

Quarterly Report

JANUARY - MARCH 2023

Hope 
credit union
enterprise corporation
policy institute

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Dear Friends,

"We all have an interest in promoting a vibrant economy as well as resilient families and communities. In such an economy, people would have access to credit on fair and equal terms to build a secure financial foundation. Yet, despite widespread acceptance of this vision, we have a way to go in making it a reality, particularly for Black households."

These words were shared by Federal Reserve Board Governor Michael Barr, the nation's top bank regulator, during his keynote address at the HOPE Economic Mobility Forum: Banking on Financial Inclusion. Just one month later, the nation would teeter on the edge of financial uncertainty as Silicon Valley Bank, the country's 16th largest, bank collapsed seemingly overnight.

In response to this and ensuing bank failures, many depositors and investors moved their funds to Global Systemically Important Banks, or GSIBs, those mega institutions whose existence is deemed to be so vital that their failure would threaten the global economy. This rush to perceived safety, and the resulting tightening of access to credit by traditional financial institutions, comes at a time when people and places served by HOPE, particularly communities of color, already find themselves disproportionately harmed by inflation, natural disasters, environmental degradation and lingering consequences of the pandemic.

We've seen this story during previous times of crisis, and just as in the past, we responded.

During the first three months of this year, HOPE experienced one of our most productive quarters ever supporting vital businesses and service providers, making 776 loans that generated \$48 million in financing to stabilize jobs and communities. While other lenders closed their credit boxes, HOPE opened doors for grocery stores, first-time homebuyers, a senior living center and an HBCU.

The opportunity for positive change in the Deep South is greater than ever. HOPE is fortunate that our supporters understand the importance of financial inclusion, improving environmental outcomes and channeling historic commitments of public and private capital into under-resourced communities. Not only have 99% of HOPE's 600+ Transformational Depositors stayed the course, some, like Nike, renewed their deposit and are working to deepen our partnership. Deep South communities are making progress today because, when times get tough, you stand firm, knowing that this work must be done consistently, not just when it's convenient.

HOPE's board and staff take seriously our responsibility to be good stewards of your support, particularly during these challenging times. In addition to the fact that HOPE's business model is significantly different than the banks that failed, our capital position is strong, 2.5 times better than our peers.

Working together, we will continue to make progress toward the inclusive prosperity we all seek.

In solidarity,

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

Bill Bynum, CEO, HOPE

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A Light for All

Ella Ford, 73, of Jackson, MS, has always been a light for others. She works as a cook for her church and caters gatherings for her friends and family. Unfortunately, when she lost her husband of 53 years back in 2019, she felt as though her light had gone dim. After his passing, managing the bills became a challenge. In particular, their mortgage loan interest rate was nearly 14%, and she struggled to pay it along with her other debt and household expenses. A good friend of Ford's, Chadwick Russell, contacted HOPE on Ford's behalf. HOPE's mortgage team worked closely with Ford to structure a mortgage that would

pay off all of her debt and lower her monthly payment. She qualified for HOPE's Affordable Housing Product, which put her on a much more solid financial foundation. In her new mortgage, her interest rate decreased from 13.99% to 7% and her term was reduced by ten years. Additionally, she consolidated all of her debt which saved her approximately \$500 a month. "HOPE really did a good job for me and I really thank the staff for all that they do," said Ford.



Doing What Makes Sense

In March 2020, Buchanan Redmond of, Clinton Mississippi walked into a HOPE branch to discuss opening an account. Redmond wanted to set an example for his son by setting goals and accomplishing them. He rapidly found multiple ways to take advantage of all that HOPE had to offer. First, he consolidated outstanding medical debt with a share secured loan. Then, he tapped a Borrow and Save loan to pay off his vehicle. With each step, he deepened his relationship with HOPE and ultimately qualified for a \$315,000 mortgage. With assistance from HOPE,

Redmond became a first-time homebuyer. "I just did what made sense, and HOPE made sense financially," said Redmond. Since becoming a HOPE member-owner, he has referred several family members to the credit union and is coaching his brother through the same steps.



Living in Luxury in Lafayette

Villas of Lafayette, in Lafayette, Louisiana, are newly developed housing units that will serve senior tenants ages 55 and up with income constraints. The 51-unit housing complex includes amenities such as a community gathering place, a business & computer center, a workout room and paved walking trails. HOPE provided \$1.7 million. “We want our tenants to live comfortably and have access to the things they need,” said Sandra Trump, General Property Manager at the Villas of Lafayette. The 51-unit housing complex bridges a critical gap in the housing market in Lafayette for its aging residents.



A Blessing for the Community

Organized in 1991 Jubilee Church of God in Christ (JCGC) is a well-established church in Memphis, Tennessee led by Reverend Gregory Askew, pastor for over 20 years. In 2008, the church purchased its current facility, a 25,500-square-foot building located on 9.74 acres of land. Since then, the church has renovated restrooms, updated the audio / video system and re-carpeted the whole church. HOPE recently strengthened the churches fiscal outlook by refinancing older and more costly debt used to fund the upgrades with a \$750,000 loan “HOPE has been a blessing for us and our community,” said Pastor Askew.



From Stocker to Owner

Sinesio Canseco has always been in and around the grocery business. At that age of sixteen, he took a job at Winn Dixie as a stocker and worked his way into management. Learning the industry through hands on training, he ultimately decided to leave and open his own store in 2005. After leasing a space for many years, he made the move to purchase a site in New Orleans. HOPE financed the construction of the new store with a \$2 million loan along with investments made by the City of New Orleans and the Louisiana Agricultural Finance Authority (LAFA). At the ribbon cutting, Mayor LaToya Cantrell underscored the importance of the partnership. "We are grateful to Hope

Credit Union and Mr. Canseco for supporting and understanding the need for this critical resource for our people." Canseco highlighted the community impact "Since our founding, we have aimed to create a friendly neighborhood market with products for the needs of each community. Our collaboration with HOPE, the City of New Orleans, and LAFA is making that more possible each day."



Investing In HBCU's A Winning Proposition

In January, HOPE made a \$7.5 million New Markets Tax Credit investment in Nashville-based Fisk University to support the renovation of the John Hope and Aurelia Franklin Library, the Driscoll House (Race Relations Building), the Boyd House, and new construction for the Roland Parrish Career Center. Our largest investment to date with an HBCU, HOPE places a priority on financing projects that generate deep impact in historically underserved communities. HBCUs are a natural partner for HOPE in this work, because

of their oversized role in expanding economic mobility for Black families and communities. In addition to financing development projects, HOPE works with HBCUs in several other ways including: providing financial services for students, staff and alumni; sponsoring student internships and fellowships; and collaborating with procurement offices to increase diversity among HBCU suppliers and contractors. To learn more about how CDFIs and HBCUs can collaborate to increase economic mobility in low-income communities see our [HBCU-CDFI Economic Mobility Strategy Guide](#).

Impact 2023 Year-to-Date



Homeownership

24 Mortgage Loans Closed

Mortgage Characteristics



People of Color



Women



First-Time Homebuyer



Small Business & Community Economic Development

96 Business and CED Loans closed

Business Loans and CED in Economically Distressed Areas*



Consumer & Retail Services

656 Consumer Loans Closed

Consumer Loans in Economically Distressed Areas

112,758 Individuals Served in HOPE Member Households



* 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.



Banking on Financial Inclusion

Over 200 advocates, bankers, nonprofit leaders and students gathered at Jackson State University for the HOPE Economic Mobility Forum: Banking on Financial Inclusion. Governor Michael Barr, Vice Chair of Supervision of the Federal Reserve System, provided keynote remarks and spent additional time in Jackson, Mississippi meeting with HBCU students to discuss career opportunities within the banking and community development fields. During the Forum, attendees engaged in solution-based dialogue with a range of national experts on the topics of fair lending, closing the racial wealth gap,

banking the unbanked and expanding access to capital, particularly for people of color. A recording of the conference panel sessions and keynote remarks, along with all presentations, are available for viewing and download on the Forum landing page at www.hopecu.org/emf2023.



Deep South HBCU Students Converge in Jackson for Economic Mobility Career Expo

Following their participation in HOPE's Banking on Financial Inclusion forum at Jackson State University, more than 100 students from 11 HBCUs engaged with bank regulators and CDFI representatives to explore opportunities to increase diversity in the finance sector. Following a conversation with Federal Reserve Governor Michael Barr, Federal Reserve Bank of Atlanta President Raphael Bostic and HOPE CEO Bill Bynum, moderated by HOPE Chief Human Assets Officer Kimberla Little, the students met with human resource experts

from the Federal Reserve System, the African American Alliance of CDFI CEOs and Inclusiv to learn about career opportunities to diversify the finance sector and advance economic mobility.



NIKE Deepens Partnership

NIKE's largest distribution center in North America is located just over 10 minutes from HOPE's Harvester Lane Branch in Memphis, Tennessee. In recognition of this proximity and the value both organizations bring to each other, HOPE and NIKE took steps to deepen the partnership this year. HOPE CEO, Bill Bynum joined NIKE Senior Director, Dane Spurill and Robert Shorty, Director of Global Diversity, Equity & Inclusion for the conversation "Equity in Banking – Leveling the Playing Field – Do Something About It" as part of the company's Black History Month programming. HOPE's

team was also on site at the distribution center to connect NIKE athletes (associates) to the credit union's wealth building opportunities.

*Make Your
Transformational Deposit
Today!*

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

