District Update

CRA Leadership Councils were established to recognize and encourage community reinvestment efforts throughout the 12th District. The Councils, which are affiliated with the local CRA roundtables, actively participate with the San Francisco Fed's Community Affairs staff to identify critical community and economic development needs, and to develop new products and services. In this ongoing feature, we ask Council members to talk about their backgrounds and how they became involved in CRA, their responsibilities, successes and any advice or words of wisdom they would like to share. This time we are pleased to feature Elaine L. Hogue of American Savings Bank in Honolulu, Hawaii and Brian Scripp of Westamerica Bank in Fairfield, California.

ELAINE L. HOGUE
COMMUNITY DEVELOPMENT OFFICER
AMERICAN SAVINGS BANK

Family is very important in Hawaii, that's why there's a special word for it—*Ohana*. I'm the mother of a blended *ohana* of seven and the wife of a state senator. As a business professional in Hawaii for over two decades, I never dreamed that I would land in banking, much less in a position that provides such a personally-rewarding opportunity. Overseeing a CRA program that coordinates the bank's strategic plan and business strategy together with its community relations initiatives in a way that supports the less fortunate of Hawaii's *ohana* is an awesome responsibility that I relish.

American Savings Bank (American) is a full-service bank with 71 branches throughout the Hawaiian islands. Prior to acquiring Bank of America's Hawaii division in 1997, our focus was mostly on residential and consumer products. Since the acquisition, we have beefed-up commercial real estate lending and added business and corporate banking.

While I was fortunate enough to inherit a well-established CRA program, (Outstanding CRA rating since 1989) I am awe-inspired by the way our new president, Constance Lau, has embraced community reinvestment at American. Her guidance has spurred us to coordinate our CRA program with the bank's strategic plan and community relations initiatives, with an emphasis on leveraging the bank's investments through increased employee involvement in targeted organizations. Not only do we get great involvement from our own staff, we are also blessed with tremendous involvement by the board of our parent organization, Hawaiian Electric Industries, plus our investment and insurance subsidiaries. American is truly an *ohana*, with all levels of our extended *ohana* getting involved.

It is through this support and leadership that I am particularly proud (and lucky) to have either expanded upon or, in some cases, initiated many programs. One of these initiatives is the "Speakers Bureau" program, which consists of 30 designated banking staff who are available to assist community organizations with their financial literacy efforts. This program is a natural complement to the bank's already well-established "CRA Speaking Engagement Program" that we use to educate all staff about the bank's CRA obligation, encourage their participation in community development activities and track these activities.

Our bank-wide IDA initiative, developed as a result of working with the Hawaii IDA Collaborative, is also very exciting to me. It's fully embraced by all 71 branches because it helps to build assets for Hawaii's low- to moderate-income *ohana* and supports the bank's focus on growing deposit accounts. This is a perfect example of how investing in such programs can tie in to a bank's strategy—creating new accounts while stimulating the local economy. The additional reward is that the nonprofits act as fiscal agents for the matching funds, utilizing us for such deposits.

Our focus on expanding innovative lending and investment strategies has resulted in a new consumer loan product: the nationally renowned *Ways to Work* family loan program. This program for the working poor *ohana* is an exclusive American Savings Bank program on Oahu, in which we fund the loans as opposed to funding via a loan pool. This gives borrowers a track record of repaying debt at a bank. One recent participant in the program is a parent who used to wake-up at 3 a.m. for work and return from school at 11 p.m. using the public transportation system. The purchase of a used vehicle through *Ways to Work* (a fixed 8% rate for two-years) now allows this single mom more time with her *ohana*.

Admittedly, it's hard to keep all priorities in perspective. I serve on the boards of five organizations in which the bank invests, actively participate in many of our lending, investment, services and public relations initiatives, and keep up with the CRA. But to be a CRA officer in paradise, well, that's the best part of all . . . at American, it's all in the *ohana*.

District Update

Brian Scripp
CRA and Compliance Officer
Westamerica Bank

Being a CRA officer is one of the most satisfying, fun and interesting jobs a person can have. But to be honest, it took a while before I came to this conclusion because CRA can also be very hard work.

Before becoming a CRA officer, I worked for a large savings association. This gave me a perspective on the competitive challenges institutions face. Following that, I was a compliance and CRA examiner for the Office of Thrift Supervision and Federal Reserve for five years. I had the opportunity to travel across America and speak with a large cross-section of people. It was a fascinating experience and really influenced my CRA perspective that each community has very diverse needs. These may range from access to health care to job training and living wage jobs to homeless shelters and drug treatment facilities.

When I became a CRA officer, my first task was to identify the bank's most pressing CRA needs. Finding a practical way to address these needs was a real challenge and led me to my first CRA lesson: *To make a difference in the community sometimes it is necessary to think outside of the typical CRA box and try something new.* I learned this after helping a start-up nonprofit. When I first met Jenefer Duane, she told me about her dream of launching a program to teach financial institutions how to prevent the financial abuse of elders. She put me in touch with district attorneys who provided grim statistics concerning the frequency of financial abuse of the elderly. It was obvious that this was a real problem in our society. Jenefer was a great community organizer but was only one person and needed support to reach the next level.

I promised we would build a website to give her a communication channel to institutions, community organizations and the public, and then help her develop a plan to take her message to every CRA officer in California. This was a scary moment. At that time, none of the regulators had decided that preventing financial abuse of seniors was a CRA activity—and our bank had never built a website for a nonprofit.

But it all worked. We convinced people that teaching institutions and nonprofits how to detect and prevent this horrible crime is a CRA service. We found a volunteer to program a website, and in April of this year, we launched the website: **bewiseonline.org** for the California Community Partnership for the Prevention of Financial Abuse. Later this year, CCPPFA will finish a training video to be distributed to many institutions across the western region.

For a CRA officer to make a difference, the support of his or her bank is vital. I've been fortunate in this regard. Westamerica Bank is not afraid of new ideas. For example, nine months ago, after reviewing dismal statistics concerning the high percentage of Americans with severe credit and debt problems, I went to bank management with an idea for financial literacy training. The theme of the campaign would be: "*Money doesn't come with instructions,*" and the idea was to help people understand not only how to make a budget but also how to be a wise consumer. The concept was to develop very user friendly materials, form alliances with nonprofit organizations, quasi-government agencies, and the Jelly Belly™ company, with the intent to reinvent how financial literacy is taught to the very poor. The program has now become so successful that we have formed a partnership with a much larger institution, a member of the Northern California CRA Leadership Council, to help meet the demand. In the next five years we will jointly teach financial literacy to thousands of low-income families.

For me, CRA can be both frustrating and hugely rewarding. Bringing new solutions to the community is hard, but it is one of the few jobs where a person can drive home at night knowing he served both his employer and the community.