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**CDFI Loan Fund Technology  
Landscape: User Survey  
Results**

■ July 13, 2017

## Report

- [OFN.org/publications](http://OFN.org/publications)



- Funding for the report was provided by



## Agenda

- Key Findings
- Survey Results
  - Focus on loan management software
- Q&A

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## Methodology

- Online survey to all certified CDFIs opened on September 6, 2016
- Survey closed on November 4
- 108 Responses
  - 1 bank, 4 credit unions, 100 loan funds, 3 venture funds
- Due to their low response rates, CDFI banks, credit unions and venture funds were excluded
- The 100 loan fund respondents is equal to approximately 20% of certified CDFI Loan Funds

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## Key Findings

- CDFIs are not satisfied with their software providers
- CDFIs have small operating budgets dedicated to technology purchases
  - 59% have less than \$10,000
  - 76% have less than \$20,000
- CDFIs are beginning to offer their customers online services
  - 44% provide online services, the most common being an online loan application

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## Survey Respondent Characteristics

- A majority of the survey respondents were smaller CDFIs.

Portfolio outstanding	Number of respondents
<= \$2 million	34
\$2 million <= \$5 million	19
\$5 million <= \$15 million	17
\$15 million <= \$50 million	18
> \$50 million	12
<b>Total</b>	<b>100</b>

Annual operating budget	Number of respondents
<= \$1 million	53
\$1 million <= \$2 million	20
\$2 million <= \$5 million	18
\$5 million <= \$10 million	5
\$10 million <= \$15 million	3
> \$15 million	1
<b>Total</b>	<b>100</b>

Number of loans outstanding	Number of respondents
1 - 50	24
51 - 100	26
101 - 200	22
201 - 500	14
>500	14
<b>Total</b>	<b>100</b>

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## Survey Respondent Characteristics

- Survey respondents had small operating budgets dedicated to technology purchases

Annual operating budget	Number of respondents
<= \$1 million	53
\$1 million <= \$2 million	20
\$2 million <= \$5 million	18
\$5 million <= \$10 million	5
\$10 million <= \$15 million	3
> \$15 million	1
<b>Total</b>	<b>100</b>

Annual operating budget dedicated to technology purchases	Number of respondents
<= \$10,000	59
\$10,001 – \$20,000	17
\$20,001 – \$50,000	15
\$50,001 – \$100,000	1
> \$100,000	8
<b>Total</b>	<b>100</b>

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## Survey Respondent Characteristics

- A majority of the survey respondents were primarily small business or microenterprise lending CDFIs

Primary financing sector served	Number of respondents
Primarily business	38
Primarily commercial real estate	4
Primarily community services/facilities	7
Primarily consumer	7
Primarily housing-to-individuals	9
Primarily housing-to-organizations	13
Primarily microenterprise	18
Primarily other	4
<b>Total</b>	<b>100</b>

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## Software Use and Satisfaction

- For each software category (loan management, accounting, outcomes/outputs, CRM) the survey provides three summaries
  - Software packages used by portfolio size
  - Software packages used by primary financing sector
  - Percentage of respondents very satisfied by primary financing sector

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## Loan Management Software

Software package	Number of respondents	% Very satisfied
DownHome	38	39%
TEA	14	8%
Portfol	14	43%
Excel	12	30%
Nortridge	7	17%
Salesforce	5	47%
QuickBooks	4	50%
Other*	6	
<b>Total</b>	<b>100</b>	

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## Loan Management Software

### ■ Loan management software by portfolio size

Software package	< =\$2 million	\$2 million < =\$5 million	\$5 million < =\$15 million	\$15 million < =\$50 million	> \$50 million	Total
DownHome	20	10	6	2	0	38
TEA	1	1	3	5	4	14
Portfol	4	2	2	5	1	14
Excel	5	2	3	2	0	12
Nortridge	0	0	1	2	4	7
Salesforce	0	1	1	1	2	5
QuickBooks	0	1	1	1	1	4
Other	4	2	0	0	0	6
<b>Total</b>	<b>34</b>	<b>19</b>	<b>17</b>	<b>18</b>	<b>12</b>	<b>100</b>

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## Loan Management Software

### ■ Loan management software by primary financing sector

Software package	Primarily business	Primarily commercial real estate	Primarily community services	Primarily consumer	Primarily housing-to-individuals	Primarily housing-to-organizations	Primarily microenterprise	Primarily other	Total
DownHome	13	1		5	3	3	11	2	38
TEA	7	1	1			4	1		14
Portfol	5		2		1		6		14
Excel	4	1	2	2	3				12
Nortridge	2	1				3		1	7
Salesforce	2				1	1		1	5
QuickBooks	4								4
Other	1		2		1	2			6
<b>Total</b>	<b>38</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>4</b>	<b>100</b>

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## Loan Management Software

- Loan management software by percentage of respondents that are very satisfied

Software package	Primarily business	Primarily commercial real estate	Primarily community services	Primarily consumer	Primarily housing-to-individuals	Primarily housing-to-organizations	Primarily microenterprise	Primarily other
DownHome	38%	0%	N/A	60%	33%	0%	45%	50%
TEA	14%	0%	0%	N/A	N/A	25%	0%	N/A
Portfol	60%	N/A	50%	N/A	0%	N/A	33%	N/A
Excel	50%	0%	0%	0%	33%	N/A	N/A	N/A
Nortridge	50%	0%	N/A	N/A	N/A	0%	N/A	0%
Salesforce	50%	N/A	N/A	N/A	0%	50%	N/A	0%
QuickBooks	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	0%		50%		50%	50%		

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## Strengths and Weaknesses of Software Packages

- The report presents respondents' ratings of individual software packages by identifying the strengths and weaknesses
- Additional tables highlight more information about the individual software packages
- This section also includes any additional respondent comments about each software package
- 11 software packages are presented in the report

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## DownHome Strengths and Weaknesses

Software Features	Strength	Weakness
Reporting – canned reports	66%	11%
Reporting – tailored reports	20%	43%
Tracking output and outcomes data	11%	49%
Integration with other software	14%	23%
Tracking/managing grants	6%	17%
Tracking/managing investor funds	20%	17%
Flexibility with different loan structures	40%	29%
User friendliness	69%	14%
Speed	40%	9%
Customer Service/Tech Support	77%	6%
Pricing	60%	3%
ACH facility	23%	3%
Web based	17%	0%
Other (please specify)	3%	14%

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## DownHome Additional Tables

For what aspects of the lending cycle do you use DownHome?	
Prospecting	11%
Application	33%
Underwriting	25%
Processing	56%
Closing	53%
Servicing	92%
Collection	69%
How many individuals on staff use DownHome?	
1	8%
2 to 3	58%
4 to 7	31%
8 to 15	3%
How long has your CDFI been using DownHome?	
< 1 year	3%
1 year < 2 years	6%
2 years < 5 years	26%
5 years or more	66%

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## DownHome Additional Tables

How long has your CDFI been using DownHome?	
< 1 year	3%
1 year < 2 years	6%
2 years < 5 years	26%
5 years or more	66%
Overall, how satisfied are you with DownHome?	
A little satisfied	6%
Not satisfied at all	3%
Somewhat satisfied	51%
Very satisfied	40%
Are you considering switching to a new loan management software?	
No	71%
Yes	29%

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## DownHome Respondent Comments

### Respondent Comments:

*"The staff are extremely customer service oriented and willing to help staff with any issues. It would be good if many of the processes were more automated."*

*-A primarily microenterprise lending CDFI with a loan portfolio less than \$2 million*

*"The DHL program is only good for term loans and term loans that are fixed price in nature. DHL also does not provide tailored reports and uses the names of the business owners and not the business."*

*-A primarily business lending CDFI with a loan portfolio between \$2-5 million*

*"While DownHome worked for us as a small organization, we feel that we need a stronger loan software at some point in the near future unless DownHome continues to build its software functions."*

*-A primarily business lending CDFI with a loan portfolio between \$2-5 million*

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## Online Services Offered

■ The survey asked respondents which online services they offer. The five response options were:

- Customer login
- Online pre-qualification form
- Online loan application
- Other online service
- None

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## Online Services Provided

Online services	All (86 respondents)	Primarily business (34 respondents)	Primarily commercial real estate (3 respondents)	Primarily community services (5 respondents)	Primarily consumer (8 respondents)	Primarily housing-to-individual (9 respondents)	Primarily housing-to-organizations (12 respondents)	Primarily microenterprise (14 respondents)
Customer login	9%	6%	0%	20%	13%	11%	0%	14%
Online loan pre-qualification form	17%	21%	0%	20%	13%	22%	17%	14%
Online loan application	30%	44%	33%	0%	38%	22%	8%	43%
Other <sup>a</sup>	6%	3%	0%	0%	0%	0%	8%	7%
None	56%	53%	66%	60%	63%	56%	67%	50%

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## Q&A

- Is the report helpful?
- Do you receive enough information about the software package?
- What else would you have liked to see in the report?