



Quarterly Report

APR. - JUN. 2021

Dear Friends:

As the pandemic rages on, states in the Deep South languish near the bottom of the nation with the highest rates of COVID cases per capita. As with so many indicators of distress in this region, these statistics represent a convergence of politics and race. Households of color, particularly Black households, remain disproportionately affected by the health and economic effects of the virus, exacerbated by the slow and uneven implementation of government recovery programs, as federal protections to buttress families against the shocks of the crisis expire.

Against this familiar backdrop, our work continues.

During the second quarter, HOPE made more than 2,000 loans to help stabilize and strengthen struggling families, small businesses and homeowners, and otherwise support people and communities facing unprecedented levels of economic distress. We then took the stories and data from this work to engage policymakers, banks and others to advocate for a more urgent and equitable recovery, anchored in closing longstanding racial, gender and geographic opportunity gaps.

This impactful work is fueled by the steadfast commitment of longtime supporters who continue to invest time, treasure and commitment in collaboration with HOPE to forge a more inclusive economy, and by an inspiring growth in the number and diversity of individual, corporate, foundation and community allies.

Thanks to all who make our efforts possible. Join us by visiting <https://hopecu.org/support-our-work/>, or by emailing me at transform@hopecu.org.

In partnership,



Bill Bynum, CEO, HOPE

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Going Farther with HOPE

HOPE member Mr. Antoine Anderson reached out to HOPE in New Orleans shortly after his part-time job was eliminated due to the economic effects of COVID-19. As a person with a disability and working part-time, the loss of income could not have occurred at a worse time. Both his refrigerator and stove broke down and needed to be replaced. Initially, he approached a high cost lender and was approved for a predatory loan; however, HOPE offered a much more attractive alternative. Members affected by the pandemic could borrow \$1,000 with a 2%

interest rate to navigate the associated challenges. After receiving the funds for the new refrigerator and stove, Mr. Anderson shared "HOPE got me back up and running."



Creating New Memories

Brittany Thomas, a Unit Program Coordinator for the U.S. National Guard in Montgomery, Alabama, was actively looking for a home for herself and her 4 year old son. At the time, Ms. Thomas was living with her parents to save money for a down payment. When out looking for a home, her realtor referred her to HOPE. While the friendliness of the HOPE staff motivated her to join the credit union, it was the assistance HOPE provided along the way that helped her achieve her goal of becoming a homeowner before her son's next birthday. Now with a bedroom for her

son, a kitchen to bake in and a yard to play games, Ms. Thomas reflected "Anything that is worth having is worth fighting for... and my home is definitely worth it."

Impact Snapshot for April - June 2021



Mortgage Loans Closed

29 loans
\$4 Million

Mortgage Characteristics

93%
People of Color

62%
Women

90%
First-Time Homebuyer



Commercial & Small Business Loans Closed*

1,551 loans
\$40.1 Million

High-Impact Business Loans Closed**

81%
High Impact



Consumer Loans Closed

488 loans
\$3.2 Million

Consumer Loans in Economically Distressed Areas***

64%
Economically Distressed

* Includes 1,543 SBA Pay Check Protection Program loans totaling \$35.3 million.

** High-Impact Business Loans include: 1) Businesses located in a census tract with a poverty rate over 20% or a Median Family Income below 80% of the Area Median Income; 2) Businesses owned by Women or People of Color; and 3) Nonprofit organizations or community facilities.

*** Consumer Loans in Economically Distressed Areas are those 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.

Pettagruie Joins HOPE's Alabama Team



Brandon Pettagruie has joined HOPE as Senior Vice President of Community and Economic Development in Alabama. In this role, he will oversee efforts to support community facility, commercial real estate and other high impact projects, in collaboration with municipal governments, HBCUs, CDFIs and other anchor partners. Brandon will lead HOPE's effort to leverage resources such as New Markets Tax Credits, Opportunity Zones, and other programs that bolster jobs and infrastructure in underserved communities. Brandon formerly served as Director of Capital Access for the Birmingham Business Resource Center, and brings nearly two decades of domestic and international banking

experience to HOPE, including work with private equity in the Americas and in microfinance in Kenya.

HOPE Featured on Goldman Sachs Talks



In July, Asahi Pompey, Global Head of Corporate Engagement and President of the Goldman Sachs Foundation, interviewed HOPE CEO Bill Bynum on [Talks at GS](#) about HOPE's work to promote economic opportunity in the Deep South. Through Talks at GS, Goldman Sachs convenes leading thinkers to share insights and ideas

shaping the world. [Past speakers](#) include Antonio Guterres, United Nations Secretary General, Mary Barra, CEO, General Motors and the late Congressman John Lewis.

- Watch the webcast here: [Talks at GS | Bill Bynum, CEO of HOPE](#)

The Bank of Itta Bena



Published in the July / August edition of the Carolina Alumni Review, the Bank of Itta Bena chronicles the career of HOPE CEO, Bill Bynum, the evolution of HOPE and the guiding principles shaping its work in a comprehensive and compelling way.

- [Read the Bank of Itta Bena](#)

HOPE continues to draw on the experiences of our members to inform policies and practices that affect the people and places we serve. Highlights from this work are summarized below.



Keeping People Housed

Thousands of people across the Deep South face displacement from their homes, under either the threat of eviction or foreclosure. The consequences of this looming crisis will have far reaching effects on the racial wealth gap for years to come. Importantly, solutions exist – including nearly \$2 billion in rental and mortgage relief, as well as federal legal protections. However,

these solutions are not yet reaching everyone. In response, HOPE has been working to increase awareness among policy makers of inequities within the program and furthering outreach to people in the most economically distressed areas of Mississippi. HOPE partnered with the MS NAACP to host two outreach events in the MS Delta to share information about the availability of rental and mortgage assistance. HOPE also leveraged its lending expertise to weigh in with the Consumer Financial Protection Bureau and state housing finance agencies to ensure protections for homeowners reach the people and communities most in need.

- Read HOPE’s Public Comment: [Protections for Borrowers Affected by the COVID-19 Emergency](#)
- Read coverage of HOPE’s engagement around rental assistance: [Eviction moratorium ending, 6.2% of rental assistance spent | Mississippi Today](#)



A Win for Local Government Relief

During the initial round of federal COVID-recovery funding for local governments, many of the hardest hit areas, particularly rural communities of color, were unable to access funds to pay essential workers, purchase protective equipment, and otherwise respond to the pandemic because of state-mandated procedures that disadvantaged low-income municipalities. To address this, HOPE, the Black Belt Community Foundation and other allies

[developed a bridge-fund](#) that enabled local governments to access life-saving resources until they could be reimbursed. The Hope Policy Institute documented similar disparities in Louisiana in a [report released jointly with the Power Coalition for Equity & Justice](#). Following advocacy regarding both efforts, the [U.S. Treasury issued proposed guidance](#) that prohibits states from using a reimbursement structure in local government relief programs – representing a huge win for under-resourced towns and their residents.



State Small Business Credit Initiative

The State Small Business Credit Initiative (SSBCI) was created during the Great Recession to provide financing for struggling businesses. In response to the pandemic, the program was reauthorized and funded with a \$10 billion appropriation. Drawing on lessons from the previous implementation, the Hope Policy Institute has advocated that states prioritize working with Community Development Financial Institutions, and that

data be collected and published to ensure transparency and accountability in the use of funds, to ensure equitable access for businesses in distressed communities and those owned by people of color. HOPE also worked closely with the Partners for Rural Transformation (PRT) at the federal level and in the states to ensure these resources reach small businesses in persistent poverty areas.

- Read HOPE’s analysis of the [State Small Business Credit Initiative](#)
- Read the [Partners for Rural Transformation SSBCI Policy Paper](#)



FROM MOMENTS TO A MOVEMENT

Advancing Civil Rights through Economic Opportunity

2020 IMPACT REPORT



Thought Leadership

HOPE places a priority on informing and influencing local, regional and national discussions regarding racial equity and financial inclusion. From April through July, media outlets across the country cited HOPE nearly 600 times. Highlights from HOPE's thought leadership are included below. Additionally, in May, HOPE released its 2020 Impact Report, From Moments to a Movement: Advancing Civil Rights through Economic Opportunity. The report features HOPE's response to the pandemic and underscores the organization's important role as a continuation of the Civil Rights Movement.

National Coverage

- [An economic lifeline for woman-owned businesses during the pandemic](#)
– Emerson Collective
- [An inside look at how Kamala Harris is engaging with community leaders to support small businesses](#) – CBS News
- [PayPal Deposits \\$135 million in Financial Institutions Serving Black and Underserved Communities as Part of \\$535 Million Commitment to Advance Racial Equity](#)
– Yahoo Finance
- [Ensuring equitable access to relief funds](#) – Impact Alpha
- [A watershed moment': CDFIs hope to capitalize on federal funding boost](#)
– American Banker

Local Coverage

- [As pandemic stretches on, organizations offer alternatives to payday loan cycle](#)
– FOX13 News Memphis – Fox 13 Memphis
- [CARES Act money was supposed to help Mississippi businesses. Did it?](#)
– Mississippi Today

Partner Forum

- [Connecting Credit Unions and Communities: Closing Opportunity Gaps by Investing in Black Financial Institutions](#) – Filene Research Institute
- [Redirecting Capital to Accelerate Racial Equity: Leveraging Cash Allocation](#)
– Croatan Institute

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Transformational Deposit
Today!*

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

