



# **SG Residential Partners with Latino-Focused Community Development Financial Institution to Deliver Affordable Housing and a Revolutionary Mortgage Product**

*Strategic Alliance to Focus on Creating Sustainable and Affordable Single-Family Container-Based Modular Homes along with a 50-Year Mortgage Product*

BROOKLYN, N.Y.--(BUSINESS WIRE)-- [SG Blocks, Inc.](#) (NASDAQ: [SGBX](#)), a leading designer, fabricator and innovator of container-based structures, announced its subsidiary SG Residential has entered into a strategic relationship with Capital Plus Financial (CPF), one of the nation's largest Community Development Financial Institutions (CDFI) and a subsidiary of [Crossroads Systems, Inc.](#) (OTC Pink: [CRSS](#)) to provide affordable housing aimed at low- to moderate-income areas across the country and Puerto Rico. The companies will focus on the sale and financing of single-family container-based modular homes by focusing on delivering sustainable housing to some of the most vulnerable areas and underserved borrowers.

The first project is anticipated to be an approximately 50-unit development in Puerto Rico where the container homes will be finished out and installed by local developers, bringing much-needed affordable and resilient housing and generating new jobs on the island. Additionally, the project could be the test case for a 50-year mortgage product which will expand opportunities for greater homeownership by delivering a mortgage payment on a level with a typical car payment. The companies hope that this will not only aid in CPF's Puerto Rico initiatives but also provide a proof of concept of an innovative mortgage solution designed for these 80 year+ home assets. The sustainability and resiliency of the home is critically important for areas exposed to the threat of natural disasters.

SG Blocks will be the exclusive supplier of modular homes and CPF will provide long-term fixed-rate financing to qualified borrowers. As a certified CDFI and certified B Corp, CPF supports its communities by providing affordable housing and a long-term mortgage to borrowers, often whom have never had credit and are first time home buyers, often ostracized from the conventional mortgage market. CPF's team has over two decades of giving thousands of families the opportunity to own their own home. The company is a model for taking responsible risk to deserving borrowers who simply need a financial partner to help them move up the socioeconomic ladder and achieve the American Dream.

"SG Blocks is invested in disrupting the construction and housing industries and meeting the demand for affordable housing," stated Paul Galvin, Chairman and CEO of SG Blocks and Chairman of SG Residential. "Our product is targeted to giving families a safe haven that is

stronger, longer lasting and more affordable than the alternatives in the market today.”

Eric Donnelly, CEO of Crossroads Systems and CPF, said, “The recognition in our first meetings with the SG Blocks team that the communities we serve are often the most vulnerable to housing issues, whether they be quality or natural disasters, immediately aligned our missions. They instantly jumped at the opportunity to assist in our efforts to help rebuild in Puerto Rico and scale our solution to the country’s affordable housing and financing issues. We’re proud to partner with such an innovative company.”

SG Residential focuses on the sales and financing of single-family container-based modular homes. SG Blocks utilizes code-engineered cargo shipping containers to construct and provide safe, durable and environmentally-friendly structures. Its product exceeds many standard building code requirements, and supports developers, architects, builders and owners in achieving a more efficient, green method of construction.

SG Blocks was the first container-based construction company to be recognized by the International Code Council with an ESR that validates the product’s ability to meet and exceed all international building codes. Its founders built the first permitted modular container-based home in the U.S. in Charleston, South Carolina in 2003. Clients have included Starbucks, Marriott, Taco Bell, Aman, Equinox and several branches of the U.S. military. SG Blocks also recently signed an exclusive design agreement with world-renowned architecture and design practice Grimshaw Architects.

### **About SG Blocks, Inc.**

SG Blocks, Inc. is a premier innovator in advancing and promoting the use of code-engineered cargo shipping containers and purpose-built modules for safe and sustainable construction. The firm offers a product that exceeds many standard building code requirements, and also supports developers, architects, builders and owners in achieving greener construction, faster execution, and stronger buildings of higher value. Each project starts with GreenSteel™, the structural core and shell of an SG Blocks building, and then customized to client specifications. For more information, visit [www.sgblocks.com](http://www.sgblocks.com).

### **About Crossroads Systems**

Crossroads Systems, Inc. (OTC Pink: CRSS) is a holding company focused on investing in businesses that promote economic vitality and community development. Crossroads’ subsidiary, Capital Plus Financial (CPF), is a certified Community Development Financial Institution (CDFI) and certified B- Corp which supports Hispanic homeownership with a long term, fixed rate single family mortgage product. [www.crossroads.com](http://www.crossroads.com)  
[www.capitalplusfin.com](http://www.capitalplusfin.com)

### **Forward-Looking Statements**

Certain statements in this press release constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While SG Blocks and Crossroads believe these forward-looking statements are reasonable, undue reliance should not be placed on

any such forward-looking statements, which are based on information available to us on the date of this release. These forward-looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in SG Blocks filings with the Securities and Exchange Commission and Crossroads' public filings. Thus, actual results could be materially different. SG Blocks and Crossroads expressly disclaim any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20180924005312/en/>

Media

Rubenstein Public Relations

Kati Bergou

Vice President

212-805-3014

[kbergou@rubensteinpr.com](mailto:kbergou@rubensteinpr.com)

or

Investor Relations

MZ North America

Chris Tyson

Managing Director

949-491-8235

[chris.tyson@mzgroup.us](mailto:chris.tyson@mzgroup.us)

Source: SG Blocks, Inc.