

Hope
credit union
enterprise corporation
policy institute

LAIR
Construction Inc.

Quarterly Report

JAN. - MAR. 2021

Dear Friends:

With the first quarter of 2021 behind us, we look forward with cautious optimism toward better conditions and greater opportunity for Deep South families and communities. Over the past year, HOPE has provided more than 4,000 SBA Paycheck Protection Program loans to employers, mainly the smallest, most vulnerable businesses. Nine of 10 HOPE home mortgages made during the first quarter went to people of color. While our branches remain closed due to COVID precautions, over 400 members received financing to escape predatory auto loans, build credit and otherwise stabilize their lives and climb the economic ladder.

The experiences of those we serve fuel HOPE's efforts to make the economy more equitable through policy and advocacy. I recently had the opportunity to share their realities with the U.S. Senate Committee on Banking, Housing and Urban Affairs. As with prior Congressional testimony, I encouraged lawmakers to ensure that public resources benefit our nation's most vulnerable people and places, and to invest in organizations that have a demonstrated record of closing financial service gaps that disproportionately limit opportunity for people of color, women and rural communities. This is why HOPE exists - to change the systems that make HOPE's work necessary in the first place.

In addition to the strength of our members, our optimism is fueled by your generous and ongoing support. Thank you for being our ally, as we work to seize this unique moment in history to create opportunity where it's needed most.

With appreciation and in partnership,

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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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 to no avail.

Blair was far from alone. Many minority business owners, particularly sole-proprietors, were unable to

access federal aid, and many lacked established relationships with financial institutions altogether. These challenges contributed to the [pandemic's disproportionate impact on Black-owned businesses, which closed at nearly twice the rate as other U.S. small businesses over the past year.](#)

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."



Trucking Toward Greater Prosperity

Otha Oneal, a Drew, Mississippi resident and long-time HOPE member reached out to HOPE about refinancing his truck loan. Previously, after encountering difficulty obtaining financing from another lender, he agreed to a high-cost loan from the dealer. Since that time, in addition to paying the truck note, he also retired several other outstanding debt obligations, making it easy for HOPE to approve his request. The financial relief for Mr. Oneal was immediate, as

the HOPE loan lowered his interest rate from 20% to 4.5%, and put him on track to pay for his truck two years earlier than before.

Impact Snapshot for January – March 2021



Mortgage Loans Closed

31 loans
\$4.7 Million

Mortgage Characteristics

87%
People of Color

65%
Women

81%
First-Time Homebuyer



Commercial & Small Business Loans Closed*

1,046 loans
\$27 Million

High-Impact Business Loans Closed**

79%
High Impact



Consumer Loans Closed

378 loans
\$2.8 Million

Consumer Loans in Economically Distressed Areas***

65%
Economically Distressed

*Includes 1,039 SBA Paycheck Protection Program loans totaling \$23 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.



Deep South Economic Mobility Forecast

In February, as new stimulus legislation, a new administration, and increased vaccinations prompted signs of recovery, HOPE hosted the Deep South Economic Recovery Forecast to focus attention on ensuring equitable participation in the recovery by historically underserved people and places. The forum featured an overview by Hope Policy Institute analysts of economic and labor trends and other factors that influence mobility, with a specific focus on small businesses. The virtual event was highlighted by a conversation between Karen Mills, who served as Administrator of the U.S. Small Business Administration from 2009-13, and HOPE CEO Bill Bynum. Drawing on lessons from past crises, the exchange underscored that intentional focus and collaboration by the public,

private and nonprofit sectors are required to address the challenges faced by those hit hardest by the pandemic. Mills noted, "We need this economy to work for small businesses; we need this economy to work for Black Entrepreneurs. If we do, we can do what America promises – to give access and opportunity. The urgency is now."

Access the forum video and Hope Policy Institute presentation at www.hopecu.org/mobilityforecast.



Advocates Call for Solutions to Criminal Justice Debt

Debt associated with the criminal justice system in the Deep South topped \$4 billion dollars in 2019 – twice the amount held by people who were formerly incarcerated just ten years earlier. In April, Hope Policy Institute and the Southern Economic Advancement Project (SEAP) hosted a virtual forum to shine a light on the financial burdens faced by those saddled with criminal justice-related debt. During the forum, subject matter experts and policy advocates examined policy reforms needed to mitigate structural issues that limit economic opportunity and undermine successful re-entry. During opening remarks, SEAP Executive Director, Stacey Abrams stated "Rehabilitation

and re-entry must include laws and programs to assist returning citizens in sustaining and building a life after prison. And critically, financial inclusion is a vital part of that rebuilding."

Visit www.hopepolicy.org/blog/justicedebt to read a summary of the panel proceedings or to link to the recording.

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

In Louisiana, majority people of color parishes received just over half the amount of funding compared to majority white parishes, a new report from the [Hope Policy Institute](http://www.hopepolicy.org) and [Louisiana Power Coalition](http://www.louisianapowercoalition.org) finds. In "[Racial Inequities in the Distribution of Louisiana's Coronavirus Relief Funds: A Report for Community Leaders](http://www.hopepolicy.org/briefs/LACOVIDFunds)," 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.

Visit www.hopepolicy.org/briefs/LACOVIDFunds to access a summary and copy of the report.

HOPE Urges U.S. Senate Banking Committee to Prioritize Impact and Accountability

During an April hearing of the U.S. Senate Committee on Banking, Housing, and Urban Affairs titled, "An Economy that Works for Everyone: Investing in Rural Communities," HOPE CEO Bill Bynum urged lawmakers to make transformational investments that increase economic opportunity for persistent poverty areas and people of color.

Drawing largely from HOPE's work in the Delta and Black Belt, Bynum called on lawmakers to:

- Close bank lending, service, and investment gaps in underserved communities
 - Prioritize building and preserving wealth in rural communities, particularly communities of color, through homeownership and small business ownership
 - Strengthen consumer protections that prevent wealth stripping and build assets
 - Deploy federal funds in ways that ensure accountability for addressing racial and economic disparities
 - Target federal support to CDFIs and other organizations with a demonstrated track record of reaching underserved communities and those hit hardest by COVID-19.
- [Click here for a summary of the Congressional Testimony.](#) or visit www.hopepolicy.org/blog/testimony2021
 - [Click here for a recording of the Congressional Hearing.](#)



HBCUs, Cities Anchor Groundbreaking Partnership

The Deep South Economic Mobility Collaborative is a joint effort between nine Historically Black Colleges and Universities, seven cities, Goldman Sachs *10,000 Small Businesses* and HOPE to build opportunity ladders for vulnerable people and places in Alabama, Arkansas, Louisiana, Mississippi and Tennessee. With additional support from [Charles and Lynn Schusterman Family Philanthropies](#), the [Ford Foundation](#), and [MacKenzie Scott](#),

Collaborative has initially focused on stabilizing and strengthening businesses devastated by the economic crisis through access to capital, technical assistance and facilitating market opportunities for entrepreneurs of color. Going forward, the Collaborative will broaden its scope through projects that improve housing, health, education, access to responsible financial services and otherwise increase economic mobility for the region's historically underserved people and places.

Read more about the Deep South Economic Mobility Collaborative at www.hopecu.org/mobility.



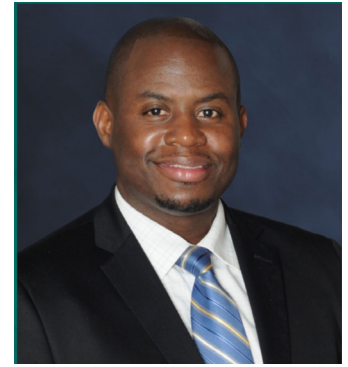
*Herschell Hamilton
BLOC Global Group*



*Bernard Mays
University of Alabama at
Birmingham*



*Charles Myart
Senior Vice President
Chief Credit Officer*



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

New Leaders Add Depth and Experience

HOPE recently announced the addition of two directors that add substantial community development and business experience to the organization’s governance, and important perspective to help guide our work in the state of Alabama.

Herschell Hamilton is co-founder and Chief Executive Officer of BLOC Global Group, a commercial real estate services firm. Currently overseeing client engagements, business development, and the strategic direction of the company, the firm has offices in Birmingham, AL, and Washington, D.C. Prior to starting BLOC, he was Vice President of New Market Ventures for the private equity firm, MRG, and co-founded and served as Chief Operating Officer of a web-based new media/technology company. He also spent a decade as an investment banker with Raymond James Financial and Porter White and Company.

Bernard Mays is Assistant Vice President and Controller for Financial Affairs at the University of Alabama at Birmingham (UAB). A Certified Public Accountant, he previously worked at Ernst & Young and several publicly traded companies in the energy and retail industries. He also brings substantial expertise from his service on several nonprofit and civic boards, including Camp Fire Central Alabama, Children’s Village, and Homewood Commercial Development Authority.

Additionally, HOPE is excited to welcome two veteran business and community development leaders to our leadership team:

Charles Myart recently joined HOPE as Chief Credit Officer. Charles provides strategic direction for HOPE’s commercial credit and loan servicing teams supporting affordable housing, community facilities, and other project financing. Charles brings more than 20 years in the financial services, banking, and economic development sector, and most recently served as Vice President of the Illinois Finance Authority, where he oversaw a range of loan and guaranty programs.

Mel Robertson is HOPE’s Senior Vice President for Small Business and Consumer Lending. In addition to leading the consumer lending team, Mel will shepherd the development of HOPE’s expanding small business lending strategy. An industry leader with nearly 20 years in banking in the Deep South, Mel also brings valuable experience from the CDFI sector having formerly worked at LiffFund, providing leadership to the organization’s SBA lending programs.



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 over the past quarter 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](#)
- [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](#)

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 \(bizjournals.com\)](#)

Partner Forums

- [Aspen Institute: Aspen Ideas: Plenary: Resetting for Equity and Inclusion](#)
- [Aspen Institute Henry Crown Fellowship: Closing Opportunity Gaps by Investing in Black Financial Institutions](#)

*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.

