

District Bulletin

— CONFERENCE & SEMINARS —

SEPTEMBER 25–27

Housing Washington 2000 sponsored by the Washington State Housing Finance Commission and others; Spokane, WA. Call (360) 357-8044 or visit www.wshfc.org/conf for more information

October 1–13

Brownfields 2000: Research and Regionalism—Revitalizing the American Community presented by the Engineers Society of Western Pennsylvania; Atlantic City, NJ. Call (877) 343-5374 or visit www.brownfields2000.org for registration and information

OCTOBER 3–6

22nd Annual Regulatory Compliance Conference presented by the California Bankers Association and others; Indian Wells, CA. Contact Dorothy Hong at (415) 284-6999 x215 or via email: dhong@calbankers.com

OCTOBER 5–6

DOT.COM Affordable Housing and CRA–2K sponsored by the National Association of Affordable Housing Lenders (NAAHL); San Francisco, CA. Call (202) 293-9855 for additional information or (800) 833-1354 to register.

October 19–23

Helping Small Towns Succeed sponsored by The Heartland Center; Jackson Hole, WY. Call (800) 927-1115 or visit www.4w.com/heartland for registration and information.

October 30–11/3

Community and Economic Development Conference 2000 sponsored by the American Bankers Association and the Federal Reserve Banks of Chicago and St. Louis; Chicago, IL. Contact Barbara Sims-Shoulder at (312) 322-8232 or via email: barbara.e.shoulders@chi.frb.org

NOVEMBER 15–17

Revolving Loan Fund Training Conference sponsored by the Economic Development Finance Service (EDFS); San Diego, CA. Contact Bill Amt at (202) 624-8467 or via email: bamt@nado.org

— INVESTMENT OPPORTUNITIES —

FIRST NATIONS ENTERPRISE DEVELOPMENT FUND SBIC

The Pascua Yaqui Tribe of Arizona is in the process of establishing the first Native American Small Business Investment Company (SBIC), to be known as the *First Nations Enterprise Development Fund*. This mezzanine SBIC in formation will be managed by First Nations Capital Advisers, LLC, and will make both debt and equity investments in technology commercialization and manufacturing joint ventures located on American Indian reservations. Joint ventures in which the SBIC invests are expected to significantly benefit from the federal HUBZone, which are incentives available to minority enterprises located within the boundaries of federally recognized American Indian reservations. Participation in the SBIC is open to both regulated financial institutions as well as recognized American Indian tribes, and would be eligible for CRA consideration.

For further information contact: Kevin O'Brien, Business and Investment Analyst, Pascua Yaqui Nation by phone (520) 879-5126 or e-mail: writerr@hotmail.com.

CALPERS' CALIFORNIA INITIATIVE

On June 19, 2000, the Investment Committee of the California Public Employees' Retirement System (CalPERS) approved the creation of the California Initiative, a \$500 million program that will focus on small businesses and emerging companies, especially in under served urban and rural California communities. CalPERS will be involved in setting the strategy for the investments within the vehicle, and is now in the process of finding an investment manager who will be based in California and have a dedicated staff for running the day-to-day operations of the Initiative. CalPERS may form strategic financial relationships with other leading financial institutions in order to leverage existing expertise and combine resources.

For more information on CalPERS' California Initiative, please contact Panda Hershey at (916) 341-2380 or by e-mail:

Panda_Hershey@CalPERS.ca.gov.

CHILDCARE CAPACITY DEVELOPMENT GRANT AND LOAN PROGRAM (LOS ANGELES COUNTY)

This new program is currently creating a loan pool to help increase childcare availability in Los Angeles county, with the potential for state-wide expansion. The program directors are also looking for bankers to assist in an advisory capacity on the mechanics of structuring and operating the loan pool. For further information contact Daniel Tabor, manager at (877) 717-2273.

Correction: The phone number for the Arizona Native American CDC featured in the May 2000 District Bulletin was incorrectly printed. The correct number is (406) 338-2690.

District

— REFERENCES, RESOURCES & OTHER —

CALIFORNIA ENVIRONMENTAL REDEVELOPMENT FUND

The California Environmental Redevelopment Fund (CERF), LLC, an innovative new financing source for brownfields, environmental cleanup and smart growth, is now open for investments from banks and other interested corporations. CERF is the result of more than two years of work by a task force of California banks, corporations, legal advisors, banking and environmental regulators, and experts in environmental law and finance. CERF is the first of its kind in the country and has already become a national model. CERF has been facilitated by The Development Fund, with sponsorship from the Bay Area Council, the Los Angeles Chamber of Commerce and the Federal Reserve Bank of San Francisco.

For further information on CERF, please contact Susan Phinney Silver at The Development Fund: info@tdfsf.org or (415) 981-1070 x 17.

BAY AREA FAMILY OF FUNDS

The Bay Area Family of Funds (Family of Funds) is sponsored by the Community Capital Investment Initiative of the Bay Area Alliance for Sustainable Development. The Family of Funds is an amalgamation of equity-based funds that apply a market-based approach to provide an economically viable return on investment, as well as social returns that promote a prosperous Economy, quality Environment, and social Equity—The Three Es of smart growth.

Each of the funds will be operated by an investment manager—or the equivalent—and will invest in the 46 communities in the nine-county San Francisco Bay Area with the most persistent and highest concentrations of poverty. The funds are now open for investments from banking, insurance, pension, institutional investors and venture capital funds.

For further information on the Family of Funds, please contact Andrew Michael at the Bay Area Council:

amichael@bayareacouncil.org
or (415) 981-6600.

CALL FOR PAPERS

Federal Reserve System Conference:
Changing Financial Markets and Community Development
Washington, D.C., April 5–6, 2001

The Community Affairs officers of the Federal Reserve System are jointly sponsoring a conference on the effects of recent changes in financial markets on low- and moderate-income (LMI) communities. The conference will bring together interested parties from academia, financial institutions, community organizations, foundations, and government to learn about recent research in this area.

Conference organizers are particularly interested in papers focusing on either the impact of changing banking technology on LMI communities, or the effect of changes in financial markets on wealth creation and neighborhood sustainability. Preference will be given to papers that may stimulate further research by introducing new data resources or innovative research techniques. Authors of all accepted papers are expected to provide executive summaries, which will be published in a conference volume.

Paper presenters and discussants will receive travel expenses. Authors of selected papers addressing key issues will receive honorariums. Individuals interested in presenting research should submit a completed paper, detailed abstract, or proposal by October 16 to:

Lynn Elaine Browne, Senior Vice President and Director of Research, Federal Reserve Bank of Boston, 600 Atlantic Avenue, Boston, MA 02106, e-mail: **Lynn.Browne@bos.frb.org**, phone: (617) 973-3091.

DEMYSTIFYING FICO

A “definitive list of score factors” is available on Fair, Isaac’s website at **www.fairisaac.com**. The site includes a comprehensive list of the information considered by Fair, Isaac scoring models in calculating a FICO score. The site also contains information on how lenders use FICO scores as part of the lending process, and how borrowers can use score reason codes to determine whether there are errors in the credit report and understand how to improve their scores over time.

CREDIT SCORING SERIES

The first of a five-part series that examines the impact of credit scoring on mortgage applicants is now available. This series is the product of a comprehensive survey of housing industry professionals who identified the use of credit-scoring technology in the underwriting process as a common concern. The survey was conducted by the Credit Scoring Committee of the Federal Reserve System’s Mortgage Credit Partnership (MCP) project.

This first article reviews the evolution of the MCP project and some of its major achievements. It features a flow chart that illustrates the “life of a credit-scored mortgage” and how an application may potentially become derailed. Finally, it includes statements received from representatives at various organizations that reflect divergent perspectives on credit scoring and fair lending.

The full text is available on the Boston Fed’s website: **<http://www.bos.frb.org/comaff/html/c&b.htm#spring2000>** or by calling (800) 409-1333 to request a copy of their Spring 2000 *Communities and Banking* publication.

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"CONTACT Us"

A new feature has been added to the Community Affairs section of the San Francisco Federal Reserve's website (www.frbsf.org/candca). Visitors to the site can now send comments, questions and suggestions to Community Affairs staff. Feel free to drop us a line with your comments, or ask a regulatory question. Questions and answers will be posted on the site and may appear in a future newsletter.

CRA DATA AND ANALYSIS

A number of CRA-related studies have recently been completed and are available online. The first study, entitled *Have the Doors Opened Wider? Trends in Homeownership by Race and Income*, analyzes the trends and factors that have contributed to the rise in homeownership from 1989 to 1998. The full paper is available at the Federal Reserve Board of Governor's website: www.federalreserve.gov/pubs/feds/2000/200031/200031abs.html. A study by the Treasury department provides a baseline from which to measure subsequent changes to CRA resulting from the Financial Modernization Act: www.ustreas.gov/press/releases/docs/crareport.pdf. Another Federal Reserve Board study offers findings on the performance and profitability of CRA-related lending:

www.federalreserve.gov/BoardDocs/Surveys/CRAloansurvey.

THE LOS ANGELES ONE STOP CAPITAL SHOP

On June 2nd, approximately 100 community development professionals and financial institution representatives joined U.S. Small Business Administrator Aida Alvarez, U.S. Representative Juanita Millender-McDonald, and Los Angeles Mayor Richard Riordan to celebrate the grand opening of the Los Angeles One Stop Capital Shop. Located in the Watts Civic Center, the LA OSCS is intended to serve as an information clearinghouse and referral source of capital providers, as well as provide loan packaging and specialized technical assistance to develop capital readiness in businesses located in the federally designated empowerment zone and throughout Los Angeles. Since the grand opening, the LA OSCS has demonstrated its value as a resource for the community by assisting over 200 small businesses.

The Los Angeles One Stop Capital Shop is located at 10221 Compton Avenue, Suite 103. For additional information contact Kashif A. Rasheed at (213) 473-5111.

RCAC HONORS

The Rural Community Assistance Corporation (RCAC) is seeking nominations for the 2000 Yoneo Ono Award. This award honors volunteers who have made a significant improvement in the quality of life for rural communities. Past recipients have served as volunteers in many areas including housing, community facilities and community organizing. The deadline is September 30, 2000.

For further information or to obtain a nomination form, contact RCAC at (916) 447-2854.

CRC WEBSITE

The California Reinvestment Committee (CRC) has made it easier to access information about CRA issues and activities in California through their new website: www.calreinvest.org. The site features the latest information on CRA campaigns, bank merger activity, bank CRA commitments and other issues relating to reinvestment in affordable housing, economic development and consumer services for California's low-income and minority communities.

For information on CRC, contact Alan Fisher at (415) 864-3980.