Current State of the Market Conditions & Recent Trends

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National Interagency Community Reinvestment Conference

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ECD/HOPE Overview

- Community Development Financial Institution
  - Loan Fund
  - Credit Union
- Community Development Intermediary
- Policy Center

– *Started in 1994*

– *75,000 individuals assisted*

– *$1.4 billion in financing*

– *Delta, Katrina-affected areas, distressed communities in Arkansas, Louisiana, Mississippi and Tennessee*

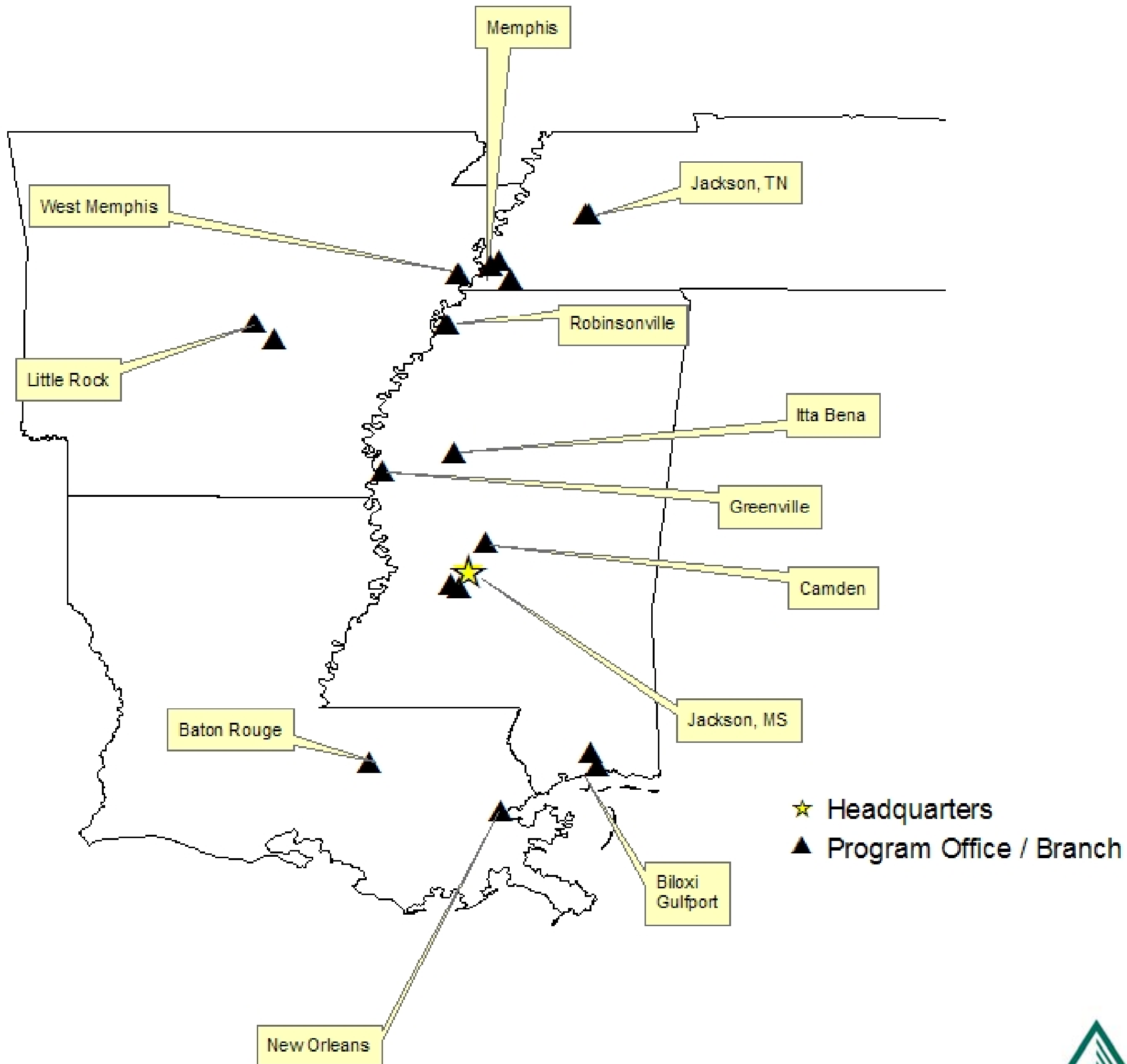
ECD/HOPE Overview

- **Business Lending**
  - Loans for small- & medium-sized businesses ♦ New Markets Tax Credit financing ♦ Public agency guarantees and credit enhancements ♦ Financing for nonprofits, community facilities, health care, child care and other community infrastructure ♦ Loan participations
- **Housing Finance**
  - Single family mortgages ♦ Low-Income Housing Tax Credit debt and equity ♦ Development of rental and owner-occupied housing

ECD/HOPE Overview

- **Retail Financial Services**
  - Transaction products such as checking accounts, online banking, credit cards, debit cards, ATM cards ♦ Savings products including Individual Development Accounts, IRAs ♦ Secured and unsecured consumer loans including payday alternative loans, automobile loans, home equity loans, affordable refund anticipation loans
- **Intermediary Services**
  - Financial counseling such as foreclosure mitigation, homebuyer education, credit building, VITA ♦ Affordable housing development ♦ Loan fund administration ♦ Project design and management
- **Policy Analysis and Advocacy:**
  - Family Economic Self Sufficiency ♦ Responsible Financial Services ♦ Budget and Tax Equity

ECD/HOPE Service Area

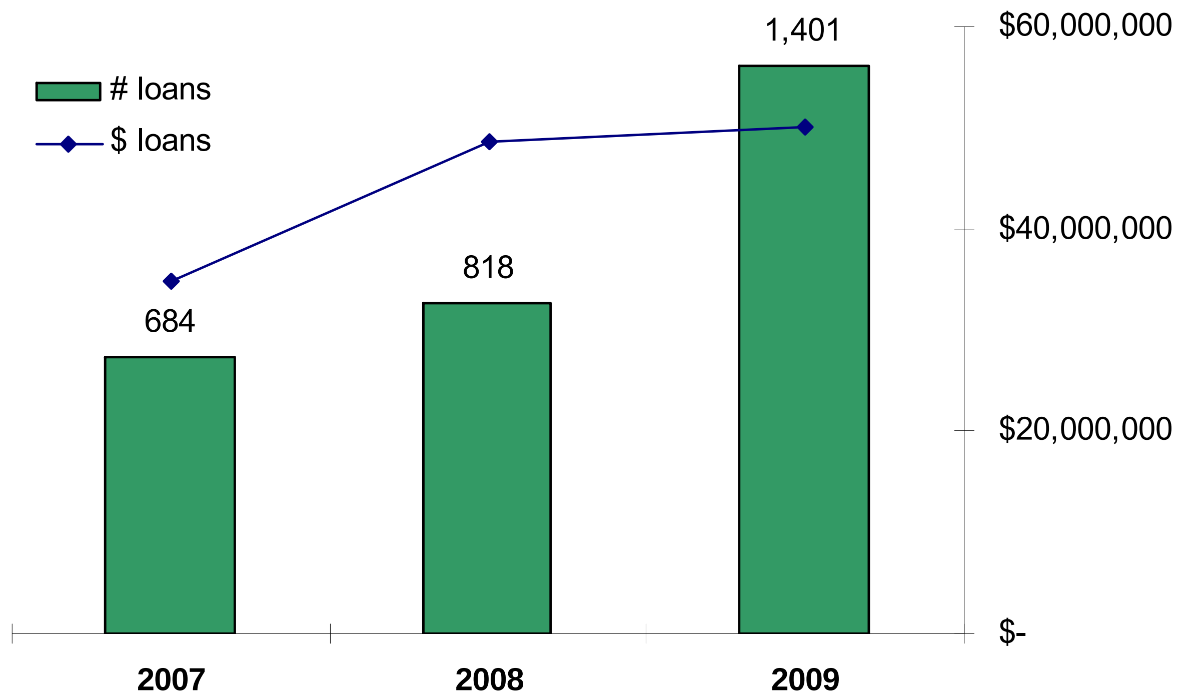


Strengthening Communities ▲ Building Assets ▲ Improving Lives

15 Years ECD/HOPE
Enterprise Corporation of the Delta
Hope Community Credit Union

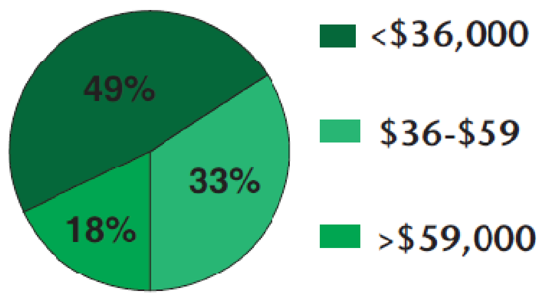
Capital & Credit Markets

- *Demand*
  - Record consumer, home mortgage and commercial loan originations

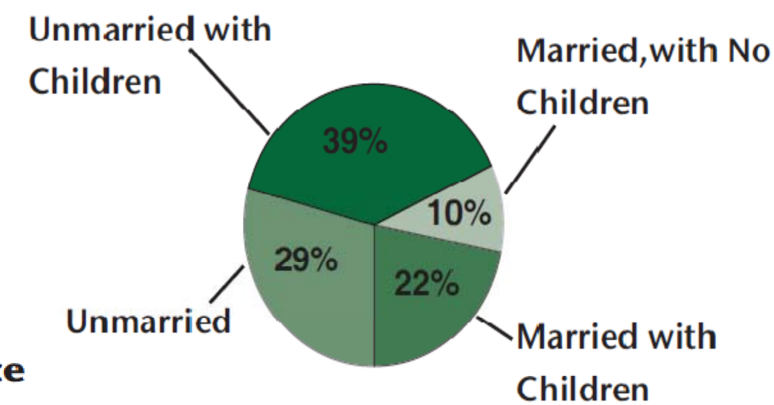


2009 Impact Profile

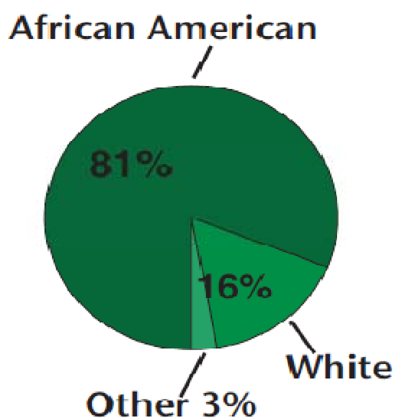
Members By Household Income



Members By Family Type



Members By Race



Strengthening Communities ▲ *Building Assets* ▲ *Improving Lives*

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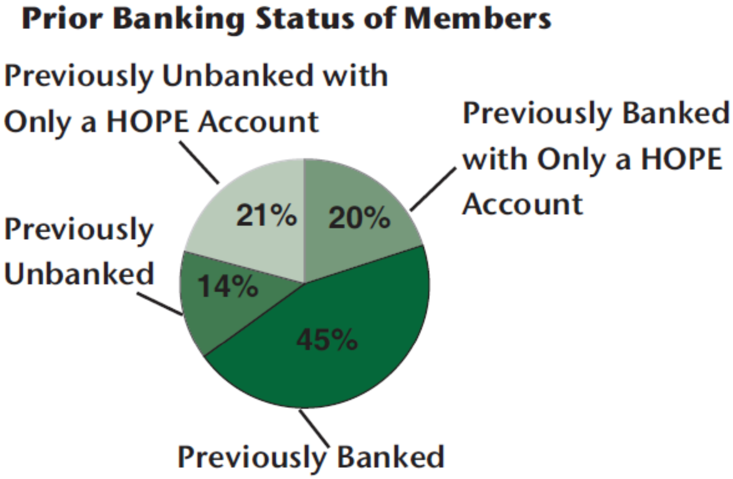

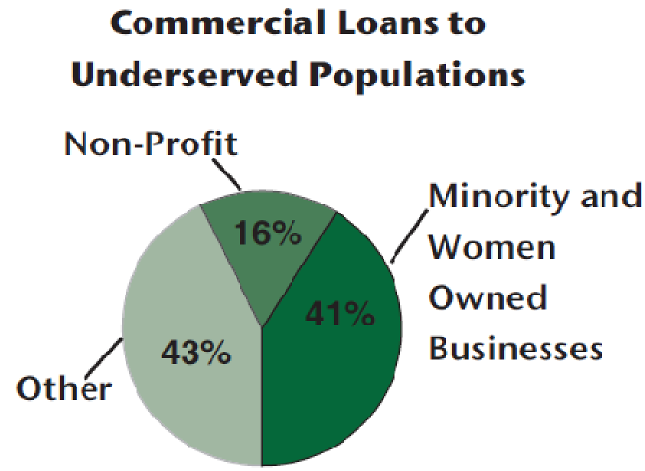

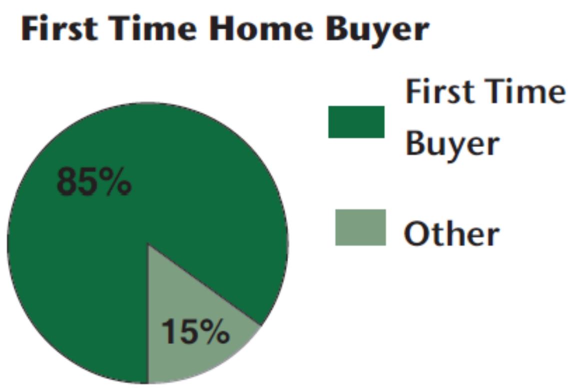

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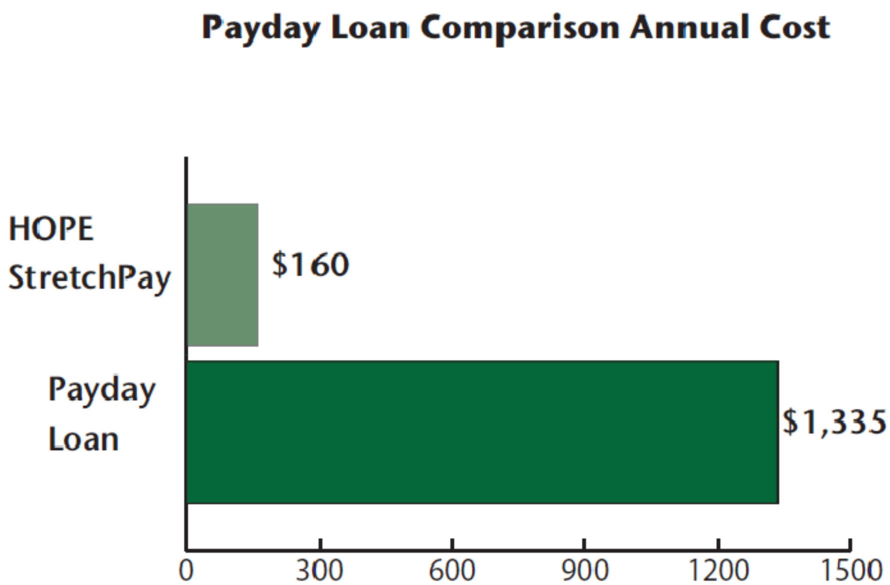

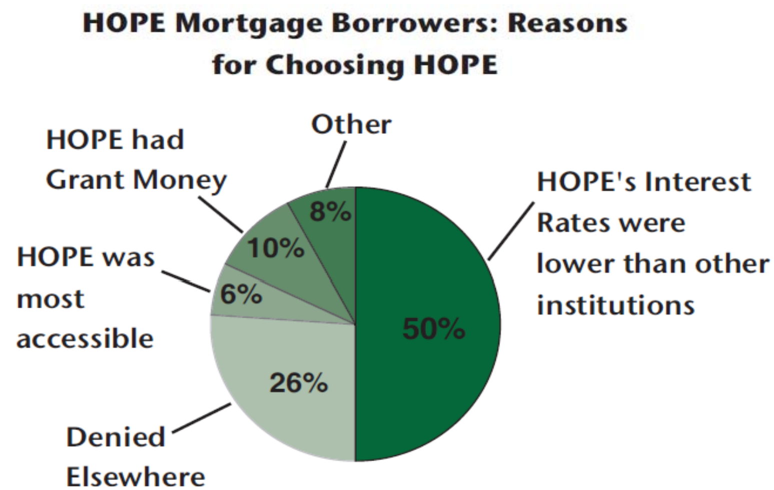

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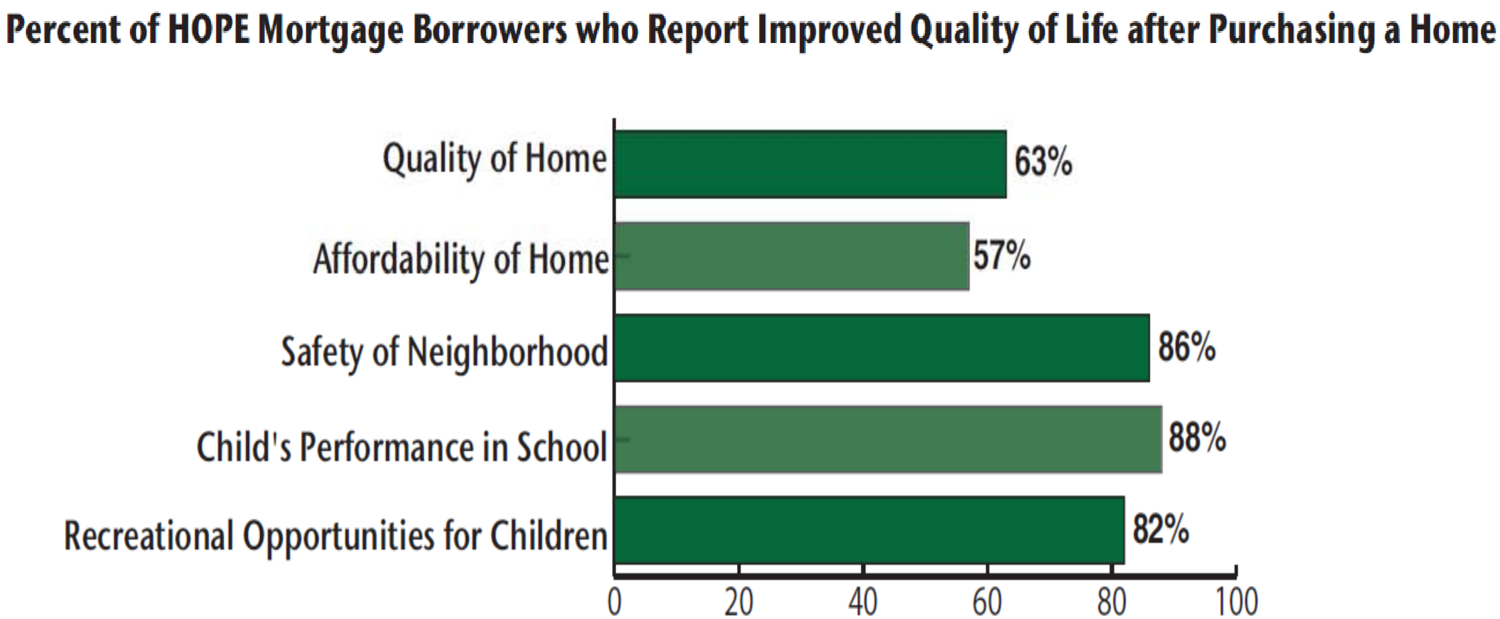

Capital & Credit Markets

- *Portfolio Performance*
  - Delinquencies: Commercial - 5%; Mortgage - 2.5 %
  - Charge offs: Commercial – ECD 2%; HOPE 1%; Mortgage - < .03%
- *Liquidity & Capital Constraints*
  - Access to secondary market liquidity is limited
  - Philanthropic funding limited
  - Bank debt & equity is limited
  - Federal government is the primary option

Recommendations

- Take off blinders: Underserved markets & CDFIs = Untapped Opportunities
- Resuscitate CRA
- CDFI/Bank Partnerships: Loan participations; NMTC/LIHTC debt & equity; NMTC loan pools; Contract to originate/service LMI loans
- Support/provide Liquidity & Capital for CDFIs
- Regulatory flexibility