
AMBITION
PREP

Quarterly Report

OCT.-DEC. 2019

Dear Friends:

Access to the right tools substantially improves one's ability to climb the economic ladder. These tools may be a loan to purchase a home; financing to start or grow a small business, or sound financial or legal guidance to help navigate these opportunities. Unfortunately, in economically distressed communities across Alabama, Arkansas, Louisiana, Mississippi and Tennessee, these tools are woefully absent.

That's why, in addition to providing affordable, responsible financial services, HOPE strives to close opportunity gaps in the Deep South by amplifying the voices of those we serve. Thousands of families, entrepreneurs and communities that have achieved success against daunting odds arm us with compelling data to advocate for policies and practices to help people prosper.

From a first-time homeowner, to a new school in a distressed community, to our comments on fair housing policy, the stories in this newsletter illustrate how HOPE's programs and advocacy combine to help historically underserved Deep South residents realize their potential.

Your generous support makes this possible. Thank you for being a Friend of HOPE.

Please visit www.hopescu.org to learn more and to read full report.

Sincerely,

A handwritten signature in black ink that reads "Bill Bynum" followed by a long horizontal flourish.

Bill Bynum, CEO, HOPE



Ambition for School Success

The classrooms at Ambition Prep Academy are labeled by pennants hanging above the doors, flags bearing the names of Belhaven University, the University of Alabama and other institutions. The signs do not represent game championships, but the goal of each student to follow an educational path that leads to college. With financing from HOPE, a former retail and warehouse space located in a low-wealth community was converted into a school currently serving 150 kindergartners and first-graders, 75 percent of whom qualify for free or reduced lunch. School founder, DeArchie Scott, said the area was chosen because "the most need was here. In this zip code, families do not have an option of where they can send their children. All of the other locations were failing at the time." As a new school, Scott knew financing would be a challenge. "We had to get people to believe in us and believe in our mission," he said. "HOPE did."



An Investment in Family

A credit union member since the age of five, Lee knows the importance of a strong financial foundation. He also knows homeownership is asset building, and he wanted to leave a legacy for his three sons. Lee says he did not think twice about going to HOPE for a mortgage loan. Still, he was astounded by the lengths the team of financial navigators went to help him achieve his homeownership dream. Lee, a law enforcement officer who worked an overnight shift, could only be reached after hours. That did not deter mortgage originators who assisted him with paperwork during calls as late as 8 p.m. "I don't think I would have gotten that kind of service anywhere else," Lee said. Within weeks, the transaction was complete. Lee said the home is more than place to live; it is another way of teaching his children about being financially sound.



A Pathway to Strong Credit

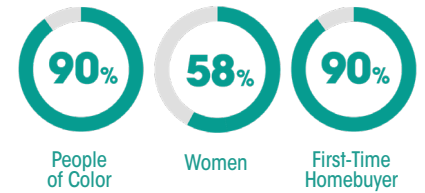
J.D. and his wife, Nancy, spent seven years in Asia as missionaries before returning to the U.S. with a plan to make their home in Memphis, Tenn., and conduct educational outreach to children in the Frayser community, an underserved area of the city that is one of two focus neighborhoods for a grant HOPE and other organizations received from JP Morgan Chase to support investment. The couple settled into an apartment and one of the first financial goals they set was to re-establish credit. The couple was referred to HOPE by the local Career Development Center. At HOPE, a financial team worked with them to open a savings account and approve a credit-building loan. J.D. says it was a relief to work with an institution that "had open arms instead of one that put up barriers." The couple's plan is to get into a financial position to eventually become homebuyers.

HOPE's Impact

In the 4th Quarter of 2019, 100% of HOPE's new mortgage loans were high impact loans. These are to women, people of color, low-income borrowers, or first-time homebuyers.

HOPE closed \$3.5 million in mortgage loans and \$23.8 million in commercial loans in 2019.

Mortgage Characteristics



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



HOPE Submits Comments to Support Fair Housing

In October, HOPE submitted public comments opposing proposed rules by the U.S. Department of Housing and Urban Development (HUD) to severely weaken the “disparate impact” provision of the Fair Housing Act. Over the last four decades, civil rights lawyers have consistently relied on the existence of “disparate impact” to reject and overturn policies and practices resulting in housing discrimination among people of color. Following the subprime mortgage crisis, for example, disparate impact was critical to the strategy used to prompt a settlement among some of the nation’s largest lenders that steered black borrowers into predatory loans.

The comments, drew on HOPE’s experience as a community development lender in the Deep South, and contextualized the need for the Disparate Impact Standard to build economic opportunity in our region. To read HOPE’s comments, visit the website of the Hope Policy Institute at www.hopepolicy.org.



Cassandra Williams, HOPE SVP for Community and Economic Development, discusses investment projects in the Memphis community with local credit union members.

Memphis CDFI Network, including HOPE, Wins National Funding Competition to Advance Resident Priorities in City Neighborhoods

The Memphis CDFI Network that includes HOPE was the winner of a national funding competition to advance resident priorities in the Frayser and Whitehaven neighborhoods. The network was awarded \$3 million from the JPMorgan Chase PRO Neighborhoods Competition. The proposal submitted by the Memphis CDFI Network, Advancing Resident Priorities for Homeownership and Small Business Growth, focuses on community-level educational opportunities, housing and small business initiatives and access to capital – all in alignment with the needs of the focus communities. Over three years, the commitment will be used to create small business loans, create or preserve affordable housing units, provide consumer loans and increase access to educational programs related to financial literacy, lending and credit and homeownership. HOPE has been embedded in the greater Memphis area since 2004 and has been a part of the Memphis CDFI Network since its inception.