

The Association of Reinvestment Consortia for Housing

by Fred Mendez, Senior Community Investment Specialist, Federal Reserve Bank of San Francisco

The Association of Reinvestment Consortia for Housing (ARCH) is comprised of the presidents of affordable housing lending consortia representing financial institutions in Alabama, California, Florida, Georgia, Hawaii, Idaho, Illinois, Maine, New Hampshire, Oregon, Utah and Washington. A banking response to community reinvestment credit needs for affordable housing, these nonprofit mortgage banking organizations have been formed since 1989, with the exception of the Community Investment Corporation which was formed by Chicago-based financial institutions in 1974.

Collectively, ARCH represents over 400 commercial banks, thrifts and savings and loans with commitments totaling over \$1.5 billion and over 60,000 affordable housing units created throughout the country. Each consortia is an independently governed and staffed, self-sufficient organization with

an experienced staff and a common mission to be a catalyst for the development and preservation of affordable housing and community revitalization in their respective states and regions. ARCH provides a forum whereby the member organizations can collectively deal with the challenges posed by a changing marketplace, the changing perspectives of their member financial institutions and the changing regulatory environment.

In a speech to financial institutions in Washington, former Federal Reserve Board Governor John LaWare stated that “the loan consortium is a very effective way of meeting credit needs, particularly in the area of affordable housing. By pooling funds from participating institutions, loan consortia have enabled their participants to diversify risk and reduce costs in providing funding for multifamily affordable housing development. The fact

that consortia lending receives full credit under CRA should be secondary. Banks, after all, are peculiarly the creatures of the communities that they serve. If the community does well, the banks will probably do well. Decent and affordable housing is essential for any really successful community. Acting in concert with other institutions to satisfy that need is, in my opinion, nothing more than enlightened self-interest.”

The information provided on the following page provides a glimpse of the success of these organizations. Representing information from eleven of the thirteen ARCH members, the growth in lending, impact to low- and moderate-income families and loan loss information shows that community development lending has matured to the point where the success of consortia, like those in ARCH, exceeds that of the conventional marketplace.

If you would like more information regarding these organizations, please contact any of the ARCH member organizations listed below.

- ▶ MIKE BIELAWA, Community Investment Corporation, Chicago 312/258-0070
- ▶ STEVE GRAHAM, Utah Community Reinvestment Corporation 801/366-0400
- ▶ MARY KAISER, California Community Reinvestment Corporation 818/550-9800
- ▶ CHRIS MILLER, New Hampshire Community Reinvestment Corporation 603/472-8623
- ▶ JUDY REED, Washington Community Reinvestment Association 206/292-2922
- ▶ DEBRA REYES, Neighborhood Lending Partners, Tampa, FL 813/879-4525
- ▶ CHARLES ROWE, Florida Community Partners, Orlando 407/898-1661
- ▶ CINDY STEWART, Maine Community Reinvestment Corporation 207/772-5356
- ▶ DON TARLETON, Hawaii Community Reinvestment Corporation 808/532-3110
- ▶ BILL TILLY, Alabama Multi-family Loan Consortium 334/265-7156
- ▶ BILL VAN VLIET, Network for Oregon Affordable Housing 503/223-3211
- ▶ JOANNE WERTZ, Idaho Community Reinvestment Corporation 208/853-2431
- ▶ DAVID YOUNG, Georgia Affordable Housing Corporation 800/536-9650 x8237

MAKING AN IMPACT

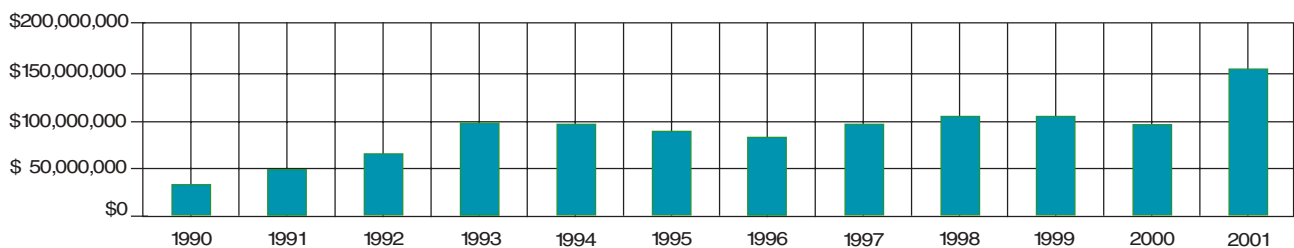
The Association of Reinvestment Consortia For Housing (ARCH) Statistical Profile as of December 31, 2001

ARCH Members:	Pool Size (in millions)	Financial Institution Memberships
Alabama Multifamily Loan Consortium	\$30	44
California Community Reinvestment Corporation	\$230	43
Community Investment Corporation (Chicago)	\$556	47
Florida Community Partners (Central Florida)	\$54	19
Hawaii Community Reinvestment Corporation	\$50	8
Idaho Community Reinvestment Corporation	\$45	15
Maine Community Reinvestment Corporation	\$8	14
Neighborhood Lending Partners (Tampa Bay, FL)	\$95	43
Network for Oregon Affordable Housing	\$70	17
Utah Community Reinvestment Corporation	\$40	33
Washington Community Reinvestment Association	\$106	37
Totals:	\$1.3 billion	320

LENDING INFORMATION

Number of Loans:	1,316
Dollar Amount of Loans:	\$1.12 billion
Loan Losses to Date:	0.44%

Growth in Lending from 1990–2001



Social and Economic Impacts

Housing Units Financed:	58,266
Affordable to Tenants with 80% or below of AMI:	96%
Urban Communities Impacted:	64%
Rural Communities Impacted:	36%