



# Quarterly Report

JULY - SEPT. 2020

Dear Friends,

After a job, the most important relationship one has with the American economy is with a financial institution that provides the tools needed to support their families, strengthen their communities, and build wealth that serves as a safety net for when times get tough. Unfortunately, millions of Americans who are women, elderly, people of color, or live in high poverty areas, cannot rely on traditional banks for these vital services.

HOPE exists to fill this gap. The stories in this report illustrate the transformative power of one's relationship with their financial institution. Whether it's helping a business keep its doors open, opening the door for a first-time homebuyer, or helping someone escape a predatory debt trap, HOPE's focus is ensuring that everyone - regardless of their station in life - has access to the tools needed to prosper.

The steadfast support of many allies makes this work possible. We are particularly excited about the response to our appeal for Transformational Deposits, an easy way to import capital into wealth-starved communities. Whether you are a large tech company, like the one highlighted in this report, a small business, or an individual, visit [www.hopecu.org/transform](http://www.hopecu.org/transform) to learn more about how your deposit can strengthen communities, build assets and improve lives.

Sincerely,



Bill Bynum  
CEO, HOPE



## Lifting a Family into Homeownership

Yvette and Eric had grown weary of living in an apartment, and dreamed of a home of their own. The couple had been paying \$700 a month in rent for a two-bedroom dwelling they shared with their two children. They were on a fixed income, and after two banks turned them down for a mortgage, homeownership seemed out of reach. A television advertisement about a down payment assistance program administered by HOPE pointed to a solution. With a strong credit score, Yvette qualified for the NeighborhoodLIFT program, which provided eligible homebuyers with up to \$7,500 in down payment assistance. The family moved into a four-bedroom, two-bath home, allowing the children to each have their own bedroom. And, their monthly mortgage payment is less than what they were paying in rent. "This is our first and last house," says Yvette.

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## HOPE's Impact

*In the 3rd Quarter of 2020, 100% of HOPE's new mortgage loans were High-Impact loans. These are to people of color, women, low-wealth homebuyers and first-time homebuyers.*

### Mortgage Characteristics



People of Color

Women

First-Time Homebuyer

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## Finding A Financial Partner

Jeremy was rebuilding his life as a returning citizen. He had been hired for a landscaping position, but he needed transportation to get to work. "When I got out and tried to do things, I realized I'm not rich and I need credit," he said. "That's when I realized I need to work on my credit. People don't trust you if you don't have it." He came to HOPE to build his credit score. Jeremy was approved for a Borrow and Save Loan, one of HOPE's credit-building products, and through financial counseling improved his score to above 600. Unfortunately, Jeremy fell into a predatory debt trap when he financed his used car through an out-of-state lender that charged him a 27 percent interest rate. Jeremy did not choose HOPE to finance his car loan, instead opting for an out-of-state lender that gave him a 27 percent interest rate. He could not keep pace with the payments. Again, he turned to HOPE, where financial navigators refinanced the vehicle, saving him more than \$10,000 in interest costs. Jeremy says he has found a financial partner for life and is currently receiving home-buying counseling and other assistance from HOPE's mortgage team.

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**\$3 Million**  
**492 loans**

**Consumer Loans Closed  
in the 3rd Quarter of 2020**

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## 'Working Out' Business Needs

After two banks rejected her business loan applications, Kameelah Harris reached out to HOPE to finance the purchase of the building where she operates WOW Fitness. "HOPE did give me the opportunity to own this spot and I'm grateful for sure. Incredibly, business has been amazing since the pandemic." Kameelah still is not sure why the other financial institutions turned her down. At the time, she had a high credit score. Months later, when the pandemic struck, she immediately turned to the financial partner she could trust, returning to HOPE for a U.S. Small Business Administration Paycheck Protection Program loan to keep employees on the job during the crisis. Kameelah also changed the way she delivers her services. Now, group exercise sessions are available via video conferencing. The PPP loan from HOPE also helped cover expenses for this new way of doing business.

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**100%**  
of HOPE's commercial loans  
were high impact loans made  
to women, people of color,  
or entrepreneurs in low-income  
communities.

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## Construction Underway for Food Education Center in Alabama

Jones Valley Teaching Farm (JVTF) recently broke ground on its Center for Food Education, a community hub to be built on JVTF's Downtown Teaching Farm in Birmingham, Ala. The multi-use facility will anchor the nonprofit's work and create a permanent infrastructure to reach more students, teachers, and surrounding community members. HOPE was one of several financing partners on the project. HOPE provided \$7 million in New Markets Tax Credits. "In addition to providing world-class food-based education to students in Birmingham City Schools, the Center for Food Education is developing the next generation of entrepreneurs and leaders," said HOPE CEO Bill Bynum. River Ridge Capital Advisors provided financial advisory services to Jones Valley Teaching Farm throughout the New Markets Tax Credit transaction closing process. "Without the benefit of New Markets Tax Credits, the Center for Food Education could not move forward at this time," said Matt Starrmann of River Ridge Capital Advisors. The Center for Food Education will be home to daily field trips and Good School Food instruction, culinary programming, training and professional development for teachers and school administrators, as well as increased employment opportunities for graduates of Birmingham City Schools.



WITH HOPE, YOU TRANSFORM

## INVEST IN TRANSFORMATIONAL DEPOSITS

*Transformational Deposits fuel HOPE's work in communities of color by providing capital for consumer, small business and mortgage loans.*

### J2 Global Makes Transformational Deposit Investment in HOPE

J2 Global, Inc., a leading Internet information and services company, recently announced the deposit of \$10 million with Black-run banks and credit unions, including HOPE, to foster economic opportunity within underserved Black communities. J2 Global's Transformational Deposit in HOPE will support families, homeowners and entrepreneurs across the Deep South. "Investing in financial institutions that are accountable to people of color is a proven way to close the racial wealth gap and expand economic opportunity in an increasingly diverse America," said HOPE CEO Bill Bynum. With J2 Global's investment, HOPE is ¼ of the way towards reaching its goal of raising \$100 million through its Transformational Deposit program. Every dollar raised through the Transformational Deposit is redeployed directly through lending in underserved communities throughout the region.