MONTANA COMMUNITY
DEVELOPMENT CORPORATION

EXHIBIT 12
DATE 1/25/11
HB Commerce

Lending partnerships keep businesses thriving

Pictured above: Michelle Wandke, co-owner of *Sole.Mate* in Great Falls, Montana. MCDC worked with Great Falls Development Authority to get Michelle the loan she needed to keep her downtown retail shoe business alive and well in 2010.

(Photo courtesy of the Great Falls Tribune)

QUARTERLY REPORT TO INVESTORS

July 1 – December 31, 2010

Thanks to our quarterly partners and funders:

Big Sky Economic Development Authority
Headwaters RC&D in Butte
Great Falls Development Authority
First Interstate Bank, Missoula
Glacier Bank, Big Fork
First Security Bank of Missoula
Flathead National Bank
US Bank, Bozeman
Wells Fargo
Missoula Federal Credit Union

MCDC is an equal opportunity provider & employer.

Montana Community Development Corporation
110 East Broadway, Second Floor • Missoula, MT 59802
Return Service Requested

NON PROFIT ORG.
US POSTAGE
PAID
MISSOULA MT
PERMIT # 569

www.mtcdc.org

406.728.9234

MCDC partnerships create lending opportunities

Empowering entrepreneurs; sustaining community

MISSOULA

Katie Watterson and Correy Harrison of *Sunflower Montessori* purchased their previously eased building with an MCDC childcare loan, thanks to a referral from their local bank, Missoula Federal Credit Union.

BOZEMAN

Katherine Dayton of *Visions Service Adventures* went from employee to owner and brought a successful international youth education adventure business from Pennsylvania to Bozeman with the help of an MCDC loan.

ANACONDA

MCDC, along with Butte Headwaters RC & D and First Interstate Bank, helped kick start *Montana Timber Products,* an alternative wood products business in rural Montana, that utilizes standing deadwood, including beetle kill trees, for production of building materials.

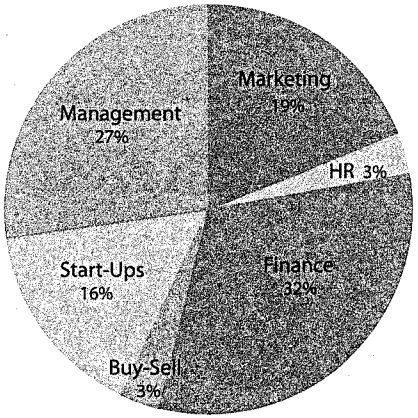
BILLINGS

Oli and Melanie Tripp of *Comtech Inc.,* an audio, theater and security provider, kept their business expansion on track despite the economic downturn with the help of an MCDC loan and referral from Big Sky Economic Development Authority.

MCDC's Small Business Development Centers

Through our Missoula and Bozeman SBDCs we provided 871 hours of business consulting to 144 distinct clients during the last half of 2010.

Types of Consulting Provided



Partnering for Prosperity

It's amazing what can happen when local development agencies and bankers rely on each other as resources. From referrals to loan partnerships, MCDC and its statewide partners worked together to keep credit flowing to Montana businesses. MCDC's experience in lending to business owners on the margins of bankability proved especially useful in the recent economy. Working with our partners, we funded promising entrepreneurs who needed just a little extra help to succeed. Together, we steered first-time business owners toward economic independence and helped existing businesses keep their doors open despite a historic recession. Together, we helped businesses grow and communities prosper.

LOAN IMPACTS	6 month Reporting Period 7/1/10 - 12/31/10	Same period previous year 7/1/09 - 12/31/09
NEW LOANS	38	20
TOTAL DOLLARS LOANED	$1,754,132	$2,239,260
LOANS TO WOMEN WHO HAVE AT LEAST 50% OWNERSHIP	17	3
LOANS TO RURAL BUSINESSES	14	10
LOAN $$ TO LOW/MODERATE INCOME PEOPLE OR PLACES	$1,596,865	$2,035,105
START-UP BUSINESSES FINANCED	7	8
JOBS CREATED/RETAINED	91.5	71.5