



# Quarterly Report

JULY - SEPT. 2021

Dear Friends:

On any given day, more than two-thirds of HOPE's members have less than \$1,000 in their credit union accounts. The low balances underscore the steep hill Deep South families must climb in order to survive from paycheck to paycheck, and the difficulties HOPE faces in fueling community development in wealth-starved communities. While traditional banks tap into an abundant source of low cost deposits in affluent neighborhoods, HOPE must import capital to finance everything from auto repairs, promising entrepreneurs, families seeking to become new homeowners, not to mention vital facilities like schools, grocery stores and healthcare clinics.

To address this need, in early 2020, we launched the [HOPE Transformational Deposit](#) program. Through October 2021, more than 350 individuals and businesses have made Transformational Deposits totaling more than \$115 million to help close opportunity gaps in the Deep South, and finance companies like A Time to Spring Forward, the education consulting company profiled in this report.

As we approach the holiday season and end of an eventful year, we thank you for your generous support, and invite you to continue helping us level the financial playing field by making a [tax-deductible contribution to HOPE](#), and by joining our growing legion of [Transformational Depositors](#).

With gratitude,

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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### Helping Businesses Spring Forward

With experience in both human resources and education as a math teacher, instructional coach and assistant principal, Spring Mercadel saw an opportunity to knit the two bodies of work together and launch her own venture. Mercadel's passion for education inspired her to create change in her community during a time of virtual learning. The result was [A Time to Spring Forward](#). A Time to Spring Forward provides corporate training, organizational and leadership development to small businesses as well as curriculum and content development services to educational leaders. She turned to HOPE for the financing necessary to start her small business and was approved for a Power

of HOPE Business Loan. Power of HOPE loans were developed to meet the working capital expenses of very small businesses by providing low-interest rate loans up to \$10,000. When asked about the impact of the loan, Mercadel referenced the excitement of being able to purchase office equipment and hire an employee. More importantly, the loan gave her an opportunity. "HOPE is committed to helping the community; they will take a chance on those with a vision."



### Driving Towards Brighter Days

In December of 2019, Candace Hasan was hit by a drunk driver without insurance. The accident totaled her car, and after the insurance payment from her company, she still owed a balance on the vehicle loan. As a full-time realtor, replacing her vehicle as quickly as possible was critical. Unfortunately, a series of emergencies, spanning a number of years, negatively impacted her credit. With few options, she took out a predatory loan with a 23% rate. Shortly thereafter, Ms. Hasan joined Hope Credit Union. The team in the Biloxi branch worked with her to rebuild her credit, and in August 2021, she qualified to refinance the predatory auto loan. As a result, Ms. Hasan is saving over \$5,000 in interest payments and

her car payment was lowered by \$126 a month. She routinely refers clients to HOPE for mortgages, business accounts and credit building loans and services.

Impact Snapshot for July - September 2021



Mortgage Loans Closed

**38** loans  
**\$4.4 Million**

Mortgage Characteristics

**89%**  
*People of Color*

**66%**  
*Women*

**92%**  
*First-Time Homebuyer*



Commercial & Small Business Loans Closed\*

**8** loans  
**\$5.6 Million**

High-Impact Business Loans Closed\*

**87%**  
*High Impact*



Consumer Loans Closed

**666** loans  
**\$3.9 Million**

Consumer Loans in Economically Distressed Areas\*\*

**67%**  
*Economically Distressed*

\* 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.



## Collaborating to Tackle Food Deserts in the Mississippi Delta

The Mississippi Delta Online Grocery Delivery Program is a community-led grocery delivery initiative. Located in the Drew Armory complex, the program will offer the residents of the city and surrounding rural communities an affordable and convenient way to access fresh, healthy food for their families. This model is not only a more cost-efficient and sustainable approach for lower-population towns than a traditional grocery store, it also directly addresses the transportation and safety challenges the coronavirus crisis has made more apparent.



Working in partnership with local retailers and suppliers, this delivery program will increase access to affordable, healthy, fresh food for residents who are unable to shop for themselves due to transportation, time or health restrictions. Additional complementary health care services within the facility will include health screenings, nutrition education, cooking classes, meal planning and budgeting. Mississippi State University's Department of Food Science, Nutrition, and Health Promotion will offer programming support and the University of Mississippi's

Telehealth Center of Excellence will utilize the building as a hub for their new Veggie Prescription Program initiative. These services should also add to the longevity of the delivery program. HOPE provided additional funding for the program through the HOPE Catalyst fund.



## Charter Communications Investment Expands Opportunity for Diverse Businesses

In August, [HOPE joined Charter Communications in Louisville, KY to announce the launch of a small business loan fund targeting capital to entrepreneurs of color.](#) The company seeded the loan fund with a \$3 million investment to expand opportunities in Kentucky, Tennessee and Alabama. Charter Communications is a broadband and cable provider serving over 31 million customers in 41 states. To determine eligibility and to start the application process for the program, interested parties will find more information on [HOPE's website by clicking here.](#)



## PayPal Releases Closing the Racial Wealth Gap

HOPE Transformational Depositor, PayPal, has released the video, "[Closing the Racial Wealth Gap.](#)" The video shines a light on the organization's \$535 million commitment to close the gap and lifts the voices of its partners in the work. In June, PayPal made a \$10 million Transformational Deposit in Hope Credit Union as part of this effort. Both HOPE CEO, Bill Bynum, and HOPE Member-Owner, Dion Prater, were profiled. We invite you to view the video below and share it with your networks. Today, the racial wealth gap between Black and white households is as wide as it was in the 1960s. Read coverage of the investment [here in Fortune Magazine.](#)



### Credit Union Advocates Mobilize for Equitable Access to ECIP

Recently HOPE, working with community development credit union advocates, successfully mobilized to convince the National Credit Union Administration to issue updated guidance that enabled credit unions to take full advantage of the U.S. Treasury's Emergency Capital Investment Program (ECIP). ECIP was created by Congress late last year to provide community development credit unions and banks with long term (30 year), low cost capital to help businesses, homeowners and individuals recover from the economic crisis.

NCUA's turnaround was welcome news following an initial ruling that limited ECIP investments in credit unions to 15 years, an action that HOPE estimates would have prevented nearly six million people, disproportionately people of color, from benefiting from the program. In addition to working with credit union advocates, HOPE engaged members of Congress, NCUA, the media and other stakeholders to underscore the importance of ensuring that credit unions had full and equitable access to this important program.

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### Organizations Led by People of Color Underrepresented in NMTC Awards

A new [report](#) from Hope Policy Institute highlights the impact of the New Market Tax Credits (NMTC) in the Deep South as well as other persistent poverty areas and communities of color. The potential of the NMTC program cannot be fully realized until racial disparities within the program are addressed. From 2012 to 2020, organizations led by people of color were awarded 11% (\$3.7 billion) of the total NMTC allocations compared to the 89% (\$29.5 billion) awarded to white-led organizations.

Read a [summary of the report on the HPI Blog](#).

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### CFPB Advances Fair Lending Rules for Small Businesses

The Consumer Financial Protection Bureau (Consumer Bureau) took a significant step towards a fairer marketplace for small businesses. The Consumer Bureau released its proposed framework for requiring lenders to provide transparent data about their lending to small businesses as well as businesses owned by women and people of color. Congress mandated that the Consumer Bureau implement this framework under section 1071 of the 2010 Dodd Frank Consumer Bureau and Wall Street Reform Act. HOPE engaged with the Consumer Bureau during the early stages of the proposal's development, including serving on a panel of small lenders to provide feedback and guidance on the development of the proposed rules. The Consumer Bureau is seeking public feedback on the proposed rules through January 8, 2022.

Join us on December 2, at 1 p.m. CST, for a webinar hosted by the Hope Policy Institute to learn more about how this opportunity and you can have a role in adding your voice to the effort to ensure fair lending for small businesses in the Deep South.

[https://us06web.zoom.us/webinar/register/WN\\_d6igXaIPQ\\_WACLnFLaW4Uw](https://us06web.zoom.us/webinar/register/WN_d6igXaIPQ_WACLnFLaW4Uw)



### Thought Leadership

Around the country, HOPE leaders continued to provide thought leadership on a number of issues facing the community development industry. Links to publications and webinars where HOPE's perspective was shared over the last quarter are available below.

- [CDFIs' Mission-Driven Orientation Is Critical to Making Financial Technology Work for Deep South Communities](#) – Pearl Wicks (COO) & Diane Standaert (SVP of Policy & Advocacy); Federal Reserve Bank of San Francisco
- [Building Agency and Ownership in the Deep South](#) – Bill Bynum (CEO) & Ed Sivak (CPCO); Federal Reserve Bank of St. Louis and the Aspen Institute
- [Redirecting Capital to Accelerate Racial Equity: Leveraging Cash Allocation](#) – Mary Bruce Alford (SVP Investor Relations); Croatan
- [Built to Last: Leveraging the Right Financial Resources for Strategic Growth](#) – Kathy Saloy (SVP Community & Economic Development); Urban League of Louisiana



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Transformational Deposit  
Today!*

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

