2% \$ Loaned to Date: \$17,528,733	Total \$ Outstanding: \$2,489,872
Total # of Loans Defaulted: 26	Total \$ Amount of Watch List: -0-
Total \$ Amount Written Off: \$228,117	Total # of Loans Paid Off: 587
Default Rate: 1.3%	Total \$ Private Investment: \$40,251,550

\$2.30 of Private Investment for every \$1.00 of Public Funds – Not Counting Owner's Equity.