

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
2019
Open to Public Inspection

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

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) Room/suite
1912 6TH AVE

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 \$ 10,692,251

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

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no.) 4947(a)(1) or 527

J Website: ▶ WWW.NEIGHBORHOODFINANCE.ORG

K Form of organization: Corporation Trust Association Other ▶

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 AND CEDAR RAPIDS, IOWA.

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	15
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5 Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	26
6 Total number of volunteers (estimate if necessary)	6	44
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b Net unrelated business taxable income from Form 990-T, line 39	7b	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	10,411,386	8,291,468
9 Program service revenue (Part VIII, line 2g)	1,795,430	1,895,712
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	362,201	505,071
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12,569,017	10,692,251
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,147,065	2,442,277
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	1,339,890	1,524,085
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	1,392,677	1,679,324
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	4,879,632	5,645,686
19 Revenue less expenses. Subtract line 18 from line 12	7,689,385	5,046,565

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	85,751,646	90,561,749
21 Total liabilities (Part X, line 26)	37,389,294	37,152,832
22 Net assets or fund balances. Subtract line 21 from line 20	48,362,352	53,408,917

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
Date 2020-10-26

STEPHANIE MURPHY EXECUTIVE DIRECTOR
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name Preparer's signature Date 2020-10-12 Check if self-employed PTIN P00223704

Firm's name ▶ EIDE BAILLY LLP Firm's EIN ▶ 45-0250958

Firm's address ▶ 666 WALNUT ST STE 1900 Phone no. (515) 244-0266
DES MOINES, IA 503093912

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

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

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 [X] 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 [X] 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 \$ 1,580,668 including grants of \$) (Revenue \$ 1,774,957)
See Additional Data

4b (Code:) (Expenses \$ 2,750,814 including grants of \$ 2,442,277) (Revenue \$)
See Additional Data

4c (Code:) (Expenses \$ 264,326 including grants of \$) (Revenue \$ 120,755)
See Additional Data

(Code:) (Expenses \$ 190,710 including grants of \$) (Revenue \$)

THE HOME BUYER EDUCATION 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 2019, NFC THROUGH OUR PARTNER ORGANIZATIONS PROVIDED EDUCATIONAL SERVICES TO 86% OF NFC BORROWERS AND RECIPIENTS OF DOWN PAYMENT ASSISTANCE PROGRAMS. EDUCATION WAS COMPLETED THROUGH HUD APPROVED HOUSING COUNSELING AGENCIES IN DES MOINES AND CEDAR RAPIDS, IOWA AND OMAHA, NEBRASKA. 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 \$28,537,687 AND \$27,137,687 RESPECTIVELY, THROUGH DECEMBER 31, 2019. 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 \$3,000,000 THROUGH DECEMBER 31, 2019. 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 \$1,00,000, AND CUMULATIVE CONTRIBUTIONS FROM THE CITY OF WINDSOR HEIGHTS HAVE TOTALED \$75,000.

4d Other program services (Describe in Schedule O.)
(Expenses \$ 190,710 including grants of \$) (Revenue \$)

4e Total program service expenses 4,786,518

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi endowments? If "Yes," complete Schedule D, Part V		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
11a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	Yes	
11b	Did the organization report an amount for investments—other securities—in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		No
11c	Did the organization report an amount for investments—program related—in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	Yes	
11d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		No
11e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	Yes	
11f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		No
12b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		No
20b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		No

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No columns. Rows include questions 22 through 38 regarding organizational reporting, compensation, and tax-exempt status.

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 ID, Question Text, and Yes/No columns. Rows include questions 1a, 1b, and 1c regarding Form 1096 and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Main form area containing questions 2a through 16b, including sub-questions for sections 501(c)(7), 501(c)(12), 4947(a)(1), and 501(c)(29). Includes input fields for amounts and Yes/No responses.

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 (15), 1b (13), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 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.
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:

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.

See instructions for the order in which to list the persons above.

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) STEPHANIE MURPHY EXECUTIVE DIRECTOR	40.00			X			121,477	0	17,961	
(2) MARK ALBERICO VP FINANCE & ADMIN/TREASURER	40.00			X			108,242	0	29,205	
(3) JON OLLENDICK- PRESIDENT AVAILA BANK	1.00	X		X			0	0	0	
(4) LANNY BENISHEK-VICE PRESIDENT WELLS FARGO BANK	1.00	X		X			0	0	0	
(5) MICHELLE MUELLER-SECRETARY NEIGHBORHOOD REPRESENTATIVE	1.00	X		X			0	0	0	
(6) CHRIS JOHANSEN-PAST PRESIDENT CITY OF DES MOINES	1.00	X		X			0	0	0	
(7) AMBER PETERSEN HABITAT FOR HUMANITY OF GREATER DES MOINES	0.50	X					0	0	0	
(8) ANTHONY PLESKYS NEIGHBORHOOD REPRESENTATIVE	0.50	X					0	0	0	
(9) BRET VANDELUNE POLK COUNTY BOARD OF SUPERVISORS	0.50	X					0	0	0	
(10) CONNIE BOESEN CITY OF DES MOINES	0.50	X					0	0	0	
(11) DANA SCHUEMANN WEST BANK	0.50	X					0	0	0	
(12) DAVE WILLIAMSON ALTERNATE POLK COUNTY PUBLIC WORKS	0.50	X					0	0	0	
(13) DEB ANDERSON ALTERNATE POLK COUNTY BOARD OF SUPERVISORS	0.50	X					0	0	0	
(14) JEFF CROSKY US BANK	0.50	X					0	0	0	
(15) KELLY ROBUS BANKERS TRUST COMPANY	0.50	X					0	0	0	
(16) KERI THIEN NEIGHBORHOOD REPRESENTATIVE	0.50	X					0	0	0	
(17) MARGE RAMSEY 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) MATT MCCOY FROM 011119 POLK COUNTY BOARD OF SUPERVISORS	0.50	X						0	0	0
(19) PATRICK REDING GREAT WESTERN BANK	0.50	X						0	0	0
(20) STEVE VAN OORT POLK COUNTY BOARD OF SUPERVISORS	0.50	X						0	0	0

1b Sub-Total	▶			
1c Total from continuation sheets to Part VII, Section A	▶			
1d Total (add lines 1b and 1c)	▶	229,719	0	47,166

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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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
JASON A SHOOTMAN 4648 NE 27TH COURT DES MOINES, IA 50317	CONSTRUCTION	167,230
GRUSS CONSTRUCTION PO BOX 131 CUMMING, IA 50061	CONSTRUCTION	151,332
AFFORDABLE CONSTRUCTION CUSTOM CONCRETE 4640 BLARNEY DRIVE CEDAR RAPIDS, IA 52411	CONSTRUCTION	125,388

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 ▶ 3

Part VIII Statement of Revenue

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

Table with 5 columns: (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, (D) Revenue excluded from tax under sections 512 - 514. Rows include 1a-1g for Contributions, Gifts, Grants and Other Similar Amounts, and 1h Total.

Table for Program Service Revenue with columns for Business Code, (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, and (D) Revenue excluded from tax under sections 512 - 514. Rows include 2a-2f and 2g Total.

Table for Other Revenue with columns for (A) Total revenue, (B) Related or exempt function revenue, (C) Unrelated business revenue, and (D) Revenue excluded from tax under sections 512 - 514. Rows include 3-11e and 12 Total revenue.

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
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	2,442,277	2,442,277		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	276,885		276,885	
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	1,033,168	919,497	113,671	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	25,923	21,271	4,652	
9 Other employee benefits	91,561	84,563	6,998	
10 Payroll taxes	96,548	70,386	26,162	
11 Fees for services (non-employees):				
a Management				
b Legal	19,571	2,955	16,616	
c Accounting	32,032		32,032	
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)	3,972	29	3,943	
12 Advertising and promotion	72,672	23,790	48,882	
13 Office expenses	49,483	10,436	39,047	
14 Information technology	32,913	231	32,682	
15 Royalties				
16 Occupancy	13,555	757	12,798	
17 Travel	26,768	11,117	15,651	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	9,900	5,813	4,087	
20 Interest	102,418	102,418		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	64,796	1,833	62,963	
23 Insurance	71,932	20,365	51,567	
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	617,056	617,056		
b PROGRAMMATIC INVESTMENT	270,501	270,501		
c REAL ESTATE OWNED	153,420	153,420		
d HOME BUYER EDUCATION	14,086	14,086		
e All other expenses	124,249	13,717	110,532	
25 Total functional expenses. Add lines 1 through 24e	5,645,686	4,786,518	859,168	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	18,471,739	1	21,450,529
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	402,966	3	259,100
	4 Accounts receivable, net		4	
	5 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	294,178	5	285,177
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net	47,657,189	7	45,649,587
	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 1,016,723		
	b Less: accumulated depreciation	10b 857,344	196,898	10c 159,379
	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	18,503,655	13	22,586,332
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	225,021	15	171,645
16 Total assets. Add lines 1 through 15 (must equal line 34)	85,751,646	16	90,561,749	
Liabilities	17 Accounts payable and accrued expenses	125,032	17	248,434
	18 Grants payable		18	
	19 Deferred revenue		19	472,874
	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 any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties	3,350,000	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	33,914,262	25	33,081,524
	26 Total liabilities. Add lines 17 through 25	37,389,294	26	37,152,832
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	9,871,791	27	13,528,824
	28 Net assets with donor restrictions	38,490,561	28	39,880,093
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
32 Total net assets or fund balances	48,362,352	32	53,408,917	
33 Total liabilities and net assets/fund balances	85,751,646	33	90,561,749	

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	10,692,251
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,645,686
3	Revenue less expenses. Subtract line 2 from line 1	3	5,046,565
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	48,362,352
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	53,408,917

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 Data

Software ID:

Software Version:

EIN: 42-1353472

Name: NEIGHBORHOOD FINANCE CORPORATION

Form 990 (2019)

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 2019, NFC CLOSED 496 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 2019 WAS \$15,638,837. 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 2019, 149 LOANS (NOT INCLUDING SECOND MORTGAGES, PROJECT REINVEST HOMEOWNERSHIP LOANS, OR NEIGHBORHOODLIFT LOANS) CLOSED WERE MADE TO BORROWERS THAT WERE IN LOW-MOD INCOME AND/OR NFC INVESTMENT AREA CENSUS TRACT AND/OR LOW-MOD INCOME FOR POLK COUNTY, IOWA. OF THESE 149 LOANS, 61 LOANS WERE MADE TO BORROWERS THAT HAVE LOW-MOD INCOME IN LOW-MOD INCOME AND/OR NFC INVESTMENT AREA CENSUS TRACTS; 22 WERE MADE TO BORROWERS WITH LOW-MOD INCOME, BUT NOT IN LOW-MOD INCOME AND/OR NFC INVESTMENT AREA CENSUS TRACT, 66 LOANS WERE MADE TO BORROWERS THAT ARE LOW-MOD INCOME AND/OR NFC INVESTMENT AREA CENSUS TRACT BUT DO NOT HAVE LOW-MOD INCOME, THE OTHER 34 LOANS CLOSED WERE MADE TO BORROWERS THAT ARE NOT LOW OR MODERATE INCOME OR IN A LOW-MOD INCOME AND/OR NFC INVESTMENT AREA CENSUS TRACT. IN 2019, 81.42% OF LOANS CLOSED WERE TO EITHER LOW-MOD BORROWERS, LOW-MOD INCOME AND/OR NFC INVESTMENT AREA CENSUS TRACT OR BOTH. IN 2019, 15.49% OF THE LOANS CLOSED WERE TO MINORITY BORROWERS. OUR LOANS TO MINORITY BORROWERS INCREASES TO 30.22% WHEN THE NEIGHBORHOOD LIFT LOANS ARE INCLUDED. NEARLY ALL RESIDENTIAL MORTGAGE LOANS CLOSED THROUGH NFC ARE TO OWNER OCCUPANTS. THE NUMBER OF HOME PURCHASE LOANS CLOSED IN 2019 WAS 53. NFC CLOSED 40 SECOND MORTGAGES, 42 HOME IMPROVEMENT LOANS, 41 REFINANCE LOANS, 52 PROJECT REINVEST LOANS (13 OF 52 WERE NFC BORROWERS), AND 210 NEIGHBORHOODLIFT LOANS (2 OF 210 WERE NFC BORROWERS). ADDITIONALLY, IN 2019, 57.69% OF THE HOME PURCHASE LOANS CLOSED WERE TO FIRST TIME HOME BUYERS. NFC LAUNCHED A DOWN PAYMENT PROGRAM SPECIFICALLY FOR NFC BORROWERS. IT IS CALLED NEIGHBORHOOD REINVEST, AND PROVIDES A \$10,500 0% INTEREST 30 YEAR DEFERRED LOAN TO HOMEBUYERS EARNING BELOW 100% OF THE AREA MEDIAN INCOME. FURTHERMORE, NFC WAS CHOSEN TO ADMINISTER THE NEIGHBORHOODLIFT LOAN PROGRAM IN DOUGLAS AND SARPY COUNTIES, NEBRASKA IN JULY 2019. NFC IS ABLE TO USE THE INCREASE IN CAPITAL AWARDED THROUGH NEIGHBORWORKS AMERICA AS A RESULT OF ADMINISTERING \$9,626,000 IN DOWN PAYMENT FUNDS THROUGH PROJECT REINVEST POLK COUNTY, AND NEIGHBORHOOD LIFT POLK COUNTY, IOWA AND OMAHA AREA, NEBRASKA 2016 THROUGH 2019. NEIGHBORHOOD REINVEST WAS CREATED TO OVERCOME A PRIMARY BARRIER TO HOMEOWNERSHIP FOR LOW AND MODERATE INCOME HOUSEHOLDS. THE DEFERRED LOAN CAN BE USED TOWARDS DOWN PAYMENT AND CLOSING COSTS ASSISTANCE FOR ELIGIBLE HOMEBUYERS WHO PURCHASE A HOME UTILIZING NFC FINANCING IN NFC'S LENDING AREAS IN POLK COUNTY, IOWA AND CEDAR RAPIDS, IOWA. THE LOAN IS STRUCTURED AS A 'SOFT SECOND' MORTGAGE LOAN THAT IS DEFERRED UNTIL THERE IS A CASH-OUT REFINANCE OR THE HOME IS SOLD OR 30 YEARS, WHICHEVER OCCURS FIRST. IN 2019, NFC CLOSED 11 NEIGHBORHOOD REINVEST DEFERRED LOANS TOTALLING \$115,500, 52 PROJECT REINVEST POLK COUNTY DEFERRED LOANS TOTALLING \$546,000, 172 NEIGHBORHOOD LIFT OMAHA AREA FORGIVABLE LOANS TOTALLING \$2,705,000, AND 38 NEIGHBORHOOD LIFT POLK COUNTY AREA FORGIVABLE LOANS TOTALLING \$582,500.

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 \$50,404,651 THROUGH DECEMBER 31, 2019. IN 2019, NFC CLOSED \$1,523,727 IN FORGIVABLE PROPERTY REHABILITATION LOANS. THE FORGIVABLE PROPERTY REHABILITATION LOANS WERE GRANTED IN 30 NEIGHBORHOODS AND OTHER LOW INCOME CENSUS TRACTS. IN 2019, NFC CLOSED \$3,287,500 IN NEIGHBORHOOD LIFT FORGIVABLE PROPERTY REHABILITATION LOADS IN ADDITION TO THE FORGIVABLE LOANS. 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. NOTE THIS POSITION WAS TRANSITIONING TO AN NFC POSITION (INSPECTION/RENOVATION COORDINATOR) DURING THE 2019 FOURTH QUARTER. NFC WILL NOT USE A DES MOINES CITY INSPECTOR IN 2020. HOWEVER, THE CEDAR RAPIDS CITY INSPECTOR WILL CONTINUE IN THIS ROLE IN THIS CITY. 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 2019 NFC PROPERTIES LLC ACQUIRED 10 PROPERTIES. OF THOSE 10 PROPERTIES, 2 WERE FROM NFC'S REAL ESTATE OWNED (REO) INTAKE THROUGH BORROWER DEFAULT, 2 WERE EXISTING HOMES REQUIRING EXTENSIVE REHABILITATION, AND 6 WERE INFILL LOTS WITHIN THE CITY FOR NEW CONSTRUCTION IN PRIMARILY LOW AND MODERATE INCOME CENSUS TRACTS. DURING 2019, 9 UNITS IN NFC PROPERTIES LLC HOUSING INVENTORY COMPLETED REHABILITATION (1 WAS AN REO PROPERTY), AND 8 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)

Department of the Treasury
Internal Revenue Service

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 instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

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) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III.
If the organization failed to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2015, (b) 2016, (c) 2017, (d) 2018, (e) 2019, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished; 4 Total; 5 The portion of total contributions by each person; 6 Public support.

Section B. Total Support

Table with 7 columns: (a) 2015, (b) 2016, (c) 2017, (d) 2018, (e) 2019, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support; 12 Gross receipts from related activities, etc.

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

Table with 2 columns: Line number, Percentage. Rows: 14 Public support percentage for 2019 (96.690%); 15 Public support percentage for 2018 Schedule A, Part II, line 14 (97.680%)

- 16a 33 1/3% support test—2019. 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.
b 33 1/3% support test—2018. 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.
17a 10%-facts-and-circumstances test—2019. 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.
b 10%-facts-and-circumstances test—2018. 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.
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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2018 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for 2019 (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from 2018 Schedule A, Part III, line 17	18	

19a 33 1/3% support tests—2019. 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—2018. 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? <i>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.</i>		
	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)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
	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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
	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)? <i>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.</i>		
	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
	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? <i>If "Yes," provide detail in Part VI.</i>		
	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? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
	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))? <i>If "Yes," provide detail in Part VI.</i>		
	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? <i>If "Yes," provide detail in Part VI.</i>		
	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? <i>If "Yes," provide detail in Part VI.</i>		
	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)? <i>If "Yes," answer line 10b below.</i>		
	10a		
b	Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).</i>		
	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

- 1** 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 2019 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-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required-- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019:			
a From 2014.			
b From 2015.			
c From 2016.			
d From 2017.			
e From 2018.			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7:			
\$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, 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 2019. 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 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015.			
b Excess from 2016.			
c Excess from 2017.			
d Excess from 2018.			
e Excess from 2019.			

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

OMB No. 1545-0047 2019 Open to Public Inspection

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 instructions and the latest information.

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for aggregate values, rows 5-6 for compliance questions.

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

Form for Part II with multiple sections: 1. Purpose(s) of conservation easements (checkboxes for public use, natural habitat, etc.); 2. Conservation contribution details (table for 2a-2d); 3-7. Monitoring and enforcement details.

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.

Form for Part III with sections 1a, 1b, 2a, 2b for reporting on art and historical treasures.

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:

- c** Beginning balance
- d** Additions during the year
- e** Distributions during the year
- f** Ending balance

	Amount
1c	
1d	
1e	
1f	

- 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶
- b** Permanent endowment ▶
- c** Temporarily restricted endowment ▶

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:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R?

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		800,404	684,710	115,694
c Leasehold improvements				
d Equipment		216,319	172,634	43,685
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . ▶				159,379

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	134,373	F
(2) REAL ESTATE DEVELOPMENT PROPERTIES	1,190,499	F
(3) FORGIVABLE LOANS	10,771,021	C
(4) INVESTOR GUARANTEED CUSTODIAL DEPOSITS	10,021,535	F
(5) FHLB DES MOINES	103,000	C
(6) MORTGAGE SERVICING RIGHTS	365,904	F
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)	22,586,332	

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.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	33,081,524

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	10,692,251
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	10,692,251
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	10,692,251

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	5,645,686
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	5,645,686
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	5,645,686

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.

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Schedule I (Form 990)

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

OMB No. 1545-0047

2019

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.

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	1569	2,442,277		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. AS OF 2019, NFC BEGAN THE DESIGNED FORGIVENESS OF THE NEIGHBORHOODLIFT LOANS. THIS PROGRAM IS CREATED TO ADVANCE THE RECOVERY IN CERTAIN GEOGRAPHICAL AREAS BY FUNDING A DOWN PAYMENT ASSISTANCE PRODUCT DESIGNED TO ENCOURAGE HOME OWNERSHIP WITH A FOCUS ON LOW-TO-MODERATE INCOME CONSUMERS. THESE LOANS ARE FORGIVEN 20% PER YEAR OVER THE FIVE YEAR LIFE OF THE LOAN.

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No. 1545-0047

2019

Open to Public Inspection

▶ **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 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 Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and section 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 the 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 REFINANCE LOAN		X	218,500	210,614		No	Yes		Yes	
(2) KERI THIEN	NFC BOARD MEMBER	RESIDENCE PURCHASE LOAN		X	82,200	74,563		No	Yes		Yes	
Total						▶ \$	285,177					

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

2019**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=5; COMMERCIAL LOAN COMMITTEE MEMBERS=6; FINANCE/AUDIT COMMITTEE MEMBERS=3; REAL ESTATE DEVELOPMENT COMMITTEE MEMBERS=4; NFC CEDAR RAPIDS ADVISORY COMMITTEE=11. 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 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 2020 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 2020, BOARD OF DIRECTORS MEETING. THIS DISCUSSION WAS DOCUMENTED IN THE MINUTES OF THE OCTOBER 2020, 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 WILL ENGAGE NEWPORT GROUP, AN INDEPENDENT THIRD PARTY FIRM, TO COMPLETE A KEY EXECUTIVE AND ALL NON-KEY EXECUTIVE COMPENSATION MARKET ANALYSIS IN THE FOURTH QUARTER OF 2020. THE KEY EXECUTIVES IN THIS STUDY ARE THE NEIGHBORHOOD FINANCE CORPORATION'S EXECUTIVE DIRECTOR, DIRECTOR OF LENDING, AND VICE PRESIDENT FINANCE & ADMINISTRATION. NEIGHBORHOOD FINANCE CORPORATION WILL PROVIDE REQUESTED INFORMATION FOR THIS ANALYSIS WHILE THE EXECUTIVE COMMITTEE OF THE NEIGHBORHOOD FINANCE CORPORATION BOARD OF DIRECTORS WILL OVERSEE THE PROCESS. NEWPORT GROUP'S POINT OF CONTACT FOR THIS STUDY IS THE NEIGHBORHOOD FINANCE CORPORATION EXECUTIVE COMMITTEE. THE COMPLETED MARKET ANALYSIS WILL BE REVIEWED AND APPROVED BY THE EXECUTIVE COMMITTEE AS REASONABLE, ACCURATE AND COMPLETE. THE REPORT OUTCOMES WILL BE DISCUSSED IN A CLOSED SESSION OF THE 2020 NOVEMBER BOARD OF DIRECTORS MEETING WITHOUT THE KEY EXECUTIVES PRESENT. THE REPORT WILL BE FINALIZED IN THE NOVEMBER 2020 BOARD OF DIRECTORS MEETING. THIS REPORT WILL BE 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. THIS STUDY IS BEING DONE LATER IN 2020 BECAUSE OF THE COVID-19 PANDEMIC.</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, 2019, APPROXIMATELY \$4.7 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

2019

**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	120,767	2,171,659	NEIGHBORHOOD FINANCE CORPORATION
(2) NFC CEDAR RAPIDS LLC 1110 OLD MARION ROAD SUITE A CEDAR RAPIDS, IA 52402 82-4992170	RESIDENTIAL LENDING	IA	2,193,527	7,393,711	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