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Form 990

## Return of Organization Exempt From Income Tax

2009

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

► The organization may have to use a copy of this return to satisfy state reporting requirements

## A For the 2009 calendar year, or tax year beginning 04-01-2009 and ending 03-31-2010

|                                              |                                                                                                      |  |                                                |
|----------------------------------------------|------------------------------------------------------------------------------------------------------|--|------------------------------------------------|
| B Check if applicable                        | C Name of organization<br>NEIGHBORHOOD LENDING SERVICES INC                                          |  | D Employer identification number<br>36-3471392 |
| <input type="checkbox"/> Address change      | Doing Business As                                                                                    |  | E Telephone number<br>(773) 329-4166           |
| <input type="checkbox"/> Name change         | Number and street (or P O box if mail is not delivered to street address)<br>1279 N MILWAUKEE AVENUE |  | G Gross receipts \$ 6,692,855                  |
| <input type="checkbox"/> Initial return      | Room/suite                                                                                           |  |                                                |
| <input type="checkbox"/> Terminated          |                                                                                                      |  |                                                |
| <input type="checkbox"/> Amended return      |                                                                                                      |  |                                                |
| <input type="checkbox"/> Application pending | City or town, state or country, and ZIP + 4<br>CHICAGO, IL 60622                                     |  |                                                |

|                                                                                                          |                                                                                                                    |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| F Name and address of principal officer<br>JAMES WHEATON<br>1279 N MILWAUKEE AVENUE<br>CHICAGO, IL 60622 | H(a) Is this a group return for affiliates?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|

I Tax-exempt status  501(c) ( 3 ) ► (insert no)  4947(a)(1) or  527H(b) Are all affiliates included?  Yes  No  
If "No," attach a list (see instructions)

H(c) Group exemption number ►

J Website: ► WWW.NHSCHICAGO.ORG

K Form of organization  Corporation  Trust  Association  Other ► L Year of formation 1987 M State of legal domicile IL

## Part I Summary

|                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Briefly describe the organization's mission or most significant activities<br>THE MISSION OF NEIGHBORHOOD LENDING SERVICES, INC (NLS) IS TO REVITALIZE UNDERSERVED CHICAGO NEIGHBORHOODS BY ORIGINATING AFFORDABLE FIXED-RATE MORTGAGE LOANS FOR LOW- AND MODERATE-INCOME BORROWERS THROUGHOUT CHICAGO AND ELGIN |
| 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 8                                                                                                                                                                                                                                  |
| 4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . . 4 8                                                                                                                                                                                                                      |
| 5 Total number of employees (Part V, line 2a) . . . . . 5 28                                                                                                                                                                                                                                                       |
| 6 Total number of volunteers (estimate if necessary) . . . . . 6 8                                                                                                                                                                                                                                                 |
| 7a Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . . 7a 0                                                                                                                                                                                                                       |
| b Net unrelated business taxable income from Form 990-T, line 34 . . . . . 7b 0                                                                                                                                                                                                                                    |

|                                                                                               |                         |                           |
|-----------------------------------------------------------------------------------------------|-------------------------|---------------------------|
| 8 Contributions and grants (Part VIII, line 1h) . . . . .                                     | Prior Year<br>3,872,609 | Current Year<br>3,368,395 |
| 9 Program service revenue (Part VIII, line 2g) . . . . .                                      | 3,694,548               | 3,247,859                 |
| 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .                    | -53,693                 | 2,601                     |
| 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)                   | 43,309                  | 74,000                    |
| 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . | 7,556,773               | 6,692,855                 |

|                                                                                      |           |           |
|--------------------------------------------------------------------------------------|-----------|-----------|
| 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .        | 0         | 0         |
| 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) | 2,291,712 | 2,296,412 |
| 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-24f) . . . . .            | 2,484,311 | 3,507,008 |
| 18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)          | 4,776,023 | 5,803,420 |
| 19 Revenue less expenses Subtract line 18 from line 12 . . . . .                     | 2,780,750 | 889,435   |

|                                                                        |                                         |                           |
|------------------------------------------------------------------------|-----------------------------------------|---------------------------|
| 20 Total assets (Part X, line 16) . . . . .                            | Beginning of Current Year<br>31,732,196 | End of Year<br>30,932,126 |
| 21 Total liabilities (Part X, line 26) . . . . .                       | 9,963,966                               | 7,275,061                 |
| 22 Net assets or fund balances Subtract line 21 from line 20 . . . . . | 21,768,230                              | 23,657,065                |

|                                                                                                                                                                                                                                                                                                                      |                                                                                            |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------|
| 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                                                                                                                                                                                                                                                                                                            | *****<br>Signature of officer<br>JAMES WHEATON Interim CEO<br>Type or print name and title | 2010-10-25<br>Date |

|                          |                                                                                                                                                   |      |                          |                                                  |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------|--------------------------------------------------|
| Paid Preparer's Use Only | Preparer's signature ►                                                                                                                            | Date | Check if self-employed ► | Preparer's identifying number (see instructions) |
|                          | Firm's name (or yours if self-employed), address, and ZIP + 4 ► CROWE HORWATH LLP<br>70 West Madison Street<br>Suite 700<br>Chicago, IL 606024903 |      |                          | EIN ►                                            |
|                          |                                                                                                                                                   |      |                          | Phone no ► (312) 899-7000                        |

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

**Part III Statement of Program Service Accomplishments****1** Briefly describe the organization's mission

NEIGHBORHOOD LENDING SERVICES, INC (NLS), WAS ORGANIZED IN 1987 UNDER THE ILLINOIS GENERAL NOT-FOR-PROFIT CORPORATION ACT AND IS TAX EXEMPT UNDER SECTION 501(C)(3) (SEE SCHEDULE O)

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses  
Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 4,728,375 including grants of \$ 0 ) (Revenue \$ 3,321,859 )

NEIGHBORHOOD LENDING SERVICES, INC (NLS) IS AN ILLINOIS RESIDENTIAL MORTGAGEE LICENSEE (# M000661) AND AN EQUAL OPPORTUNITY HOUSING LENDER, INCORPORATED IN 1987 TO PROVIDE AFFORDABLE FINANCING FOR HOME PURCHASE, HOME IMPROVEMENT OR REFINANCE LOANS TO HELP BORROWERS BUY, FIX, AND KEEP THEIR HOMES. NLS ORIGINATES AFFORDABLE FIXED-RATE LOANS FOR BORROWERS IN THE CITY OF CHICAGO AND THE CITY OF ELGIN. NLS OFFERS FIRST MORTGAGES FOR HOME PURCHASE, PURCHASE/REHAB, REFINANCE, AND REFINANCE/REHAB, AS WELL AS SUBORDINATE FINANCING FOR HOME IMPROVEMENT, FORECLOSURE INTERVENTION, OR AS PART OF A PURCHASE OR REFINANCE TRANSACTION THROUGH ITS PARTNERSHIPS WITH THE CITY OF CHICAGO, THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY, THE CITY OF ELGIN AND KANE COUNTY. NLS ALSO OFFERS FORGIVABLE AND DEFERRED LOANS IN TANDEM WITH NLS' REPAYABLE LOANS TO INCOME-ELIGIBLE BORROWERS WHO NEED FINANCING TO BUY, FIX, OR KEEP THEIR HOME. DURING ITS FISCAL YEAR 2010, NLS PROVIDED FINANCING TO 740 FAMILIES, ORIGINATING \$25,844,896 IN LOANS FROM PRIVATE LENDING CAPITAL AND ORIGINATING AN ADDITIONAL \$6,601,065 IN LOANS, DEFERRED LOANS/FORGIVABLE LOANS FROM PUBLIC FUNDS. NLS' LOANS WERE DIRECTLY RESPONSIBLE FOR 67 FAMILIES BEING ABLE TO REFINANCE INTO AN AFFORDABLE FIXED-RATE MORTGAGE LOAN AND KEEP THEIR HOME FROM GOING INTO FORECLOSURE. NLS' LOANS AND SERVICES RESULTED IN 176 NEW HOME BUYERS WHO WERE ABLE TO PURCHASE A HOME IN NLS' FISCAL YEAR 2010. NLS WORKED CLOSELY WITH ITS PARTNER-LENDERS AS WELL, ORIGINATING SUBORDINATE LOANS AND PROVIDING SERVICES THAT RESULTED IN AN ADDITIONAL \$28,154,940 OF PRIVATE MORTGAGE CAPITAL BEING PROVIDED TO 181 ADDITIONAL BORROWERS IN LOW-MODERATE INCOME NEIGHBORHOODS IN CHICAGO AND ELGIN.

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

**4e** Total program service expenses \$ 4,728,375

**Part IV Checklist of Required Schedules**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Yes</b> | <b>No</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1 Yes      |           |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3 No       |           |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 4 No       |           |
| 5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5          |           |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts where 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 6 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7 No       |           |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8 No       |           |
| 9 Did the organization report an amount in Part X, line 21, 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 9 Yes      |           |
| 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 10 No      |           |
| 11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. <ul style="list-style-type: none"> <li>• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.</li> <li>• 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? If "Yes," complete Schedule D, Part X.</li> </ul> | 11 Yes     |           |
| 12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 12 No      |           |
| 12A Was the organization included in consolidated, independent audited financial statements for the tax year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 12A Yes    | No        |
| If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |           |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 13         | No        |
| 14a Did the organization maintain an office, employees, or agents outside of the United States?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 14a        | No        |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 14b        | No        |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 15         | No        |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 16         | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 17         | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 18         | 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 19         | No        |
| 20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 20         | No        |

**Part IV Checklist of Required Schedules (continued)**

|     |                                                                                                                                                                                                                                                                           |     |     |    |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II                                                          | 21  |     | No |
| 22  | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III                                                                           | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J                | 23  |     | No |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25 | 24a |     | No |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?                                                                                                                                                                         | 24b |     |    |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?                                                                                                                                | 24c |     |    |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?                                                                                                                                                                   | 24d |     |    |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I                                                                      | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I       | 25b |     | No |
| 26  | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II                                    | 26  |     | No |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III            | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                             | 28a |     | No |
| a   | A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV                                                                                                                                                                   | 28b |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV                                                                                                                                                | 28c |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV                                                           | 29  |     | No |
| 30  | Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M                                                                                                                                                                  | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I                                                                                                                                                        | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II                                                                                                                                      | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I                                                                                      | 33  |     | No |
| 34  | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1                                                                                                                                         | 34  | Yes |    |
| 35  | Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2                                                                                                                                   | 35  |     | No |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2                                                                                           | 36  |     | No |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI                                             | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O                                                                                        | 38  | Yes |    |

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

|            |                                                                                                                                                                                                                                                                              | Yes              | No |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----|
| <b>1a</b>  | Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable                                                                                                                             | <b>1a</b><br>0   |    |
| <b>1b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable                                                                                                                                                                                              | <b>1b</b><br>0   |    |
| <b>1c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                                     | <b>1c</b><br>Yes |    |
| <b>2a</b>  | Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return                                                                                          | <b>2a</b><br>28  |    |
| <b>2b</b>  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)                               | <b>2b</b><br>Yes |    |
| <b>3a</b>  | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?                                                                                                                                                         | <b>3a</b><br>No  |    |
| <b>3b</b>  | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O                                                                                                                                                                             | <b>3b</b><br>No  |    |
| <b>4a</b>  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                                   | <b>4a</b><br>No  |    |
| <b>4b</b>  | If "Yes," enter the name of the foreign country ►<br>See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts                                                                                        | <b>4b</b><br>No  |    |
| <b>5a</b>  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                                                        | <b>5a</b><br>No  |    |
| <b>5b</b>  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                                                             | <b>5b</b><br>No  |    |
| <b>5c</b>  | If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?                                                                                                                              | <b>5c</b><br>No  |    |
| <b>6a</b>  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?                                                                                                  | <b>6a</b><br>No  |    |
| <b>6b</b>  | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                                                                | <b>6b</b><br>No  |    |
| <b>7</b>   | <b>Organizations that may receive deductible contributions under section 170(c).</b>                                                                                                                                                                                         | <b>7a</b><br>No  |    |
| <b>7b</b>  |                                                                                                                                                                                                                                                                              | <b>7b</b><br>No  |    |
| <b>7c</b>  |                                                                                                                                                                                                                                                                              | <b>7c</b><br>No  |    |
| <b>7d</b>  | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                                                              | <b>7d</b><br>No  |    |
| <b>7e</b>  | If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                                                              | <b>7e</b><br>No  |    |
| <b>7f</b>  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                                                         | <b>7f</b><br>No  |    |
| <b>7g</b>  | If "Yes," indicate the number of Forms 8282 filed during the year                                                                                                                                                                                                            | <b>7g</b><br>No  |    |
| <b>7h</b>  | Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                                            | <b>7h</b><br>No  |    |
| <b>7i</b>  | If "Yes," did the organization pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                                                                         | <b>7i</b><br>No  |    |
| <b>7j</b>  | For all contributions of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                                                                                   | <b>7j</b><br>No  |    |
| <b>7k</b>  | For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?                                                                                                                                                        | <b>7k</b><br>No  |    |
| <b>8</b>   | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | <b>8</b><br>No   |    |
| <b>9</b>   | <b>Sponsoring organizations maintaining donor advised funds.</b>                                                                                                                                                                                                             | <b>9a</b><br>No  |    |
| <b>9b</b>  | Did the organization make any taxable distributions under section 4966?                                                                                                                                                                                                      | <b>9b</b><br>No  |    |
| <b>10</b>  | <b>Section 501(c)(7) organizations.</b> Enter                                                                                                                                                                                                                                | <b>10a</b><br>No |    |
| <b>10b</b> | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities                                                                                                                                                                                  | <b>10b</b><br>No |    |
| <b>11</b>  | <b>Section 501(c)(12) organizations.</b> Enter                                                                                                                                                                                                                               | <b>11a</b><br>No |    |
| <b>11b</b> | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)                                                                                                                                                  | <b>11b</b><br>No |    |
| <b>12a</b> | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                            | <b>12a</b><br>No |    |
| <b>12b</b> | If "Yes," enter the amount of tax-exempt interest received or accrued during the year                                                                                                                                                                                        | <b>12b</b><br>No |    |

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

### Section A. Governing Body and Management

|                                                                                                                                                                                                                                        |           | Yes | No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|
| <b>1a</b> Enter the number of voting members of the governing body . . .                                                                                                                                                               | <b>1a</b> | 8   |    |
| <b>b</b> Enter the number of voting members that are independent . . .                                                                                                                                                                 | <b>1b</b> | 8   |    |
| <b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .                                               | <b>2</b>  |     | No |
| <b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . . | <b>3</b>  |     | No |
| <b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .                                                                                               | <b>4</b>  |     | No |
| <b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .                                                                                                             | <b>5</b>  |     | No |
| <b>6</b> Does the organization have members or stockholders? . . . . .                                                                                                                                                                 | <b>6</b>  | Yes |    |
| <b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .                                                                                        | <b>7a</b> | Yes |    |
| <b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .                                                                                                             | <b>7b</b> | Yes |    |
| <b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                              |           |     |    |
| <b>a</b> The governing body? . . . . .                                                                                                                                                                                                 | <b>8a</b> | Yes |    |
| <b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .                                                                                                                                               | <b>8b</b> | Yes |    |
| <b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .        | <b>9</b>  |     | No |

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

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

### Section C. Disclosure

**17** List the States with which a copy of this Form 990 is required to be filed ► IL

**18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply  
 Own website  Another's website  Upon request

**19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►  
 THOMAS MATHEW  
 1279 N MILWAUKEE AVENUE  
 CHICAGO, IL 60622  
 (773) 329-4144

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**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. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

Check this box if the organization did not compensate any current or former officer, director, trustee or key employee.

| (A)<br>Name and Title                                                       | (B)<br>Average<br>hours<br>per<br>week | (C)<br>Position (check all<br>that apply) |                       |         |              |                                 | (D)<br>Reportable<br>compensation<br>from the<br>organization (W-<br>2/1099-MISC) | (E)<br>Reportable<br>compensation<br>from related<br>organizations (W-<br>2/1099-<br>MISC) | (F)<br>Estimated<br>amount of other<br>compensation<br>from the<br>organization and<br>related<br>organizations |
|-----------------------------------------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------|---------|--------------|---------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                                                             |                                        | Individual trustee<br>or director         | Institutional Trustee | Officer | Key employee | Highest compensated<br>employee |                                                                                   |                                                                                            |                                                                                                                 |
| RENEE MAYHEW<br>BOARD PRESIDENT                                             | 5                                      | X                                         |                       | X       |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| KAREN THOMAS<br>DIRECTOR                                                    | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| JAVIER A NUNEZ<br>DIRECTOR                                                  | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| LINDA GRANDERSON<br>DIRECTOR                                                | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| DELORES BOCHENEK<br>DIRECTOR                                                | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| DAVID BETLEJEWSKI<br>DIRECTOR                                               | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| THOMAS BAMFORD<br>DIRECTOR                                                  | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| LORETTA ABRAMS<br>DIRECTOR                                                  | 5                                      | X                                         |                       |         |              |                                 | 0                                                                                 | 0                                                                                          | 0                                                                                                               |
| JAMES WHEATON<br>PROGRAM SERVICE & STRATEGIES/INTERIM<br>EXECUTIVE DIRECTOR | 14                                     |                                           |                       | X       |              |                                 | 0                                                                                 | 105,915                                                                                    | 8,266                                                                                                           |
| KATHLEEN WALSH<br>CHIEF FINANCIAL OFFICER                                   | 14                                     |                                           |                       | X       |              |                                 | 0                                                                                 | 125,422                                                                                    | 7,383                                                                                                           |
| BRUCE GOTTSCHALL<br>EXECUTIVE DIRECTOR - PART YEAR                          | 14                                     |                                           |                       | X       |              |                                 | 0                                                                                 | 135,838                                                                                    | 2,299                                                                                                           |
|                                                                             |                                        |                                           |                       |         |              |                                 |                                                                                   |                                                                                            |                                                                                                                 |
|                                                                             |                                        |                                           |                       |         |              |                                 |                                                                                   |                                                                                            |                                                                                                                 |
|                                                                             |                                        |                                           |                       |         |              |                                 |                                                                                   |                                                                                            |                                                                                                                 |
|                                                                             |                                        |                                           |                       |         |              |                                 |                                                                                   |                                                                                            |                                                                                                                 |
|                                                                             |                                        |                                           |                       |         |              |                                 |                                                                                   |                                                                                            |                                                                                                                 |

|                           |   |   |         |        |
|---------------------------|---|---|---------|--------|
| <b>1b Total</b> . . . . . | ► | 0 | 367,175 | 17,948 |
|---------------------------|---|---|---------|--------|

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►0

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

| (A)<br>Name and business address                                                                                                                                             | (B)<br>Description of services | (C)<br>Compensation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------|
|                                                                                                                                                                              |                                |                     |
|                                                                                                                                                                              |                                |                     |
|                                                                                                                                                                              |                                |                     |
|                                                                                                                                                                              |                                |                     |
| <b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►0 |                                |                     |

**Part VIII Statement of Revenue**

|                                                                                                                                                     |                                                                                                   | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections<br>512, 513, or<br>514 |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|---|
| <b>Contributions, gifts, grants<br/>and other similar amounts</b>                                                                                   | <b>1a</b> Federated campaigns . . . . .                                                           | <b>1a</b> 0          |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>b</b> Membership dues . . . . .                                                                | <b>1b</b> 0          |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>c</b> Fundraising events . . . . .                                                             | <b>1c</b> 0          |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>d</b> Related organizations . . . . .                                                          | <b>1d</b> 0          |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>e</b> Government grants (contributions)                                                        | <b>1e</b> 3,366,105  |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>f</b> All other contributions, gifts, grants, and<br>similar amounts not included above        | <b>1f</b> 2,290      |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>g</b> Noncash contributions included in<br>lines 1a-1f \$ 0                                    |                      |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .                                                  |                      | 3,368,395                                          |                                         |                                                                                 |   |
| <b>Program Service Revenue</b>                                                                                                                      | <b>2a</b> CONTRACTUAL SERVICES                                                                    | Business Code        |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     |                                                                                                   |                      | 1,375,965                                          | 1,375,965                               | 0 0                                                                             |   |
|                                                                                                                                                     | <b>b</b> PREMIUM INCOME AND SERVICING FEES                                                        |                      | 912,062                                            | 912,062                                 | 0 0                                                                             |   |
|                                                                                                                                                     | <b>c</b> PROPERTY MANAGEMENT AND<br>DEVELOPMENT FEES                                              |                      | 75,419                                             | 75,419                                  | 0 0                                                                             |   |
|                                                                                                                                                     | <b>d</b> LOAN PROCESSING FEES                                                                     |                      | 440,202                                            | 440,202                                 | 0 0                                                                             |   |
|                                                                                                                                                     | <b>e</b> INTEREST ON NOTES RECEIVABLE                                                             |                      | 444,211                                            | 444,211                                 | 0 0                                                                             |   |
|                                                                                                                                                     | <b>f</b> All other program service revenue                                                        |                      | 0                                                  | 0                                       | 0 0                                                                             |   |
|                                                                                                                                                     | <b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .                                                  |                      | 3,247,859                                          |                                         |                                                                                 |   |
| <b>Other Revenue</b>                                                                                                                                | <b>3</b> Investment income (including dividends, interest<br>and other similar amounts) . . . . . |                      |                                                    |                                         |                                                                                 |   |
|                                                                                                                                                     |                                                                                                   |                      | 2,601                                              | 0 0                                     | 2,601                                                                           |   |
|                                                                                                                                                     | <b>4</b> Income from investment of tax-exempt bond proceeds . . . . .                             |                      | 0                                                  | 0 0                                     | 0                                                                               |   |
|                                                                                                                                                     | <b>5</b> Royalties . . . . .                                                                      |                      | 0                                                  | 0 0                                     | 0                                                                               |   |
|                                                                                                                                                     | <b>6a</b> Gross Rents                                                                             | (i) Real             | (ii) Personal                                      |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>b</b> Less rental<br>expenses                                                                  | 0                    | 0                                                  |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>c</b> Rental income<br>or (loss)                                                               | 0                    | 0                                                  |                                         |                                                                                 |   |
|                                                                                                                                                     | <b>d</b> Net rental income or (loss) . . . . .                                                    |                      |                                                    | 0 0                                     | 0 0                                                                             | 0 |
| <b>7a</b> Gross amount<br>from sales of<br>assets other<br>than inventory                                                                           | (i) Securities                                                                                    | (ii) Other           |                                                    |                                         |                                                                                 |   |
| <b>b</b> Less cost or<br>other basis and<br>sales expenses                                                                                          | 0                                                                                                 | 0                    |                                                    |                                         |                                                                                 |   |
| <b>c</b> Gain or (loss)                                                                                                                             | 0                                                                                                 | 0                    |                                                    |                                         |                                                                                 |   |
| <b>d</b> Net gain or (loss) . . . . .                                                                                                               |                                                                                                   |                      | 0 0                                                | 0 0                                     | 0                                                                               |   |
| <b>8a</b> Gross income from fundraising<br>events (not including<br>\$ 0<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . |                                                                                                   |                      |                                                    |                                         |                                                                                 |   |
| <b>b</b> Less direct expenses . . . . .                                                                                                             | <b>a</b> 0                                                                                        |                      |                                                    |                                         |                                                                                 |   |
| <b>c</b> Net income or (loss) from fundraising events . . . . .                                                                                     |                                                                                                   | 0                    | 0 0                                                | 0 0                                     | 0                                                                               |   |
| <b>9a</b> Gross income from gaming activities<br>See Part IV, line 19 . . . . .                                                                     | <b>a</b>                                                                                          |                      |                                                    |                                         |                                                                                 |   |
| <b>b</b> Less direct expenses . . . . .                                                                                                             | <b>b</b> 0                                                                                        |                      |                                                    |                                         |                                                                                 |   |
| <b>c</b> Net income or (loss) from gaming activities . . . . .                                                                                      |                                                                                                   | 0                    | 0 0                                                | 0 0                                     | 0                                                                               |   |
| <b>10a</b> Gross sales of inventory, less<br>returns and allowances . . . . .                                                                       | <b>a</b>                                                                                          |                      |                                                    |                                         |                                                                                 |   |
| <b>b</b> Less cost of goods sold . . . . .                                                                                                          | <b>b</b> 0                                                                                        |                      |                                                    |                                         |                                                                                 |   |
| <b>c</b> Net income or (loss) from sales of inventory . . . . .                                                                                     |                                                                                                   | 0                    | 0 0                                                | 0 0                                     | 0                                                                               |   |
| Miscellaneous Revenue                                                                                                                               | Business Code                                                                                     |                      |                                                    |                                         |                                                                                 |   |
| <b>11a</b> RECOVERED LOSS REVENUE                                                                                                                   |                                                                                                   | 74,000               | 74,000                                             | 0 0                                     | 0                                                                               |   |
| <b>b</b>                                                                                                                                            |                                                                                                   | 0                    | 0 0                                                | 0 0                                     | 0                                                                               |   |
| <b>c</b>                                                                                                                                            |                                                                                                   | 0                    | 0 0                                                | 0 0                                     | 0                                                                               |   |
| <b>d</b> All other revenue . . . . .                                                                                                                |                                                                                                   | 0                    | 0 0                                                | 0 0                                     | 0                                                                               |   |
| <b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .                                                                                                  |                                                                                                   | 74,000               |                                                    |                                         |                                                                                 |   |
| <b>12</b> <b>Total revenue.</b> See Instructions . . . . .                                                                                          |                                                                                                   | 6,692,855            | 3,321,859                                          | 0 0                                     | 2,601                                                                           |   |

**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) but are not required to complete columns (B), (C), and (D).**

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.                                                                                                                                                        | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21                                                                                                                                        | 0                     | 0                               |                                        |                             |
| 2 Grants and other assistance to individuals in the U S See Part IV, line 22                                                                                                                                                          | 0                     | 0                               |                                        |                             |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16                                                                                                             | 0                     | 0                               |                                        |                             |
| 4 Benefits paid to or for members                                                                                                                                                                                                     | 0                     | 0                               |                                        |                             |
| 5 Compensation of current officers, directors, trustees, and key employees . . . . .                                                                                                                                                  | 0                     | 0                               | 0                                      | 0                           |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .                                                                             | 0                     | 0                               | 0                                      | 0                           |
| 7 Other salaries and wages                                                                                                                                                                                                            | 1,844,491             | 1,380,347                       | 464,144                                | 0                           |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .                                                                                                                             | 17,044                | 12,783                          | 4,261                                  | 0                           |
| 9 Other employee benefits . . . . .                                                                                                                                                                                                   | 296,556               | 222,417                         | 74,139                                 | 0                           |
| 10 Payroll taxes . . . . .                                                                                                                                                                                                            | 138,321               | 103,741                         | 34,580                                 | 0                           |
| 11 Fees for services (non-employees)                                                                                                                                                                                                  |                       |                                 |                                        |                             |
| a Management . . . . .                                                                                                                                                                                                                | 0                     | 0                               | 0                                      | 0                           |
| b Legal . . . . .                                                                                                                                                                                                                     | 71,915                | 3,975                           | 67,940                                 | 0                           |
| c Accounting . . . . .                                                                                                                                                                                                                | 1,233                 | 735                             | 498                                    | 0                           |
| d Lobbying . . . . .                                                                                                                                                                                                                  | 0                     | 0                               | 0                                      | 0                           |
| e Professional fundraising See Part IV, line 17 . . . . .                                                                                                                                                                             | 0                     |                                 |                                        | 0                           |
| f Investment management fees . . . . .                                                                                                                                                                                                | 0                     | 0                               | 0                                      | 0                           |
| g Other . . . . .                                                                                                                                                                                                                     | 77,842                | 46,406                          | 31,436                                 | 0                           |
| 12 Advertising and promotion . . . . .                                                                                                                                                                                                | 15,378                | 1,658                           | 13,720                                 | 0                           |
| 13 Office expenses . . . . .                                                                                                                                                                                                          | 135,123               | 88,732                          | 46,391                                 | 0                           |
| 14 Information technology . . . . .                                                                                                                                                                                                   | 135,686               | 0                               | 135,686                                | 0                           |
| 15 Royalties . . . . .                                                                                                                                                                                                                | 0                     | 0                               | 0                                      | 0                           |
| 16 Occupancy . . . . .                                                                                                                                                                                                                | 250,899               | 186,915                         | 63,984                                 | 0                           |
| 17 Travel . . . . .                                                                                                                                                                                                                   | 14,101                | 13,504                          | 597                                    | 0                           |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .                                                                                                                           | 0                     | 0                               | 0                                      | 0                           |
| 19 Conferences, conventions, and meetings . . . . .                                                                                                                                                                                   | 52,175                | 6,172                           | 46,003                                 | 0                           |
| 20 Interest . . . . .                                                                                                                                                                                                                 | 407,434               | 407,335                         | 99                                     | 0                           |
| 21 Payments to affiliates . . . . .                                                                                                                                                                                                   | 0                     | 0                               | 0                                      | 0                           |
| 22 Depreciation, depletion, and amortization . . . . .                                                                                                                                                                                | 70,472                | 4,419                           | 66,053                                 | 0                           |
| 23 Insurance . . . . .                                                                                                                                                                                                                | 38,787                | 29,016                          | 9,771                                  | 0                           |
| 24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below )                                                                |                       |                                 |                                        |                             |
| a BAD DEBT AND WRITE-OFFS                                                                                                                                                                                                             | 1,332,974             | 1,332,974                       | 0                                      | 0                           |
| b LOAN SERVICES FEES                                                                                                                                                                                                                  | 421,464               | 421,464                         | 0                                      | 0                           |
| c FORGIVEABLE LOANS                                                                                                                                                                                                                   | 311,244               | 311,244                         | 0                                      | 0                           |
| d EQUIPMENT EXPENSES                                                                                                                                                                                                                  | 95,976                | 80,233                          | 15,743                                 | 0                           |
| e ALL OTHER                                                                                                                                                                                                                           | 74,305                | 74,305                          | 0                                      | 0                           |
| f All other expenses                                                                                                                                                                                                                  | 0                     | 0                               | 0                                      | 0                           |
| 25 Total functional expenses. Add lines 1 through 24f                                                                                                                                                                                 | 5,803,420             | 4,728,375                       | 1,075,045                              | 0                           |
| 26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | 0                     | 0                               | 0                                      | 0                           |

**Part X Balance Sheet**

|                             |                                                                                                                                                                                  | <b>(A)</b><br>Beginning of year | <b>(B)</b><br>End of year |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------|
| Assets                      | 1 Cash—non-interest-bearing . . . . .                                                                                                                                            | 2,338,256                       | <b>1</b> 7,058,727        |
|                             | 2 Savings and temporary cash investments . . . . .                                                                                                                               | 421,703                         | <b>2</b> 0                |
|                             | 3 Pledges and grants receivable, net . . . . .                                                                                                                                   | 6,000                           | <b>3</b> 14,600           |
|                             | 4 Accounts receivable, net . . . . .                                                                                                                                             | 4,454,731                       | <b>4</b> 5,511,067        |
|                             | 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .                   | 0                               | <b>5</b> 0                |
|                             | 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .      | 0                               | <b>6</b> 0                |
|                             | 7 Notes and loans receivable, net . . . . .                                                                                                                                      | 2,127,457                       | <b>7</b> 2,798,327        |
|                             | 8 Inventories for sale or use . . . . .                                                                                                                                          | 0                               | <b>8</b> 0                |
|                             | 9 Prepaid expenses and deferred charges . . . . .                                                                                                                                | 7,405                           | <b>9</b> 6,867            |
|                             | 10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .                                                                                  | 0                               | <b>10a</b> 0              |
|                             | b Less accumulated depreciation . . . . .                                                                                                                                        | <b>10b</b> 0                    | <b>10c</b> 0              |
|                             | 11 Investments—publicly traded securities . . . . .                                                                                                                              | 0                               | <b>11</b> 0               |
|                             | 12 Investments—other securities See Part IV, line 11 . . . . .                                                                                                                   | 0                               | <b>12</b> 0               |
|                             | 13 Investments—program-related See Part IV, line 11 . . . . .                                                                                                                    | 433,895                         | <b>13</b> 136,442         |
|                             | 14 Intangible assets . . . . .                                                                                                                                                   | 0                               | <b>14</b> 0               |
|                             | 15 Other assets See Part IV, line 11 . . . . .                                                                                                                                   | 21,942,749                      | <b>15</b> 15,406,096      |
|                             | <b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .                                                                                                    | 31,732,196                      | <b>16</b> 30,932,126      |
| Liabilities                 | 17 Accounts payable and accrued expenses . . . . .                                                                                                                               | 898,979                         | <b>17</b> 768,680         |
|                             | 18 Grants payable . . . . .                                                                                                                                                      | 0                               | <b>18</b> 0               |
|                             | 19 Deferred revenue . . . . .                                                                                                                                                    | 0                               | <b>19</b> 0               |
|                             | 20 Tax-exempt bond liabilities . . . . .                                                                                                                                         | 0                               | <b>20</b> 0               |
|                             | 21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .                                                                                                | 133,389                         | <b>21</b> 78              |
|                             | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . . | 0                               | <b>22</b> 0               |
|                             | 23 Secured mortgages and notes payable to unrelated third parties . . . . .                                                                                                      | 8,846,610                       | <b>23</b> 6,506,225       |
|                             | 24 Unsecured notes and loans payable to unrelated third parties . . . . .                                                                                                        | 0                               | <b>24</b> 0               |
|                             | 25 Other liabilities Complete Part X of Schedule D . . . . .                                                                                                                     | 84,988                          | <b>25</b> 78              |
|                             | <b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .                                                                                                                   | 9,963,966                       | <b>26</b> 7,275,061       |
| Net Assets or Fund Balances | <b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>                                 |                                 |                           |
|                             | 27 Unrestricted net assets . . . . .                                                                                                                                             | 11,788,918                      | <b>27</b> 11,311,781      |
|                             | 28 Temporarily restricted net assets . . . . .                                                                                                                                   | 8,396,980                       | <b>28</b> 10,562,952      |
|                             | 29 Permanently restricted net assets . . . . .                                                                                                                                   | 1,582,332                       | <b>29</b> 1,782,332       |
|                             | <b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>                                                          |                                 |                           |
|                             | 30 Capital stock or trust principal, or current funds . . . . .                                                                                                                  | 0                               | <b>30</b> 0               |
|                             | 31 Paid-in or capital surplus, or land, building or equipment fund . . . . .                                                                                                     | 0                               | <b>31</b> 0               |
|                             | 32 Retained earnings, endowment, accumulated income, or other funds . . . . .                                                                                                    | 0                               | <b>32</b> 0               |
|                             | 33 Total net assets or fund balances . . . . .                                                                                                                                   | 21,768,230                      | <b>33</b> 23,657,065      |
|                             | <b>34 Total liabilities and net assets/fund balances</b> . . . . .                                                                                                               | 31,732,196                      | <b>34</b> 30,932,126      |

**Part XI Financial Statements and Reporting**

**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? . . . . .

**b** Were the organization's financial statements audited by an independent accountant? . . . . .

**c** If "Yes," to 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 . . . . .

**d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both  
 Separate basis       Consolidated basis       Both consolidated and separated basis

**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 . . . . .

|           | <b>Yes</b> | <b>No</b> |
|-----------|------------|-----------|
| <b>2a</b> |            | No        |
| <b>2b</b> | Yes        |           |
| <b>2c</b> | Yes        |           |
| <b>3a</b> | Yes        |           |
| <b>3b</b> | Yes        |           |

2009

Open to Public  
Inspection**SCHEDULE A**  
(Form 990 or 990EZ)**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. ► See separate instructions.

Department of the Treasury  
Internal Revenue ServiceName of the organization  
NEIGHBORHOOD LENDING SERVICES INC

Employer identification number

36-3471392

**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 11, check only one box)

1  A church, convention of churches, or association of churches **section 170(b)(1)(A)(i)**.

2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)

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 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)

10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.

11  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 that describes the type of supporting organization and complete lines 11e through 11h

e  **a**  Type I      **b**  Type II      **c**  Type III - Functionally integrated      **d**  Type III - Other

f  If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g  Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h  Provide the following information about the supported organization(s)

|          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |

| (i)<br>Name of<br>supported<br>organization | (ii)<br>EIN | (iii)<br>Type of<br>organization<br>(described on<br>lines 1- 9 above<br>or IRC section<br>(see<br>instructions)) | (iv)<br>Is the<br>organization in<br>col (i) listed in<br>your governing<br>document? |    | (v)<br>Did you notify the<br>organization in<br>col (i) of your<br>support? |    | (vi)<br>Is the<br>organization in<br>col (i) organized<br>in the U S ? |    | (vii)<br>Amount of<br>support? |
|---------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----|-----------------------------------------------------------------------------|----|------------------------------------------------------------------------|----|--------------------------------|
|                                             |             |                                                                                                                   | Yes                                                                                   | No | Yes                                                                         | No | Yes                                                                    | No |                                |
|                                             |             |                                                                                                                   |                                                                                       |    |                                                                             |    |                                                                        |    |                                |
|                                             |             |                                                                                                                   |                                                                                       |    |                                                                             |    |                                                                        |    |                                |
|                                             |             |                                                                                                                   |                                                                                       |    |                                                                             |    |                                                                        |    |                                |
|                                             |             |                                                                                                                   |                                                                                       |    |                                                                             |    |                                                                        |    |                                |
|                                             |             |                                                                                                                   |                                                                                       |    |                                                                             |    |                                                                        |    |                                |
| <b>Total</b>                                |             |                                                                                                                   |                                                                                       |    |                                                                             |    |                                                                        |    |                                |

**Part II Support Schedule for Organizations Described in IRC 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.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in)                                                                                                                                                           | (a) 2005  | (b) 2006  | (c) 2007  | (d) 2008  | (e) 2009  | (f) Total  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|------------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")                                                                                                    | 3,272,117 | 2,953,288 | 3,504,055 | 3,872,609 | 3,368,395 | 16,970,464 |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                                                     | 0         | 0         | 0         | 0         | 0         | 0          |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                                             | 0         | 0         | 0         | 0         | 0         | 0          |
| 4 <b>Total.</b> Add lines 1 through 3                                                                                                                                                                 | 3,272,117 | 2,953,288 | 3,504,055 | 3,872,609 | 3,368,395 | 16,970,464 |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |           |           |           |           |           | 633,882    |
| 6 <b>Public Support.</b> Subtract line 5 from line 4                                                                                                                                                  |           |           |           |           |           | 16,336,582 |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in)                                                                                      | (a) 2005  | (b) 2006 | (c) 2007  | (d) 2008  | (e) 2009  | (f) Total  |
|----------------------------------------------------------------------------------------------------------------------------------|-----------|----------|-----------|-----------|-----------|------------|
| 7 Amounts from line 4                                                                                                            | 3,272,117 | 130,398  | 3,504,055 | 3,872,609 | 3,368,395 | 16,970,464 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 0         | 130,398  | 85,201    | 26,456    | 2,601     | 244,656    |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on                             | 0         | 0        | 0         | 0         | 0         | 0          |
| 10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets                                 | 148,135   | 127,965  | 8,032     | 43,309    | 74,000    | 401,441    |
| 11 <b>Total support</b> (Add lines 7 through 10)                                                                                 |           |          |           |           |           | 17,616,561 |
| 12 Gross receipts from related activities, etc (See instructions)                                                                |           |          |           | 12        |           | 18,015,322 |

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

**Section C. Computation of Public Support Percentage**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|
| 14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))                                                                                                                                                                                                                                                                                                                                                                                                          | 14 | 92 734 % |
| 15 Public Support Percentage for 2008 Schedule A, Part II, line 14                                                                                                                                                                                                                                                                                                                                                                                                                               | 15 | 95 36 %  |
| 16a <b>33 1/3% support test—2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization                                                                                                                                                                           |    |          |
| b <b>33 1/3% support test—2008.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization                                                                                                                                                                      |    |          |
| 17a <b>10%-facts-and-circumstances test—2009.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization     |    |          |
| b <b>10%-facts-and-circumstances test—2008.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization  |    |          |
| 18 <b>Private Foundation</b> 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 IRC 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

| Calendar year (or fiscal year beginning in)                                                                                                                                | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (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                                                                  |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5                                                                                                                                      |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons                                                                                         |          |          |          |          |          |           |
| <b>b</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    |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b                                                                                                                                               |          |          |          |          |          |           |
| <b>8 Public Support</b> (Subtract line 7c from line 6 )                                                                                                                    |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal year beginning in)                                                                                                                                           | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6                                                                                                                                                                 |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                             |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                                                                      |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b                                                                                                                                                        |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on                                                 |          |          |          |          |          |           |
| <b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )                                                                              |          |          |          |          |          |           |
| <b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )                                                                                                                                |          |          |          |          |          |           |
| <b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> |          |          |          |          |          |           |

**Section C. Computation of Public Support Percentage**

|                                                                                         |    |
|-----------------------------------------------------------------------------------------|----|
| 15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f)) | 15 |
| 16 Public support percentage from 2008 Schedule A, Part III, line 15                    | 16 |

**Section D. Computation of Investment Income Percentage**

|                                                                                                                                                                                                                                                                                   |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))                                                                                                                                                                                      | 17 |
| 18 Investment income percentage from 2008 Schedule A, Part III, line 17                                                                                                                                                                                                           | 18 |
| <b>19a 33 1/3% support tests—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization         |    |
| <b>b 33 1/3% support tests—2008.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization |    |
| <b>20 Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions                                                                                                                                                  |    |

**Part IV** **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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**Explanation**

OTHER INCOME, SCHEDULE A, PART II, OTHER INCOME - 2005=\$39,731, 2006=\$4,749, 2007=\$8,032, 2008=\$90, 2009=NONE, TOTAL=\$52,602 PROPERTY MANAGEMENT/DEV FEES - 2005=\$108,404, 2006=\$123,216, 2007=NONE, 2008=NONE, 2009=NONE, TOTAL=\$231,620 RECOVERED LOSS REVENUE - 2005=NONE, 2006=NONE, 2007=NONE, 2008=\$43,219, 2009=\$74,000, TOTAL=\$117,219,

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## Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 36-3471392  
**Name:** NEIGHBORHOOD LENDING SERVICES INC

### Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

|                                          | <b>Business Code</b> | <b>(A)<br/>Total Revenue</b> | <b>(B)<br/>Related or<br/>Exempt<br/>Function<br/>Revenue</b> | <b>(C)<br/>Unrelated<br/>Business<br/>Revenue</b> | <b>(D)<br/>Revenue<br/>Excluded from<br/>Tax under IRC<br/>512, 513, or 514</b> |
|------------------------------------------|----------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------|
| CONTRACTUAL SERVICES                     |                      | 1,375,965                    | 1,375,965                                                     | 0                                                 | 0                                                                               |
| PREMIUM INCOME AND SERVICING FEES        |                      | 912,062                      | 912,062                                                       | 0                                                 | 0                                                                               |
| PROPERTY MANAGEMENT AND DEVELOPMENT FEES |                      | 75,419                       | 75,419                                                        | 0                                                 | 0                                                                               |
| LOAN PROCESSING FEES                     |                      | 440,202                      | 440,202                                                       | 0                                                 | 0                                                                               |
| INTEREST ON NOTES RECEIVABLE             |                      | 444,211                      | 444,211                                                       | 0                                                 | 0                                                                               |

**Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses**

| <i><b>Do not include amounts reported on line<br/>6b, 8b, 9b, and 10b of Part VIII.</b></i> | <b>(A)<br/>Total expenses</b> | <b>(B)<br/>Program service<br/>expenses</b> | <b>(C)<br/>Management and<br/>general expenses</b> | <b>(D)<br/>Fundraising<br/>expenses</b> |
|---------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------|----------------------------------------------------|-----------------------------------------|
| BAD DEBT AND WRITE-OFFS                                                                     | 1,332,974                     | 1,332,974                                   | 0                                                  | 0                                       |
| LOAN SERVICES FEES                                                                          | 421,464                       | 421,464                                     | 0                                                  | 0                                       |
| FORGIVEABLE LOANS                                                                           | 311,244                       | 311,244                                     | 0                                                  | 0                                       |
| EQUIPMENT EXPENSES                                                                          | 95,976                        | 80,233                                      | 15,743                                             | 0                                       |
| ALL OTHER                                                                                   | 74,305                        | 74,305                                      | 0                                                  | 0                                       |

**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements****2009****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

**Name of the organization**

NEIGHBORHOOD LENDING SERVICES INC

**Employer identification number**

36-3471392

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

|                                            | (a) Donor advised funds | (b) Funds and other accounts |
|--------------------------------------------|-------------------------|------------------------------|
| 1 Total number at end of year              |                         |                              |
| 2 Aggregate contributions to (during year) |                         |                              |
| 3 Aggregate grants from (during year)      |                         |                              |
| 4 Aggregate value at end of year           |                         |                              |

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

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

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

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

|    | Held at the End of the Year |
|----|-----------------------------|
| 2a |                             |
| 2b |                             |
| 2c |                             |
| 2d |                             |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

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

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

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

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

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

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

3 Using the organization's 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      d  Loan or exchange programs  
 b  Scholarly research      e  Other  
 c  Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

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" to 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 XIV and complete the following table

|    | Amount |
|----|--------|
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to 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 . . . . .                      |                  |                |                    |                      |                     |
| 1b Contributions . . . . .                                  |                  |                |                    |                      |                     |
| 1c Investment earnings or losses . . . . .                  |                  |                |                    |                      |                     |
| 1d Grants or scholarships . . . . .                         |                  |                |                    |                      |                     |
| 1e Other expenditures for facilities and programs . . . . . |                  |                |                    |                      |                     |
| 1f Administrative expenses . . . . .                        |                  |                |                    |                      |                     |
| 1g End of year balance . . . . .                            |                  |                |                    |                      |                     |

## 2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

|                                         | Yes | No |
|-----------------------------------------|-----|----|
| 3a(i) unrelated organizations . . . . . |     |    |
| 3a(ii) related organizations . . . . .  |     |    |

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

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

|                                     | Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|-------------------------------------|---------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land . . . . .                   |                           | 0                                    | 0                               |                              | 0              |
| 1b Buildings . . . . .              |                           | 0                                    | 0                               | 0                            | 0              |
| 1c Leasehold improvements . . . . . |                           | 0                                    | 0                               | 0                            | 0              |
| 1d Equipment . . . . .              |                           | 0                                    | 0                               | 0                            | 0              |
| 1e Other . . . . .                  |                           | 0                                    | 0                               | 0                            | 0              |

Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ► 0

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12

| (a) Description of security or category<br>(including name of security)    | (b) Book value | (c) Method of valuation<br>Cost or end-of-year market value |
|----------------------------------------------------------------------------|----------------|-------------------------------------------------------------|
| Financial derivatives                                                      |                |                                                             |
| Closely-held equity interests                                              |                |                                                             |
| Other                                                                      |                |                                                             |
|                                                                            |                |                                                             |
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|                                                                            |                |                                                             |
|                                                                            |                |                                                             |
|                                                                            |                |                                                             |
| <b>Total</b> (Column (b) should equal Form 990, Part X, col (B), line 12.) |                |                                                             |

**Total.** (Column (b) should equal Form 990, Part X, col (B) line 12.)

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13

**Total** (Column (b) should equal Form 990, Part X, col (B), line 13)

**Part IX Other Assets.** See Form 990, Part X, line 15.

7-1-1 (24) - (1) / 4 - 15 - 200-P-14-A (P) 1 - 17

**Total.** (Column (b) should equal Form 990, Part X, col.(B) line 15.)

|                                                                            |           |
|----------------------------------------------------------------------------|-----------|
| <b>Total. (Column (b) should equal Form 990, Part X, col (B) line 25 )</b> | <b>78</b> |
|----------------------------------------------------------------------------|-----------|

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

|    |                                                                                 |    |           |
|----|---------------------------------------------------------------------------------|----|-----------|
| 1  | Total revenue (Form 990, Part VIII, column (A), line 12)                        | 1  | 6,692,855 |
| 2  | Total expenses (Form 990, Part IX, column (A), line 25)                         | 2  | 5,803,420 |
| 3  | Excess or (deficit) for the year Subtract line 2 from line 1                    | 3  | 889,435   |
| 4  | Net unrealized gains (losses) on investments                                    | 4  | 0         |
| 5  | Donated services and use of facilities                                          | 5  | 0         |
| 6  | Investment expenses                                                             | 6  | 0         |
| 7  | Prior period adjustments                                                        | 7  | 0         |
| 8  | Other (Describe in Part XIV)                                                    | 8  | 999,400   |
| 9  | Total adjustments (net) Add lines 4 - 8                                         | 9  | 999,400   |
| 10 | Excess or (deficit) for the year per financial statements Combine lines 3 and 9 | 10 | 1,888,835 |

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

|   |                                                                                  |    |           |
|---|----------------------------------------------------------------------------------|----|-----------|
| 1 | Total revenue, gains, and other support per audited financial statements         | 1  | 7,788,573 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12               |    |           |
| a | Net unrealized gains on investments                                              | 2a | 0         |
| b | Donated services and use of facilities                                           | 2b | 96,318    |
| c | Recoveries of prior year grants                                                  | 2c | 0         |
| d | Other (Describe in Part XIV)                                                     | 2d | 999,400   |
| e | Add lines 2a through 2d                                                          | 2e | 1,095,718 |
| 3 | Subtract line 2e from line 1                                                     | 3  | 6,692,855 |
| 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 | 0         |
| b | Other (Describe in Part XIV)                                                     | 4b | 0         |
| c | Add lines 4a and 4b                                                              | 4c | 0         |
| 5 | Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) | 5  | 6,692,855 |

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

|   |                                                                                   |    |           |
|---|-----------------------------------------------------------------------------------|----|-----------|
| 1 | Total expenses and losses per audited financial statements                        | 1  | 5,899,738 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25                  |    |           |
| a | Donated services and use of facilities                                            | 2a | 96,318    |
| b | Prior year adjustments                                                            | 2b | 0         |
| c | Other losses                                                                      | 2c | 0         |
| d | Other (Describe in Part XIV)                                                      | 2d | 0         |
| e | Add lines 2a through 2d                                                           | 2e | 96,318    |
| 3 | Subtract line 2e from line 1                                                      | 3  | 5,803,420 |
| 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 | 0         |
| b | Other (Describe in Part XIV)                                                      | 4b | 0         |
| c | Add lines 4a and 4b                                                               | 4c | 0         |
| 5 | Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) | 5  | 5,803,420 |

**Part XIV Supplemental Information**

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

| Identifier                                                     | Return Reference              | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Explanation of escrow agreement                                | Schedule D, Part IV, Line 2b  | NLS HOLDS ESCROWS FOR CONTRUCTION LOANS, REAL ESTATE TAXES AND INSURANCE FOR THE LOANS THAT ARE NOT SOLD TO INVESTORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| FIN 48 footnote                                                | Schedule D, Part X, Line 2    | THE ORGANIZATION ADOPTED GUIDANCE ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) WITH RESPECT TO ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES AS OF APRIL 1, 2009 A TAX POSITION IS RECOGNIZED AS A BENEFIT ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WOULD BE SUSTAINED IN A TAX EXAMINATION, WITH A TAX EXAMINATION BEING PRESUMED TO OCCUR THE AMOUNT RECOGNIZED IS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS GREATER THAN 50% LIKELY OF BEING REALIZED ON EXAMINATION FOR TAX POSITIONS NOT MEETING THE MORE LIKELY THAN NOT TEST, NO TAX BENEFIT IS RECORDED MANAGEMENT BELIEVE THE ORGANIZATION HAS NO MATERIAL UNRECOGNIZED INCOME TAX BENEFITS, INCLUDING ANY POTENTIAL LOSS OF ITS TAX EXEMPT STATUS THE ORGANIZATION HAS NO ONGOING FEDERAL, STATE OR LOCAL TAX AUDITS, HOWEVER, NHS'S TAX RETURNS FOR 2007 AND SUBSEQUENT YEARS ARE OPEN TO EXAMINATION |
| Other changes in net assets                                    | Schedule D, Part XI, Line 8   | CONTRIBUTIONS OF BELOW MARKET LOANS - 999400, OTHER - 0, TOTAL - 999400                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Other revenues in audited financial statements not in form 990 | Schedule D, Part XII, Line 2d | CONTRIBUTIONS OF BELOW MARKET LOANS - 999400, OTHER - 0, TOTAL - 999400                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

2009

Open to Public  
Inspection**SCHEDULE O**  
(Form 990)**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
► Attach to Form 990.

Department of the Treasury  
Internal Revenue Service

Employer identification number  
36-3471392

| Identifier                                                        | Return Reference                       | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Classes of members or stockholders                                | Form 990, Part VI, Section A, Line 6   | NEIGHBORHOOD LENDING SERVICES, INC IS ORGANIZED AS A NOT-FOR-PROFIT CORPORATION IN WHICH NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC, A RELATED TAX-EXEMPT ORGANIZATION, IS THE SOLE CORPORATE MEMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Members or stockholders electing members of governing body        | Form 990, Part VI, Section A, Line 7a  | AS THE ORGANIZATION'S SOLE CORPORATE MEMBER, NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC HOLDS ALL VOTING RIGHTS WITH RESPECT TO NEIGHBORHOOD LENDING SERVICES, INC THESE RIGHTS INCLUDE THE RIGHT TO ELECT DIRECTORS OF THE CORPORATION AND AMEND THE ARTICLES OF INCORPORATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Decisions requiring approval by members or stockholders           | Form 990, Part VI, Section A, Line 7b  | SEE NARRATIVE FOR FORM 990, PART VI, LINE 7A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Review of form 990 by governing body                              | Form 990, Part VI, Section B, Line 11A | THE ORGANIZATION'S FINANCE DEPARTMENT AND PAID TAX PREPARERS ARE RESPONSIBLE FOR THE PREPARATION OF THE FORM 990 AND ALL REQUIRED SCHEDULES BEFORE IT IS FILED WITH THE IRS, THE FORM 990 IS REVIEWED BY MANAGEMENT AS WELL AS THE AUDIT AND FINANCE COMMITTEES OF THE BOARD SUBSEQUENT TO THIS REVIEW, A COMPLETE COPY OF THE FORM 990 IS PROVIDED TO THE FULL NLS BOARD OF DIRECTORS PRIOR TO FILING WITH THE IRS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Conflict of interest policy                                       | Form 990, Part VI, Section B, Line 12c | THE ORGANIZATION REQUIRES ALL PERSONNEL AND BOARD MEMBERS TO SIGN A CONFLICT OF INTEREST AFFIDAVIT ON AN ANNUAL BASIS. THE PRESIDENT OF THE BOARD OF DIRECTORS WILL DETERMINE THE APPROPRIATE COURSE OF ACTION FOR ALL POTENTIAL OR ACTUAL CONFLICTS OF INTEREST THAT MAY EXIST INVOLVING A BOARD MEMBER. IN THE INSTANCE THAT A POTENTIAL CONFLICT OF INTEREST ARISES WITH A BOARD MEMBER ON AN ISSUE REQUIRING A VOTE, THE BOARD MEMBER IS REQUIRED TO DISCLOSE THE CONFLICT, ABSTAIN FROM VOTING, AND MAY BE REQUIRED BY THE PRESIDENT OF THE BOARD TO LEAVE THE ROOM DURING THE VOTE. THE EXECUTIVE DIRECTOR WILL DETERMINE THE APPROPRIATE COURSE OF ACTION FOR ALL POTENTIAL CONFLICTS OF INTEREST INVOLVING THE ORGANIZATION'S EMPLOYEES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Process used to establish compensation of top management official | Form 990, Part VI, Section B, Line 15a | COMPENSATION FOR ALL OFFICERS IS SUBJECT TO A COMPARABILITY REVIEW BY THE HUMAN RESOURCES DIRECTOR AND DOCUMENTED ON A TIMELY BASIS. SALARY RANGES ON ALL POSITION CLASSIFICATIONS ARE REVIEWED AT LEAST ANNUALLY BY THE HUMAN RESOURCES COMMITTEE OF THE BOARD OF DIRECTORS. IN ADDITION, THE SALARY OF THE TOP MANAGEMENT OFFICIAL IS REVIEWED AND APPROVED BY THE INDEPENDENT BOARD OF DIRECTORS ON AN ANNUAL BASIS DURING THE ORGANIZATION'S ANNUAL BUDGETING PROCESS. THE COMPENSATION OF THE TOP MANAGEMENT OFFICIAL WAS LAST REVIEWED AND APPROVED IN APRIL OF 2009. THE COMPENSATION FOR THE ORGANIZATION'S OTHER OFFICERS IS REVIEWED AND APPROVED BY THE EXECUTIVE DIRECTOR. THE EXECUTIVE DIRECTOR SIGNS A HIRING APPROVAL FORM FOR NEW HIRES TO APPROVE A NEW POSITION'S SALARY. A PAYROLL CHANGE FORM IS ALSO COMPLETED FOR NEW POSITIONS TO ENSURE THE EMPLOYEE IS ESTABLISHED IN THE PAYROLL PROCESSING SYSTEM ON A TIMELY BASIS. MERIT INCREASES FOR OTHER OFFICERS AND KEY EMPLOYEES ARE APPROVED BY THE EXECUTIVE DIRECTOR BY SIGNING A PAYROLL CHANGE FORM. THE DELIBERATIONS AND DECISION MAKING REGARDING THE DETERMINATION OF COMPENSATION ARE DOCUMENTED ON A TIMELY BASIS BY THE HUMAN RESOURCES DEPARTMENT |
| Public Disclosure                                                 | Form 990, Part VI, Section C, Line 19  | FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICT OF INTEREST POLICIES ARE NOT REQUIRED DISCLOSURES PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104. WITH THE EXCEPTION OF THE FINANCIAL STATEMENTS, WHICH ARE PROVIDED TO FUNDERS, GOVERNMENT AGENCIES, AND PROSPECTIVE DONORS, THESE DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ORGANIZATION'S MISSION                                            | FORM 990, PART III, LINE 1             | THE PURPOSES FOR WHICH NLS WAS ORGANIZED WERE (I) TO RECEIVE, ADMINISTER AND DISBURSE FUNDS EXCLUSIVELY FOR SCIENTIFIC, EDUCATIONAL AND CHARITABLE PURPOSES WITHOUT PECUNIARY GAIN TO ITS MEMBERS, (II) TO MAKE LOANS FOR THE BENEFIT OF PERSONS OF LOW/MODERATE INCOME WHO RESIDE PRIMARILY IN TARGETED INNER-CITY NEIGHBORHOODS FOR IMPROVEMENTS TO THEIR RESIDENCES, (III) TO STEM OR OTHERWISE PREVENT DETERIORATION OF EXISTING HOUSING STOCK IN TARGETED INNER-CITY NEIGHBORHOODS, AND (IV) TO PROVIDE IMPROVED HOUSING FACILITIES FOR PERSONS OF LOW AND MODERATE INCOME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Identifier                                       | Return Reference                        | Explanation                                              |
|--------------------------------------------------|-----------------------------------------|----------------------------------------------------------|
| COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES | FORM 990, PART VI, SECTION B, LINE 15AB | SEE NARRATIVE FOR FORM 990, PART VI, SECTION B, LINE 15A |

COMPENSATION OF OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, ETC FORM 990, PART VII, SECTION A, LINE 1(A), COLUMN (B) BRUCE GOTTSCHALL (EXECUTIVE DIRECTOR - PART YEAR), KATHLEEN WALSH (CHIEF FINANCIAL OFFICER), AND JAMES WHEATON (PROGRAM SERVICE & STRATEGIES/INTERIM EXECUTIVE DIRECTOR) DEVOTE THE FOLLOWING HOURS PER WEEK TO THE RELATED TAX-EXEMPT AND TAXABLE ORGANIZATIONS LISTED BELOW 14 HOURS TO NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC (NHS) 14 HOURS TO NEIGHBORHOOD LENDING SERVICES, INC (NLS) 4 HOURS TO NHS REDEVELOPMENT CORPORATION (NHSRC) 2 HOURS TO NHSRC INITIATIVES, INC (NHSRCI) 1 HOUR TO NHS OF THE FOX VALLEY (NHSFV)

For Paperwork Reduction Act Notice, see the Instructions for Form 990

Cat No 51056K

Schedule O (Form 990) 2009

**SCHEDULE R  
(Form 990)****Related Organizations and Unrelated Partnerships****2009**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
 ► Attach to Form 990. ► See separate instructions.

**Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service**Name of the organization**  
NEIGHBORHOOD LENDING SERVICES INC**Employer identification number**  
36-3471392**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

| (a)<br>Name, address, and EIN of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity |
|-----------------------------------------------------|-------------------------|--------------------------------------------------|---------------------|---------------------------|----------------------------------|
|-----------------------------------------------------|-------------------------|--------------------------------------------------|---------------------|---------------------------|----------------------------------|

**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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity |
|-------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|
|-------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|

NEIGHBORHOOD HOUSING SERVICES OF CHICAGO INC

1279 N MILWAUKEE AVENUE

COMMUNITY DEVELOPMENT

IL

501(C)(3)

7 NA

CHICAGO, IL 60622  
23-7443009

NHS REDEVELOPMENT CORPORATION

1279 N MILWAUKEE AVENUE

RENOVATION &amp; CONSTRUCTION

IL

501(C)(3)

9 NHS

CHICAGO, IL 60622  
36-3014600

NHS OF THE FOX VALLEY

1279 N MILWAUKEE AVENUE

COMMUNITY DEVELOPMENT

IL

501(C)(3)

7 NHS

CHICAGO, IL 60622  
31-3613379

**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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Direct controlling entity | (e)<br>Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f)<br>Share of total income | (g)<br>Share of end-of-year assets | (h)<br>Disproportionate allocations? | (i)<br>Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j)<br>General or managing partner? |
|-------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------|------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------------------|-------------------------------------|
|                                                       |                         |                                                  |                                  |                                                                                          |                              |                                    | 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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Direct controlling entity | (e)<br>Type of entity (C corp, S corp, or trust) | (f)<br>Share of total income | (g)<br>Share of end-of-year assets | (h)<br>Percentage ownership |
|-------------------------------------------------------|-------------------------|--------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------|------------------------------------|-----------------------------|
|                                                       |                         |                                                  |                                  |                                                  |                              |                                    |                             |

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**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 (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

|    | Yes | No |
|----|-----|----|
| 1a |     | No |
| 1b |     | No |
| 1c |     | No |
| 1d | Yes |    |
| 1e | Yes |    |
| 1f |     | No |
| 1g |     | No |
| 1h |     | No |
| 1i |     | No |
| 1j |     | No |
| 1k |     | No |
| 1l |     | No |
| 1m | Yes |    |
| 1n | Yes |    |
| 1o | Yes |    |
| 1p | Yes |    |
| 1q | Yes |    |
| 1r | Yes |    |

**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 other organization(b)  
Transaction type(a-r)(c)  
Amount involved(1)  
(2)

(3)

(4)

(5)

(6)

**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)<br>Name, address, and EIN of entity | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign<br>country) | (d)<br>Are all<br>partners<br>section<br>501(c)(3)<br>organizations? | (e)<br>Share of<br>end-of-year<br>assets | (f)<br>Disproportionate<br>allocations? | (g)<br>Code V-UBI<br>amount in box<br>20 of Schedule K-1<br>(Form 1065) | (h)<br>General or<br>managing<br>partner? |
|-----------------------------------------|-------------------------|--------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------|-------------------------------------------|
| Yes                                     | No                      | Yes                                                    | No                                                                   | Yes                                      | No                                      | Yes                                                                     | No                                        |