



Hope

WITH HOPE, YOU TRANSFORM

# INVEST IN TRANSFORMATIONAL DEPOSITS

Traditional banks use low/no-cost checking and savings accounts to fund their lending activities. However, Hope Credit Union serves one of the nation's most impoverished regions, a place from which wealth has been extracted for generations, and where families have limited ability to build savings and other assets. Consequently, HOPE's ability to secure local deposits is constrained.

For example:

- HOPE is the only depository institution in Itta Bena, a small, majority Black Mississippi Delta town with a poverty rate of 42%, median household income of \$20,400 and total community deposits of approximately \$1.2 million. HOPE has approximately 58% of the local deposit market share - roughly \$700,000.
- On average, an individual HOPE member has between \$1,000-2,000 on deposit with HOPE. By comparison, American households with savings accounts have a median balance of \$7,000 and an average balance of \$30,600.

Consequently, HOPE must import capital into communities like Itta Bena to finance small businesses, housing, healthcare and other vital needs. Previously, this has been in the form of certificates of deposits, often from depositors seeking a high rate of return. As a result, HOPE's overall cost of funds is 1% higher than banks and credit unions that operate in affluent markets, with ready access to low-cost checking and savings accounts.

To address this challenge, HOPE seeks to import \$100 million in low-cost, federally insured Transformational Deposits into opportunity deserts across the Deep South.

## HOPE TRANSFORMATIONAL DEPOSITS

### Annual Percentage Rate (APR) & Annual Percentage Yield (APY)

Share Certificates <sup>1,2</sup> (Certificate of Deposit):	<ul style="list-style-type: none"><li>• Terms of 12, 24, 36 and 60 months</li></ul>
Money Market Accounts: <sup>3</sup>	<ul style="list-style-type: none"><li>• Easy access to cash</li><li>• Up to six withdrawals per month</li></ul>
Dividends:	<ul style="list-style-type: none"><li>• 0.1% (10 basis points)</li></ul>
Dividends can be:	<ul style="list-style-type: none"><li>• Paid monthly, quarterly or annually;</li><li>• Reinvested as principal;</li><li>• Transferred to another account; or</li><li>• Donated via a tax-deductible contribution to Hope Enterprise Corporation.</li></ul>
Additional:	<ul style="list-style-type: none"><li>• Insured up to \$250,000 by the National Credit Union Administration</li></ul>

Just five fully insured \$250,000 Transformational Deposits would exceed the deposit base for entire towns like Itta Bena, fueling catalytic development in low-wealth communities. They also fortify HOPE's ability to be a first-responder to help the underbanked navigate crises such as Hurricane Katrina, 2008 Financial Crisis and the COVID-19 pandemic.

Potential Transformational Depositors and Allies: Individual and Institutional depositors; Financial Advisors, Family Offices; Banks (with CRA benefit); foundations (with IRS benefit i.e. PRI); All who desire to Create Opportunity Where it is Needed Most.

To make a Transformational Deposit or learn more, contact our Investor Relations Department at **877-654-4673 (HOPE)** or email [Investor.Relations@hope-ec.org](mailto:Investor.Relations@hope-ec.org).

## ABOUT HOPE

Hope Enterprise Corporation, Hope Credit Union and Hope Policy Institute (HOPE), provides financial services; aggregates resources; and engages in advocacy to mitigate the extent to which factors such as race, gender, birthplace and wealth limit one's ability to prosper. Since 1994, HOPE has generated more than \$2.5 billion in financing and benefitted more than 1.5 million people in Alabama, Arkansas, Louisiana, Mississippi and Tennessee.



*Brighter Futures Begin with HOPE.*  
[www.hopecu.org](http://www.hopecu.org) | 1-866-321-HOPE (4673)

<sup>1</sup>Rates are subject to change. Fees could reduce earnings.

<sup>2</sup>Early withdrawal penalties apply to all certificate accounts.

<sup>3</sup>Variable-rate account; rates may change after the account is opened.