

Form 990
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018

- B Check if applicable
Address change
Name change
Initial return
Final return/terminated
Amended return
Application pending

C Name of organization: NEIGHBORHOOD FINANCE CORPORATION
Doing business as:
Number and street (or P O box if mail is not delivered to street address): 1912 6TH AVE
Room/suite:
City or town, state or province, country, and ZIP or foreign postal code: DES MOINES, IA 503143331

D Employer identification number: 42-1353472
E Telephone number: (515) 246-0010
G Gross receipts \$ 12,569,017

F Name and address of principal officer: STEPHANIE PREUSCH, 1912 SIXTH AVENUE, DES MOINES, IA 50314

H(a) Is this a group return for subordinates? No
H(b) Are all subordinates included? No
H(c) Group exemption number

I Tax-exempt status: 501(c)(3)

J Website: WWW.NEIGHBORHOODFINANCE.ORG

K Form of organization: Corporation

L Year of formation: 1990

M State of legal domicile: IA

Part I Summary

1 Briefly describe the organization's mission or most significant activities: LENDING PROGRAMS & SERVICES TO FACILITATE TARGETED NEIGHBORHOOD REVITALIZATION IN POLK COUNTY

Table with 2 columns: Description, Amount. Rows include: 2 Check this box, 3 Number of voting members (15), 4 Number of independent voting members (13), 5 Total number of individuals employed (31), 6 Total number of volunteers (43), 7a Total unrelated business revenue (0), 7b Net unrelated business taxable income (687).

Table with 4 columns: Description, Prior Year, Current Year. Rows include: 8 Contributions and grants (5,991,986 / 10,411,386), 9 Program service revenue (2,144,520 / 1,795,430), 10 Investment income (85,171 / 362,201), 11 Other revenue (0 / 0), 12 Total revenue (8,221,677 / 12,569,017), 13 Grants and similar amounts paid (2,170,528 / 2,147,065), 14 Benefits paid (0 / 0), 15 Salaries (1,178,561 / 1,339,890), 16a Professional fundraising fees (0 / 0), 17 Other expenses (1,268,501 / 1,392,677), 18 Total expenses (4,617,590 / 4,879,632), 19 Revenue less expenses (3,604,087 / 7,689,385).

Table with 4 columns: Description, Beginning of Current Year, End of Year. Rows include: 20 Total assets (81,515,126 / 85,751,646), 21 Total liabilities (40,842,159 / 37,389,294), 22 Net assets or fund balances (40,672,967 / 48,362,352).

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer (Stephanie Preusch), Date (2019-10-25), Type or print name and title (STEPHANIE PREUSCH EXECUTIVE DIRECTOR).

Paid Preparer Use Only: Preparer's name (EIDE BAILLY LLP), Date (2019-10-24), Firm's EIN (45-0250958), Firm's address (666 WALNUT ST STE 1450, DES MOINES, IA 503093918).

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission

NEIGHBORHOOD FINANCE CORPORATION PROVIDES UNIQUE LENDING PROGRAMS AND OTHER SERVICES TO FACILITATE TARGETED NEIGHBORHOOD REVITALIZATION IN POLK COUNTY AND CEDAR RAPIDS, IOWA THROUGH PARTNERSHIPS WITH RESIDENTS, GOVERNMENTS, COUMMUNITY BASED ORGANIZATIONS AND THE BUSINESS COMMUNITY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 989,397 including grants of \$) (Revenue \$ 1,641,271)

See Additional Data

4b (Code) (Expenses \$ 2,397,545 including grants of \$ 2,147,065) (Revenue \$)

See Additional Data

4c (Code) (Expenses \$ 288,751 including grants of \$) (Revenue \$ 154,159)

See Additional Data

(Code) (Expenses \$ 323,359 including grants of \$) (Revenue \$)

NFC'S HOME BUYER EDUCATION DEPARTMENT WAS DISCONTINUED DURING 2012 THE SERVICES ARE OFFERED IN POLK AND LINN COUNTIES THROUGH SERVICE AGREEMENTS WITH LOCAL NON PROFIT HUD APPROVED HOUSING COUNSELING AGENCIES THESE SERVICES ARE OFFERED IN AN INDIVIDUAL, CLASSROOM, AND ONLINE FORMAT EDUCATION PROGRAMS INCLUDE FINANCIAL/DEBT MANAGEMENT, BUDGETING, AND HOME BUYER EDUCATION DURING 2018, NFC PROVIDED EDUCATIONAL SERVICES TO 477 HOUSEHOLDS IN DES MOINES, IOWA THROUGH AN AGREEMENT WITH THIS NON-PROFIT IN DES MOINES, THAT FOCUSES ON CREATING OPPORTUNITIES FOR LOW AND MODERATE INCOME IOWANS TO BUILD THEIR ASSETS AND ACHIEVE FINANCIAL STABILITY NFC HAS AGREEMENTS WITH THE CITY OF DES MOINES (THE CITY) AND POLK COUNTY (THE COUNTY), WHEREIN THE CITY AND THE COUNTY AGREED TO CONTRIBUTE MONEY FOR THE SPECIFIC PURPOSE OF FUNDING NEIGHBORHOOD HOUSING REVITALIZATION PROGRAMS UNDER THE AGREEMENTS, CUMULATIVE CONTRIBUTIONS BY THE CITY AND COUNTY HAVE TOTALED \$27,537,687 AND \$26,137,687 RESPECTIVELY, THROUGH DECEMBER 31, 2018 DURING 2017, THE CITY AND THE COUNTY EXTENDED THEIR AGREEMENT UNTIL JUNE 2022 THE CITY AND THE COUNTY WILL EACH CONTRIBUTE AT LEAST \$1,000,000 ANNUALLY THROUGH THE YEAR 2022 NFC CEDAR RAPIDS LLC HAS AN AGREEMENT WITH THE CITY OF CEDAR RAPIDS, WHEREIN THE CITY OF CEDAR RAPIDS AGREED TO CONTRIBUTE MONEY FOR THE EXPRESS PURPOSE OF FUNDING NEIGHBORHOOD HOUSING REVITALIZATION PROGRAMS WITHIN THE CITY OF CEDAR RAPIDS UNDER THE AGREEMENT, CUMULATIVE CONTRIBUTIONS BY THE CITY OF CEDAR RAPIDS HAVE TOTALED \$1,000,000 THROUGH DECEMBER 31, 2018 THE CITY OF CEDAR RAPIDS WILL CONTRIBUTE AT LEAST \$1,000,000 ANNUALLY THROUGH THE YEAR 2022 NFC HAS AGREEMENTS WITH THE CITY OF WEST DES MOINES AND CITY OF WINDSOR HEIGHTS, WHEREIN THEY EACH AGREED TO CONTRIBUTE MONEY FOR THE SPECIFIC PURPOSE OF FUNDING NEIGHBORHOOD HOUSING REVITALIZATION PROGRAMS UNDER THE AGREEMENTS, CUMULATIVE CONTRIBUTIONS BY THE CITY OF WEST DES MOINES HAVE TOTALED \$800,000, AND CUMULATIVE CONTRIBUTIONS FROM THE CITY OF WINDSOR HEIGHTS HAVE TOTALED \$75,000

4d Other program services (Describe in Schedule O)
(Expenses \$ 323,359 including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 3,999,052

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 22 regarding organizational requirements, such as political activities, lobbying, and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question/Description, Yes, No. Rows 23-38 covering various organizational requirements and schedules J through O.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V []

Table with 3 columns: Question/Description, Yes, No. Rows 1a, 1b, 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		2a	31		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a		No	
b If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O</i>		3b			
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No	
b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)					
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No	
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No	
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c			
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b			
7 Organizations that may receive deductible contributions under section 170(c).					
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b			
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No	
d If "Yes," indicate the number of Forms 8282 filed during the year		7d			
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No	
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g			
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h			
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8			
9a Did the sponsoring organization make any taxable distributions under section 4966?		9a			
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		9b			
10 Section 501(c)(7) organizations. Enter					
a Initiation fees and capital contributions included on Part VIII, line 12		10a			
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		10b			
11 Section 501(c)(12) organizations. Enter					
a Gross income from members or shareholders		11a			
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		11b			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a			
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year		12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O		13a			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		13b			
c Enter the amount of reserves on hand		13c			
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a		No	
b If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i>		14b			
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N		15		No	
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O		16		No	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions Check if Schedule O contains a response or note to any line in this Part VI



Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (15); 1b Enter the number of voting members included in line 1a, above, who are independent (13); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (No); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (No); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (No); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (Yes); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (No); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (Yes); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (No).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (Yes); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? (Yes); 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did the organization have a written document retention and destruction policy? (Yes); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official (Yes); 15b Other officers or key employees of the organization (Yes); If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions); 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (No); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed; 18 Section 6104 requires an organization to make its Form 1023 (or 1024-A if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply: Own website, Another's website, Upon request, Other (explain in Schedule O); 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year; 20 State the name, address, and telephone number of the person who possesses the organization's books and records: MARK ALBERICO 1912 SIXTH AVENUE DES MOINES, IA 50314 (515) 246-0010

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CHRIS JOHANSEN-PRESIDENT CITY OF DES MOINES	1 00	X		X				0	0	0
(2) JON OLLENDICK- VICE PRESIDENT FIRST AMERICAN BANK	1 00	X		X				0	0	0
(3) LANNY BENISHEK-SECRETARY WELLS FARGO BANK	1 00	X		X				0	0	0
(4) STEVE VAN OORT- PAST PRESIDENT POLK COUNTY BOARD OF SUPERVISORS	1 00	X		X				0	0	0
(5) ANTHONY PLESKYS NEIGHBORHOOD REPRESENTATIVE	0 50	X						0	0	0
(6) AMBER PETERSEN FROM 7118 HABITAT FOR HUMANITY OF GREATER DES MOINES	0 50	X						0	0	0
(7) BRET VANDELUNE POLK COUNTY BOARD OF SUPERVISORS	0 50	X						0	0	0
(8) CHRISTOPHER BATES THROUGH 63018 PRINCIPAL BANK	0 50	X						0	0	0
(9) CONNIE BOESEN FROM 252018 CITY OF DES MOINES	0 50	X						0	0	0
(10) DANA SCHUEMANN FROM 112918 WEST BANK	0 50	X						0	0	0
(11) DAVE WILLIAMSON ALTERNATE POLK COUNTY PUBLIC WORKS	0 50	X						0	0	0
(12) DEB ANDERSON ALTERNATE POLK COUNTY BOARD OF SUPERVISORS	0 50	X						0	0	0
(13) FRANK OWENS THROUGH 63018 NEIGHBORHOOD REPRESENTATIVE	0 50	X						0	0	0
(14) JAMIE ELLIOTT THROUGH 82318 WEST BANK	0 50	X						0	0	0
(15) JEFF CROSKY US BANK	0 50	X						0	0	0
(16) KELLY ROBUS BANKERS TRUST COMPANY	0 50	X						0	0	0
(17) KERI THIEN NEIGHBORHOOD REPRESENTATIVE	0 50	X						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations	
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
(18) MARGE RAMSEY NEIGHBORHOOD REPRESENTATIVE	0 50	X						0	0	0	
(19) MICHELLE MUELLER FROM 11818 NEIGHBORHOOD REPRESENTATIVE	0 50	X						0	0	0	
(20) PATRICK REDDING FROM 11818 GREAT WESTERN BANK	0 50	X						0	0	0	
(21) STEPHANIE PREUSCH EXECUTIVE DIRECTOR	40 00			X				113,234	0	26,364	
(22) MARK ALBERICO VP FINANCE & ADMIN/TREASURER	40 00			X				112,108	0	26,302	
1b Sub-Total											
1c Total from continuation sheets to Part VII, Section A											
1d Total (add lines 1b and 1c)								225,342	0		52,666

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 2

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	No
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
GILCREST JEWETT LUMBER COMPANY 1100 SE ALICES ROAD PO BOX 1000 WAUKEE, IA 502631000	CONSTRUCTION	226,000
ALBERT HALL PO BOX 546 DES MOINES, IA 50302	CONSTRUCTION	185,814
GRUSS CONSTRUCTION PO BOX 131 CUMMING, IA 50061	CONSTRUCTION	139,955
ADG LLC 360 SHERRYLYNN BOULEVARD PLEASANT HILL, IA 50327	CONSTRUCTION	136,925
JASON A SHOOTMAN 3109 EAST 35TH STREET DES MOINES, IA 50317	CONSTRUCTION	127,331

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 6

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . .	1a			
	b Membership dues . . .	1b			
	c Fundraising events . . .	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e	3,320,000		
	f All other contributions, gifts, grants, and similar amounts not included above	1f	7,091,386		
	g Noncash contributions included in lines 1a - 1f \$ _____				
	h Total. Add lines 1a-1f		10,411,386		

Program Service Revenue			Business Code			
	2a LOAN FEES/SVC CHGS		531390	1,117,531	1,117,531	
b PROG SVC INTEREST		531390	523,740	523,740		
c REAL ESTATE DEVELOPMENT		531390	154,159	154,159		
d _____						
e _____						
f All other program service revenue						
g Total. Add lines 2a-2f			1,795,430			

Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		362,201			362,201
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross rents	(i) Real	(ii) Personal			
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses	b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a					
b Less cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue	Business Code					
11a _____						
b _____						
c _____						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total revenue. See Instructions			12,569,017	1,795,430	0	362,201

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22	2,147,065	2,147,065		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	278,008		278,008	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	882,210	794,820	87,390	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	28,406	17,435	10,971	
9 Other employee benefits	63,958	58,747	5,211	
10 Payroll taxes	87,308	63,216	24,092	
11 Fees for services (non-employees)				
a Management				
b Legal	42,527	2,227	40,300	
c Accounting	29,057		29,057	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	48,117		48,117	
12 Advertising and promotion	60,265	11,571	48,694	
13 Office expenses	46,687	7,845	38,842	
14 Information technology	59,463	16,132	43,331	
15 Royalties				
16 Occupancy	13,637	758	12,879	
17 Travel	20,008	7,661	12,347	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	11,075	5,313	5,762	
20 Interest	104,664	104,664		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	57,461		57,461	
23 Insurance	63,494	23,711	39,783	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a LOAN OPERATIONS	288,559	288,559		
b PROGRAMMATIC INVESTMENT	212,661	212,661		
c REAL ESTATE OWNED	124,959	124,959		
d HOME BUYER EDUCATION	98,174	98,174		
e All other expenses	111,869	13,534	98,335	
25 Total functional expenses. Add lines 1 through 24e	4,879,632	3,999,052	880,580	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part IX

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	16,352,366	1	18,471,739
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	402,966
	4 Accounts receivable, net		4	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	240,692	5	294,178
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	48,641,756	7	47,657,189
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,013,374		
	b Less accumulated depreciation	10b 816,476	213,263	10c 196,898
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11	15,709,278	13	18,503,655
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	357,771	15	225,021
16 Total assets. Add lines 1 through 15 (must equal line 34)	81,515,126	16	85,751,646	
Liabilities	17 Accounts payable and accrued expenses	134,632	17	125,032
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	4,350,000	24	3,350,000
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24) Complete Part X of Schedule D	36,357,527	25	33,914,262
	26 Total liabilities. Add lines 17 through 25	40,842,159	26	37,389,294
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	9,561,173	27	9,871,791
	28 Temporarily restricted net assets	29,854,529	28	37,233,296
	29 Permanently restricted net assets	1,257,265	29	1,257,265
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	40,672,967	33	48,362,352	
34 Total liabilities and net assets/fund balances	81,515,126	34	85,751,646	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	12,569,017
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,879,632
3	Revenue less expenses Subtract line 2 from line 1	3	7,689,385
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	40,672,967
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	48,362,352

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a	Yes	
3b	Yes	

Additional, Purchase Data

Software ID:

Software Version:

EIN: 42-1353472

Name: NEIGHBORHOOD FINANCE CORPORATION

Form 990 (2018)

Form 990, Part III, Line 4a:

LOAN ORIGINATION NEIGHBORHOOD REVITALIZATION IS THE KEY MISSION OF NFC THIS IS ACCOMPLISHED BY PROVIDING A LOAN FOR REPAYMENT AS WELL AS A FORGIVABLE LOAN FOR EACH QUALIFIED TRANSACTION THE FORGIVABLE LOAN IS AT 0% INTEREST WITH NO PAYMENTS AND GENERALLY FORGIVEN OVER 5 YEARS IN ADDITION, PURCHASE AND SOME REFINANCE LOANS HAVE A SECOND MORTGAGE AT A 2% INTEREST RATE FOR 10 YEARS INSTEAD OF REQUIRING PRIVATE MORTGAGE INSURANCE FOR BORROWERS WITH LESS THAN 20% EQUITY NFC'S LOANS WORK TOGETHER TO PROVIDE A MORTGAGE THAT REDUCES THE BARRIERS OF DOWNPAYMENT AND EQUITY WHILE COMPLETING NEEDED RENOVATIONS OF THE PROPERTY IN 2018, NFC CLOSED 629 LOANS CLIENTS WERE SERVED THROUGH OUR PURCHASE LOAN, SECOND MORTGAGE, REFINANCE, HOME IMPROVEMENT LOAN PRODUCTS, PROJECT REINVEST DEFERRED LOANS, AND NEIGHBORHOOD LIFT FORGIVABLE LOANS FOR DOWN PAYMENT ASSISTANCE THE TOTAL DOLLAR AMOUNT OF REPAYABLE LOANS CLOSED IN 2018 WAS \$15,850,087 PURCHASE LOAN, SECOND MORTGAGE, REFINANCE AND HOME IMPROVEMENT TRANSACTIONS WERE COMPLETED IN AREAS OF POLK COUNTY THAT ARE TARGETED FOR REVITALIZATION THE NEIGHBORHOODS ARE TYPICALLY LOW TO MODERATE (LOW-MOD) INCOME CENSUS TRACTS IN 2018, 149 LOANS (NOT INCLUDING SECOND MORTGAGES, PROJECT REINVEST HOMEOWNERSHIP LOANS, OR NEIGHBORHOODLIFT LOANS) CLOSED WERE MADE TO BORROWERS THAT WERE IN LOW-MOD INCOME CENSUS TRACTS AND/OR LOW-MOD INCOME FOR POLK COUNTY, IOWA OF THESE 149 LOANS, 28 LOANS WERE MADE TO BORROWERS THAT HAVE LOW-MOD INCOME IN LOW-MOD INCOME CENSUS TRACTS, 6 WERE MADE TO BORROWERS WITH LOW-MOD INCOME, BUT NOT IN A LOW-MOD INCOME CENSUS TRACT, 77 LOANS WERE MADE TO BORROWERS THAT ARE IN A LOW-MOD INCOME CENSUS TRACT BUT DO NOT HAVE LOW-MOD INCOME, THE OTHER 38 LOANS CLOSED WERE MADE TO BORROWERS THAT ARE NOT LOW OR MODERATE INCOME OR IN A LOW OR MODERATE INCOME CENSUS TRACT IN 2018, 74 50% OF LOANS CLOSED WERE TO EITHER LOW-MOD BORROWERS, IN LOW-MOD CENSUS TRACTS OR BOTH IN 2018, 11 41% OF THE LOANS CLOSED WERE TO MINORITY BORROWERS OUR LOANS TO MINORITY BORROWERS INCREASES TO 45 15% WHEN THE PROJECT REINVEST LOANS ARE INCLUDED IN 2018, 192 PROJECT REINVEST 0% INTEREST DEFERRED LOANS TO BORROWERS IN POLK COUNTY, IOWA WERE MADE FOR DOWN PAYMENT AND CLOSING COST ASSISTANCE OF THESE 192 LOANS, 79 LOANS WERE MADE TO BORROWERS THAT HAVE LOW-MOD INCOME IN LOW-MOD INCOME CENSUS TRACTS, 61 WERE MADE TO BORROWERS WITH LOW-MOD INCOME, BUT NOT IN A LOW-MOD INCOME CENSUS TRACT, 26 LOANS WERE MADE TO BORROWERS THAT ARE IN A LOW-MOD INCOME CENSUS TRACT BUT DO NOT HAVE LOW-MOD INCOME, THE OTHER 26 LOANS CLOSED WERE MADE TO BORROWERS THAT ARE NOT LOW OR MODERATE INCOME OR IN A LOW OR MODERATE INCOME CENSUS TRACT THE REMAINING 18 OF THE 210 PROJECT REINVEST HOMEOWNERSHIP LOANS WERE CLOSED BY NFC AND INCLUDED IN THE ABOVE PARAGRAPH 63 54% OF THE PROJECT REINVESTMENT LOANS WERE CLOSED TO MINORITY BORROWERS IN 2018, 224 NEIGHBORHOODLIFT FORGIVABLE LOANS WERE MADE TO BORROWERS THAT WERE IN LOW-MOD INCOME CENSUS TRACT AND/OR LOW-MOD INCOME FOR POLK COUNTY, IOWA OF THESE 224 LOANS, 65 LOANS WERE MADE TO BORROWERS THAT HAVE LOW-MOD INCOME IN LOW-MOD INCOME CENSUS TRACTS, 76 WERE MADE TO BORROWERS WITH LOW-MOD INCOME, BUT NOT IN LOW-MOD INCOME CENSUS TRACT, 28 LOANS WERE MADE TO BORROWERS THAT ARE IN LOW-MOD INCOME CENSUS TRACT BUT DO NOT HAVE LOW-MOD INCOME, THE OTHER 51 LOANS CLOSED WERE MADE TO BORROWERS THAT ARE NOT LOW OR MODERATE INCOME OR IN A LOW OR MODERATE INCOME CENSUS TRACT THE REMAINING 4 OF THE 224 NEIGHBORHOODLIFT FORGIVABLE LOANS WERE CLOSED BY NFC AND INCLUDED IN THE ABOVE PARAGRAPH NEARLY ALL RESIDENTIAL MORTGAGE LOANS CLOSED THROUGH NFC ARE TO OWNER OCCUPANTS THE NUMBER OF HOME PURCHASE LOANS CLOSED IN 2018 WAS 50 NFC CLOSED 46 SECOND MORTGAGES, 69 HOME IMPROVEMENT LOANS, 30 REFINANCE LOANS, 210 PROJECT REINVEST LOANS (18 OF 210 WERE NFC BORROWERS), AND 224 NEIGHBORHOODLIFT LOANS (4 OF 224 WERE NFC BORROWERS) ADDITIONALLY, IN 2018, 22% OF THE HOME PURCHASE LOANS CLOSED WERE TO FIRST TIME HOME BUYERS NFC IS PROUD TO PARTNER WITH POLK COUNTY, IOWA AND THE WINDSOR HEIGHTS-URBAN DALE SANITARY SEWER DISTRICT TO PROVIDE A FINANCING OPTION FOR WINDSOR HEIGHTS, IOWA RESIDENTS WHO NEED TO REPLACE OR REPAIR THEIR SEWER LINE AS PART OF THE SAVE OUR SEWER (S O S) PROGRAM WINDSOR HEIGHTS HAS AN AGING SANITARY SEWER INFRASTRUCTURE SINCE THE SEWER LINES ARE OLD, THESE SEWER LINES CAN CRACK AND ALLOW GROUNDWATER TO INFILTRATE THEM IN ADDITION, THERE ARE RESIDENTIAL PROPERTIES THAT HAVE FOUNDATION DRAINS OR SUMP PUMPS DIRECTLY TIED INTO THE SANITARY SEWER SYSTEM THIS RESULTS IN STORM WATER AND GROUNDWATER BEING DIRECTLY INTRODUCED INTO THE SEWER SYSTEM THESE ARE REFERRED TO AS INFLOW AND INFILTRATION ISSUES THAT WILL BE ADDRESSED THROUGH THE S O S PROGRAM

Form 990, Part III, Line 4b:

FORGIVABLE LOAN AS STATED IN LOAN ORIGINATION DESCRIPTION, EACH TRANSACTION THAT NFC PROVIDES TO OUR BORROWERS INCLUDES A FORGIVABLE LOAN FOR PROPERTY REHABILITATION THE FORGIVABLE LOAN IS A 0% INTEREST RATE LOAN FOR EITHER 5 OR 10 YEARS A 5 YEAR FORGIVABLE LOAN IS GRANTED ON ALL SINGLE FAMILY DWELLING TRANSACTIONS A 10 YEAR FORGIVABLE LOAN IS GRANTED ON ALL TRANSACTIONS THAT ARE DOWNSIZING A MULTI FAMILY DWELLING BACK TO A SINGLE FAMILY DWELLING THERE IS NO REPAYMENT REQUIRED ON THE FORGIVABLE LOAN AS LONG AS THE BORROWER IS RESIDING IN THE HOME THE FORGIVEN AMOUNT IS REPORTED TO THE BORROWER ON FORM 1099C EACH YEAR UNTIL THE ENTIRE AMOUNT IS FORGIVEN SINCE INCEPTION, NFC HAS AWARDED FORGIVEABLE LOANS TOTALING \$45,593,424 THROUGH DECEMBER 31, 2018 IN 2018, NFC CLOSED \$1,193,592 IN FORGIVABLE PROPERTY REHABILITATION LOANS THE FORGIVABLE PROPERTY REHABILITATION LOANS WERE GRANTED IN 23 NEIGHBORHOODS AND OTHER LOW INCOME CENSUS TRACTS MOST PROPERTIES WITH NFC FUNDING FOR HOME PURCHASE ARE INSPECTED BY A CITY OF DES MOINES INSPECTOR TO MAKE SURE ALL CODE VIOLATIONS AT THE PROPERTY ARE ADDRESSED THROUGH THE HOMEOWNER'S PROPERTY REHABILITATION PROJECTS THE CITY OF DES MOINES INSPECTOR ALSO PROVIDES AUTHORIZATION FOR PAYOUT ONCE THE PROPERTY REHABILITATION PROJECT IS PROPERLY COMPLETED AND MEETS THE BORROWER'S SATISFACTION THE CITY OF DES MOINES INSPECTOR NOTIFIES NFC WHEN THE PROJECT IS COMPLETED AND VERIFIES THAT IT WAS COMPLETED IN A WORKMAN-LIKE MANNER ADDITIONALLY, THESE PROPERTY REHABILITATION PROJECTS IMPROVE THE VALUE OF THE HOMES IN THESE NEIGHBORHOODS THIS CAN LEAD TO INCREASED VALUES FOR OTHER HOMES IN THESE NEIGHBORHOODS

Form 990, Part III, Line 4c:

AT NFC PROPERTIES LLC, OUR GOAL IS TO PROVIDE SAFE, AFFORDABLE, QUALITY HOUSING TO OWNER OCCUPANTS IN 2018 NFC PROPERTIES LLC ACQUIRED 20 PROPERTIES OF THOSE 20 PROPERTIES, 3 WERE FROM NFC'S REAL ESTATE OWNED (REO) INTAKE THROUGH BORROWER DEFAULT, AND 17 WERE PURCHASED AS REO'S FROM OTHER LENDERS DURING 2018, 10 UNITS IN NFC PROPERTIES LLC HOUSING INVENTORY COMPLETED REHABILITATION (2 WERE REO PROPERTIES), AND 11 OF THE INVENTORY UNITS WERE SOLD NFC PROPERTIES LLC FOCUSES ON ENERGY EFFICIENCY BY ADDING HIGH EFFICIENCY FURNACE AND A/C, VINYL LOW-E WINDOWS, AND BLOWN CELLULOSE INSULATION THIS HELPS ENSURE THAT THE HOME STAYS AFFORDABLE FOR THE FUTURE HOMEBUYER

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
 Attach to Form 990 or Form 990-EZ.
 Go to www.irs.gov/Form990 for the latest information.

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

NEIGHBORHOOD FINANCE CORPORATION

Employer identification number

42-1353472

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ))
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An agricultural research organization described in **170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land grant college of agriculture See instructions Enter the name, city, and state of the college or university _____
- 10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 11 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
 - f Enter the number of supported organizations _____
 - g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv), 170(b)(1)(A)(vi), and 170(b)(1)(A)(ix)

(Complete only if you checked the box on line 5, 7, 8, or 9 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

	Calendar year (or fiscal year beginning in) ▶	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grant.")	3,157,171	3,455,458	3,066,965	5,991,986	10,411,386	26,082,966
2	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3	The value of services or facilities furnished by a governmental unit to the organization without charge						
4	Total. Add lines 1 through 3	3,157,171	3,455,458	3,066,965	5,991,986	10,411,386	26,082,966
5	The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6	Public support. Subtract line 5 from line 4						26,082,966

Section B. Total Support

	Calendar year (or fiscal year beginning in) ▶	(a)2014	(b)2015	(c)2016	(d)2017	(e)2018	(f)Total
7	Amounts from line 4	3,157,171	3,455,458	3,066,965	5,991,986	10,411,386	26,082,966
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	58,130	32,899	81,753	85,171	362,201	620,154
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part VI.)						
11	Total support. Add lines 7 through 10						26,703,120
12	Gross receipts from related activities, etc. (see instructions)					12	10,522,175

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14	Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	97.680 %
15	Public support percentage for 2017 Schedule A, Part II, line 14	15	98.510 %

16a 33 1/3% support test—2018. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support test—2017. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2018. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization

18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2	Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3	Gross receipts from activities that are not an unrelated trade or business under section 513						
4	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5	The value of services or facilities furnished by a governmental unit to the organization without charge						
6	Total. Add lines 1 through 5						
7a	Amounts included on lines 1, 2, and 3 received from disqualified persons						
b	Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c	Add lines 7a and 7b						
8	Public support. (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►		(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(f) Total
9	Amounts from line 6						
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c	Add lines 10a and 10b						
11	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12	Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13	Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15	Public support percentage for 2018 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2017 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for 2018 (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from 2017 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2018. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests—2017. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

		Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.		
	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).		
	5a		
b	Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
	5b		
c	Substitutions only. Was the substitution the result of an event beyond the organization's control?		
	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .		
	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .		
	9a		
b	Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .		
	9b		
c	Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .		
	9c		
10a	Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below.		
	10a		
b	Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		
	10b		

Part IV Supporting Organizations (continued)

		Yes	No
11	Has the organization accepted a gift or contribution from any of the following persons?		
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b	A family member of a person described in (a) above?		
c	A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI</i>		

Section B. Type I Supporting Organizations

		Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization (s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally-Integrated Supporting Organizations

1	Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)		
a	<input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b	<input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c	<input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2	Activities Test Answer (a) and (b) below.		
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>	Yes	No
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3	Parent of Supported Organizations Answer (a) and (b) below.		
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI)		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2018 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required-- explain in Part VI) See instructions			
3 Excess distributions carryover, if any, to 2018			
a From 2013.			
b From 2014.			
c From 2015.			
d From 2016.			
e From 2017.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2018 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2018, if any Subtract lines 3g and 4a from line 2 If the amount is greater than zero, explain in Part VI See instructions			
6 Remaining underdistributions for 2018 Subtract lines 3h and 4b from line 1 If the amount is greater than zero, explain in Part VI See instructions			
7 Excess distributions carryover to 2019. Add lines 3j and 4c			
8 Breakdown of line 7			
a Excess from 2014.			
b Excess from 2015.			
c Excess from 2016.			
d Excess from 2017.			
e Excess from 2018.			

Additional Data

Software ID:

Software Version:

EIN: 42-1353472

Name: NEIGHBORHOOD FINANCE CORPORATION

Part VI Supplemental Information. Provide the explanations required by Part II, line 10, Part II, line 17a or 17b, Part III, line 12, Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c, Part IV, Section B, lines 1 and 2, Part IV, Section C, line 1, Part IV, Section D, lines 2 and 3, Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b, Part V, line 1, Part V, Section B, line 1e, Part V Section D, lines 5, 6, and 8, and Part V, Section E, lines 2, 5, and 6 Also complete this part for any additional information (See instructions)

Facts And Circumstances Test

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements
► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

Name of the organization
NEIGHBORHOOD FINANCE CORPORATION

Employer identification number
42-1353472

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e g , recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year	
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenue included on Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenue included on Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table
- | | Amount |
|--|--------|
| c Beginning balance | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . . Yes No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	31,111,794	29,683,357	31,357,135	29,978,201	28,938,180
b Contributions	9,148,341	5,313,000	2,919,000	3,285,000	2,994,500
c Net investment earnings, gains, and losses	405,578	269,871	151,134	98,561	114,821
d Grants or scholarships					
e Other expenditures for facilities and programs	2,175,152	4,154,434	4,743,912	2,004,627	2,069,300
f Administrative expenses					
g End of year balance	38,490,561	31,111,794	29,683,357	31,357,135	29,978,201

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶ 20 000 %
 - b** Permanent endowment ▶ 3 000 %
 - c** Temporarily restricted endowment ▶ 77 000 %
- The percentages on lines 2a, 2b, and 2c should equal 100%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | | |
|--|---------------|----|
| | Yes | No |
| (i) unrelated organizations | 3a(i) | No |
| (ii) related organizations | 3a(ii) | No |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings	811,137		656,732	154,405
c Leasehold improvements				
d Equipment	202,237		159,744	42,493
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				196,898

Part VII Investments—Other Securities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)		

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) OTHER REAL ESTATE OWNED	106,000	F
(2) REAL ESTATE DEVELOPMENT PROPERTIES	796,218	F
(3) FORGIVABLE LOANS	8,596,890	C
(4) INVESTOR GUARANTEED CUSTODIAL DEPOSITS	8,472,939	F
(5) FHLB DES MOINES	56,400	C
(6) MORTGAGE SERVICING RIGHTS	475,208	F
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)	18,503,655	

Part IX Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	

Part X Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
LOANS AND GRANTS IN PROCESS	922,465
INTEREST PAYABLE	50,000
EQUITY EQUIVALENT INVESTMENT	150,000
MASTER LOAN PARTICIPATION AGREEMENTS	32,202,470
LOANS RECEIVABLE DISCOUNT	589,327
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	33,914,262

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	12,569,017
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	0
3	Subtract line 2e from line 1		3	12,569,017
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	0
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	12,569,017

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	4,879,632
2	Amounts included on line 1 but not on Form 990, Part IX, line 25			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	0
3	Subtract line 2e from line 1		3	4,879,632
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	0
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	4,879,632

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
See Additional Data Table	

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:

Software Version:

EIN: 42-1353472

Name: NEIGHBORHOOD FINANCE CORPORATION

Supplemental Information

Return Reference	Explanation
PART X, LINE 2	NFC IS EXEMPT FROM FEDERAL AND STATE INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND FILES AN INFORMATIONAL TAX RETURN AS SUCH, NFC IS SUBJECT TO FEDERAL INCOME TAXES ONLY ON ANY UNRELATED BUSINESS INCOME UNDER THE PROVISIONS OF SECTION 511 OF THE INTERNAL REVENUE CODE. NFC CEDAR RAPIDS LLC AND NFC PROPERTIES LLC ARE BOTH A SINGLE MEMBER LLC WITH NFC BEING THE SOLE MEMBER, THUS, THEY ARE CONSIDERED TO BE DISREGARDED ENTITIES FOR EXEMPT ORGANIZATION REPORTING PURPOSES. NFC CEDAR RAPIDS LLC AND NFC PROPERTIES LLC OPERATIONS ARE INCLUDED IN NFC'S TAX RETURNS. NFC BELIEVES IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS. NFC WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED. MANAGEMENT ASSESSES THE COMPANY'S INCOME TAX POSITIONS BASED UPON AN EVALUATION OF THE FACTS, CIRCUMSTANCES, AND INFORMATION AVAILABLE AT THE REPORTING DATES.

Supplemental Information

Return Reference	Explanation
PART V, LINE 4	<p>EXPLANATION CONTRIBUTED PRIMARILY FROM THE CITY OF CEDAR RAPIDS, CITY OF DES MOINES, AND POLK COUNTY, THE ENDOWMENT FUNDS PROVIDE NFC WITH THE FINANCIAL ABILITY TO CONTINUE THE FORGIVABLE LOANS OFFERED BY NFC, WHICH ARE THE CORNERSTONE OF NFC'S LOAN PROGRAM ALSO, THE ENDOWMENT FUNDS ALLOW NFC TO PROVIDE GUARANTEE FIRST LOSS RESERVE FUNDS, WHICH ARE ESSENTIAL TO ATTRACT INVESTOR CAPITAL TO NFC'S NONTRADITIONAL LOAN PRODUCTS IN ADDITION, NEIGHBORWORKS AMERICA ENDOWMENT CONTRIBUTIONS ARE USED TO FUND THE HELD FOR SALE MORTGAGE LOANS RECEIVABLE UNTIL NFC SELLS THESE LOANS INTO THE SECONDARY MARKET OR LOCAL INVESTOR BANK POOL PARTICIPATION, AS WELL AS ADMINISTER SPECIAL LOAN PROGRAMS TO HELP ASSIST BORROWERS OBTAIN HOME OWNERSHIP WITH THESE DOWN PAYMENT ASSISTANT LOANS</p>

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

Schedule I (Form 990)

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

OMB No 1545-0047

2018

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," on Form 990, Part IV, line 21 or 22. Attach to Form 990. Go to www.irs.gov/Form990 for the latest information.

Name of the organization NEIGHBORHOOD FINANCE CORPORATION

Employer identification number 42-1353472

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000 Part II can be duplicated if additional space is needed

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section (if applicable), (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of noncash assistance, (h) Purpose of grant or assistance. Rows 1-12.

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
3 Enter total number of other organizations listed in the line 1 table

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of noncash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
(1) FORGIVENESS OF DEBT	1238	2,147,065	0	BOOK	
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Return Reference	Explanation
PART I, LINE 2	EXPLANATION FORGIVABLE LOANS ELIGIBLE BORROWERS MAY BE AWARDED FORGIVABLE LOANS UP TO \$22,500, DEPENDING ON THE PROGRAM THE NFC SINGLE-FAMILY PROGRAM LOANS AWARDED ARE FORGIVEN 20% PER YEAR OVER THE FIVE YEAR LIFE OF THE LOAN THE NFC MULTI-FAMILY DOWN SIZING PROGRAM LOANS AWARDED ARE FORGIVEN 10% PER YEAR OVER THE TEN YEAR LIFE OF THE LOAN

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
 ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for the latest information.**

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization NEIGHBORHOOD FINANCE CORPORATION	Employer identification number 42-1353472
--	--

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only)
 Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.
 Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1) MICHELLE MUELLER	NFC BOARD MEMBER			RESIDENCE PURCHASE LOAN		X	218,500	217,537	
(2) KERI THIEN	NFC BOARD MEMBER	RESIDENCE PURCHASE LOAN		X	82,200	76,641		No	Yes		Yes	
Total						▶ \$	294,178					

Part III Grants or Assistance Benefiting Interested Persons.
 Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
OTHER INFORMATION	DUE TO THE NATURE OF NFC'S ACTIVITIES, NFC RECEIVES LOANS FROM FINANCIAL INSTITUTIONS AND HAS OTHER BUSINESS TRANSACTIONS WITH THESE ENTITIES, SUCH AS AGREEMENT CONTRIBUTIONS, INTEREST PAYMENTS, LOAN POOL PARTICIPATION, AND SERVICE FEES. NFC'S BOARD HAS REPRESENTATIVES FROM SOME OF THE FINANCIAL INSTITUTIONS IN WHICH THE ORGANIZATION HAS OUTSTANDING LOANS AND OTHER BUSINESS TRANSACTIONS WITH THESE TRANSACTIONS ARE NOT DISCLOSED ON SCHEDULE L AS THE BANKS DO NOT MEET THE DEFINITION OF AN INTERESTED PERSON. THIS DISCLOSURE IS MADE TO PROMOTE TRANSPARENCY REGARDING BOARD MEMBER REPRESENTATION WITH THESE FINANCIAL INSTITUTIONS, BUT THESE TRANSACTIONS DO NOT IMPAIR THE RESPECTIVE BOARD MEMBERS' INDEPENDENCE. IN ADDITION, NFC ENSURES ITS CONFLICT OF INTEREST POLICY IS MONITORED AND ENFORCED WHEN REVIEWING THESE TRANSACTIONS.
SCHEDULE L, PART II	THE LOANS REPORTED IN PART II WITH CURRENT NFC BOARD MEMBERS WERE CREATED IN THE ORDINARY COURSE OF BUSINESS ON THE SAME TERMS AS OFFERED TO THE GENERAL PUBLIC, PRIOR TO THESE INDIVIDUALS BECOMING NFC BOARD MEMBERS. THE ORGANIZATION IS REPORTING THESE TRANSACTIONS TO PROMOTE TRANSPARENCY, EVEN THOUGH THE TRANSACTIONS MEET AN EXCEPTION TO REPORTING.

SCHEDULE O
(Form 990 or 990-EZ)**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047

2018**Open to Public Inspection**

Department of the Treasury

Name of the organization

NEIGHBORHOOD FINANCE CORPORATION

Employer identification number

42-1353472

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 6	DETERMINATION OF VOLUNTEER ESTIMATE BOARD OF DIRECTORS=15, RESIDENTIAL LOAN COMMITTEE MEMBERS=4, COMMERCIAL LOAN COMMITTEE MEMBERS=4, FINANCE/AUDIT COMMITTEE MEMBERS=4, REAL ESTATE DEVELOPMENT COMMITTEE MEMBERS=4, NFC CEDAR RAPIDS ADVISORY COMMITTEE=12 NOTE THAT CERTAIN VOLUNTEERS ARE ON MORE THAN ONE COMMITTEE THESE VOLUNTEERS ARE ONLY COUNTED ONCE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 2	NFC WAS CHOSEN TO ADMINISTER THE NEIGHBORHOODLIFT LOAN PROGRAM IN POLK COUNTY, IOWA IN SEPTEMBER 2018, AS PART OF CHARTER MEMBERSHIP WITH NEIGHBORWORKS AMERICA NFC WAS GRANTED \$4,161,900 IN LOAN PROGRAM FUNDS FROM NEIGHBORWORKS AMERICA'S AND A NATIONAL FINANCIAL INSTITUTION'S FOUNDATION THIS PROGRAM IS CREATED TO ADVANCE THE RECOVERY IN CERTAIN GEOGRAPHICAL AREAS BY FUNDING A DOWN PAYMENT ASSISTANCE PRODUCT DESIGNED TO ENCOURAGE HOMEOWNERSHIP WITH A FOCUS ON LOW-TO-MODERATE INCOME CONSUMERS NFC AND 9 LOCAL BANKS AND GREATER DES MOINES HABITAT FOR HUMANITY WILL PROVIDE APPROXIMATELY 250 FORGIVABLE DOWN PAYMENT ASSISTANCE LOANS THROUGH THIS PROGRAM NEIGHBORHOODLIFT PROVIDES A \$15,000 LOAN OR A \$17,500 LOAN FOR THOSE WHO QUALIFY FOR THE FIRST RESPONDER, MILITARY, OR TEACHER BENEFIT THE LOAN CAN BE USED TOWARDS DOWN PAYMENT AND CLOSING COSTS ASSISTANCE FOR ELIGIBLE HOMEBUYERS WHO PURCHASE A HOME ANYWHERE IN POLK COUNTY THE LOAN IS STRUCTURED AS A 'SOFT SECOND' MORTGAGE LOAN THAT IS CONDITIONALLY FORGIVABLE OVER A FIVE-YEAR TERM OF THE LIFT LOAN IN 2018, NFC CLOSED \$3,477,500 OF NEIGHBORHOODLIFT LOANS AWARDED IN 2018

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IV, LINE 12	THE ORGANIZATION RECEIVES AUDITED GAAP FINANCIAL STATEMENTS ON AN ANNUAL BASIS FROM INDEPENDENT AUDITORS THE FINANCIAL STATEMENT INCLUDES NFC CEDAR RAPIDS LLC AND NFC PROPERTIES LLC WHICH ARE BOTH DISREGARDED ENTITIES FOR TAX PURPOSES AND ARE INCLUDED IN THE FORM 990

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE SHALL HAVE THE AUTHORITY TO TRANSACT THE BUSINESS OF THE BOARD OF DIRECTORS BETWEEN MEETINGS OF THE BOARD OF DIRECTORS, EXCEPT TO THE EXTENT, IF ANY, THAT SUCH AUTHORITY SHALL BE LIMITED BY RESOLUTION OF THE BOARD OF DIRECTORS AND EXCEPT ALSO THAT THE EXECUTIVE COMMITTEE SHALL NOT HAVE THE AUTHORITY OF THE BOARD OF DIRECTORS TO MAKE MAJOR POLICY DECISIONS INCLUDING, WITHOUT LIMITATION, AMENDING THE ARTICLES OF INCORPORATION, ADOPTING A PLAN OF MERGER OR CONSOLIDATION, APPROVING THE SALE, LEASE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION OTHERWISE THAN IN THE USUAL AND REGULAR COURSE OF ITS BUSINESS, APPROVING A VOLUNTARY DISSOLUTION OF THE CORPORATION OR A REVOCATION THEREOF, OR AMENDING THE BYLAWS OF THE CORPORATION THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE PRESIDENT, PAST PRESIDENT, EXECUTIVE DIRECTOR, VICE-PRESIDENT AND SECRETARY THE EXECUTIVE DIRECTOR DOES NOT HAVE VOTING RIGHTS ALL OTHER MEMBERS HAVE VOTING RIGHTS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	<p>THE MAYOR OF THE CITY OF DES MOINES, IOWA APPOINTS DIRECTOR POSITIONS 1 AND 2 THE DIRECTOR HOLDING DIRECTOR POSITION 1 SHALL BE A SITTING ELECTED OFFICIAL OR A CURRENT EMPLOYEE OF THE CITY OF DES MOINES, IOWA THE DIRECTOR HOLDING DIRECTOR POSITION 2 SHALL BE A SITTING ELECTED OFFICIAL OR A CURRENT EMPLOYEE OF THE CITY OF DES MOINES, IOWA THE FIRST AND SECOND ALTERNATES FOR DIRECTOR POSITIONS 1 AND 2 SHALL ALSO BE SITTING ELECTED OFFICIALS OR CURRENT EMPLOYEES OF THE CITY OF DES MOINES, IOWA THESE DIRECTORS ARE CONFIRMED BY THE DES MOINES, IOWA CITY COUNCIL THE DES MOINES, IOWA CITY COUNCIL HAS THE POWER TO REMOVE THE PERSONS HOLDING DIRECTORS POSITIONS 1 AND 2 AND HAS THE POWER TO APPOINT A PERSON TO COMPLETE THE CURRENT TERM FOR DIRECTOR POSITIONS 1 AND 2 SHOULD A VACANCY ARISE DUE TO DISQUALIFICATION, RESIGNATION OR REMOVAL THE DES MOINES, IOWA CITY COUNCIL ALSO HAS THE POWER TO APPOINT FIRST AND SECOND ALTERNATES WHO MAY ATTEND ALL MEETINGS OF THE BOARD OF DIRECTORS AND WHO MAY VOTE IN THE ABSENCE OF THE INDIVIDUALS APPOINTED TO DIRECTOR POSITIONS 1 AND 2, WITH THE FIRST ALTERNATE HAVING THE FIRST ALTERNATE VOTING PRIORITY AND SECOND ALTERNATE HAVING THE SECOND ALTERNATE VOTING PRIORITY THE BOARD OF SUPERVISORS OF POLK COUNTY, IOWA APPOINTS DIRECTOR POSITIONS 3 AND 4 THE BOARD OF SUPERVISORS OF POLK COUNTY, IOWA HAS THE POWER TO REMOVE PERSONS HOLDING DIRECTOR POSITIONS 3 AND 4 AND HAS THE POWER TO APPOINT A PERSON TO COMPLETE THE CURRENT TERM FOR DIRECTOR POSITIONS 3 AND 4 SHOULD A VACANCY ARISE DUE TO DISQUALIFICATION, RESIGNATION OR REMOVAL THE BOARD OF SUPERVISORS OF POLK COUNTY, IOWA SHALL ALSO HAVE POWER TO APPOINT FIRST AND SECOND ALTERNATES WHO MAY ATTEND ALL MEETINGS OF BOARD OF DIRECTORS AND WHO MAY VOTE IN THE ABSENCE OF THE INDIVIDUALS APPOINTED TO DIRECTOR POSITIONS 3 AND 4, WITH THE FIRST ALTERNATE HAVING THE FIRST ALTERNATE VOTING PRIORITY AND THE SECOND ALTERNATE HAVING THE SECOND ALTERNATE VOTING PRIORITY THE BOARD OF DIRECTORS ELECTS DIRECTOR POSITIONS 5-14 THE NEIGHBORHOOD REVITALIZATION BOARD OF THE CITY OF DES MOINES, IOWA APPOINTS DIRECTOR POSITION 15 THE NEIGHBORHOOD REVITALIZATION BOARD OF THE CITY OF DES MOINES, IOWA HAS THE POWER TO REMOVE THE PERSON HOLDING DIRECTOR POSITION 15 AND HAS THE POWER TO APPOINT A PERSON TO COMPLETE THE CURRENT TERM FOR DIRECTOR POSITION 15 SHOULD A VACANCY ARISE DUE TO DISQUALIFICATION, RESIGNATION OR REMOVAL THE NEIGHBORHOOD REVITALIZATION BOARD OF THE CITY OF DES MOINES, IOWA SHALL ALSO HAVE THE POWER TO APPOINT AN ALTERNATE WHO MAY ATTEND ALL MEETINGS OF THE BOARD OF DIRECTORS AND WHO MAY VOTE IN THE ABSENCE OF THE INDIVIDUAL APPOINTED TO DIRECTOR POSITION 15 THE CEDAR RAPIDS, IOWA CITY COUNCIL APPOINTS THE NON-VOTING CEDAR RAPIDS REPRESENTATIVES THE CEDAR RAPIDS, IOWA CITY COUNCIL SHALL HAVE THE POWER TO REMOVE THE PERSONS SERVING AS THE CEDAR RAPIDS REPRESENTATIVES AND SHALL HAVE THE POWER TO APPOINT A NEW PERSON TO BECOME A CEDAR RAPIDS REPRESENTATIVE SHOULD A VACANCY W</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	WITH RESPECT TO THE CEDAR RAPIDS REPRESENTATIVE POSITIONS ARISE DUE TO DISQUALIFICATION, RESIGNATION AND REMOVAL

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	NEIGHBORHOOD FINANCE CORPORATIONS'S OFFICERS, DIRECTORS AND FINANCE/AUDIT COMMITTEE RECEIVE THE FORM 990 BEFORE THE FINAL VERSION IS SUBMITTED TO THE IRS NEIGHBORHOOD FINANCE CORPORATION'S MANAGEMENT KEPT THE OFFICERS, DIRECTORS AND FINANCE/AUDIT COMMITTEE INFORMED THROUGHOUT THE PROCESS BY HAVING OUR INDEPENDENT THIRD PARTY TAX ADVISOR FIRM UPDATE THE FINANCE/AUDIT COMMITTEE AND/OR MANAGEMENT OF THE CHANGES TO THE FORM 990 AS THEY BECAME FINAL THIS ALLOWED ALL THOSE INVOLVED IN THE REVIEW PROCESS TIME TO UNDERSTAND THE EXPECTATIONS THE FORM 990 WOULD REQUIRE OF THEM AFTER MANAGEMENT WORKED WITH OUR INDEPENDENT THIRD PARTY TAX ADVISORY FIRM TO COMPLETE THE FINAL DRAFT OF THE FORM 990, THE FINAL DRAFT WAS MAILED TO EACH DIRECTOR, OFFICER AND FINANCE/AUDIT COMMITTEE PRIOR TO THE OCTOBER 24, 2019 BOARD OF DIRECTORS MEETING THIS ALLOWED THE OFFICERS, DIRECTORS AND FINANCE/AUDIT COMMITTEE ADEQUATE TIME TO READ THROUGH THE DRAFT AND COME TO THE BOARD OF DIRECTORS MEETING WITH AN UNDERSTANDING OF WHAT IS BEING FILED THE INDEPENDENT THIRD PARTY TAX ADVISORY FIRM AND FINANCE/AUDIT COMMITTEE MEET TO DISCUSS THE FORM 990 THE MINUTES TO THIS MEETING ARE INCLUDED IN THE OCTOBER 24, 2019, BOARD OF DIRECTORS MEETING THIS DISCUSSION WAS DOCUMENTED IN THE MINUTES OF THE OCTOBER 24, 2019, BOARD OF DIRECTORS MEETING

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	NEIGHBORHOOD FINANCE CORPORATION OFFICERS, DIRECTORS, OR TRUSTEES, AND KEY EMPLOYEES ARE REQUIRED TO COMPLETE OUR CONFLICT OF INTEREST STATEMENT ANNUALLY ALL OF THESE STATEMENTS ARE RECEIVED BY AND MAINTAINED BY THE NEIGHBORHOOD FINANCE CORPORATION'S VICE PRESIDENT FINANCE AND ADMINISTRATION THE EXECUTIVE DIRECTOR IS USUALLY MADE AWARE OF THE BOARD OF DIRECTORS MEMBERS' AFFILIATIONS AND POTENTIAL CONFLICTS UPON ELECTION TO THE BOARD AND THROUGHOUT THEIR TERM ON THE BOARD MOREOVER, AS ISSUES ARE DISCUSSED THROUGHOUT THE YEAR, OUR BOARD OF DIRECTORS MEMBERS VOLUNTARILY RECUSE THEMSELVES FROM VOTING ON ISSUES THAT MAY POSE A CONFLICT OF INTEREST

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>NEIGHBORHOOD FINANCE CORPORATION ENGAGED NEWPORT GROUP, AN INDEPENDENT THIRD PARTY FIRM, TO COMPLETE A KEY EXECUTIVE AND ALL NON-KEY EXECUTIVE COMPENSATION MARKET ANALYSIS IN JULY 2017 THE KEY EXECUTIVES IN THIS STUDY WERE THE NEIGHBORHOOD FINANCE CORPORATION'S EXECUTIVE DIRECTOR, DIRECTOR OF LENDING, AND VICE PRESIDENT FINANCE & ADMINISTRATION NEIGHBORHOOD FINANCE CORPORATION PROVIDED THE REQUESTED INFORMATION FOR THIS ANALYSIS WHILE THE EXECUTIVE COMMITTEE OF THE NEIGHBORHOOD FINANCE CORPORATION BOARD OF DIRECTORS WERE THE OVERSEERS OF THE PROCESS NEWPORT GROUP'S POINT OF CONTACT FOR THIS STUDY WAS THE NEIGHBORHOOD FINANCE CORPORATION EXECUTIVE COMMITTEE THE COMPLETED MARKET ANALYSIS WAS REVIEWED AND APPROVED BY THE EXECUTIVE COMMITTEE AS REASONABLE, ACCURATE AND COMPLETE THE REPORT OUTCOMES WERE DISCUSSED IN A CLOSED SESSION OF THE 2017 OCTOBER BOARD OF DIRECTORS MEETING WITHOUT THE KEY EXECUTIVES PRESENT THE REPORT WAS FINALIZED IN THE OCTOBER 2017 BOARD OF DIRECTORS MEETING THIS REPORT IS NOW USED AS THE KEY EXECUTIVE COMPENSATION BENCHMARK FOR COMPARISON WITH FUTURE KEY EXECUTIVE COMPENSATION CHANGES NOTE EACH YEAR THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS IS RESPONSIBLE FOR APPROVING ALL MANAGEMENT COMPENSATION LEVELS, INCLUDING THE KEY EXECUTIVES NO CHANGE TO MANAGEMENT COMPENSATION IS MADE WITHOUT EXECUTIVE COMMITTEE APPROVAL THE LEVEL OF INCREASE FOR EMPLOYEE PAY RATES IS DETERMINED BY THE NFC BUDGET, WHICH IS APPROVED BY THE BOARD THE REASONABLENESS OF THE RATE INCREASES IS OBTAINED AFTER AN INFORMAL DISCUSSION WITH NEWPORT GROUP ACTUAL INCREASES ARE PERFORMANCE BASED WITHIN THE BUDGETED AMOUNT ALL EXCEPTIONS ARE APPROVED BY THE BOARD DOCUMENTATION OF THIS PROCESS IS MAINTAINED IN THE EXECUTIVE COMMITTEE MEETING MINUTES THE NEXT FORMAL STUDY WILL BE PERFORMED IN 2020</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	NEIGHBORHOOD FINANCE CORPORATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS (AUDITED OR UNAUDITED) AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST AND AT THE DISCRETION OF NEIGHBORHOOD FINANCE CORPORATION

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART X, LINE 2	SAVINGS AND TEMPORARY CASH INVESTMENTS AS OF DECEMBER 31, 2018, APPROXIMATELY \$1.5 MILLION OF THE INVESTMENTS HAD BEEN COMMITTED, THROUGH NFC BOARD VOTING ACTIONS, TO FUND FORGIVABLE LOANS AND LOAN LOSS RESERVES RELATED TO SPECIFIC LOAN PARTICIPATION OFFERINGS SUBSEQUENT TO YEAR END. THE MAJORITY OF THE REMAINING FUNDS ARE RESTRICTED FOR SIMILAR PURPOSES PER AN EXTERNAL AGREEMENT THAT NEIGHBORHOOD FINANCE CORPORATION HAS WITH THE CITY OF DES MOINES AND POLK COUNTY.

990 Schedule O, Supplemental Information

Return Reference	Explanation
PART XII, LINE 2C	THERE WERE NO CHANGES IN EITHER THE OVERSIGHT PROCESS OR SELECTION PROCESS OF THE AUDIT COMMITTEE DURING THE TAX YEAR

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2018

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

Name of the organization
NEIGHBORHOOD FINANCE CORPORATION

Employer identification number

42-1353472

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) NFC PROPERTIES LLC 1912 SIXTH AVE DES MOINES, IA 50314 36-4626868	REHAB DISTRESSED PROPERTIES	IA	154,347	1,932,053	NEIGHBORHOOD FINANCE CORPORATION
(2) NFC CEDAR RAPIDS LLC 1110 OLD MARION ROAD SUITE A CEDAR RAPIDS, IA 52402	RESIDENTIAL LENDING	IA	1,660,844	2,375,581	NEIGHBORHOOD FINANCE CORPORATION

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512(b) (13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	
b Gift, grant, or capital contribution to related organization(s)	1b	
c Gift, grant, or capital contribution from related organization(s)	1c	
d Loans or loan guarantees to or for related organization(s)	1d	
e Loans or loan guarantees by related organization(s)	1e	
f Dividends from related organization(s)	1f	
g Sale of assets to related organization(s)	1g	
h Purchase of assets from related organization(s)	1h	
i Exchange of assets with related organization(s)	1i	
j Lease of facilities, equipment, or other assets to related organization(s)	1j	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	
o Sharing of paid employees with related organization(s)	1o	
p Reimbursement paid to related organization(s) for expenses	1p	
q Reimbursement paid by related organization(s) for expenses	1q	
r Other transfer of cash or property to related organization(s)	1r	
s Other transfer of cash or property from related organization(s)	1s	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation