

Quarterly Report

APRIL - JUNE 2022

Hope
credit union
enterprise corporation
policy institute



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Dear Friends,

In the late nineties, HOPE worked with federal officials, bank regulators, community development advocates, potential investors and others to ensure that the promise of the nascent New Markets Tax Credits Program (NMTC) would be realized in places like the Mississippi Delta, where the dearth of investment, combined with a deep-rooted neglect of Black and high-poverty communities, had long undermined economic opportunity for the region's most vulnerable residents.

This advocacy produced regulatory guidance and IRS rulings that have been used in almost every subsequent NMTC transaction, generating over a half trillion dollars of investment, and more than 800,000 jobs in capital-starved communities.

Today, HOPE continues to advocate for, provide and leverage investments that improve conditions for underserved people and places. Two projects highlighted in this report illustrate the impact of these efforts. Working with Oakwood University, an institution founded to educate freed slaves in north Alabama, HOPE used the NMTC program to close the financing gap for facilities that will enhance health, cultural and educational opportunities for this anchor institution and their surrounding community. Similarly, in rural Mississippi, Tippah County Hospital was able to replace a vital, but aging health care facility. In both cases, the NMTC program played a critical role in attracting capital that enabled community-transforming projects to overcome structural inequities in the financial marketplace.

Ensuring fair and equal access to financial resources is central to HOPE's mission. By collaborating with you and others who understand that strengthening historically underserved families, businesses, and communities is in our collective interest, we are transforming systems, and helping our neighbors and our nation realize their immense potential.

Thank you for your ongoing support. Working together, we make the world better for us all.

In partnership,

A handwritten signature in black ink that reads "Bill Bynum". The signature is written in a cursive style with a long, horizontal flourish extending to the right.

Bill Bynum, CEO, HOPE

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Taking a Leap of Faith

Erika Scott was tired of paying rent and wanted a nice place to raise her family. She always wanted to be a homeowner but felt as though she wasn't at the age where she would become one. "I just want to say that in my lifetime I have owned a home," says Scott. She gathered the courage and took the first step by finding a realtor, then it was time to find a home. A referral connected Scott to HOPE. Scott was initially nervous about the loan process, but HOPE staff and her realtor assured

her that they would be there every step of the way. "The HOPE staff was warm and hospitable; they answered all my questions," says Scott. She was approved for HOPE's Affordable Mortgage Program, which makes homeownership accessible by helping borrowers navigate traditional underwriting requirements. "I did this for my daughter. I told her that if you work hard and keep the faith, it will come right to you. God will bless you with it," says Scott. She closed on her first home in June of 2022.



Building a More Sustainable Business

Sabrina Narcisse is the proud owner of [Sabrina Narcisse, LLC](#). This human resources management firm brings a holistic approach to organizational culture. Services offered include recruitment, consulting, and training courses providing the framework for employees and independent contractors to find their place and purpose within small businesses and nonprofit organizations. She started her business in 2018. In 2022, Narcisse wanted to expand her services to offer training courses for entry- to manager level employees. Already a HOPE member, she

felt confident coming to HOPE for assistance. When she could not get financing from other financial institutions, she knew HOPE would help. Narcisse received a Power of HOPE Small Business loan. Power of HOPE loans were developed to meet the working capital expenses of small businesses impacted by the pandemic by providing low-interest rate loans up to \$10,000. "I consider myself a veteran now that I've gone through the process," recalls Narcisse. Since receiving her loan, Narcisse has hired a researcher, a contractor to help develop the training courses and accounting support for operations to be sustainable. The consulting firm is now positioned for growth. "HOPE is really doing a great job with providing financing for small businesses that would not qualify for traditional funding; I would encourage more small business owners to apply for loans to get the funding they need," says Narcisse.



Alabama-Based HBCU, Oakwood University, Upgrades Facilities through New Markets Tax Credit Program

Based in Huntsville, Alabama, Oakwood University was founded over 125 years ago to educate freed slaves. Like most HBCUs, Oakwood looks beyond its campus walls to extend its impact into the community. Nowhere were these efforts more evident than in its Healthy Campus 2020 program. Initially founded to reverse poor health outcomes and preventable diseases among Oakwood students, university leaders sought to expand its mission to address long standing health, food and job insecurities faced by local residents. To accomplish these goals, Oakwood leaders embarked on a campaign to build a health

center, a grocery store and to renovate and expand a music hall. While the effort started out strong, rising construction costs associated with the pandemic created a significant shortfall. In response, Oakwood turned to HOPE to bridge the gap. Low-cost financing provided through HOPE's New Markets Tax Credit program made the project possible.



Tippah County Hospital Opens New Facility in Rural Mississippi

In May, Tippah County Hospital leaders cut the ribbon on a new 56,000-square-foot facility. The \$26.5 million project added 25 new hospital beds, a new emergency room, and surgery and outpatient clinic services to support the residents of Tippah County and surrounding areas. Four community development entities provided New Markets Tax Credits to support the financing of the new hospital, with HOPE providing the largest allocation of tax credits to the project. The new facility replaces an existing 70-year-old deteriorating hospital and preserves access to acute health services in a rural medically underserved area where the next emergency room is 25 miles away.



Entrepreneurs Transform Struggling Hotel into High-Quality Housing in Jackson, Mississippi

Where many saw a struggling extended stay hotel plagued by lingering fire damage and deferred maintenance, the F Street Boulder Jackson team had a vision to address the shortage of high-quality housing on one of the most visible properties in Jackson, Mississippi. The former hotel on I-55 and Fortification has re-opened with a more modern look and feel. The new townhome complex offers 90 studio apartments and 30 two-bedroom lofts of permanent housing for area residents. The project was made possible through \$2.8 million in investments from HOPE and Woodforest National Bank. "Stable housing is

critical for the upward economic mobility of any individual or family," said Jeremy Funchess, Commercial Loan Officer at HOPE. "This project is another example of HOPE's extensive set of community development financing tools and partners to expand access to high quality and affordable housing across the Deep South."

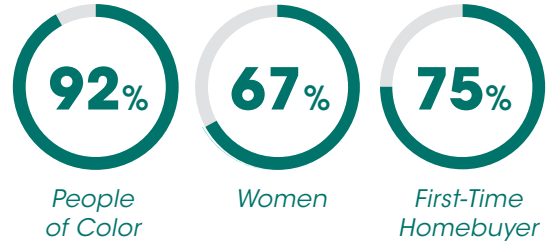
Impact 2022 Year-to-Date



Mortgage Loans Closed

61 loans
\$10.3 Million

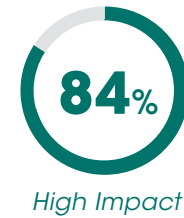
Mortgage Characteristics



Commercial & Community Development Loans Closed

19 loans
\$42 Million

High-Impact Business Loans Closed*



Consumer & Small Business Loans Closed **

1,202 loans
\$8.2 Million

Consumer Loans in Economically Distressed Areas***



* 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.

** HOPE's Small Business Loan program supports entrepreneurs seeking loans of less than \$250,000. From 1/1/22 to 6/30/22, HOPE closed 52 Small Business Loans totaling \$599,828.

*** 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.



HOPE CEO Bill Bynum Appointed Director for Federal Reserve Bank of Atlanta – New Orleans Branch

In May, The Federal Reserve Bank of Atlanta announced the appointment of HOPE CEO Bill Bynum to the New Orleans Branch board of directors. As the leader of a member-owned financial institution that focuses on financially underserved people and communities, Bynum’s appointment adds a critical perspective during this time of economic uncertainty. The three-year appointment will run through December of 2025.

To read the full announcement, click [here](#).



Treasury Makes Transformational Investment in HOPE

On June 28, Hope Credit Union received a \$92 million low-cost, 30-year loan through the U.S. Treasury Department’s Emergency Capital Investment Program (ECIP). ECIP invested \$8.5 billion in community development financial institutions and minority depository institutions, and was a seminal focus of HOPE’s advocacy to ensure equity in the federal response to the pandemic. With this infusion of capital, HOPE is now positioned to raise \$700-900 million in deposits that will be used to finance businesses, homebuyers, affordable rental housing, healthcare facilities, schools, nonprofit service providers and otherwise close

financial service gaps facing historically underserved families and communities.



Rural Partners Network Aims to Increase Investment in Non-Metro Communities

HOPE’s Executive Vice President, Chief Program Officer, Cassandra Williams, joined U.S. Agriculture Secretary Tom Vilsack and White House Director of the Domestic Policy Council Susan Rice at a roundtable in her hometown of Clarksdale, Miss, and for [the launch of the Rural Partners Network](#). Through this new initiative, federal staff will be placed in rural communities to provide technical assistance for local groups to overcome the challenges often faced by rural communities accessing federal funding for long term infrastructure investment. Williams reflected on this experience and the opportunity to hear

remarks from Vice President Kamala Harris in Greenville, Mississippi in an op-ed piece published in *The Hill*.

To read the full article, click [here](#).



Our Time is Now

HOPE's 2021 Annual Impact Report "Our Time is Now" chronicles our efforts during the past year to expand economic opportunity in the Deep South. To read the report, click [here](#). To download the report, click [here](#).

*Make Your
Transformational Deposit
Today!*

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

