

2004 National Community Development Lending School



Minneapolis, Minnesota
University of Minnesota
July 18 - 22, 2004



School Objective

Now in its eighth year, the National Community Development Lending School (NCDLS) provides an intensive educational and career development opportunity for novice community development lenders who want to:

- ▶ *Enhance* their technical knowledge and resources
- ▶ *Underwrite* sound and innovative community development loans
- ▶ *Structure* complex transactions
- ▶ *Profit* from community development lending

If you or a member of your staff needs an in-depth understanding of the mechanics and unique characteristics of community development lending, NCDLS is the training opportunity you've been waiting for!

Student Profile

Most students are working as community development professionals and have one to three years experience in the industry. Students should have some knowledge and experience with financial statements and credit analysis.

Curriculum

The four-and-a-half day curriculum focuses on the key issues and industry trends relevant to community development lending in today's business environment.

Students choose three courses they wish to attend from five different lending areas – single-family housing, multi-family housing, small business, commercial real estate, and community-based facilities. Each full-day course stresses the day-to-day mechanics of underwriting community development loans and how to ensure their long-term profitability.

On Sunday afternoon, students meet faculty members, get an overview of the courses, learn about the origins of the community development industry, and most importantly, choose the all-day classes they will attend on Monday, Tuesday, and Wednesday. In addition to the classes, a site visit to a local community development project brings to life the skills being taught.

The final, half-day session on Thursday brings together the group, which is divided into teams to work through a case study based on the project visited earlier that week. The final case integrates the concepts, challenges and rewards of financing a community development project. Key players from the actual project participate in the case study and offer their expertise and experience.

The curriculum was carefully designed by an advisory committee of community development bankers, training professionals and representatives of bank regulatory agencies to focus on structuring and underwriting community development loans. Each course was developed to ensure that students receive the most current, relevant and applicable instruction available.

Nationally renowned bankers and experts in the community development lending field teach the courses. Students also have the opportunity to gain valuable insight from each other as they share solutions to the challenges faced by all of us in this dynamic, evolving industry.

Schedule-At-A-Glance

A detailed map of the campus with a packet containing pre-course materials, a list of classroom locations and any schedule changes will be sent with your application acceptance and registration confirmation. Unless otherwise indicated, classes and meals will be at the University of Minnesota's McNamara Alumni Center.

SUNDAY, JULY 18

2:00–4:00 pm	Registration
4:00–5:30 pm	Welcome and Orientation
5:30–7:00 pm	Dinner
7:00–8:30 pm	<i>General Session</i> <i>Setting the Stage</i>

MONDAY, JULY 19

7:30–8:30 am	Breakfast
8:30–5:00 pm	<i>Courses</i> <ul style="list-style-type: none">➤ Community-based Facilities➤ Multi-family Housing➤ Small Business➤ Commercial Real Estate
12:00–1:00 pm	Lunch
6:00–8:30 pm	Dinner Federal Reserve Bank of Minneapolis

TUESDAY, JULY 20

7:30–8:30 am	Breakfast
8:30–5:00 pm	<i>Courses</i> <ul style="list-style-type: none">➤ Small Business➤ Community-based Facilities➤ Single-family Housing
12:00–1:00 pm	Lunch
	Free Evening

WEDNESDAY, JULY 21

7:30–8:30 am	Breakfast
8:30–5:00 pm	<i>Courses</i> <ul style="list-style-type: none">➤ Single-family Housing➤ Commercial Real Estate➤ Multi-family Housing
12:00–1:00 pm	Lunch
5:30 pm	<i>Project Tour</i> <i>and Dinner</i>

THURSDAY, JULY 22

7:30–8:30 am	Breakfast
	<i>General Session</i>
8:30–11:00 am	<i>Applying Lending Skills</i>
11:00–12:00 pm	<i>Wrap-up and Graduation</i>
12:00 pm	Departure

About the Curriculum

General Sessions

Setting the Stage

Sunday, July 18

In this opening session, we will discuss:

- The history and evolution of the community development industry
- Philosophies and approaches to community development lending
- Strategic planning and applying underwriting concepts
- Successes and challenges in community development lending
- The five core areas of community development lending
 - Small Business
 - Multi-family Housing
 - Single family Housing
 - Commercial Real Estate
 - Community-based Facilities

Applying Community Development Lending Skills

Thursday, July 22

In this closing session, we will:

- Discuss how to connect the technical work of the school to business planning in your work
- Conduct a “living” case study that will require strategic work and partnerships in order to achieve a community development “success” that connects with business planning strategies for banks

Courses

Small Business Lending

Properly structuring loans for small business is a critical part of community development.

You’ll have a first-hand look at a progressive case study that emphasizes working with a small business in a neighborhood setting. You’ll learn to:

- Determine repayment sources
- Analyze the credit profile
- Recognize the importance of technical assistance in structuring and monitoring these loans

Affordable Rental Housing: Multi-family Housing Lending

Take part in a detailed examination of a multi-family project that progressively gets more complicated . . . and as a result, more realistic! Find out how you can properly structure a loan while carefully weighing key factors such as community impact, profit, risk, partnerships, and due diligence. You will discover how to:

- Analyze a multi-family loan request
- Find success with difficult projects
- Recognize why resourcefulness and partnerships are vital

All of the day-long courses are progressive—each course is structured so that increasingly more advanced scenarios are built on standard fundamental lessons.

“The National Community Development Lending School should be a required course for all community development lending professionals. NCDLS provides you with a broad-based understanding of a wide variety of community development issues. In addition, it is a great way to meet other professionals in the specialized area of community development lending. A+.”

Connie Ngene

Vice President and Compliance Manager, Wells Fargo Bank

About the Curriculum

Courses

Financing the American Dream: Single-family Housing Lending

Whether financing one house or an entire development, home ownership supports the health of our communities. Through the use of a progressive case study, this session will cover a range of issues, including:

- Home ownership and underwriting
- Lines of credit to for-profit and nonprofit developers to develop and sell homes
- Construction financing for development projects
- Creative ways to service residential mortgages
- Non-traditional forms of home ownership

Keeping Money in the Community: Commercial Real Estate Lending

As an industry, we are still learning how to evaluate, underwrite and structure commercial real estate projects. If we are able to make a serious impact in our communities, we need to increase the production of these facilities as a way of stimulating industry growth and employment opportunities. Through the use of a progressive case study, this session will teach a community development approach to commercial real estate lending by:

- Presenting retail and mixed-use loan requests, requiring creative thinking
- Dealing with borrower capacity issues
- Teaching lenders how to deal with a troubled loan situation that requires restructuring

Community-based Facilities Lending

Service, nonprofit, and religious institutions are often considered the glue in our communities, but they need financing for their facilities. At times, these requests are perceived as neither business loans nor real estate projects, and may be overlooked altogether. Using a progressive case study, this session offers a set of underwriting guidelines that can be applied to a variety of projects, such as:

- Churches
- Service agencies
- Child care facilities
- Recreational facilities

“The training was essential for me, as I was only nine months into a lending position. I gained underwriting and analysis knowledge that was key for my career.”

Susan Groebe

Community Development Lender, US Bank

“It was helpful to me as I had no lending experience at all when I attended. Since the class I have been able to package two community development loans and am currently getting ready to close my first one.”

Ann Crissman

CRA Coordinator, Advanta Bank Corporation

The following is a brief introduction to NCDLS faculty

Carl Ballton

Small Business Lending Faculty

Carl is senior vice president and community development officer within the Corporate Community Development Division of Union Bank of California. He is also president and chief operating officer of the Union Bank of California Foundation. In this position, Carl is responsible for implementing the foundation's charitable contribution policies and initiatives.

In 2003, the foundation contributed in excess of \$10 million as part of the bank's commitment to reinvest at least 4.5 percent of assets back into the community. The foundation's grants focus primarily on community economic development, affordable housing, and education. The foundation continues to direct its charitable grants and financial assistance to nonprofit institutions and organizations that enhance the quality of life, especially among low-to moderate-income communities, as well as to promote public interest in the areas where the bank conducts its business.

Carl joined Union Bank in 1979 and has served in various middle-market lending positions and as a regional credit administrator. He was most recently vice president and manager of the bank's Urban Enterprise Banking unit in Southern California, focusing on lending to women- and minority-owned businesses.

Thomas P. FitzGibbon, Jr.

Single-family Housing Lending Faculty

Tom is the president of MB Financial Community Development Corporation (MBCDC), a \$4 million equity subsidiary of the \$4.7 billion Chicago-based MB Financial Bank. In addition he is the senior vice president of the bank and the chief retail banking officer with responsibility for deposit and lending product development and delivery at the retail level, including residential, small business and consumer lending. He is a member of the bank's board of directors and a member of the eight-person management committee for the bank.

The focus of MBCDC is to provide Community Reinvestment Act compliance consulting services for local banks, direct the equity investment and manage

loan participation programs for MB Financial Bank and other financial institution clients. In addition the MBCDC originates loans and prepares grant applications to develop affordable rental housing, generate affordable loan products for home purchasers and originate business loans that serve retail, commercial, and industrial credit demand that serves low- and moderate-income markets. This entity has averaged more than \$35 million annually in community development direct lending and investment since 1995 and has helped the bank originate another \$50 million annually.

Tom serves as the vice president and resource development chairman for Neighborhood Housing Services of Chicago, director and vice president of DevCorp North, an economic development agency, a director of The Woodstock Institute and director and vice president of the Regional Redevelopment Corporation serving the southern part of the city of Chicago and the south suburbs. Tom has served as a member of the steering committee of the Federal Reserve Bank of Chicago-sponsored Mortgage Credit Access Partnership and the Small Business Credit Access Partnership since 1995 and has recently been appointed to a three-year term as a member of the Board of Governors of the Federal Reserve Bank's Consumer Advisory Council, and sits on the committee reviewing the Community Reinvestment Act. He is also a member of the Regional Lender Advisory Board for the Federal Home Loan Mortgage Corporation.

He also serves on the National Steering Committee of the NeighborWorks Campaign for Home Ownership, first launched in 1993. That initiative has generated more than 70,000 new homeowners in 80 cities in ten years. As a part of the leadership of this initiative, Tom regularly provides technical assistance to non-profit organizations and their lender partners in the development and implementation of home ownership loan programs.

Tom served as the executive vice president and chief lending officer for the \$2.5 billion Washington, D.C.-based Columbia First Bank until 1990. He has been a principal bank officer since 1970 for institutions in Minnesota, Maryland, and Washington, D.C.

Cathy A. Niederberger

Community-based Facilities Lending Faculty

Cathy is a senior vice president of PNC's Development Bank. In this capacity, she executes the bank's community development programs and policies and is responsible for the larger, more complex, community development customer relationships within western Pennsylvania. She sets strategic direction for the bank's initiatives, focusing on lending, services, and investments. She serves as the western Pennsylvania territory primary liaison with the community by communicating with influential leaders and groups regarding community development issues, then interprets and evaluates market needs and determines PNC's role in servicing those needs. In addition, Cathy serves on numerous civic and charitable boards.

Prior to joining PNC in 1996, Cathy managed the Community Development Lending Department of Integra Bank, now part of National City Bank. There she was responsible for creation and development of an eleven-person staff focusing on residential and commercial community development lending issues.

Jeff Nugent

Lead Facilitator

Jeff is the executive vice president of the Development Training Institute (DTI), and heads up many of DTI's highly acclaimed training workshops, most notably the Bank of America Leadership Academy. In addition, Jeff is responsible for much of DTI's program development efforts.

Jeff has trained lenders, regulators of financial institutions, and community-based developers in effective community reinvestment. He has conducted workshops for the FDIC, Federal Reserve Banks, the Federal Home Loan Banks, the Regional Interagency Committee of New York/New Jersey, the American Bankers Association, and the National Association of Affordable Housing Lenders. He has also conducted in-depth training programs for individual lending institutions. Prior to his DTI career, Jeff served as a program officer for the Office of Neighborhood Development of the U.S. Department of Housing and Urban Development. Jeff began his career working for a community development corporation in Springfield, Massachusetts. While there, he helped to establish a community credit union and initiated several economic development projects.

Eve Ryan

Commercial Real Estate Lending Faculty

Eve serves as senior vice president and regional manager of Wells Fargo Bank's Corporate Community Development Group, LA Metro. Her responsibilities include managing a team of community development officers and a foundation representative in Los Angeles, Ventura, and Santa Barbara counties. Through collaborations with public and private agencies, and non-profit and for-profit organizations, the Wells Fargo Community Development Group seeks ways to break down barriers to create housing, business and economic opportunities for our communities.

Eve began her career at Nationwide Capital, a wholly owned subsidiary of Home Federal Savings and Loan in San Diego, as a national commercial real estate loan officer. She served as a vice president for Mitsubishi Bank, Los Angeles underwriting large commercial real estate properties that included regional shopping centers, high rise office and big box retail. In 1989, Eve joined NationsBank's predecessor, NCNB, where she was appointed senior vice president and manager of the bank's South Carolina Coastal Region Commercial Real Estate Group. There, she expanded her experience by overseeing a portfolio of 26 golf courses, hotels, and resort properties underwritten and managed by a staff of nine.

In 1992, she moved to Barnett Bank Florida and was promoted in 1996 to the position of senior vice president, CRA Commercial Real Estate for Barnett's newly formed community development corporation. Eve moved to the syndication side of real estate in 1997 as a director of Nations House Fund, Enterprise Social Investment Corporation in Columbia, Maryland, where she managed in excess of \$600 million in syndication of Low Income Housing Tax Credit investments from NationsBank and was a project manager of a team of six.

Since 1999, she has been a manager with Wells Fargo Bank; first for Real Estate Group/Community Lending and then to her current position as regional manager of Well Fargo's Community Development Group, LA Metro. She is a member of the senior management team for the group and also serves on the LA Community Development Advisory Board.

Eve is chair of the LA LISC Community Advisory Board; chair of the California Community Reinvestment Corporation's loan committee, which approved over \$300 million in loans in 2003; and is a board member of the Los Angeles County Planning Advisory Board, Project New Hope, and the California Housing Consortium.

Sharon Sayles Belton

Orientation Speaker

Sharon is a senior fellow at the Roy Wilkins Center for Human Relations and Social Justice at the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota, Twin Cities. In this position, she works on anti-racism initiatives and improving information sharing between community organizations and research institutions like the Humphrey Institute. She is involved with the development of an emerging leaders program for communities of color and new immigrants in the Twin Cities and its suburbs. She also lectures on her experiences as an elected official and policymaker.

Sharon served as mayor of Minneapolis from 1994 to 2001. Prior to becoming mayor, she served on the Minneapolis City Council for ten years and was council president for four of those years. As a community leader and activist, she has lead efforts to improve services for victims of domestic violence and sexual assault. In 1978, she co-founded the Harriet Tubman Shelter for Battered Women and also co-founded the National Coalition Against Sexual Assault. She has served as a board member or chair of many organizations, including the Neighborhood Revitalization Program, Clean Water Partnership, Childrens' Healthcare and Hospital, the Bush Foundation, the U.S. Conference of Mayors, and the National League of Cities. She is the recipient of many awards, including the Gertrude E. Rush Distinguished Service Award presented by the National Bar Association and the Rosa Parks Award, presented by the American Association for Affirmative Action.

Alex Viorst

Multi-family Housing Lending Faculty

Alex Viorst is senior vice president and team leader of community development banking at Bank of America in Washington, D.C. He is responsible for developing \$20 million in new business annually by partnering with for-profit and non-profit housing developers throughout the Washington, D.C. area. This includes performing all necessary due diligence, evaluating the creditworthiness of new projects and structuring loans to address the specific risks of each credit. Alex also manages a \$30 million portfolio of commercial real estate loans, including construction lines of credit to developers of for-sale single family homes, townhomes and condominiums, and acquisition / rehabilitation loans to developers of rental properties.

Prior to joining Bank of America in 1997, Alex served as a commercial banking officer in the community development department of LaSalle National Bank in Chicago and the manager of small business development at Kinzie Industrial Development Corporation.

"When I attended the training I was new to the field. The training was extremely beneficial and exposed me to terms and concepts related to community development."

Alfred Arguello

CRA Officer, Bank of America

Business Experience

Briefly describe your major responsibilities in your current position. _____

Describe what you hope to gain from attending NCDLS. _____

I have read the admission requirements and wish to enroll in NCDLS.

Applicant's Signature: _____ Date: _____

Please return this application by June 15, 2004

Applications should be sent or faxed to:

**Mary Malone, Protocol Coordinator
Federal Reserve Bank of San Francisco
101 Market St. MS 560
San Francisco, CA 94105**

Fax: 415/393-1931

Method of payment:

Check one: \$1,895 with housing \$1,595 without housing

MasterCard VISA American Express Check (payable to FRBSF)

Account number

Expiration date:

Credit card billing address:

Same as mailing address or

Street address

City

State

Zip code

If your application is not accepted your check will be returned or your credit cards will not be charged. Space is limited and not all applicants will be accepted. All applicants will be notified by email or phone by June 22, 2004.

For questions about the National Community Development Lending School, contact Bruce Ito, Community Affairs Specialist, Federal Reserve Bank of San Francisco at 415/974-2422 or bruce.ito@sfrfb.org. For up-to-date information on NCDLS, please check our website at:

www.frbsf.org/community

Admissions, Accommodations and Fees

Application Process and Admissions

To be considered for NCDLS, your application must be approved by the Federal Reserve Bank of San Francisco. Enrollment is limited to 50 students and applications are accepted on a competitive basis; apply early to ensure space availability! *The NCDLS application, located on page 9 and 10, must be submitted with a check or credit card information for the full amount of school tuition no later than June 15, 2004.* Applications will be accepted after June 15, though space cannot be guaranteed.

Applicants should have a minimum of one year of experience in community development with a working knowledge of the basic tools of credit analysis. Final approval of your application rests solely with the Federal Reserve Bank of San Francisco.

Graduation

To graduate from NCDLS, you must attend all scheduled classroom/small group sessions and complete work as assigned. Graduates will receive a certificate of completion at the conclusion of the last session on Thursday, July 22.

Location

The University of Minnesota is one of the most comprehensive public universities in the United States and ranks among the most prestigious. It is both the state land-grant university, with a strong tradition of education and public service, and the state's primary research university, with faculty of national and international reputation.

This year, NCDLS classes will be conducted at the McNamara Alumni Center. The 231,000 square foot building was designed by renowned architect Antoine Predock and opened in February 2000. Features include a pink granite-covered geode exterior with star-shaped glass fissures; an 85-foot tall Memorial Hall complete with six miles of wood lining its walls and a running stream and pool; and 75,000 square feet of copper covered exterior and interior walls.

Accommodations

Students who opt for housing will have their own rooms at the Radisson Hotel Metrodome, at 615 Washington Avenue SE, Minneapolis, Minnesota.

Because the McNamara Alumni Center is adjacent to the hotel, the Radisson is the most convenient choice for NCDLS participant accommodations. Students may check in as early as Saturday, July 17, with late check-out on Thursday, July 22.

Most meals will be provided by D'Amico Catering and served in the McNamara Alumni Center. There will be a variety of choices, including a vegetarian entrée. On Sunday, July 18, dinner will be the first meal provided. On Thursday, July 22, breakfast will be the last meal provided. Monday's dinner will be at the Federal Reserve Bank of Minneapolis. On Tuesday evening, students and faculty will have the opportunity to explore Minneapolis.

Attire

Appropriate dress for NCDLS is casual. Minneapolis' summer weather is warm and humid.

School Tuition

Students opting for housing at the Radisson Hotel Metrodome will pay tuition and housing fees of \$1,895. Students opting out of housing will pay only tuition of \$1,595. The application deadline is June 15, 2004. Tuition includes meals, instruction, classroom materials and a certificate of completion. Please send a check payable to the Federal Reserve Bank of San Francisco, or provide your credit card information, along with the completed NCDLS application, to: Mary Malone, Protocol Coordinator, Federal Reserve Bank of San Francisco, 101 Market Street, MS 560, San Francisco, CA 94105.

Students will receive written notification of their acceptance to NCDLS plus a registration packet that includes additional information, and pre-class assignments.

Cancellation Policy

If space is full for NCDLS, your payment will be returned to you. Refunds for cancellation will not be granted after June 29, 2004; however, substitutions will be permitted. All cancellation requests must be submitted in writing.

Any Questions?

If you would like more information about the NCDLS curriculum, please contact Bruce Ito, (415) 974-2422 or bruce.ito@sf.frb.org at the Federal Reserve Bank of San Francisco.

If you need registration information, please contact Mary Malone, (415) 974-2871, mary.malone@sf.frb.org, at the Federal Reserve Bank of San Francisco.

Additional brochures can be downloaded from our website at: www.frbsf.org/community

Join Us! Space is Limited – Apply by June 15, 2004

**2004 National
Community Development
Lending School** *McNamara Alumni Center,
University of Minnesota, Twin Cities
Minneapolis, Minnesota
July 18-22, 2004*

Q: Who is NCDLS designed for?

A: The school curriculum is designed to be of most use to CRA officers and community development lending professionals.

Q: What types of organizations do students work for?

A: Primarily, students are employed at financial institutions, but students have attended from community development corporations, CDFIs, regulatory agencies, and nonprofit lenders.

Q: What are some of the organizations that have sent students in the past?

A: Bank of America, U.S. Bank, Key Bank, NCB Development Corporation, Wells Fargo Community Development Corporation, JP Morgan Chase, and State Farm Bank, to name a few.

Q: Where can I get more information about NCDLS?

A: Bruce Ito of the Community Affairs Unit of the Federal Reserve Bank of San Francisco welcomes your questions and comments, (415) 974-2422 or bruce.ito@sfrfb.org. Information is also available at www.frbsf.org/community



Federal Reserve Bank of San Francisco
Community Affairs Unit
101 Market Street, MS 640
San Francisco, CA 94105

ADDRESS SERVICE REQUESTED
AU# 10252-9999-10252

First-Class Mail
U.S. Postage
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Permit No. 752
San Francisco, CA