

Hope  
credit union  
enterprise corporation  
policy institute

LAIR  
Construction Inc.

# Quarterly Report

JAN. - MAR. 2021

Dear Friends:

With the first quarter well behind us, the team at HOPE continues to use every tool available to impact the lives of families and communities in our region. Over 1,000 small business owners received assistance through the third round of the Small Business Administration Paycheck Protection Program and nine out of 10 HOPE mortgage borrowers were people of color. While our branches remained closed due to COVID precautions, over 400 members received loans to assist with needs ranging from escaping predatory auto loans to building credit.

All of these stories and experiences from the Deep South shape HOPE's policy and advocacy agenda – to close the racial wealth gap by making the financial system more equitable. Last month, I had the opportunity to testify before the Senate Committee on Banking, Housing and Urban Affairs. It was our fifth time speaking before a Congressional Committee. As in the past, I used the moment to draw on the resilience of our members and to call on those in power to use their positions of influence to invest in the institutions that have long excelled in reducing disparities in access to financial and economic opportunity. This is why HOPE exists – to change the systems that make HOPE's work necessary in the first place.

You will notice this issue of our quarterly report is slightly different from past issues. While we still share stories of member impact and first quarter outputs, we also bring to you news of new initiatives, leadership updates and highlights of HOPE's thought leadership from around the country. As we evolve and grow, thank you for your ongoing support.

Sincerely,



Bill Bynum, CEO, HOPE

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### Finding HOPE in the Pandemic

In Memphis, Tennessee, self-employed insurance consultant Ronda Coleman Blair spent a week making unanswered calls to the large bank where she had accounts in need of a Small Business Administration Pay Check Protection Program (PPP) loan. Desperate for help, Blair finally drove to the nearest branch, where she found the lobby closed due to COVID. Blair begged for PPP assistance at the drive through window. Blair and her family members were far from alone. The pandemic disproportionately impacted Black-owned businesses, which closed at nearly twice the rate as small

businesses in the U.S. overall. Many minority business owners were unable to access federal aid and some lacked established relationships altogether.

HOPE, however, had developed a reputation for responding to the PPP needs of all businesses. "I'm sitting in my own bank's drive-through and the employee working the window told me to go to Hope Credit Union because he'd heard HOPE would make it easy for me to apply," Blair said. "That referral to HOPE turned out to be the best advice I received from my own bank." Blair not only received a PPP loan from HOPE, she also helped her husband, an independent trucking contractor, and her father-in-law, the owner of Blair Concrete Construction, apply for PPP loans from HOPE. All three credit HOPE with helping them stay in business during the pandemic. "HOPE understood the plight of small business owners," Blair said. "They were encouraging, positive, and insightful."



### Building a Solid Financial Future

Otha Oneal has been a HOPE member for several years and lives in Drew MS. He is retired and has good income. He had tried to do a vehicle loan previously but there were a few items on his credit report and his DTI was over the limit. We have been able to do several share secured loans for him which helped him establish a credit history with HOPE. We also went over the items on the credit report that were causing some issues. Last year Mr. Oneal financed a truck with GM when we were unable to get his loan approved.

He came back this April and asked if he could apply to try and refinance the truck he purchased. He said his interest rate was so high he just had to see if we could help him out. He said he had worked on the items on his credit report and actually paid some things off. We processed the application and this time it was approved. We were able to lower his interest rate from 20+% to 4.50!!!! and we were able to reduce his loan term by 24 months! This was a \$39,000+ truck loan so the interest he is saving is major. Mr. Oneal is a loyal HOPE member and we are so pleased he didn't give up trying and that we were able to help him with his refinance.



Mortgage Loans Closed  
in 1st Quarter of 2021

**31** loans  
**\$4.7 Million**

Mortgage  
Characteristics

**87%**  
*People of Color*

**65%**  
*Women*

**81%**  
*First-Time  
Homebuyer*



Commercial Loans Closed  
in 1st Quarter of 2021

**1,046** loans  
**\$27 Million**

High-Impact  
**Business Loans**  
Closed\*

**79%**  
*High Impact*



Consumer Loans Closed  
in 1st Quarter of 2021

**378** loans  
**\$2.8 Million**

Consumer Loans  
in Economically  
Distressed Areas\*\*

**65%**  
*Economically  
Distressed*

\* High-Impact Business Loans Closed are: 1) Located in a Census Tract with a poverty rate over 20% or a Median Family Income below 80% of the Area Median Income; 2) Owned by Women or People of Color; 3) A nonprofit organization or community facility.

\*\* Consumer Loans in Economically Distressed Areas are made to people who live in a census tract with a poverty rate over 20% or a Median Family Income below 80% of the Area Median Income.



# United States Senate Committee on Banking, Housing and Urban Affairs

## HOPE Testifies before U.S. Senate Committee on Banking, Housing and Urban Affairs

On April 20, 2021, HOPE CEO, Bill Bynum delivered invited testimony before the United States Senate Committee on Banking, Housing, and Urban Affairs. During the hearing, “An Economy that Works for Everyone: Investing in Rural Communities,” Bynum drew on HOPE’s experience working with local people in the Mississippi Delta and the Alabama Black Belt and recommended strategies to expand access to financial services that increase economic opportunity.

- [Click here to read a summary of the Congressional Testimony.](#)
- [Click here to watch a recording of the Congressional Testimony.](#)

For ease in accessing HOPE’s recorded contributions during the hearing, the times outlined below represent approximate times at which comments were made or question responses occurred:

- Testimony – 34:00
- Homeownership – 1:11:00
- Emergency Capital Investment Program / True Lender – 1:22:30
- CDFIs and Rural Communities – 1:39:43
- Hospital Closures – 1:53:00
- Accountability in deployment of federal funds – 2:12:00

HOPE  
NEWS

# Deep South Economic Mobility Collaborative

Hope 

Goldman Sachs **10,000  
small  
businesses**

Baton Rouge, LA · Birmingham, AL · Jackson, MS · Little Rock, AR  
Memphis, TN · Montgomery, AL · New Orleans, LA  
Alabama State University · Dillard University · Jackson State University  
LeMoyne-Owen College · Miles College · Philander Smith College  
Southern University and A&M College · Tougaloo College · Xavier University of Louisiana

## Innovative Partnership Expands Opportunity for Black Businesses

The Deep South Economic Mobility Collaborative (DSEMC) is a joint effort between Hope Enterprise Corporation, Goldman Sachs 10,000 Small Businesses, seven cities, and nine historically Black colleges and universities (HBCUs) to invest in the power of small businesses and entrepreneurs in the Deep South, particularly those from underserved and under-resourced communities. With additional support from [Charles and Lynn Schusterman Family Philanthropies](#), the [Ford Foundation](#), and [MacKenzie Scott](#), this innovative collaborative was formed to stabilize and strengthen businesses and communities devastated by the economic crisis.

Through the [collaborative](#), Black small business owners and other underserved entrepreneurs can access loans, business education classes, and technical assistance to position their businesses and communities to thrive.

Read coverage of the launch of the Deep South Economic Mobility Collaborative: [New boost for minority businesses in underserved communities \(apnews.com\)](#)

# Deep South Economic Mobility Forecast

**Karen Mills**

*Administrator, U.S. Small  
Business Administration  
(2009-2013)*

**Bill Bynum**

*CEO, HOPE*



## Deep South Economic Mobility Forecast Wrap-up

Karen Mills, Administrator (2009-2013) for the U.S. Small Business Administration, joined Bill Bynum, CEO of HOPE, for the [Deep South Economic Mobility Forecast](#). The [conversation](#) drew on lessons learned from past crises and surfaced actions needed for an equitable recovery and to increase economic mobility for people and communities hit hardest by the pandemic. The discussion also featured analysis on employment, small business resilience, and COVID-19 recovery trends by the [Hope Policy Institute](#).

View [resources](#) from the forum.



**Mel Robertson**  
*Senior Vice President, Small Business  
and Consumer Lending*



**Charles Myart**  
*Senior Vice President, Chief Credit  
Officer*

## Experienced Leaders Add Depth to Talented Team

HOPE's award-winning small business and commercial lending department added two veteran small business and community development lenders in March.

[Mel Robertson](#) joined HOPE to fill the newly created position of Senior Vice President, Small Business and Consumer Lending. In this capacity, Mr. Robertson will be responsible for the development and implementation of HOPE's small business lending strategy. An industry leader with nearly 20 years of experience in banking and economic development, he is also responsible for assessing the risk of loan requests and convening the credit committee to present recommendations from the broader team.

[Charles Myart](#) joined HOPE as the organization's first Chief Credit Officer. A leader with a background spanning more than two decades in the financial service, banking, and economic development sectors, Charles will provide strategic direction to HOPE's commercial credit and loan servicing teams supporting affordable housing, community facility development and small / medium business enterprise finance.



## Advancing Narrative of Racial Equity and Financial Inclusion

HOPE continues to shape the narrative around racial equity and financial inclusion nationwide. Several media outlets, trade associations and think tanks elevated HOPE's role as a thought leader and profiled the experiences of its members and partners. Highlights include:

### National Media Coverage

- [Unbanked: What It Means To Be Outside Of The Banking System : 1A : NPR](#)
- [Fixing the credit Catch-22: How Biden wants to make credit scores fairer | Reuters](#)
- [Towns Reel As Banks Close Branches In Record Numbers: NPR](#)
- [Black-led CDFIs are poised to revitalize communities of color | by Build Healthy Places | Crosswalk Magazine | Mar, 2021 | Medium](#)
- [Why Millions of Americans Are Now Tapping Credit Unions for Loans - NBC New York](#)
- [20 Ways To Help People And Communities In Need | Credit Unions](#)

### Regional and State Media Coverage

- [The Lasting Legacy of Racist Redlining in the Deep South \(mississippifreepress.org\)](#)
- [Scott Crawford acquires former Bessemer city hall - Birmingham Business Journal \(bizjournals.com\)](#)
- [Food and Community Leading the Way to Revitalizing the Lower 9th Ward - Next City](#)

### Partner Speaking Engagements

- [Aspen Institute: Aspen Ideas: Plenary: Resetting for Equity and Inclusion](#)
- [Aspen Institute Henry Crown Fellowship: Closing Opportunity Gaps by Investing in Black Financial Institutions](#)
- [Inclusiv: The Role of Black Credit Unions in Addressing Racial Equity](#)



### **New Report Highlights Racial Inequities in Louisiana's COVID Relief Funding**

In pure dollar amounts, majority people of color parishes received just over half the amount of funding received by majority white parishes, a new report from the [Hope Policy Institute](#) and [Louisiana Power Coalition](#) finds. In "[Racial Inequities in the Distribution of Louisiana's Coronavirus Relief Funds: A Report for Community Leaders.](#)" the authors investigate the dissemination of COVID-19 relief funding for Louisiana. They found that the parishes already struggling to access resources before the pandemic, particularly majority people of color, rural and persistent poverty parishes, had trouble accessing their allocated portion of the \$511 million made available through the Coronavirus Relief Fund.

### **Southern Advocates Convene to Call for Solutions to Criminal Justice Debt & Barriers to Economic Opportunity**

A panel comprised of Deep South advocates convened virtually to shine a light on the policy reforms needed to mitigate structural issues associated with debts accumulated by people affected by the justice system. Conducted in partnership with the Southern Economic Advancement Project Executive Director, Stacey Abrams welcomed the attendees via a video message.

[Click here to watch a recording of the panel.](#)

### **Mississippians saddled with \$507 Million in Criminal Justice Debts, Preventing Future Opportunity**

In 2019, people who had touched the criminal justice system in Mississippi held \$507 million in debt - more than double the \$243 million they owed in 2009, according to a [new report](#) by the Hope Policy Institute.

[Read media coverage of the report's release.](#)

## Rental Assistance at risk of Inequitable Distribution in Mississippi

As federal Emergency Rental Assistance funds begin to flow into the Deep South, concerns are mounting that renters in the most economically distressed areas will be left out of the program. In response, the Hope Policy Institute began tracking the allocations to the Deep South states and centered its advocacy on ways in which state programs could reach people who were hardest hit by the economic crisis caused by the pandemic. [Recommendations for an equitable approach to rental assistance were outlined in the HPI Blog.](#)

## HOPE Weighs in on Federal Rulemaking Opportunities

Over the last several months, a number of opportunities arose for HOPE to draw its expertise to inform a number of rulemaking efforts. The U.S. Treasury, Federal Reserve Board of Governors and Consumer Financial Protection Bureau each called for public comments on the New Markets Tax Credit program, the Community Reinvestment Act and Small Business loan reporting respectively. A summary of and links to each of HOPE's public comments are available below.

### **U.S. Treasury CDFI Fund New Markets Tax Credit**

In March, HOPE submitted [public comments to improve the overall effectiveness of the New Markets Tax Credit Program](#). The comments focused specifically on quantifying the gaps in program funding for Community Development Entities (CDEs) led by people of color and made recommendations to increase NMTC funding for Minority-led CDE applicants, particularly those with a long-track record of serving communities of color. The comments also highlighted original HPI research showing that the percentage of credits that went to Minority-owned or Minority-controlled CDEs from 2012 to 2019 ranged from 5% in 2014 to 16% in 2017.

### **Federal Reserve Board of Governors - Community Reinvestment Act**

[HOPE weighed in on changes proposed by the Federal Reserve Board of Governors on the Community Reinvestment Act](#). The CRA, while imperfect, has been an important tool for catalyzing investment in the communities HOPE serves. In addition to calling for reforms to make the law more effective in rural communities, HOPE's comments made recommendations on ways the law could advance racial equity.

### **Consumer Financial Protection Bureau Section 1071**

#### **- Fair Lending for Small Business**

Section 1071 of the Dodd Frank Wall Street Reform and Consumer Protection Act advances fair lending for small businesses. In its comments, HOPE called for robust data collection of small business lending by race, public reporting and expansive coverage of lenders. By implementing the changes, both lenders and borrowers will benefit from a more equitable marketplace for small business credit - an important step towards closing the racial wealth gap.

[Read the full comment submission.](#)

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Transformational Deposit  
Today!*

Visit us at [www.hopecu.org/transformational-deposit-rates](http://www.hopecu.org/transformational-deposit-rates)  
or contact our Investor Relations Department at **877-654-4673**  
**(HOPE)** for assistance with making a Transformational Deposit.

