



# **Creating a Marketplace:** Information Exchange and the Secondary Market for Community Development Loans

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# Research Overview

## Problem

- Information gap
- Lack of infrastructure

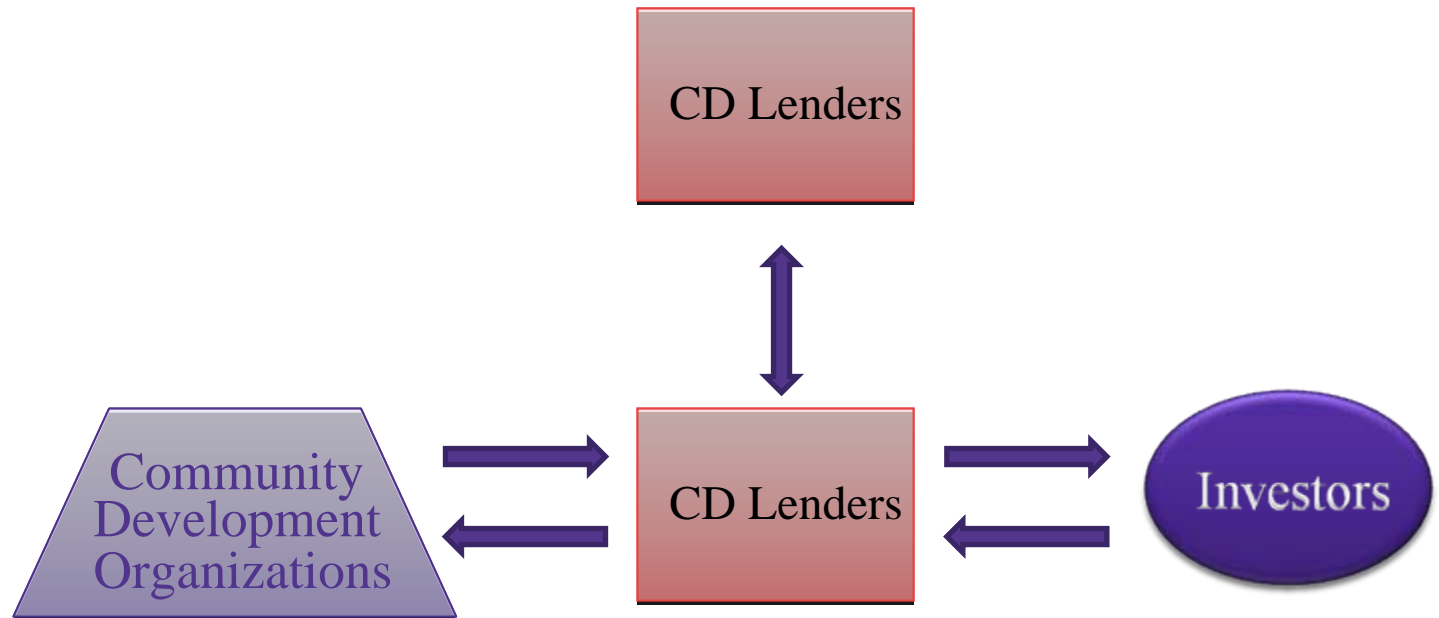


# Research Overview

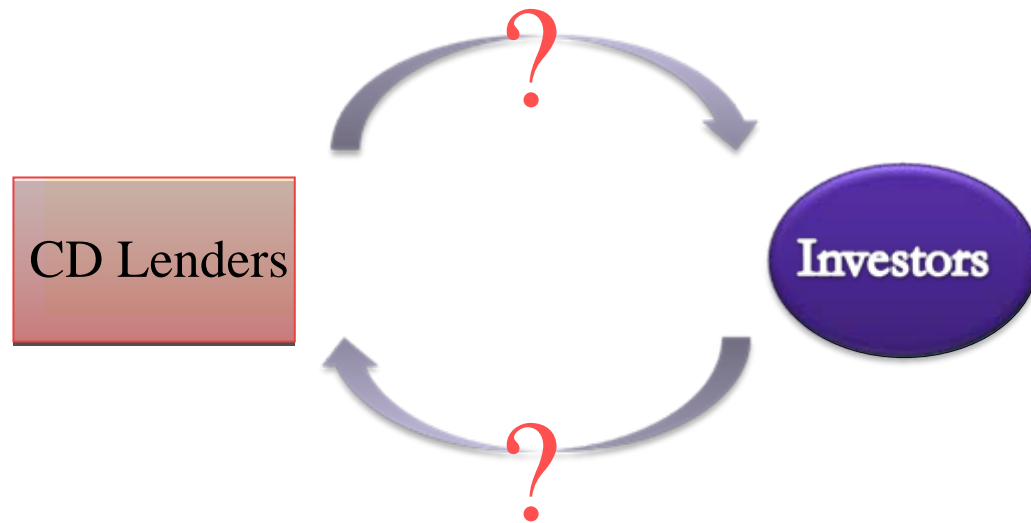
## Potential Solutions

- My Space
- Speed dating
- Match.com

# Communication Channels and Secondary Markets



# The Common Concern





# Intermediaries make it work



# Capital Financing Models

Lending to  
the Lender

Development of  
Secondary Market



Purchasing from  
the Lender

- Assets on balance sheet
- Full recourse to investor
- Institutional data

- Assets off balance sheet
- No recourse to investor
- Portfolio/loan level data

# Engaging in Secondary Markets

Data on the  
lending  
organization

+

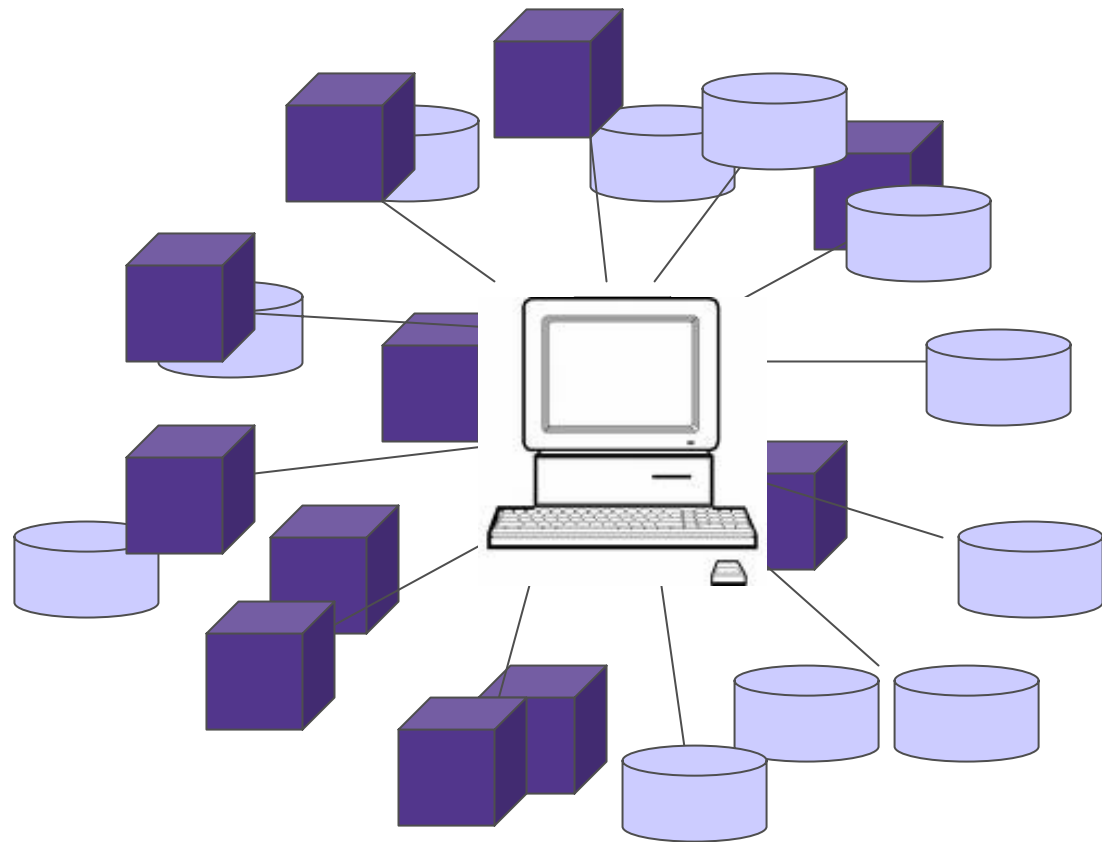
Data on specific  
loans &  
underlying assets

Current approach

New approach



# How can we best connect lenders and investors?





# Functions of Electronic Marketplace

- Match buyers and sellers
- Facilitate transactions
- Provide institutional infrastructure

# Phase I - Connection

- Match
- Rule out
- Contact



# Phase II – Full Disclosure

- One-on-One
- Loan/Portfolio level
- Static Pool Analysis



# Platform Facilitates Phase I Connection

- Insufficient volume
- Maintain data privacy
- Increase exposure







# Infrastructure policy & design

- Host
- Access
- Education

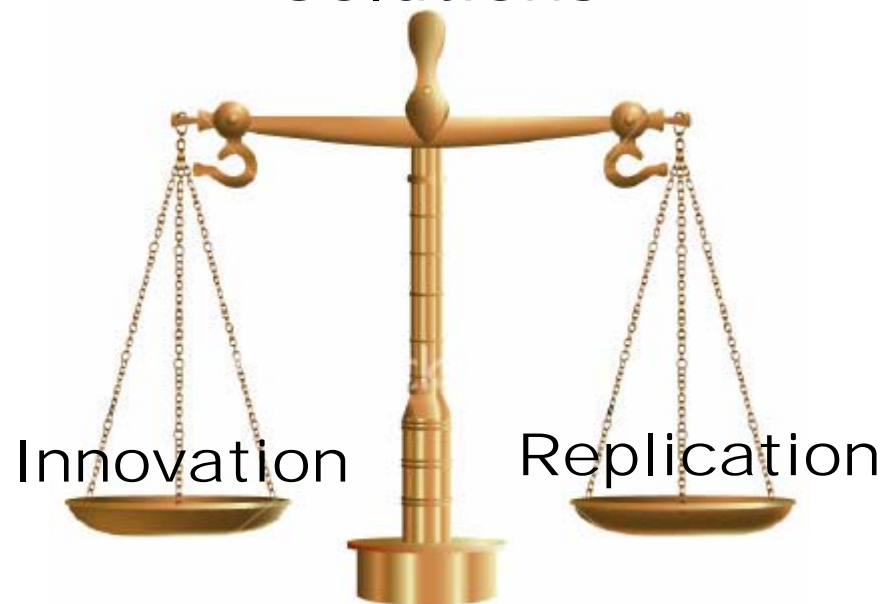


# Infrastructure policy & design

- Whole loans
- Attract users
- Data freshness



# Solutions





# Key Questions to Ask

1. Who are the “buyers” with appetites for community development loans?
2. What data do the first-buyers need to see in order to participate?
3. When is the optimal time to engage the buyer?
4. What is the best way to attract buyers to an online platform – what incentives does the tool need to provide?