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NCRC Reinvestment WORKS

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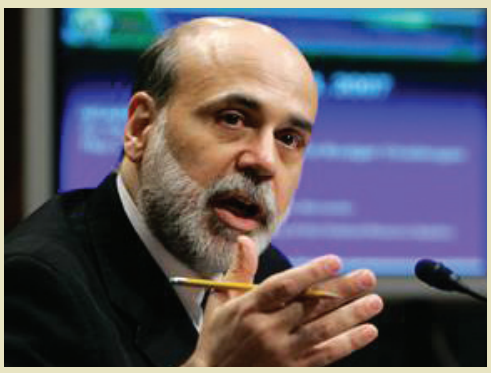
Announcing 2008 NCRC National Conference

Creating the Vision for a Fair Economy: Investing in People and Communities

NCRC's 2008 conference will feature plenary sessions, workshops and a special full-day event titled: Foreclosing on the American Dream: Recreating Sustainable Homeownership.

A wave of foreclosures is resulting in people losing their homes, negatively impacting neighborhoods and threatening our national economy. How did this happen and why? What can be done? This full-day program will feature an interactive session, a speech by Chairman Bernanke, and workshops that focus on the multiple aspects of the problem and proposed solutions.

Secure your place at this year's conference! Register today at www.ncrc.org to receive your Early-Bird Discount! For more information visit www.ncrc.org or call (202) 628-8866. ■



Featuring guest speaker Ben Bernanke, Chairman, Federal Reserve Bank

Mark Your Calendar

March 12-15, 2008
Hyatt Regency Capital Hill
Washington, D.C.

NCRC Works to Strengthen Landmark Anti-Predatory Lending Legislation

On Wednesday, October 24th, National Community Reinvestment Coalition (NCRC) President and CEO John Taylor testified before the House Committee on Financial Services on the "Mortgage Reform and Anti-Predatory Lending Act of 2007" (H.R. 3915), introduced the day before by Representative Barney Frank (D-MA), Chairman of the Committee.

"The anti-predatory lending bill that Barney Frank filed reflects the influence of many years of effort by NCRC staff, board and its members. It is the culmination of the unselfish commitment of thousands in the NCRC family to change predatory lending practices in America. Rep. Frank's bill offers both opportunities and challenges toward our goal for fairness in lending," said John Taylor.

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NCRC CEO John Taylor testifies before the House Financial Services Committee

Strong Media Interest in NCRC Perspectives on Foreclosure Issue

NCRC is enjoying increasing and sustained presence in national and international print and online media outlets. Starting with our national conference in March, and as the subprime crisis has heated up, media interest has steadily built in NCRC's work.

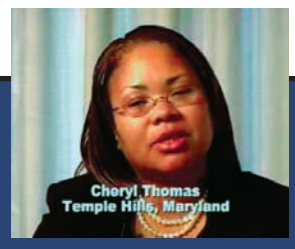
Recent NCRC research studies including "Are Banks on the Map?" and "Income is No Shield", our filings against unfair practices in the mortgage industry plus testimony given by NCRC CEO John Taylor and Executive Vice President David Berenbaum on Capitol Hill has led to interest from and coverage by media leaders such as The New York Times, Wall Street Journal, CNN, Fox and many others.

Just in the last 30 days, NCRC was featured in 208 articles in 130 print and online news outlets with a total potential audience of over 167 million people. John Taylor has appeared on Bloomberg TV three times, and Fox News and CNBC twice each in September 2007 alone.

"Our work has taken center stage in the news. Homeowners are getting hurt by predatory lenders and are losing their homes. Communities are suffering. NCRC is the group that has been warning about this crisis for years. Now it's here and we are working with the media to discuss the causes and the solutions," says Kevin Cowl, NCRC Executive Vice President. ■

Also in this issue of Reinvestment WORKS

PAGE 10 NCRC Becomes a Player in the Online Video Movement!



PAGE 11 Jackson, Tennessee CDC Builds Partnerships with Banks and Community Groups

NCRC

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NCRC Well Represented at Capitol Hill Hearings

On the same day that NCRC CEO John Taylor testified before the House Financial Services Committee on anti-predatory lending legislation, NCRC Chief Operating officer Jim Carr, and NCRC Members and Board members Hubert Van Tol of Rural Opportunities Inc. and Irvin Henderson of Henderson and Company provided testimony before the House Subcommittee on Domestic Policy of the Committee on Oversight and Government Reform about the effectiveness of the Community Reinvestment Act (CRA) and the appropriate role and extent of public participation in the CRA process.

Jim Carr's testimony highlighted that since its enactment in 1977, CRA has leveraged $4.6 trillion in credit and capital for traditionally underserved communities and increased safe and sound lending to low and moderate-income borrowers. These investments have helped to build homes, launch or expand small businesses, build important community facilities and grow the wealth of financially vulnerable families. The success of CRA has been documented in research published by a range of respected research institutions and federal agencies including the Federal Reserve Bank, Treasury Department and Harvard University to name a few. Yet, the full potential of CRA has not been realized.

Jim identified three areas of weaknesses contributing to the current shortcomings of the potential of CRA, including: regulatory enforcement has not been consistent over time or geography; regulatory oversight has not kept pace with the changing financial services marketplace; and the reach of CRA is not sufficient relative to its stated goals.

Jim then highlighted the following recommendations that if enacted, could greatly enhance the effectiveness of CRA:

- Make mandatory the inclusion of a bank's non-depository lending affiliates and subsidiaries in CRA exams. The current practice of allowing banks and thrifts to choose whether to include their non-depository affiliates on CRA exams invites the opportunity for redlining and other discriminatory practices by affiliates whose standards and behavior are

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Single Mother Saved from Financial Chaos and Costly Lawsuit

An African-American single mother of five, Carrie Washington contacted the National Homeownership Sustainability Fund (formerly the Consumer Rescue Fund) staff six months after getting into a predatory refinance with Fremont Investment and Loan. Her mortgage woes began in March 2006, when Ms. Washington's instinct told her something was fundamentally wrong with her Fremont refinance. Although she's not a mortgage expert, she spent enough time with her refinance documents during her three-day cancellation period to decide she didn't want the loan because she just couldn't afford it. Ms. Washington knew that the Fremont Mortgage would help her consolidate debt, and give her cash out, yet the loan would also come with over $15,000 in settlement charges. Not only would she have to use her equity pay off bills, but the refinance would also make her broker, lender, and title company thousands of dollars richer due to all the service and commission fees added to the loan.

Carrie Washington and her family in front of their home.

Ms. Washington read her copy of the Notice of Right to Cancel, a "no-penalty" cancellation right guaranteed by the federal Truth in Lending Act. She signed, dated, and mailed the cancellation form on the *last* day of her rescission period. Although Ms. Washington lawfully followed the "cancellation by mail" instructions spelled out on the form, Fremont Mortgage funded the loan and delayed honoring the cancellation. She was told that her cancellation came in too late, although she had verified proof that the process to "cancel" was timely, thereby leaving Ms. Washington stuck with the loan. Deeply frustrated and upset, Ms. Washington pushed her case. She made numerous calls and trips to Fremont's offices to dispute their determination. Fremont eventually reversed all the disbursements, but couldn't reverse a disbursement with her previous mortgagee, Chase Manhattan. Fremont then offered a mortgage "equitable" to the Chase mortgage, but this mortgage included fees, a prepayment penalty, and other unjustified charges. Ms. Washington refused to take this loan, and remembers being threatened with foreclosure even though Ms. Washington had lawfully cancelled her Fremont transaction.

This dispute took place for months after the cancelled refinance. It took a significant toll on Ms. Washington. In a letter to Fremont Investment and Loan, Ms. Washington described her mental distress: "I'm overwhelmed with emotional stress...my work habits and my home life have suffered...this has taken all of my energy...I feel like I can't get from underneath the cloud that is hanging over me, it's difficult to function."

Eventually, Fremont sued Ms. Washington, and Ms. Washington hired an attorney to handle her case. After unsuccessful attempts to refinance the disputed Fremont loan, Ms. Washington turned to NCRC's National Homeownership Sustainability Fund (NHSF) team for financial help. The NHSF staff's mediation efforts with Fremont allowed Ms. Washington to refinance into an affordable, fixed-rate mortgage. As a result of the refinance, Fremont and Ms. Washington dropped all legal charges. Ms. Washington is now the proud mortgagor of a $337,230 loan with a 3.09% rate and 1.05% APR.

Ms. Washington expressed her gratitude to NHSF in spiritual terms. She remarked, "[l]ittle did I know that through NCRC God's will would be done." Because of NCRC's intervention, Ms. Washington believes she received a loan "with the best possible rate and terms in today's market." She says, "God chose NCRC to be my David against my Goliath...and because of NCRC, there is hope." ■

NCRC Board and Staff Meet with Fed Chair Ben Bernanke, Senator Christopher Dodd on Summer Hill Visit Day

In August, while many people were away on their summer vacations, NCRC's Board of Directors and executive staff braved the DC heat in order to meet with key lawmakers, regulators, and top-level decision makers.

The NCRC group had "face time" with Federal Reserve Chairman, Ben Bernanke; Director of the Office of Thrift Supervision, John Reich; as well as with the Capitol Hill staffs of Senator Christopher Dodd, Chairman of the Senate Banking Committee and Representative Barney Frank, Chairman of the House Financial Services Committee.

The NCRC contingent presented an agenda of critical issues, specifically: the importance of sustaining homeownership, the necessity of Community Reinvestment Act Modernization, the need to correct oversight failures by regulatory institutions, the need for improved HMDA data collection, and the urgency for strong national anti-predatory lending legislation. ■

▲ NCRC Board member Elbert Jones (on left) and NCRC President and CEO John Taylor (on right) with Federal Reserve Chairman Ben Bernanke (center).

▲ Foreground: Michael Beresik (on left), Barney Frank's Senior Policy Director, with Jim Carr (on right), Background: NCRC Chief Operating Officer. David Berenbaum NCRC's Executive Vice President and Sylvia Lake, NCRC Vice President Legislative Affairs.

◀ NCRC Board Members Bethany Sanchez (on left) and Stella Adams (on right) meet with Federal Reserve Chairman, Ben Bernanke.

▼ Lee Beaulac (on left), Chairman of NCRC's Board of Directors, with John Reich (on right), Director of the Office of Thrift Supervision.

▶ NCRC Board Members prepare to meet John Reich, Director of the Office of Thrift Supervision. In the foreground (center of picture) NCRC Board Members Rashmi Rangan and Matt Lee share a lighter moment before the serious meeting begins.

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LEED Council

Testimony Builds Momentum On Capitol Hill

Prompt Action On Anti-Predatory Lending Legislation Offered By Congressman Barney Frank

During the past six months NCRC has been very active *and visible* on Capitol Hill meeting with members of Congress and their staffs on the merits of a comprehensive bill and testifying before more committee hearings than in any previous session of Congress.

- In March, NCRC Vice President of Research and Policy, Josh Silver, testified before the *Subcommittee on Financial Institutions and Consumer Credit*; the hearing was entitled "Subprime and Predatory Mortgage Lending: New Regulatory Guidance, Current Market Conditions and Effects on Regulated Financial Institutions."
- In April, NCRC Executive Vice President David Berenbaum testified before the *House Financial Services Committee* on the "Possible Responses to Rising Mortgage Foreclosures." Before a full committee hearing that included Chairman Barney Frank, Mr. Berenbaum recommended a 60-90 day stay in foreclosure proceedings. NCRC referenced its February letter to the Administration and Congressional leaders to retool FHA so that families forced into default and foreclosure due to "exotic" loans could refinance their loans.
- NCRC's call for a National Homeownership Sustainability Fund (formerly known as Consumer Rescue Fund) got Congress's attention as some members such as Senator Reed offered legislation like the *Homeownership Preservation Enforcement Act (S 1123 – Reed –RI)* and also requested appropriations for non-profit counseling and loss — mitigation for borrowers at risk. NCRC President and CEO John Taylor pointed out at the hearing, "Tougher federal consumer laws and a national rescue fund are not meant as a bail-out for the lenders...rather, FHA can play a critical role by helping borrowers; passing this legislation not only protects borrowers, but also contributes to the nation's overall economy."
- In May, NCRC submitted comment to the Federal Reserve Board asserting the need to implement stronger protections against abusive practices under HOEPA's *unfair and deceptive practices standard*. To bolster its argument, NCRC reminded the Federal Reserve that the bank regulatory agencies estimated close to 2 million families faced risk defaulting when ARMs reset this year and into 2008.
- In June, NCRC testified before Senator Schumer's subcommittee on *Housing, Transportation, and Community Development*. His committee investigated the types of abuses in the mortgage origination process and also suggested solutions such as the Senator Schumer's Borrower's Protection Act of 2007 that would protect consumers. At the hearing, David Berenbaum, EVP of NCRC said that, "Mere principals and good faith are not enough to prevent another mortgage crisis; we need legislation." NCRC strongly suggested that Chairman Dodd, Chair of the Senate Banking Committee, bring the *Borrower's Protection Act of 2007*, a substantive *anti-predatory lending bill*, before the full Senate Banking Committee for discussion and a vote. Such a bill would curb predatory practices such as broker steering and pricing discrimination; the bill also included an appropriation request for a $300 million fund that could assist non-profits like NCRC's National Homeownership Sustainability Fund to provide counseling and refinancing of borrowers at risk of foreclosure.
- Action on behalf of anti-predatory legislation continued in July with NCRC's coordinated outreach titled "The Home Campaign" directed by Sylvia Lake, NCRC's Vice President of Legislative Regulatory Affairs. She assembled a cross-functional team of NCRC Communications, Membership, and Research staff to capitalize on the momentum NCRC's testimonies generated on the Hill for passage of a substantive anti-predatory lending bill. Thanks to the members' involvement, the outreach campaign delivered a strong message to Congress by citing the need for comprehensive anti-predatory lending legislation. To date a number of bills have been introduced in both houses of Congress; staff and members of NCRC will continue to play a crucial role in developing the framework for such a bill.
- Some of the actions members took that brought more attention to the HOME Campaign included: sending letters to Senator Dodd in his capacity as Chair of the Senate Banking Committee, as well as to their Senators and Congressional representatives in Washington, calling on them for passage of effective national anti-predatory lending legislation; forwarding NCRC legislative alerts to their staff, community allies, individual coalition members and clients; discussing the need for national anti-predatory lending law in face-to-face meetings with elected officials; and submitting op ed pieces to local newspapers.
- Staying "virtually" connected to its members, in July NCRC conducted its first legislative regulatory webinar that disclosed the findings of its NCRC "Income is No Shield" research report. This report, also cited by NCRC President and CEO John Taylor in late July before the *House Oversight and Investigations subcommittee*, chaired by Congressman Mel Watt (D-NC), suggests that there is a need for enhanced HMDA data analysis so that discriminatory lending practices can be rooted out. (see accompanying article on page 8 in this issue of *Reinvestment Works*)
- In August during the Congressional summer recess, NCRC learned that Congressman Barney Frank (D-MA) made a commitment to introduce a national anti-predatory lending bill — this is the same bill he touted at the NCRC national conference in March.

MEMBER LEGISLATIVE HIGHLIGHTS

❑ The Presidential campaign trail offers the perfect opportunity to engage with candidates on the issue of predatory lending. Shelley Sheehy of NCRC member organization *River Cities Development Services* in Iowa took full advantage of this opportunity by attending two events in Iowa with Senator Chris Dodd (who is not only a Democratic presidential candidate, but is also Chair of the Senate Banking Committee) where she staunchly promoted the need for strong national anti-predatory lending legislation.

❑ Member groups such as: *Neighbors Helping Neighbors* in New York, the *Florida Housing Coalition*, the *Western New York Law Center, Inc.*, the *Housing Network of Rhode Island, New York State Rural Advocates*, and the *American Friends Service Committee* in New Hampshire were on the front lines of legislative outreach by forwarding NCRC's anti-predatory lending information to their allies; their efforts helped generate additional support for the enactment of a national anti-predatory statute.

❑ NCRC Board members and member organizations such as the *Birmingham Business Development Initiative* in Alabama, the *Community Reinvestment Association of North Carolina*, *United Neighborhood Centers of Northeastern Pennsylvania*, the *Housing Network of Rhode Island*, *Nehemiah Community Reinvestment Fund* in California, and the *Spanish Coalition for Housing* in Illinois sent letters to their respective state Senators in Washington, as well as to Senator Chris Dodd (Chair of the Senate Banking Committee), calling on them to pass a strong national law to end predatory lending. Member participation in the letter-writing campaign was facilitated by NCRC's e-advocacy tool *Democracy In Action*.

❑ Some members were involved in promoting legislation to stop predatory lending at the *state* level. For instance, the *Louisiana Community Reinvestment Coalition* utilized data, prepared by NCRC's Research Department, on high cost lending patterns in the Baton Rouge area. Meeting with a number of state officials, they emphasized the need for anti-predatory lending legislation. More member legislative action: Staff from *Westchester Residential Opportunities, Inc.* testified at a hearing on proposed subprime lending legislation in New York; *Coastal Enterprises, Inc.* (CEI) played a major leading role in securing passage of a new anti-predatory lending law in Maine.

❑ NCRC members have also worked for tougher federal laws by regulatory agencies to protect consumers against *abusive* lending practices. At a meeting with the Federal Reserve in Washington, NCRC Board member Stella Adams and a couple of member organizations, the *Neighorhood Economic Development Advocacy Project* based in New York, and the *Enterprise Corporation of the Delta, Inc.* based in Mississippi, urged regulators to tighten the regulations governing subprime lending. ■

Maine Legislature Passes Model Anti-Predatory Lending Law

Legislators in Maine sent a strong bipartisan message: no more predatory lending in our state. With unanimous support from both Maine's House and Senate, Governor John Baldacci signed a new law on June 11, 2007, at the bill-signing ceremony with over 30 coalition members and bipartisan legislators. "This legislation will give Maine families more responsible and affordable sub-prime mortgages," said Ron Phillips, CEO of Coastal Enterprises, Inc. (CEI), the Maine-based community development corporation and community development financial institution, and member of Opportunity Finance Network. "It took us two and one-half years of policy research, organizing and advocacy to ensure a strong bill was passed," Phillips noted.

"With the rampant foreclosures in the subprime market, policy leaders and responsible lenders in Maine understood the pressing need to act," said Carla Dickstein, Senior Vice President at CEI. Dickstein, Hannah Thomas (formerly at CEI), and Uriah King of the Center for Responsible Lending in Durham, North Carolina, co-authored a study in 2006, *Predatory Mortgages in Maine*, which documented predatory lending abuses in Maine, that led to the legislation. According to King, "This law includes some of the strongest protections in the country, including common-sense ways to reduce broker abuses and destructive serial refinancing."

The new law passed with strong leadership from Speaker Glenn Cummings (D) and Senator Dana Dow (R), includes the following key provisions:

- Lenders must evaluate a borrower's ability to repay subprime loans or loans with interest-only or negative amortization terms, and verify a borrower's income in making these loans.
- Mortgage brokers must act in "good faith and with fair dealing" in any transaction or course of business in brokering or making a mortgage loan. They must recommend mortgages that make sense for the borrower.
- Borrowers who refinance must receive a net tangible benefit in order to prevent lenders from flipping loans and extracting excessive fees.
- High-cost loans that have points and fees over five percent of the mortgage have strong consumer protections. For example, lenders are prohibited from financing points and fees in these loans — a practice that makes it easy to strip equity from homeowners while hiding the true cost of the loan.

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Interview with NCRC's New Chief Operating Officer Jim Carr

Jim Carr joined NCRC in July 2007 as Chief Operating Officer. Since then he has been implementing NCRC's strategic plan and managing day-to-day operations. *Reinvestment Works* recently caught up with him to get his thoughts on a number of topics. Below, he shares his vision and ideas for NCRC:

Why is economic mobility so important to you?

Artificial barriers and impediments to economic mobility are important to me because they undermine an individual's capacity to achieve their full potential as contributing members of society. By extension, they undermine the potential of families and entire communities to achieve their full potential — to be vibrant, healthy and secure.

What new initiatives are you planning to implement in your first year with NCRC?

My goal is not to create lots of new initiatives but rather to help NCRC achieve greater success with its core initiatives and signature programs. NCRC has a comprehensive set of activities that make it unique within the housing and community development arena — ranging from research to policy to practice. I hope to strengthen the connections between our diverse activities, improve the delivery of our services, better measure our successes, and achieve a greater level of recognition for our work.

I imagine you had a number of job offers to choose from, why did you select NCRC? What do you like/admire about NCRC?

NCRC's unique set of activities and resources has the potential to achieve unparalleled improvements in the living conditions of the nation's working families and most financially marginal households. Its large and politically active member base, comprehensive and detailed knowledge of the issues that stifle and limit economic opportunity and mobility, and its experience working with policy makers on Capital Hill, make it a unique and attractive institution with which to work.

What impact do you think NCRC has had on the financial industry, specifically in banking, mortgage lending, etc. Are there any areas that are not being addressed at this time?

Maintaining a national focus on the value and benefits of CRA is arguably to date, NCRC's most significant single contribution to the field of community development. Having said that, its insightful research, fair housing work, small business initiatives, and most recently its homeownership sustainability fund for individuals facing foreclosure are also key initiatives about which NCRC can be proud.

Among other non-profit member organizations that work for particular rights and constituencies, how does NCRC rank in terms of its leadership, education and collaboration?

Its difficult to compare NCRC directly to other non-profits because of our unique membership structure and diverse set of programs. Its probably more useful to think of us as an institution that compliments and leverages well with what others are doing in the field.

If you had unlimited funds, what programs would you like NCRC to undertake? Why?

Given the current foreclosure debacle, I would do precisely what NCRC is currently attempting to achieve: Create a substantial fund (homeownership sustainability fund) to assist working families who are at risk of losing their home, as a result of unfair and deceptive subprime mortgage lending practices to sustain their homes. I would also invest in a public policy campaign to encourage the implementation of federal financial consumer protections to ensure the purging of unfair and deceptive mortgage lending practices from the markets so that this situation does not reoccur in the future.

Where do you see NCRC headed in the next five years?

In five years, I would like to see a greatly enhanced appreciation for the work of NCRC by both our traditional supporters, as well as by institutions and individuals who may not even know of us today. Our core focus — economically empowering families and communities — is of importance not only to those who directly benefit from our efforts — but also to the nation as a whole. Finding a way to demonstrate the interconnectedness between improving economic mobility for struggling families and communities and enhancing economic growth and opportunities for all Americans, is a heavy lift. But its achievable and necessary, and NCRC is up to the challenge. ■

NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

2007 Regional Conference

Economic Fairness and Mobility: Promoting Opportunities for Building Wealth

August 21-22, 2007 • Radisson Quad City Plaza, Davenport, Iowa

NCRC 2007 Regional Conference Highlights

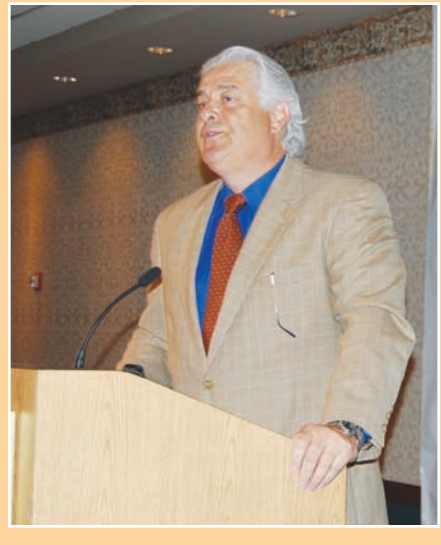
Economic Fairness and Mobility: Promoting Opportunities for Building Wealth

August 21-22, Davenport, Iowa

NCRC held its 2007 Regional Conference in Davenport, Iowa this August. More than 150 leaders from all over the midwest attended this special 2-day event that featured trainings, workshops, an interactive discussion session, a community development tour and speakers such as Iowa Congressman Bruce Braley and former Iowa Governor Tom Vilsack.

Focusing on current banking, rural development and mortgage financing issues, the conference offered trainings and dialogue designed for today's community development professionals and member-based coalitions.

Leading national experts, elected officials and community leaders joined together in workshops on agricultural business development, alternative energy opportunities, capitalization strategies for rural enterprise development, small city reinvestment and more. The conference also highlighted the current, larger national discussion around foreclosures and predatory lending. Panels featured leading national experts as well as regional and local



people and organizations active in community redevelopment and reinvestment.

The closing plenary focused on rural capital and credit issues and audience members and panelists identified areas of collaboration, potential impacts and opportunities for working together in the future.

Looking Ahead

On March 12-15, 2008, NCRC will host its next annual conference in Washington, D.C. This year's theme will be Creating the Vision for a Fair Economy: Investing in People and Communities. The second day will feature a whole program focused on the foreclosure problem titled: Foreclosing on the American Dream: Recreating Sustainable Homeownership. A number of high-profile guests will join us at the conference, including Federal Reserve Chair Ben Bernanke.

Look in Reinvestment Works, our Web site www.ncrc.org and in your e-mail box for updates, registration information and conference news. ■

HMDA Data Reveals Continuing Lending Disparities
NCRC Proposes Solutions

In late summer 2007, NCRC President and CEO John Taylor, testified before the Oversight and Investigations Subcommittee of the House Financial Services Committee regarding the relationship between fair lending enforcement and publicly available data. The topic of the hearing was 'Rooting out Discrimination in Mortgage Lending: Using HMDA as a Tool for Fair Lending Enforcement.' The Home Mortgage Disclosure Act (HMDA) data is a powerful tool in detecting discrimination in mortgage lending, vital for enforcement activities of the federal regulatory agencies and fair lending investigations carried out by nonprofit community-based organizations. Alarming lending disparities to minorities despite income level have contributed to the troubling trends in foreclosures (see accompanying story about NCRC's study), illustrating the need for more information in HMDA data.

Representative Mel Watt (D-NC), Chairman of the Oversight and Investigations Subcommittee, highlighted the need for more HMDA information, saying 'Obviously, we are distressed at the findings in 2007. At this point in our history, there appears to be ongoing evidence of disparate pricing, if not overt discrimination in the lending process.' Other subcommittee members echoed those sentiments of utilizing HMDA to a greater degree in eliminating discriminatory and predatory lending. Regulators need to pay more attention to the problems in subprime mortgage market and disparities in that type of lending, as Congresswoman Carolyn McCarthy (D-NY) stated, "...all the warnings were there...and we didn't react fast enough."

Markets work best when information on prices and treatment of consumers is clear and transparent. By shinning a public spotlight on financial institutions' lending activities, HMDA data has reduced the amount of discrimination and abuse in the marketplace. Yet, as powerful as HMDA data has been in the efforts to stop discrimination, the full potential of HMDA has not yet been realized because key elements remain missing from the data. For example, because HMDA data does not allow for the observation of fee gouging or other dangerous practices, unscrupulous lenders can continue to take advantage of financially vulnerable consumers. Until HMDA data includes more key underwriting variables and loan terms and conditions, the abusive parts of the industry will be one step ahead of the general public in inventing new methods for deceptive and usurious lending.

NCRC's John Taylor also pointed out that current federal fair lending enforcement is inadequate to protect the interests of working families and minority households. In 2005 and 2006, the Federal Reserve Board used the new pricing information in HMDA data and referred about 470 lenders to their primary regulatory agencies for possible civil rights violations. Yet there is not one discrimination settlement by the Department of Justice to date. In contrast, when the HMDA data was not as detailed, the Department of Justice in the 1990's settled about a dozen cases alleging discrimination with major lenders including Long Beach Mortgage and Huntington.

The subcommittee hearing had two panels testifying, consisting of trade associations and consumer groups, industry and regulatory officials. "The thing we hoped for most out of this committee hearing is really an expansion of the information that banks report about their lending practices," says Taylor. NCRC expressed the need for HMDA to include more key underwriting variables, such as: fee and pricing information on all loans (not just high cost), creditworthiness of borrowers, and age of borrowers. Congressman Watt reiterated NCRC's position of extending HMDA data elements, saying 'One thing I think is absolutely necessary is for the Fed to expand the data collection fields.'

Other recommendations NCRC put forth at the Oversight and Investigations hearing include providing additional support for fair housing agencies, including doubling their current funding levels; conducting regular public hearings for merger applications, and modernizing key components of the Community Reinvestment Act. Regulatory enforcement also needs to improve dramatically. If NCRC's recommendations for improving HMDA data are implemented, this would lift the veil even further on discriminatory and predatory mortgage lending.

For more information, please contact NCRC's Research Department at (202) 628-8866. ■

NCRC Well Represented at Capitol Hill Hearings *continued from p. 2*

not consistent with those of its CRA-regulated parent.

- Reform bank examination assessment area procedures so that the majority of a bank's loans are included in its CRA exams. Often the majority of a bank's business occurs outside of its examination area. Failure to capture that activity greatly diminishes the significance of CRA assessments.
- Require regulatory agencies to provide detailed descriptions of fair lending reviews conducted as part of CRA exams. Currently, fair lending reviews are presented publicly in a cursory manner, often a few sentences, in a manner that does not inform the public of what specific tests or procedures were used to reach a finding.
- Require that regulators give banks failing CRA performance reviews when fair lending reviews uncover widespread discrimination at those institutions. The current practice of offering passing grades in return for promises to improve fair lending performance undermines the significance of fair lending reviews.
- Require CRA exams to examine lending and services to minority borrowers and communities. Minority families and communities are disproportionately disconnected from the banking system and are disproportionately the focus of high cost as well as unfair and deceptive practices in the financial markets. Acknowledging this reality more consistently through CRA regulation would greatly enhance the law's effectiveness.
- Require that regulatory agencies hold hearings upon request by community representatives, to address major bank business decisions or changes such as mergers and acquisitions. Public hearings are one of, if not the most important engagement tool, for CRA enforcement and failure to hold them unnecessarily limits the effectiveness of CRA.
- Require all banks and thrifts to submit CRA small business loan data indicating race, gender, and location of the borrower. The extent to which small business loans are offered by race and ethnicity would be an additional key measurement tool for CRA.

Hubert Van Tol, NCRC Board member and Director of Economic Justice at Rural Opportunities Inc. also testified that day and conveyed his concerns about CRA. He encouraged the Subcommittee to look carefully at CRA and that significant reform of this vitally important law is necessary in order to keep discrimination in lending in check and to make sure that all communities, urban and rural, are fairly served by America's lenders. You can read the full testimonies on NCRC's webpage: www.ncrc.org

Looking forward NCRC sees the opportunity to improve CRA – to enable it to encourage and challenge banks to better learn and serve the financial services needs of all communities.

Many of the ideas NCRC recommended at the hearing are included in The CRA Modernization Act of 2007 (H.R. 1289) and NCRC encourages its passage. Improving access to the financial mainstream is important to the families and businesses, the communities in which they reside or operate, and the nation as a whole. ■

Racial Lending Differences Grow as Income Increases: NCRC Calls for National Bill

NCRC released its *Income is No Shield Against Racial Differences in Lending: A Comparison of High-Cost Lending in America's Metropolitan Areas* report this summer and communities across the nation are taking notice and taking action.

The report studied every major metropolitan area in the country. It found that in many places, minorities are more likely to receive poorly underwritten, high-cost loans than whites. Furthermore, these racial disparities actually *worsen* when income increases. NCRC's study shows that the danger of foreclosure, which is a risk for some 2 million Americans with adjustable rate mortgages, is even greater for minorities.

Out of the metropolitan areas examined, the study found that in a stark 167 areas middle- and upper-income (MUI) African-Americans are at least twice as likely to receive high-cost loans as MUI whites. However, low- and moderate-income (LMI) African-Americans were twice or more likely than LMI whites to receive high-cost loans in only 70 metropolitan areas, as the first bar graph shows. The three additional bar graphs show which metropolitan areas experienced the worst disparities for African-Americans, Hispanics, and Asians.

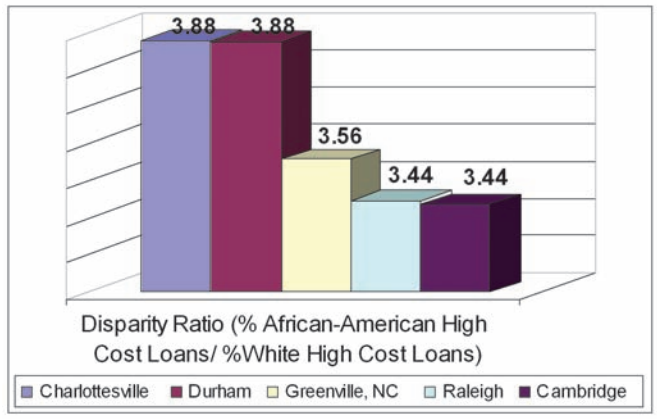
This report has opened the eyes of many people across the country, from a Charleston, SC state senator holding a townhall meeting to NCRC's Stella Adams and John Taylor's interview on local TV in Raleigh, NC. Reactions have varied, including the Omaha World editorializing about the seriousness of the disparities. Whether the reaction is positive or skeptical, getting the word out about high-cost lending disparities is helping generate momentum for a national bill against predatory lending and steering.

NCRC is urging Congress to pass critical legislation needed to protect consumers. NCRC supports Senator Schumer's Borrower's Protection Act of 2007 (or S. 1299) and Representative Ellison's Fairness for Homeowners Act of 2007 (H.R. 3081). This anti-predatory lending legislation would require sound underwriting based on borrowers' ability to pay and would prevent lenders from steering minorities and other protected classes to high-cost loans when they qualify for market-rate loans. NCRC also calls on Congress to pass the CRA Modernization Act of 2007, which would apply the Community Reinvestment Act to non-bank lending institutions. CRA, as applied to banks, has been shown to increase market-rate lending and increase product choice in minority and working class communities.

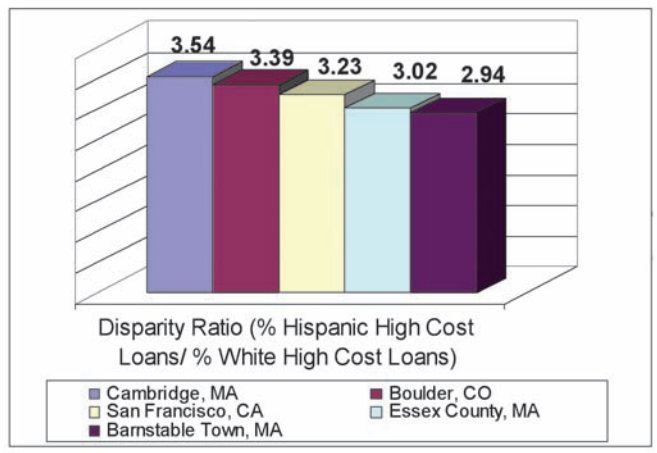
Finally, NCRC is in the midst of presenting its data analysis across the country, as a means of mobilizing community organizations to advocate for a national anti-predatory lending bill. NCRC staff discussed data analysis and anti-predatory legislation at a well-attended conference sponsored by the Housing Development Fund in Bridgeport, CT. Additional speaking engagements in the next few weeks for NCRC staff and board members include Davenport, Iowa; Upstate New York; Danbury, Connecticut; San Diego, California; and other locations.

For more information about NCRC's data analysis and report, please contact NCRC's Research Department at (202) 628-8866. ■

The Five Worst Metro Areas Where African-Americans Are More Likely To Receive High-Cost Loans Than Whites



The Five Worst Metro Areas Where Hispanics Are More Likely To Receive High-Cost Loans Than Whites



Rural Opportunities Receives Two New Grants

NCRC member Rural Opportunities Inc. (ROI) recently received two grants to launch a new Resident Ownership in Manufactured Housing program. Fannie Mae awarded $50,000 to match $50,000 from the Innovations in Manufactured Housing (I'M HOME) program administered by CFED. ROI will hire a technical assistance manager to conduct outreach and provide training to groups of manufactured housing (MH) park residents who wish to form a co-op and collectively buy their park from a private owner and improve the park infrastructure. Creating resident-controlled MH communities is a key strategy to preserve and expand affordable housing in rural areas. Long-term program goals include asset building for low income families through home appreciation, improvement of the MH housing stock and true homeownership for MH park residents. ROI has also been selected as one of 8 regional Certified Technical Assistance Providers by ROC USA, a NeighborWorks®-supported national intermediary spun off from the New Hampshire Community Loan Fund providing high quality training and flexible capital to take MH parks co-op conversion to scale. ROI, through it's subsidiary Housing Opportunities, has completed 3 MH co-op conversions over the past 15 years but seeks to boost production to 5 completed co-ops per year.

For more info, contact John Wiltse, jwiltse@ruralinc.org; (585) 340-3346. ■

Reinvestment Works Wants To Hear From You!

NCRC wants to hear from YOU, our members, about coalition news and events in your community. Our next issue of *Reinvestment Works* will be published in January 2008 and we are going to feature our members' stories with pictures and feature articles.

Send us your ideas, articles, and pictures at: membership@ncrc.org, Subject line: *Reinvestment Works,* Winter '08 issue. ■

Focus On Minority Business

Federal Agency Heaps Praise on D.C. Minority Business Center

The District of Columbia Minority Business Enterprise Center (DCMBEC), operated by NCRC, is a Washington DC-based agency that provides consulting and advisory services designed to promote and develop minority-owned businesses in the Washington area. DCMBEC has been lauded again by its federal funder, the U.S. Department of Commerce's Minority Business Development Agency (MBDA). At its annual conference in Phoenix this summer, MBDA acclaimed DCMBEC as the best performing regional center in the northeast region. DCMBEC also proceeded to get recognition as one of the top three (out of 44) centers in the nation for its track record of high performance in serving minority-owned companies.

Wachovia Foundation Grant Enables DCMBEC to Expand Services

In July 2006 the Wachovia Foundation granted NCRC substantial funding over a three-year period to support its Minority Business Enterprise Center. Wachovia officials were especially interested in helping the Center increase access to capital for its minority business clients in the National Capital Region.

Over the first year of the Wachovia Foundation grant, NCRC exceeded most of the *quantitative performance objectives* laid out in its proposal by:

- providing direct, in-depth assistance to 44 companies;
- delivering practical business training to 298 minority entrepreneurs;
- establishing strategic working relationships with federal and local government agencies and private corporations;
- facilitating over $9 million in financial transactions (loans and bond financing) for its clients;
- helping MBEs secure contracts worth over $25 million; and
- assisting MBEs in creating 226 jobs.

Looking back at the first year of this grant, NCRC and the DCMBEC are pleased to note other *significant accomplishments*:

With the support of the Wachovia Foundation, the DCMBEC hired Allison DeFoe as Director of Finance. Ms. DeFoe brings extensive experience in financial management from her years with Smoot Construction Company, one of the largest minority-owned construction firms in the country. Her specialized expertise in arranging bonding for minority firms, as well as helping subcontractors meet timely completion and reporting requirements, has brought tremendous value to the Center's clients.

Ms. DeFoe is responsible for oversight and development of DCMBEC clients' financial management skills.

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NCRC Becomes a Player in the Online Video Movement!

NCRC is now showing its videos on the Fair Lending YouTube channel. Viewers can rate the NCRC videos, e-mail them to friends, or leave comments about the videos.

Current videos you can view include:

- Footage of NCRC's President & CEO John Taylor and Executive Vice President David Berenbaum reporting on their testimony on Capitol Hill.
- Sylvia Lake, Vice President of Legislative Regulatory Affairs, interviewing Representative Melvin Watt (D-NC, 12th District), Chairman of the House Financial Services Subcommittee
- NCRC's submission to YouTube/CNN from the YouTube/CNN sponsored Democratic debate in July. The video features Cheryl Thomas, a Maryland resident, trying to save her home from foreclosure. She is enrolled in NCRC's National Homeownership Sustainability Fund (NHSF).

Take a look at the new NCRC YouTube Channel at www.youtube.com/fairlending to see NCRC and its members in action. Spread the word! ■

(Above left) Cheryl Thomas, a Maryland resident, enlisted help from NCRC's National Homeownership Sustainability Fund to save her home from foreclosure. In the video she asks the Democratic presidential candidates what they are going to do to rein in unscrupulous mortgage brokers. (Right) After testifying before the House *Oversight and Investigations Subcommittee of the Financial Services Committee* on Capitol Hill, NCRC CEO John Taylor gives a report to members via YouTube.

Maine Legislature Passes Model Anti-Predatory Lending Law

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- Creditors subject to state regulation who violate provisions enacted in the bill are subject to monetary penalties and enforcement by the State's Office of Consumer Credit Regulation as well as the Attorney General. Borrowers also have the right to bring a private court action against creditors for violations and to recover statutory, actual and in some cases punitive damages.

Key groups supporting the law included the state's banks, credit unions, AARP, Maine's Community Action Programs, the Maine Council of Churches, NAACP of Portland/Bangor, and Four Directions Development Corporation, and over thirty additional grassroots, business and advocacy organizations and responsible mortgage brokers.

Maine is one of more than two dozen states that have taken specific action to provide stronger protections to homeowners. The federal law designed to address predatory lending has not been substantially updated since it was passed in 1994, though both the Federal Reserve Board and Congress have recently held hearings related to the foreclosure crisis in the subprime market, and both bodies are contemplating stronger protections.

For more information on the research study and contents of the bill, go to CEI's Web site: www.ceimaine.org. ■

Jackson, Tennessee CDC Builds Partnerships with Banks and Community Groups

Seeds Economic Programs in Low and Moderate Income Communities

NCRC member, *Promise Seed CDC, Inc.* is a non-profit tax-exempt (501-C-3) community development corporation located in Jackson, Tennessee. Over the last three years, *Promise Seed* has worked with national groups such as NCRC to increase CRA awareness and participation with residents in community action involving questionable bank mergers. *Promise Seed* also partners with FDIC to further financial literacy and conducts financial workshops and forums with the local Chamber of Commerce and the Federal Reserve.

Additionally, *Promise Seed* is seeking to become the *first* Certified Community Development Institution in the Jackson, TN community. Certification is administered through the US Treasury's CDFI Fund. As a CDFI, *Promise Seed CDC* will provide micro lending for mostly low income minority women in Madison, Chester, and Crockett counties of rural west Tennessee.

For the past two years, *Promise Seed* has been seeking to partner with investors to participate in the CDFI program for New Market Tax Credits. Under this program, investors receive 39% tax credit for investments (loans or grants), for qualified active low income community businesses. As a nonprofit Certified Development Entity, *Promise Seed* is eligible to receive the tax credits in partnership with investors that commit to a financial match equal to the amount of tax credits applied for. Most tax credits to date have been used for expensive commercial real estate deals. *Promise Seed* would like to develop a small shopping center in a low income census tract of downtown Jackson, TN.

Spring 2007 Forum: Increasing Access to Community Development Financing

(Photo right) Left to right: Hazel Chism, *Promise Seed* Founder; Andy Culbreath, Area President For First TN Bank and IDA Partner, Federal Reserve Bank of St. Louis (Memphis Branch) Staff Secretary; and Michael O. Minor, Community Affairs Officer with the Federal Reserve Bank of St. Louis (Memphis Branch).

Interested investors should contact founder and Executive Director Hazel Chism at hazelchism@bellsouth.net to be considered in the next cycle of applications.

Promise Seed Financial Literacy Workshops Get Results

Promise Seed currently provides Financial Literacy Workshops and encourage participants to open Individual Development Accounts, to build equity savings for asset development such as a startup business, home, or job training. First TN bank is our facilitator in this project and has contributed financially to its startup.

Contact *Promise Seed!*

Promise Seed CDC encourages anyone interested in the Community*Express* Loan program, starting an IDA account, or to receive free financial literacy training to contact us at **(731) 424-6915** or go to our Web site at www.promiseseedcdc.org.

Promise Seed will partner with your bank, a qualified active low income community business, or non-profit organization to increase your service to low income clients that provides more enhanced traditional and innovative financing in under-served communities.

Give us a call at **(731) 424-6915** today!

In March 2007, after a long struggle to expose disproportionate lending in low income areas of the Jackson, TN MSA by Regions and AmSouth Banks, *Promise Seed* engaged the Federal Reserve Bank of St. Louis (Memphis Branch) to come to Jackson and educate our community about CRA, new incentives for banks, and private equity investors. Michael O. Minor, Senior Community Affairs Officer with the Federal Reserve Bank of St. Louis (Memphis Branch) gave a presentation entitled *"Why is Community Development Financing Important."* Jeff Higgs of Lemoyne Owen College CDC (Memphis) spoke about what kind of resources must exist before financing, that has an impact on low income areas,

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NCRC Works to Strengthen Landmark Anti-Predatory Lending Legislation

continued from p. 1

The bill will reform mortgage practices by establishing a federal duty of care, prohibiting steering, and calling for licensing and registration of mortgage originators, including brokers and bank loan officers. The new legislation will also set a minimum standard for all mortgages and states that borrowers must have a reasonable ability to repay. Plus, it attaches limited liability to secondary market securitizers who package and sell interest in home mortgage loans outside of these standards. Finally, the bill expands and enhances consumer protections for "high-cost loans" under the Home Ownership and Equity Protection Act and includes important protections for renters of foreclosed homes.

Over the last few weeks NCRC has been engaged in discussions with the Chairman and his staff on the specifics of this bill, ensuring that crucial provisions were

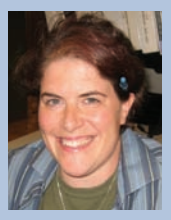
included. However, NCRC feels this bill must go further to protect borrowers and urges the sponsors of the bill to strengthen the bill's language to include assignee liability as well as more clear delineation of civil and regulatory enforcement procedures on a number of issues to ensure augmented public and private sector compliance, remedies and transparency.

NCRC asks its members and friends to join in our call for Rep. Frank and members of the Committee to strengthen the bill. Write your Representative today. It's easy. Visit our website at www.ncrc.org, and look for the "ACT NOW" icon. You will be directed to our Democracy in Action page where you can read an analysis of the bill and send a letter directly to your Representative, just by filling in your contact information.

NCRC will keep its members informed as to the status of the bill as it heads toward a vote in the House and action in the Senate. Visit our website at www.ncrc.org for the latest developments. ■

New Staff in NCRC

NCRC has undergone some significant growth over the past few months. We would like to introduce you to our new staff:



Lita Dunn Grossman is our first Member Organizing/Advocacy Associate. This newly-created position helps NCRC's organizing efforts with its current members, and provides outreach and tactical support to current and prospective members as well. Most recently, Lita was the General Manager of the Human Rights Campaign Action Center here in D.C. Previously, she was the Coordinator of Program Development at United Neighborhood Centers of Lackawanna County, PA and was Co-administrator of the Interfaith Resource Center for Peace and Justice in Wilkes Barre, PA. In 2003 she co-founded and directed "The Center for Creative Cooperation" in Scranton, PA, a progressive non-profit geared toward community development and coalition building.

Jonathan Myer Goldstein, Coordinator of New Media, has worked at the intersection of media, technology, education, and advocacy since 1999. After completing a masters degree fellowship at the Interactive Telecommunications Program at Tisch School of the Arts at New York University, Jonathan has kept very busy: he founded and led a ground-breaking media production program with Bronx high school students, produced man-on-the street interviews for iVillage.com, and was an active catalyst and participant in the early videoblogging movement in New York City.

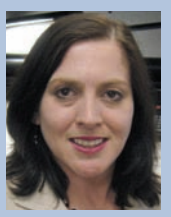
In July 2007, he became NCRC's Coordinator of New Media. In this role Jonathan enables the technology for NCRC to engage in media-based conversations to get their messages out about their fair lending initiatives via the web, mobile technology, and social media sites.

Lyonel LaGrone, Jr., Fair Lending Specialist in the Civil Rights Department, joined NCRC in May 2007. He manages national fair lending enforcement and compliance testing projects that are designed to detect the presence of illegal discrimination in our nations financial institutions.

Lyonel brings a wealth of local and national civil rights and fair housing/fair lending experience to NCRC from previous positions. He managed the Fair Housing Department in the Montgomery County Office of Human Rights (Rockville, MD); and the Fair Housing Council of Greater Washington, a program of the Equal Rights Center (Washington, D.C.). In 2003, while at the Office of Human Rights, he designed a Fair Housing Testing Program for the Montgomery County Office of Human Rights that gained national recognition and earned him and his department the prestigious National Association of Counties Award (NACO) for "Civic Responsibility." Lyonel has also been a consultant to many non-profit housing agencies across the United States.

He was chairman of the Housing and Economic Development Committee for the Washington, D.C. branch of the NAACP. He is also an educator: he taught a Fair Housing course for the Social Action and Leadership School for Activists (SALSA).

Lyonel earned a B.A. degree in Social Science from Aquinas College (Grand Rapids, MI); and an M.B.A. from Strayer University (Washington, D.C.).



Jamie Wolf, Senior Research Analyst in the Research and Policy Department, joined NCRC in July 2007. She helps develop and lead NCRC research reports and brings extensive research and quantitative skills to her position. She comes to NCRC from her last position of Statistician/Demographer at the U.S. Census Bureau.

Jamie has a bachelor's degree in Sociology and Political Science from the University of Texas at Austin and a Master of Business Administration degree, with concentration in Public Administration, from St. Edwards University (Austin,TX). Her main areas of research include urban sociology, residential segregation, and social stratification. She completed master's coursework in Sociology and Demography at North Carolina State University and at University of North Carolina-Chapel Hill. In the near future. she will be pursuing a PhD in Public Policy in the D.C. area.

Kate Davidoff, Special Assistant to Jim Carr, NCRC's Chief Operating Officer, joined NCRC in August 2007. She will be working closely with Mr. Carr on strategic planning and assist in research on policy and practice related to fair housing and lending. She has a strong interest in the interaction between individuals and housing on the overall community.

She recently graduated from the University of Michigan's Masters of Urban Planning program where she focused on housing, community and economic development. While at Michigan, she worked on a federal grant program that provided economic assistance to communities affected by the changing automobile industry in Michigan, Indiana, and Ohio. Kate also worked at the Ann Arbor Downtown Development Authority, helping to promote economic development in the town of Ann Arbor.

Kate earned a bachelor's degree in Design and Environmental Analysis from Cornell University. While studying at Cornell, she worked on a longitudinal research study that measured the effects of poverty and housing on children and adults over a ten year period. ■

Jackson, TN CDC Builds Partnerships with Banks and Community Groups

Seeds Economic Programs in Low and Moderate Income Communities

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Left to right: Seth Rudd, Bank Branch Manager; Rich Webb, Bank President; Don McCleary. Bank Business Development Officer; and Hazel Chism, Promise Seed CDC founder will be co-managing the Community Express Loan Program.

can take place. Specifically, resources such as active community groups that have frequent open dialogs with their local governments, preparation of feasible project proposals, and source listing of knowledgeable and viable financiers must exist.

Over fifty participants attended this workshop including area banks, not for profits, and developers. Since the workshop, Regions Bank provided initial funds and *Promise Seed* provided matching funds that helped several people pursue home ownership and job training. *Promise Seed* is also in the process of negotiating a partnership with a local bank to provide Technical Assistance for the CommunityExpress Loan Program.

As a result of the Increasing Access to Community Development Financing Spring 2007 Forum, New Community Partners, Bank of Madison County, and Promise Seed CDC, Inc. are bringing the SBA Community Express Loan Program to Jackson, TN. This will be the first such partnership locally since the program began in 1999.

Eligible individuals must be: low to moderate-income, women or minorities, and individuals from rural communities who want to start or expand a small business. Enrollees receive personalized customer service and technical assistance from local lenders and providers. Loans are guaranteed at 85% by the small business administration (SBA), and no collateral is required. The Bank of Madison County is providing technical assistance that includes mandatory participation in financial and business workshops. ■

The Community Investment Network: Information Portal for the Nation — on Community Development Topics, CRA, and More!

www.communityinvestmentnetwork.org

Update: The Web site reached 100,000 hits in July — an annualized rate of 1.2 million!

"The Internet is full of information on affordable housing, community development, community investment, rural development, CRA, financial literacy and social and economic justice issues — but you have to know where to find it?..." — **You can find it on CIN!**

Every business day the editors and researchers of the Community Investment Network (CIN) scan literally thousands of articles and hundreds of Web sites and prime sources for news stories, news releases, commentary, reports, and third party studies that focus on key issues of interest to NCRC members. The editors scan 3,000 news feeds overnight to find the 100 news items to be posted for the day. They also select dozens of original news items and commentary each day. The editors sort, evaluate, select and post those articles that represent what is happening across the country, around the state and in your own neighborhood — *and what we believe to be important to **you**!*

News Categories and State News

News content is posted in prime news categories captioned as: Banking Activity, Community Investment, Community Reinvestment Act (CRA), Credit Cards, Economic and Social Justice, Housing, In Congress, Mortgage Banking and Lending, NCRC in the News, Payday Lending, Personal Finance (financial literacy), Predatory Lending, Refund Anticipation Loans (RALs), Regulatory Affairs, Stakeholders News, and Subprime Lending. Articles and stories that are of particular interest to local communities are posted in the individual state sections – 52 comprehensive "silos" all filled with information.

Programs, Reports and Services

Prime source information is also provided in CIN's main topic sections focusing on: Community Revitalization and Development, Financial Literacy/Asset Building, Protecting America's Rural Communities, Following the Money Trail/Financing Sources, Affordable Housing, CRA Information, Putting Jobs in Our Community, Commentary/Opinion, Federal regulators, Preemption Issues, and Congress & Legislation. (All of these are clearly identified on CIN's Home Page.) These robust sections contain hundreds of third party programs, services, a variety of funding sources and prime resource information that can assist organizations, communities and individuals to begin, sustain or assist in community revitalization, affordable housing, community development and local business and employment initiatives. State-level services and programs in these areas can be found in each of the individual State Sections under *Community Development, Housing and Employment Opportunities.*

NCRC Member Profiles

Now, almost 500 NCRC member organization profiles are posted on CIN – NCRC members should check to be sure their profile is posted and correct. (Send updates and additions regularly to CIN editors at news@communityinvestmentnetwork.org). Profiles include contact information, organization background and a brief outline of programs and services. Go to the *Stakeholders Section – NCRC Members* to view all profiles. If your profile is not on CIN, please contact Ken Cynar at kycnar@accountability-central.com.

Become a Registered User

To take full advantage of this unique Web resource become a registered user – it's free. Register to receive news alerts, newsletters and other information relating to prime CIN topics and issues. Go to www.communityinvestmentnetwork.org, and *register now* at the top of the page.

CIN Sponsors

The Community Investment Network Web site is made possible by the generous grants from community-minded banks/financial institutions. These bankers and lenders have recognized the need to keep community leaders, civil rights advocates, academics, and consumers informed regarding community development, affordable housing, financial literacy and social and economic justice issues. Their support of CIN is greatly appreciated.

National Financial Services Sponsors are: **Bank of America, US Bank, WaMu, JPMorgan Chase, Citi and HSBC.** ■

Focus On Minority Business

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Her primary emphasis is on helping clients "get their financial house in order" so they may qualify for loans, bonding, contracts and subcontracts. The Director of Finance is also tasked with achieving the Center's financial transaction goals — that is, loans and bonding for its clientele.

As a result of the hands-on support from Ms. DeFoe and Owen Jackson, Director of the Center, MBEC clients over the past year have secured $9,097,000 in debt financing and bonding.

Building Awareness of the MBEC

A second use of the Wachovia grant has been building awareness of the MBEC. The Center has worked with one of its clients to create a new web site (www.dcmbec.org), encompassing the new name and logo prescribed by the Minority Business Development Agency.

MBEC Events

The Center's services for its minority business enterprises (MBEs) also feature special events and trainings, developed in collaboration with the Center's strategic partners and clients. Each event generates attendance of 50 to 80 MBEs.

Since receiving the Wachovia Foundation grant, DCMBEC has held six events for entrepreneurs:

- **Bonding Seminar** — *September 2006*
- **Holiday Awards and Networking Event** — *December 2006*
- **Procurement Seminar** *(in collaboration with National Capital Minority Opportunity Committee)* — *December 2006*
- **Minority Enterprise Development (MED) Day** — *May 2007*
- **Women Empowerment Seminar** — *June 2007*
- **Seminar on RFID (Radio Frequency Identification) Technology** — *July 2007*

In addition to the gatherings shown above, the DCMBEC is planning the following events for minority entrepreneurs over the balance of 2007:

- **Technology Training Seminar** in October;
- **DCMBEC's Third Annual Holiday Awards and Networking Event** in December. ■

NCRC National Training Academy Curriculum

The NCRC National Training Academy brings affordable and accessible training and technical assistance on a variety of topics to its members and others. Below is the Academy curriculum to help you select the workshops and courses that will meet your needs. NCRC members can participate in our training events by attending classes in Washington, D.C. or, if you are unable to travel for training, by participating via Webinar. Training workshops also take place at regional, state, and national venues. Trainings are held 2-3 times a month. For further information or if you are interested in a course that is not on the schedule below, please contact **Ada Albright**, Director of the NCRC National Training Academy, at **(202) 464-2727.**

Community Development Lending for CRA Officers

This half-day course covers the fundamentals of community development lending, affordable housing delivery, affordable housing lending, and community development financial institutions (CDFIs).

Economic Development Lending for Loan Officers

This half-day course covers the fundamentals of economic development lending and community development financial institutions (CDFIs). It focuses specifically on underwriting economic development loans.

Compliance Remedies for Federal & State Regulations

Learn how to avoid common lending pitfalls, especially those in RESPA and the Truth in Lending and Fair Housing Acts and how to develop controls to ensure compliance. Also discuss state regulation's effects on community lending. Examine the influence of nonfederal requirements on local lending activity, including state regulations and licensing requirements.

Fair Housing/Fair Lending Fundamentals

This one-day course familiarizes participants with the requirements of the Fair Housing Amendments Act of 1988 and its companion statutes as they apply to housing providers, mortgage lenders, realtors, homebuilders, public agencies, and nonprofit organizations.

Community Economic Development for Corporate Contribution and Foundation Staff

This half-day course presents community development history and strategies. It includes an overview of approaches that have been taken and current issues, particularly for foundations, and their role in community development. The course introduces the fundamentals of affordable housing development, business development, feasibility analysis, financial structuring, issues and trends in affordable housing development.

Introduction to Community Building & Organizing

This workshop, developed with input from experts in community building, provides the skills in training, networking, research and information necessary for organizations working collaboration to implement community-building agendas.

Fundamentals of Community Reinvestment & Economic Development

In this half-day course, participants will review the role of community analysis in creating a neighborhood revitalization plan, and possible partners and funding sources for community development work.

Introduction to Homebuyer Education Programs

This one-day course is designed for community-based organizations considering how to develop and manage a homebuyer program. This course examines the essential components of a successful homebuyer program including, how to assess potential homebuyers and their borrowing readiness, make property selections and identify financing opportunities.

Introduction to Financial Education

NCRC's Financial Education builds basic money management skills - helping people to understand banking, finance, savings and the importance of good credit. With these tools, an individual or family can save enough money to buy a home or start a small business, ultimately to build their net wealth. This one-day course will identify the essential components of an effective financial-literacy program and will provide tools to help participants design programs that meet the needs of their target communities.

Advanced Concepts in Community Building

This half-day course focuses on the principles and practices of community building and comprehensive community development. It teaches the skills needed to understand, design, fund and implement a community building initiative.

Affordable Housing Lending for Loan Officers

This course covers the fundamentals of affordable housing delivery, affordable housing lending, underwriting and the role of community development financial institutions (CDFIs).

Collaboration Training for Affordable Housing Finance

The collaboration training for affordable housing finance programs consists of a one-day workshop for all stakeholders within regional community development systems and covers collaborative approaches to community development and the fundamentals of affordable housing development.

Low-Income Housing Tax Credit Program

This one-day course is designed specifically for nonprofit organizations and financial institutions that have partnered or are partnering with private developers on a Low Income Housing Tax Credit (LIHTC) project, and groups that are considering using tax credits for the first time. This overview of the LIHTC program covers practical and strategic issues for nonprofit organizations and will show how to evaluate housing development opportunities.

Underwriting Affordable Housing

This one-day course focuses on public sector agencies providing resources to affordable housing projects. These agencies will learn how to work together more effectively, make optimum use of their funds and plan a healthy mix of investments. It includes an introduction to bank perspectives, calculating debt coverage ratios, calculating loan to value ratios, key issues in public sector financing, an introduction to standards and benchmarks, cash flow projections, current practices, an overview of the real estate development process and a framework for setting priorities.

Building Small Businesses

A highly participatory half-day course analyzes and evaluates the financial needs of businesses from the perspective of small business lenders. Learn how to employ effective financial management practices, take advantage of the available types of financing and use financial ratios to analyze a business's financial situations using real-life case studies and group exercises.

Predatory Lending Relief & Alternatives to Foreclosure

This is a 5-day course that covers protocol for counseling homeowners in financial distress. Every aspect of default and delinquency will be addressed, including reasons for default, ways to maximize income and reduce expenses, calculating delinquencies, understanding the players in the mortgage marketplace, loss-mitigation options for FHA-insured and other loans, legal information about foreclosure laws and timelines, tips on effectively intervening with lenders and service providers, managing multiple mortgages or liens and the pros and cons of refinancing.

Learn how to develop sustainable, effective programs and recruit homeowners in your area to your classes. Additionally, learn about recent changes and refinements to FHA's loss-mitigation tools, workout opportunities available with other lenders, best-practice case management techniques and ways to spot consumer scams. *Experience is required – contact the National Training Academy for details.*

Loan Servicing & Collections

Review the policies, procedures, and

accounting systems that lenders use to maintain their mortgage loan portfolios. Examine effective documentation systems. Learn practical techniques for controlling risks and avoiding default and foreclosure.

Fundraising Fundamentals

Getting grants takes skill in organizational development, research, finance, strategic planning, design, time management, knowledge of area resources, writing, editing, and packaging. This hands-on course shows you how to identify appropriate private-sector grant makers, approach and cultivate a funding source, organize and write a proposal.

Communication Collaborations: Getting the Right Message Out Together!

This course focuses on media relations as an integral piece of an organization's marketing strategy. Learn to evaluate when media relations are appropriate, how to determine when something is newsworthy, how to set realistic goals about media coverage and how to develop a media relations strategy.

Public Speaking

Learn skills that allow you to take the floor comfortably in groups and meetings and how to speak effectively with different audiences. Practice getting your point across in small-group meetings or as the keynote speaker in front of a large audience. Get specific tips for keeping the group's attention and then practice these skills in a safe, comfortable and supportive environment.

Fundamentals of Nonprofit Finance and Reporting

This one-day workshop is to assist nonprofit executives and board members to understand their financial statements; the necessary components and what to expect from accounting. The course will also cover how to hire and manage auditors, establish basic financial controls in a small to medium sized organization and the steps to take in the event of a financial crisis.

Expanding Access to Financial Services in Emerging Markets

This one-day intensive training will explore successful models for forming community lending partnerships and marketing products in new and emerging markets. The curriculum will include a special focus on best practices and compliance programs that will expand a participant's ability to develop community contacts and pursue profitable community based relationships with NCRC members.

Media Relations

Media relations are more than responding to reporters' questions. This workshop will provide participants with the skills needed to develop, build and maintain effective and productive relationships with the press. It will teach participants how to respond to the demand for information and deliver it in a timely and effective manner. The course will also talk about how organizations can position themselves to be the preeminent provider of information in a crowded market.

Public Relations

This course will talk about public relations and its components including media relations, publications, presentations and speaking engagements and how to build an organization's public image. The workshop will teach participants how to identify and effectively communicate with stakeholders in the organization.

Web Site Development/Collateral Materials

This workshop will help participants create collateral materials and use the web to target critical audiences to the organization. During the session, participants will discuss the kind of information that should be communicated to these audiences, how to use collateral materials and the web to market the organization and how to define and carry out "calls to action".

Strategic Alliances

Learn how to develop and maintain powerful and strategic relationships between community groups, businesses, government agencies and officials, and more. Determine what steps should be taken in terms of outreach and understand how these relationships should be nurtured, managed and developed.

Strategic Planning

Although every strategic planning process is uniquely designed to fit the specific needs of a particular organization, all successful strategic plans include some universal steps. In this one-day workshop, participants will learn the importance of defining a clear mission, setting supporting objectives, designing a sound business portfolio and coordinating functional strategies.

Board Development

Executive boards are instrumental to an organization's success. This workshop will consider how to bring diverse individuals together to form strong and able Boards with the capacity to handle a wide range of functions.

Buy Your Community First!

Frequenting local business contributes to the wealth and development of a community and its residents. The course focuses on processes and projects that encourage consumers to support the communities where they benefit as owners or employees.

Fundraising Opportunities

This one-day workshop discusses how to identify and pursue funding opportunities for non-profit organizations. Also discussed will be strategies for effectively positioning an organization to stand out in a competitive funding environment.

Credit Scoring for Microenterprise

This course will provide participants with the fundamental tools needed to assess the risk of a potential loan. The goal of this session is to provide a systematic procedure that allows for consistency among loan officers within an organization and efficiency in terms of time spent on reviewing loan packages.

Basic Business Credit Analysis

Designed for those new to the field of lending, this course will provide a basic understanding of the credit risk analysis process and the terminology, concepts and procedures involved in evaluating and managing credit risk. Financial statements, trend analysis, cash flow statements and financial forecasting as a tool to assess a company's debt servicing ability will be reviewed from a lending perspective. The goal of this session is to provide the participants with a basic understanding of loan underwriting from reviewing a business plan up to preparing for a presentation of a loan to the loan committee.

Pre-closing Activities and Loan Closing

This one-day course is designed to provide participants with key factors to consider when preparing to close a loan. Basic legal considerations involved in commercial lending and various issues involved in credit administration will be reviewed. Recognizing potential risks associated with granting a business loan and various ways to mitigate those risks will be covered.

Grant Writing for Community Development

Learn how to research potential funders and practical tips for writing a winning grant proposal. Designed for non-profit community based organizations that need guidance in searching grant opportunities and writing proposals.

Dispute-Conflict Resolution/ Mediation

Mediation and conflict resolution allows people come to an acceptable agreement with the help of a neutral mediator. Learn the skills of dispute resolution and mediation that can avoid disruption of an organization's work unnecessarily and empower organizations and individuals to effectively work through conflicts when they arise.

NCRC National Training Academy Schedule
(November 2007 – January 2008)

November 16 • 1:00 – 3:30 PM
"Student Loans and Their Impact on Your Future"
(Pilot collaboration with the NAACP, North Carolina Institute for Minority Economic Development and the U.S. Department of Education)

November 29 • 1:00 – 4:00 PM
"HMDA Data Analysis"

December 13 • 12:30 – 3:30 PM
"The Foreclosure Tsunami"

January 2008 (dates TBA)
(call 202-464-2727 for info)
"Fundamentals of Fair Housing/Fair Lending"

"Advanced Concepts in Community Building"

Join The Coaliton! Become An NCRC Member

Do you want to make a difference? Do you know how you can have an impact? Do you want to ensure that policy makers are serious about fair access to credit and capital?

Joining NCRC is a win-win strategy: you make us much stronger with your support and, you gain access to membership-friendly tools and services that help strengthen our joint efforts for economic inclusion nationwide. NCRC members receive:

- FREE training on issues such as: how to use CRA to encourage community reinvestment by local banks, what to do about predatory loans, ways to identify and correct unfair lending practices, and the best strategies to build effective coalitions.
- FREE customized data analysis on local lending patterns that can be used to promote community reinvestment objectives with banks and policy makers.
- FREE technical assistance in outreach techniques
- FREE publications to keep you informed.
- SAVINGS on annual conferences and regional colloquiums.

...and so much more!

Together We Can Make Economic Opportunity a Reality for All Americans!
Become a member at www.NCRC.org

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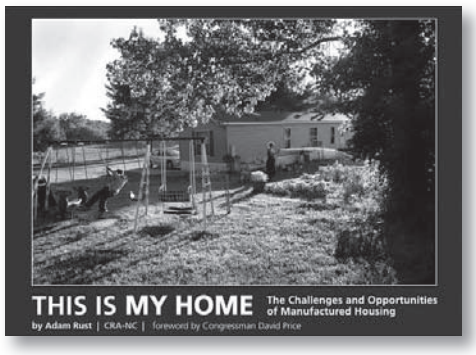

Book Beat

The Community Reinvestment Association of North Carolina (CRA-NC) just published a new book on manufactured housing entitled, "This is My Home: The Challenges and Opportunities of Manufactured Housing." This book contributes to the timely discussion of where manufactured housing, particularly in land-lease communities, fits into the current affordable housing continuum, whether it can be included in community development initiatives, and how it could have positive impacts for lower-income housing consumers. The book pays special attention to the circumstances of current residents of land-lease communities and suggests policies and practices that can help such communities address their challenges.

For more information about this publication and CRA-NC's position on manufactured housing, contact *Adam Rust* of CRA-NC at (919) 667-1557 or visit CRA-NC's Web site at www.cra-nc.org. ■

Reinvestment WORKS

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