Cultivating Community-based Financial Literacy Initiatives
Today's dynamic and complex financial markets demand that consumers be effective money managers. Especially at risk are unbanked and underserved consumers who may be unfamiliar with the fundamentals of personal financial management. Many of these consumers may be unaware of the value of saving through bank accounts or may not have the money management skills needed to prepare for unexpected life events or to accumulate assets and build long-term wealth.

This edition of Community Developments Investments highlights roles that banks can play through their participation in financial literacy initiatives. The articles describe the following four national initiatives that encourage banks and their community partners to help consumers use their money wisely and better protect their assets: Bank On Cities, America Saves, Operation Hope, and the Department of the Treasury’s Community Financial Access Pilot. These programs target the unbanked and underserved markets by increasing consumer awareness of available, appropriate, and safe financial products.

Each program stresses money management, “second-chance” banking opportunities, and the importance of saving before spending. Through these programs, mainstream financial institutions can build bridges between themselves and unbanked and underserved consumers. To encourage banks to participate, these programs offer support to financial institutions that reach out to these customers. Banks can also earn positive Community Reinvestment Act (CRA) consideration for a range of financial literacy initiatives serving low- and moderate-income populations (see “CRA Consideration for Financial Literacy Initiatives” on page 16).

Evidence suggests that these types of programs can be successful in helping the unbanked and underserved improve their financial skills and develop successful banking relationships. For example, a survey of participants in the FDIC’s Money Smart program showed that financial education training can positively change consumer behavior and improve knowledge about the basics of checking, saving, budgeting, and credit. Money Smart is a financial education curriculum launched in 2001 by the Federal Deposit Insurance Corporation that is in wide use today (see “FDIC’s ‘Money Smart’ Aids Individuals outside Financial Mainstream,” on page 10).

The survey results indicate that participants, 6 to 12 months after taking the Money Smart training, were more likely to open deposit accounts, save money in a mainstream deposit product, use and adhere to a budget, and have increased confidence in their financial ability. In addition, more than half of the respondents reported that their level of savings increased, their debt decreased, and they were more likely to comparison-shop for financial products and services.

The OCC Web site provides access to a wide variety of financial literacy resources and materials available from the OCC and others that address these topics. Bankers can stay up-to-date on new initiatives, partnerships, and collaborations by subscribing to the OCC’s bi-monthly Financial Literacy Update, available at http://www.occ.treas.gov/cdd/finlitresdir.htm#OCCFinancialLiteracy. For more information about financial literacy and outreach activities and how they might be eligible for CRA consideration, contact your OCC District Community Affairs Officer.

Brothers Julian and Louis, a retiree and an artist/writer, are again bank customers. A Bank on San Francisco advertisement enticed them to visit a local participating bank where they opened personal savings accounts more than two years ago. Read more about the Bank On Cities program in “‘Bank On’ Programs Create Civic Partnerships that Reach the Unbanked,” on page 6.

The OCC Web site provides access to a wide variety of financial literacy resources and materials available from the OCC and others that address these topics. Bankers can stay up-to-date on new initiatives, partnerships, and collaborations by subscribing to the OCC’s bi-monthly Financial Literacy Update, available at http://www.occ.treas.gov/cdd/finlitresdir.htm#OCCFinancialLiteracy. For more information about financial literacy and outreach activities and how they might be eligible for CRA consideration, contact your OCC District Community Affairs Officer.
‘America Saves’ Campaign Reaches Many Communities While Keeping Nationwide Focus

Rose Garr, Communications Director for America Saves

Since the start of the America Saves campaign seven years ago in Cleveland, banks and other financial institutions have played a critical role in developing and supporting the burgeoning savings movement. The results have been impressive. Not only has America Saves helped foster more financially stable communities, but bank partners have reported specific benefits from their work with the campaign, including:

- An increase in new accounts and an expanded customer base;
- Access to ready-to-go resources for promoting savings and for America Saves Week, including visibility and press material;
- A rise in customers using automatic savings methods to make easy, consistent deposits;
- Better customer retention when those who are struggling financially have access to education and saving resources;
- Growth in overall customer loyalty, retention, and satisfaction;
- New connections with local asset-building organizations; and
- Opportunities to be recognized as important community partners.

This article discusses the critical role banks have played with America Saves and how banks have used the campaign to promote savings and realize the impacts listed above. It also highlights America Saves Week, one of the best avenues for banks to partner with America Saves and promote savings in their communities.

Role of Banks in Launching America Saves

When Cleveland Saves launched in 2001 as a pilot project for the national America Saves campaign—conceived as a social marketing effort to improve personal savings behavior—banks played a major role.

The nonprofit Consumer Federation of America (CFA) founded the campaign as a response to the decades-long downward trend in the personal savings rate. With a message of “Build Wealth, Not Debt,” the campaign encourages and assists low- to moderate-income individuals and households to pay down debt, build emergency funds, buy homes, or afford other investments that result in asset development and financial stability.

America Saves’ centerpiece—both nationally and in the many communities, like Cleveland, that are home to local Saves efforts—is a coalition of nonprofit, corporate, and government groups. Coalition partners are charged with promoting saving and providing opportunities to do so; schools may add the topic to curricula, nonprofits may provide counseling, employers may introduce or promote retirement savings programs, and policymakers may pursue legislated incentives to save.

Because banks serve as savings vehicles for many Americans, their participation and support was central. Leading up to the campaign’s launch in Cleveland, Saves staff approached several local banks for input, support, and participation.
Banks in Cleveland rose to the challenge. A set of institutions, including Ohio Savings Bank (now AmTrust Bank), Huntington Bank, Fifth Third Bank, Key Bank, and U.S. Bank, contributed to helping develop and launch the campaign.

Cleveland banks helped conceive the idea of providing special savings products designed for low- to moderate-income savers and aggressively marketing those products in conjunction with the Saves campaign. In many cases, banks encouraged the use of those products by offering higher interest rates, “special-prize” drawings, cash rewards, or other motivators.

Among the many products offered were the following:

Fifth Third Bank offered a “Goal Setter” savings account to “Savers,” with no minimum balance or opening deposit, no monthly service fee, and a reward for hitting your savings goal.

U.S. Bank offered a “Standard Savings Account” with no minimum to open an account, no minimum balance, no minimum to earn interest, no monthly fee, and a quarterly account statement that can be linked to a checking statement.

Bank staff also helped develop the campaign’s overall organizing model, which included a motivational workshop, financial education classes, wealth coaches, and printed resources. Saves staff and bank partners laid a plan for signing up individuals as “Savers” by asking them to create and commit to a basic financial plan and savings goal.

Finally, several banks offered financial support for the budding Saves campaign in Cleveland, funding staff time and outreach efforts that succeeded in recruiting over 400 local organizations to participate in the city’s savings campaign.

**America Saves: Current Scope**

Seven years later, the plan that Saves staff, bank partners, and others put in place has grown into a national movement far beyond its Cleveland roots. America Saves is now a robust national campaign with local initiatives in over 50 communities (for a complete list, visit our Web site at http://www.americasaves.org/local/). Over 130,000 people have enrolled as “Savers,” and the campaign has reached millions through the news media, Internet, and public events.

FDIC’s Alliance for Economic Inclusion Provides Gateway into Financial Mainstream

The Alliance for Economic Inclusion (AEI) is the Federal Deposit Insurance Corporation’s (FDIC) initiative to establish broad-based coalitions of financial institutions, community-based organizations, and other partners in 12 markets across the country to bring all unbanked and underserved populations into the financial mainstream. The focus is on expanding basic retail financial services for unbanked and underserved populations, including savings accounts, affordable remittance products, small-dollar loan programs, targeted financial education programs, alternative delivery channels, and other asset-building programs.

The FDIC indicated that as of January 2009, 952 banks and organizations have joined the AEI nationwide. Community Affairs Officers in the FDIC’s eight regional and area offices continue to identify local partners, convening meetings in each of the markets and facilitating open discussions of local financial service needs. Each independent regional coalition has formed working groups to identify barriers and opportunities and develop products and marketing strategies to reach the underserved populations identified.

The alliance’s geographic areas of focus are:

- Austin and South Texas
- Baltimore, Maryland
- Black Belt region of Alabama
- Boston and Worcester, Massachusetts
- Chicago, Illinois
- Detroit, Michigan
- Kansas City, Missouri
- Little Rock, Arkansas
- Los Angeles, California
- Louisiana and Mississippi Gulf Coast
- Rochester, New York
- Wilmington, Delaware

To learn about the alliance’s various markets across the country, contact the FDIC’s Community Affairs Officer in your region. Contact information can be found on the FDIC’s Alliance for Economic Inclusion Web site at http://www.fdic.gov/consumers/community/AEI/initiatives.html.
The campaign also reaches an array of audiences through Military Saves, Black America Saves, Hispanic America Saves, and Youth Saves and helps consumers with specific savings goals through “America Saves on Homeownership” and “America Saves on Car Purchases.” Throughout the campaign’s growth, banks have continued to play an integral role as important local partners. In fact, every campaign under the America Saves umbrella works with at least one local bank to provide and promote savings products designed for low- to moderate-income savers.

**America Saves Week**

In recent years, America Saves Week has emerged as the signature event for the campaign. This event brings together a large set of partners, reaching more people than it would through disparate events, and has been a boon for our bank partners, who report that it helps them maximize their marketing and promotion efforts and see more success.

Participating in America Saves Week is highly recommended for banks that are taking their first steps toward becoming part of the America Saves campaign or for banks in areas without a local Saves campaign. See our Web site at [http://www.americasaves.org/local/](http://www.americasaves.org/local/) for local campaign contact information; if you have a local Saves campaign in your area, please contact it directly for information on participating year-round.

Additionally, a new partnership with the America Savings Education Council has allowed the focus of America Saves Week to expand and reach savers of all incomes, as opposed to focusing only on the low- to moderate-income savers who have traditionally benefited from the work of Saves campaigns. The council, which coordinates America Saves Week in conjunction with the America Saves campaign, has long been recognized as a key player in the retirement savings community with expertise on long-range savings. The council has recruited Saves Week participants in its formidable coalition of large employers, plan sponsors, and national financial institutions.

**America Saves encourages banks to use America Saves Week to promote the key message, “Make Savings Automatic.”**

America Saves encourages banks to use America Saves Week to promote the key message, “Make Savings Automatic.” Automatic transfers into a savings account have long been considered one of the most effective savings mechanisms available. Saves Week material emphasizes “Make Savings Automatic,” and bank partners have used that material to publicize their savings products and their involvement with America Saves. The third annual America Saves Week took place between February 22 and March 1, 2009.

**Examples of Participation in America Saves Week**

Many banks and financial institutions have partnered for America Saves and offer excellent examples of successful savings promotion.

In Maryland in 2007 and 2008, The Columbia Bank, M&T, BB&T, and MECU of Baltimore, Inc., among other financial institutions, worked with Maryland Saves to encourage Maryland residents to open or add to savings accounts. Called the “Roll in the Dough” campaign, the two-week effort created hundreds of new savings accounts and additional deposits into existing accounts totaling over $5 million.

In San Diego in 2008, the Pacific Marine Credit Union set out to draw new customers by offering a special savings incentive—everyone who deposited at least $100 into his or her new savings account was guaranteed a 10 percent annual percentage yield. The credit union had nearly 800 U.S. Marines open new accounts and saw $310,000 in new deposits, with $1.5 million additionally pledged.

In Dallas in 2007, three banks and one credit union contributed to a drawing for two savings bonds totaling $15,000 as incentives for opening or adding to an existing savings account, which generated 1,100 new or added-to accounts in six branches.

A few additional examples of banks that offered incentives are U.S. Bank in Cleveland, which offered a 6 percent yield for accounts opened during the America Saves Week 2007, and Zion’s Bank in Utah, which offered a 4.5 percent interest rate.

For more information, visit the America Saves Web site at [http://www.americasaves.org/](http://www.americasaves.org/) or the America Saves Week Web site at [http://www.americasaves.org/](http://www.americasaves.org/), e-mail Nancy Register at nregister@consumerfed.org, or call her at (202) 387-6121.
Financial institutions in cities around the country have a unique opportunity to work with their local governments and local community groups by participating in Bank On programs. These programs provide starter accounts, financial education, and other financial opportunities to consumers who have had little or no connection to banks or credit unions.

Supported by technical assistance from the National League of Cities (NLC), Bank On Cities initiatives are modeled after the successful Bank on San Francisco (http://www.bankonsf.org/) program launched two years ago by San Francisco Treasurer José Cisneros, the Federal Reserve Bank of San Francisco, and the nonprofit group, Earned Assets Resource Network (EARN) (http://www.earn.org/site/index.php).

Bank on San Francisco has more than met its original goal to bring 10,000 of the city’s estimated 50,000 unbanked residents into the financial mainstream. During the first two years of the Bank on San Francisco program, 15 participating financial institutions opened 18,500 accounts. With an average monthly customer account balance of just below $800, Bank on San Francisco customers have created $14 million in new deposits.

In 2008, the National League of Cities conducted the Bank On Cities campaign, a technical assistance project with 10 cities to help city leaders connect residents to the financial mainstream. Although some of the cities have developed different models, most will follow the Bank on San Francisco model.

The cities that participated in the NLC project include Boston, Houston, Los Angeles, Miami, New York, Providence, San Antonio, San Francisco, Savannah, and Seattle. NLC will be conducting a second round of technical assistance to a new cohort of cities in 2009 (see Sarah Bainton Kahn and Laura McComas, “Eight Cities Selected to Participate in NLC’s Bank On Cities Campaign,” at http://www.nlcl.org/articles/articleItems/NCW41309/Bankoncitiescities.aspx).

Programs modeled after Bank On are in the planning stages in at least 40 to 50 jurisdictions nationally, including projects supported by the William J. Clinton Foundation (http://clintonfoundation.org/), the Federal Deposit Insurance Corporation (http://www.fdic.gov/), and the U.S. Department of the Treasury (http://www.ustreas.gov/).

Financial institutions partnering in the Bank on San Francisco initiative agreed to:

- Offer a low-cost, checkless bank account product to unbanked customers;
- Offer accounts to those who have had a troubled banking history and need a second chance;
- Accept alternative forms of identification (see “Section 326 Summary” at http://www.treas.gov/press/releases/docs/sec326.pdf), such as the Mexican “Matrícula Consular” (consular registration), an identification card that Mexico issues through its consular offices; and
- Partner with nonprofit community groups to identify customers who are ready to open accounts.

For more information on customer identification requirements, see “Customer Identification Requirements for New Accounts” on page 15.

Other cities implementing Bank On initiatives have developed similar criteria for their starter accounts. The individual cities publicize the program with the news media and provide marketing materials. Community groups refer consumers to financial institutions offering Bank On accounts and may also offer financial counseling.

**Partnering for Results**

One of the keys to success in the Bank On model is the partnerships among participating financial
Trusts (http://www.pewtrusts.org/) working on the Safe Banking Opportunities project, many banks already have a footprint in the areas where fringe financial service providers operate, and they do not have to build new branches to reach unbanked customers.

Nor does participation always involve creating a new banking product. Christopher Hammond, Senior Vice President and Business Development Director for Wells Fargo & Co. in the San Francisco Bay area, says that Wells Fargo found that the accounts that it was asked to offer in the Bank on San Francisco program were consistent with products and services already in its community development banking arsenal. Hammond indicates that the performance of Wells Fargo’s Bank on San Francisco accounts has mirrored the performance of its second-chance Opportunity Package checking and student checking accounts (https://www.wellsfargo.com/jump/checking/opportunity).

Bank On advocates say that the programs give banks access to a new customer base for consumer credit products, although the data to support that assertion is limited this early in the program’s history. Wells Fargo has seen “some positive indicators,” but it is still evaluating how much migration is occurring.

Banks benefit indirectly from the positive publicity they receive from the Bank on San Francisco...
Financial Literacy Day Fair on Capitol Hill: Event Highlights April as Financial Literacy Month

Each year, the U.S. Congress recognizes April as National Financial Literacy Month to highlight the importance of establishing and maintaining healthy financial habits. As part of this recognition, for the past five years Congress’ Financial and Economic Literacy Caucus has organized the Financial Literacy Day Fair on Capitol Hill. This event typically brings together more than 50 government agencies, nonprofit organizations, and corporations to share information about empowering financial literacy programs and activities found across the country. The 2009 Financial Literacy Day Fair took place April 30 in the Cannon House Office Building. Congressman Rubén Hinojosa and Congresswoman Judy Biggert co-founded the Financial and Economic Literacy Caucus in 2005. The goal of the caucus is to improve the financial literacy and economic education of all individuals across the United States in all stages of their lives. The 78-member caucus provides a focal point to review, discuss, and advance financial and economic literacy policies, legislation, programs, and related matters with the Senate and Executive Branch, as well as with other parts of government. The caucus also collaborates with the private sector, nonprofits, and community-based organizations to highlight successful financial literacy best practices.

Community Benefits

Community groups bring to the program their connections to residents in targeted areas. In exchange, their clients receive financial education, learn to use the American banking system, and avoid paying excessive fees to check cashing and payday loan operations. As a result, the clients may eventually build assets.

Patty Avery, Director of Employee Communications for Old National Bank in Evansville, Indiana, observes that civic leaders benefit politically when Bank On programs successfully raise financial literacy and increase the assets held by their constituents. Avery, who served as a loaned employee to the city of Evansville to manage the 2009 launch of the Bank on Evansville program, recommends that financial institutions estimate the potential business benefits of Bank On participation by exploring the size and reach of local market payday lenders and check cashers and by defining the population of unbanked consumers in their markets. Evansville, for example, has a population of about 121,000 people, but its payday lenders earn about $6 million a year in fees, she says.

Overcoming Barriers

Bank On programs face challenges as they seek to reduce the defined unbanked population. Some program. Chief Executive Officer David Joves of Mission National Bank, a $150 million institution targeting business customers in San Francisco’s Mission District, explains that the program has been most useful to the bank’s small business customers, who have sent their employees to Mission National to get Bank on San Francisco accounts.

NeighborhoodWorks America’s Financial Fitness Initiative

NeighborhoodWorks America (NWA), a national nonprofit corporation, supports and strengthens a network of more than 235 nonprofit community-based organizations in 50 states creating healthy communities through the work of thousands of residents, financial institutions, government officials, and other partners. NWA was created by Congress to provide financial support, technical assistance, and training for community-based revitalization efforts. NWA, working with national partners, has developed a “Financial Fitness” program to help individuals and families develop sound money management skills. More than 85 NeighborhoodWorks organizations (http://www.nw.org/network/nwdata/financialfitness.asp) participate in the financial fitness program. Banks can play an important role in the Financial Fitness program by serving as instructors in these affiliates’ financial education classes as well as providing financial support to these initiatives. Representatives of financial institutions also serve on the boards of directors of many NeighborhoodWorks America affiliate organizations. To learn more about NWA, please visit its Web site at http://www.nw.org/network/home.asp.
consumers simply don’t understand how bank accounts work; others fear that financial institutions either aren’t safe places for their funds or will charge excessive fees. Recent immigrants, in particular, may perceive banks as unstable financial institutions where funds can be expropriated through nationalization. With the recent economic crisis, confusion, misunderstanding, and mistrust of financial institutions have increased. While community groups can help dispel some myths, bank participants have to plan and implement programs so that staff members at every level—from those who greet the customers to those who support operations—know how to treat Bank On customers.

The Bank on San Francisco financial partners that experienced the greatest success shared some common traits, which included

- Continual training for their staff to position themselves as financial advisers;
- Communicating information about the program to all levels, so that the back office knows that Bank On customers are to be treated differently;
- Regularly sending out e-mail or training reminders that keep the program goals on everyone’s radar;
- Collecting data about Bank On customers so that program results can be measured and analyzed; and
- Having a source where they can send customers whose financial track records go beyond the bank’s acceptable risk profile (in San Francisco, credit unions and United Way filled this need).

To help banks move into the unbanked market, Pew created Safe Banking Opportunities (http://www.pewtrusts.org/our_work_detail.aspx?id=556). A part of that group’s purpose is to support the Bank On initiatives by providing strategic advice to local coalitions and detailed data describing local unbanked markets. It offers advice on serving these markets.

**Market Opportunity**

Bank On-type programs, when correctly implemented, can benefit banks, community groups, government officials, and consumers. As the Bank On model spreads to new communities, unbanked persons will begin saving money that they’re currently spending on fringe financial service providers, and financial institutions will see that this is a market that’s profitable to access.

For more information about Bank On Cities, visit the National League of Cities Web site at http://www.nlc.org/IYEF/fes/asset/assistance.aspx, or e-mail Heidi Goldberg at Goldberg@nlc.org.

---

**The OCC Offers Financial Literacy Resources for Bankers**

The OCC has the following resources available for banks interested in promoting financial literacy.

**Financial Literacy Resource Directory** at http://www.occ.treas.gov/cdd/finlitresdir.htm provides information on financial literacy resources, issues, and events that are important to bankers, organizations, and consumers of all ages. The directory includes descriptions and contact information for a sampling of organizations that have undertaken financial literacy initiatives as a primary mission, plus government programs, fact sheets, newsletters, conference materials, publications, and links to other Web sites.

**Financial Literacy Updates** at http://www.occ.treas.gov/cdd/finlitresdir.htm#OCCFinancialLiteracy contain information about upcoming financial literacy events, new initiatives of the OCC and other organizations in the financial literacy field, and listings of financial literacy and consumer financial education resources. Subscribe at http://www.occ.treas.gov/canewslistserv.htm to receive the OCC’s Financial Literacy Update.

**Advisory Letter on Financial Literacy** at http://www.occ.treas.gov/ftp/advisory/2001-1.doc highlights the range of financial literacy activities in which banks have participated that have been effective in enhancing consumer financial skills and extending the reach of banks’ products and services to underserved or unbanked markets.

**Article Archive on Financial Literacy** at http://www.occ.treas.gov/cdd/ca_archive_fl.htm contains over 100 articles and publications on a variety of community development and Community Reinvestment Act topics. Topics include financial literacy initiatives.

**Insights Report on Individual Development Accounts** at http://www.occ.treas.gov/ftp/release/2005-25a.pdf describes this product as a tool for banks and other financial institutions to encourage goal-directed savings by consumers. This savings account tool encourages lower-income persons and families to save money and thus build assets for particular financial goals. The report describes why banks offer Individual Development Accounts, shows how banks are involved with these types of accounts, and addresses barriers to the growth of these products.

**Financial Literacy Fact Sheet** at http://www.occ.treas.gov/cdd/Fact_sheet_Financial_Literacy.pdf describes several broad categories of financial literacy activities that can help potential bank customers participate in the U.S. financial system and help banks strengthen their communities. This fact sheet offers banks a description of financial literacy, benefits of these programs and examples of activities for children and adults.
The FDIC initiated a national financial education training program in 2001 by launching Money Smart, a comprehensive financial education curriculum designed to help individuals outside the financial mainstream develop financial skills and positive banking relationships. The FDIC continues to form alliances to promote this curriculum.

FDIC has developed financial education curricula for two age groups:

**Money Smart Adult Financial Education Curriculum:** This curriculum helps adults build financial knowledge, develop financial confidence, and use banking services effectively. There are 10 modules each for the instructor-led version and the computer-based version. Financial institutions and other organizations interested in sponsoring financial education workshops also may use the curriculum. The computer-based program is available in English and in Spanish. The instructor-led version is available in Chinese, English, Hmong, Korean, Russian, Spanish, and Vietnamese.

**Money Smart for Young Adults Curriculum:** This curriculum helps youth from ages 12 to 20 learn the basics of handling money and finances, including how to create positive relationships with financial institutions. There are eight instructor-led modules. Each module includes a fully scripted instructor guide, participant guide, and overhead slides. The materials also include an optional computer-based scenario, allowing students to complete realistic exercises based on each module. The modules are aligned with state educational standards.

To learn more, visit the Money Smart Web site at http://www.fdic.gov/consumers/consumer/moneysmart/index.html.

---

**The OCC and Other Federal Agencies Offer Financial Literacy Resources for Consumers**

The OCC and other federal agencies offer a wide variety of resources for consumers that can be incorporated into financial literacy curricula and outreach initiatives.

HelpWithMyBank.gov is an OCC Web site that helps consumers find answers to banking questions. The site contains information on over 250 banking-related topics, ranging from “funds availability” to safe deposit boxes. Consumers use shortcut keywords to visit categories of interest, or they can use a search window at the top-right corner of every page.

MyMoney.gov is the U.S. government’s Web site dedicated to teaching consumers the basics about financial education. The site contains over 300 financial literacy publications and Web resources developed by the 20 federal agencies that make up the Financial Literacy and Education Commission.

---

**Cooperative Extension Service’s Financial Education Initiatives**

The U.S. Department of Agriculture’s Cooperative State Research, Education, and Extension Service (CSREES) is a nationwide educational network that brings research and knowledge of land-grant institutions to people in their homes, workplaces, and communities. The CSREES links the resources and expertise of more than 3,000 county extension offices, 105 land-grant colleges and universities (including historically black colleges, tribal colleges, and institutions serving the U.S. territories). See the CSREES Web site at http://www.csrees.usda.gov/nea/economics/in_focus/security_if_extension_finance.html to learn more about its nationwide financial literacy initiatives.
The Community Financial Access Pilot (CFAP) is an initiative of the U.S. Department of the Treasury’s Office of Financial Education. Endorsed by the President’s Advisory Council on Financial Literacy, the pilot is designed to increase access to financial services and financial education for low- and moderate-income individuals. The CFAP helps financial institutions, nonprofit organizations, schools and universities, and others to work together to build effective and sustainable solutions for the financial service needs of low-income people in the community. Best practices from around the country are shared with participating communities, and lessons learned from the pilot communities are shared so more communities can develop similar initiatives. Through the CFAP, the Treasury Department seeks to demonstrate effective models to reach the 10 million households across the United States that lack bank or credit union accounts. “It’s in everyone’s best interest to ensure the people living here have financial stability through a bank or credit union,” says Ruth Smith, President and Chief Executive Officer of the Human Development Corporation of St. Louis, a CFAP partner. The current pilot includes the following communities:

- Philadelphia, Pennsylvania
- Jacksonville, Florida
- Eastern Kentucky
- Mississippi Delta
- St. Louis metropolitan area (Missouri/Illinois)
- Brownsville, Texas
- Cowlitz County, Washington
- Fresno City and County, California

At each pilot site, Treasury’s Community Consultants assess community needs, facilitate partnerships, and work with local organizations to develop appropriate financial products and implement financial education services that serve the community even after the end of the pilot. The Treasury Department has found that strong partnerships among financial institutions and community partners (including state and local governments, faith-based organizations, educational institutions, and other service providers) trusted by low-income community residents are among the most critical factors for successful initiatives to expand access to financial services.

Additionally, the Treasury Department believes it is crucial to have strong support throughout each participating organization for the initiative. Therefore, each partner is encouraged to develop its own products and services and contribute to the initiative in a manner that is consistent with its own mission and business plan. Through that approach, institutions are fully vested in the outcome of the initiative for the long term, and partners build on what they do well, rather than try to take on unfamiliar roles. Taken together, these elements ensure that collaborating entities are true partners with a common aim of helping community residents—and the communities as a whole—achieve greater financial stability.

“The Jacksonville Financial Access Pilot is helping to increase low- and moderate-income families’ access to financial services and financial education,” says George Owen of Regions Financial Corporation in Jacksonville. “The pilot also has been the catalyst for a strong partnership between many of the community’s financial institutions, nonprofit organizations, the city, and various social services agencies. The Treasury has played a vital role in building this important partnership.”

The Jacksonville CFAP works with existing service providers to expand financial services and education in low-income neighborhoods, with a special focus on providing “second-chance” accounts for individuals who have had previous account problems. The University of Florida Cooperative Extension is leading...
the financial education effort locally by providing the “Get Checking” curriculum, and a number of financial institutions have committed to providing second-chance accounts to individuals who complete the curriculum.

In Mississippi, two approaches serve the rural areas and small towns in the Delta region. In partnership with Delta State University’s Center for Community and Economic Development, the CFAP facilitates financial education and access to financial services to AmeriCorps VISTA (Volunteers in Service to America) volunteers, who work with community organizations serving low-income individuals and communities.

The Mississippi CFAP provides financial education and access to bank and credit union accounts to these volunteers, who then will be able to spread the word around the region about the benefits of accounts. Additionally, the CFAP is providing financial education and access to low-cost financial services to the parents of Head Start students. By reaching parents of economically disadvantaged preschoolers, the CFAP will help parents better manage their short-term financial situation, educate their children about sound financial behaviors, and plan for their children’s future through savings.

The Office of Financial Education encourages financial institutions in the eight pilot communities to get involved by contacting the appropriate community consultant.

For more information about the CFAP, contact Louisa Quittman, Director of Community Programs at Louisa.Quittman@do.treas.gov. If you are not in one of the pilot communities, but would like to start your own initiative, visit the Community Financial Access Pilot Web site at http://www.treas.gov/offices/domestic-finance/financial-institution/fin-education/council/cfap.shtml.

The Community Financial Access Pilots include programs in city (small dots) and regional (large dots) locations.

American Bankers Association Foundation Teaches Young Adults about Credit and Savings

The American Bankers Association (ABA) Education Foundation believes in providing financial education programs and resources to help bankers improve their communities. Two of these programs, Get Smart About Credit and Teach Children to Save, give bankers opportunities to speak to young adults in high school, college, and in the workforce about responsible credit use and the value of saving.

This year, the foundation is expanding its Teach Children to Save program (http://www.aba.com/ABAEF/teachchildrentosave.htm) with a new look and the Million Child Challenge (http://www.aba.com/ABAEF/MillionChildChallenge.htm). The Million Child Challenge seeks to teach one million young adults about saving. This initiative involves the commitment of 20,000 bankers—10 percent of the industry—each teaching at least 50 students to meet the one-million-person goal. Teach Children to Save activities occur each April during Financial Literacy Month.

Get Smart About Credit takes place every October, this year on the 15th. E-mail the Education Foundation at edufoun@aba.com to get involved, or visit the ABA's Web site at http://www.aba.com/ABAEF/cnc_aboutef.htm.

Source: OCC

Source: U.S. Department of the Treasury
Operation HOPE Reaches Out to Advance Financial Literacy and Economic Empowerment

Hershel Lipow, Community Relations Expert, OCC

Opera­tion HOPE, Inc. (HOPE) is a leading provider of financial literacy and economic empowerment programs. Founded after the 1992 civil disturbances in Los Angeles, HOPE creates partnerships with government, the private sector, and community interests to bring self-sufficiency and revitalization to inner-city and underserved communities across America. It has expanded its mission to include global financial literacy.

Through its “silver rights” initiatives, HOPE is helping to make free enterprise and capitalism relevant to all underserved communities. In conjunction with its partners, HOPE has created a national network of one-stop banking centers to increase access to financial services in underserved communities. Financial commitments from HOPE’s bank and corporate partners for homeownership and small business loans total more than $457 million.

HOPE has also developed a series of programs to provide youth and adults free financial education, counseling, and casework services. Its principal programs include

- Banking on Our Future, which teaches school children about managing money; and
- The HOPE Banking Center Network (http://www.operationhope.org/smdev/clst4oh.php?id=171), which promotes computer literacy and provides access to loans and credit counseling.

**Banking on Our Future**

Since 1996, HOPE’s Banking on Our Future financial literacy program has educated more than 370,000 students, ages 9-12, in more than 2,000 schools and community-based organizations. The program consists of five training modules, delivered in classroom settings, to introduce students to the fundamentals of banking, savings, and investment. The program also conveys a message of dignity, responsibility, and hope to its students.

Banking on Our Future relies on volunteer finance professionals to interact with students in ways they can understand. Volunteers share their consumer experiences and provide lessons that the students can put to use right away.

Volunteers are recruited by, and join, the HOPE Corps volunteer network. HOPE has a goal of recruiting 25,000 volunteers nationwide by 2010 at no cost to school districts. Last year, HOPE signed an historic agreement with the White House Initiative on Historically Black Colleges and Universities (HBCU) to train students. Banking on Our Future College Edition, which trains college students to adopt healthy financial habits, launched at Spellman College in January.

**HOPE Banking Center Network**

HOPE banking centers provide personalized service to homebuyers, small businesses, and community stakeholders. HOPE centers have
generated more than $457 million in commitments for homeownership and small business loans.

HOPE centers currently serve the Los Angeles, Oakland, New York, and Washington, D.C., areas. Each center has a HOPE Inner City Cyber Café and offers a variety of programs, including the following:

- The case management program assists persons who wish to address their debt and credit challenges so they can be better qualified to purchase a home. The program features access to free credit and money management counseling, credit dispute resolution, and access to matching grant funds and post-funding assistance. Persons who have graduated from this program, on average, have increased their credit scores by 68 points and have generated more than $203 million in funded mortgage loans.

- The Small Business Empowerment Program (SBEP) (http://www.operationhope.org/smdev/lf2.php?id=227) provides the necessary tools and resources to ensure the growth and success of small businesses and the jobs they provide within underserved communities. The program includes educational workshops, entrepreneurial training, technical assistance and services, and access to small business loan programs and a myriad of direct lenders.

- The Credit Counseling Program (http://www.operationhope.org/smdev/lf2.php?id=228) provides free one-on-one counseling sessions to identify and resolve basic credit, debt, and budgeting issues. The program features free credit reports, consultations, and money management classes and workshops to improve personal credit and financial profiles.

**New Initiatives**

Last year, HOPE launched several new programs, including the Hope Mortgage Crisis Hotline (http://www.operationhope.org/smdev/hotline.php?id=1427); a five-year partnership with the Church of God in Christ (COGIC) to implement a five-point counseling program with COGIC’s more than 12,000 churches; and the 5 Million Kids (5MK) Initiative. HOPE also has plans for a HOPE Consumer Credit Hotline.

As one of HOPE’s newest initiatives, the 5MK Initiative aims to break the cycle of high school dropouts in America’s inner cities by re-engaging youth and restoring their personal dignity. The initiative aims to involve kids, parents, and teachers in learning about the...
language of money, free enterprise capitalism, and ownership.

The 5MK Initiative hopes to place a minimum of 25,000 volunteers in the classroom and increase the number of role models in urban communities, in part by recruiting 5,000 grassroots leaders, in Los Angeles, New York, Washington, D.C., Miami, and other select markets. The initiative will

- Partner with community-based organizations and financial institutions to open Starter Savings Accounts for the youth;
- Secure $50 million in Earned Income Tax Credits (EITC) for parents, teachers, and adults;
- Open 50,000 new bank accounts for the unbanked and underserved using the proceeds of their EITC benefits; and
- Fund 50,000 new HOPE Starter Savings Accounts for youth on a matched basis.

Through its outreach, HOPE has created many opportunities to participate in its strategic partnerships and initiatives. These include

- Conducting a local HOPE Bankers Bus Tour to stimulate interest and support,
- Facilitating an online finance education program with youth at a computer lab or teaching financial education in a classroom,
- Teaching small business and/or entrepreneurship to adults,
- Pledging in-kind products or services to re-brand American education and promoting the 5MK Initiative,
- Contributing to the cost of financial literacy education or funding 5MK Starter Bank Accounts for youth and adults, and
- Contributing to or providing EITC services and the preparation of tax returns for eligible recipients.

In turn, Operation Hope created HOPE Advisors to provide the banking industry with the knowledge and experience it has acquired in managing and analyzing its empowerment programs. One unique service provides mainstream financial institutions with creative concepts to convert nonbankable individuals and small businesses into traditional banking customers. An outgrowth of this soft banking services model is HOPE Inside, which places counselors offering HOPE’s financial products and services within the premises of partner banks.


**Customer Identification Requirements for New Accounts**

Several initiatives mentioned in this issue of *Community Developments Investments* seek to bring recent immigrants into the traditional banking system. Immigrants are frequently unbanked and disproportionately use alternative financial service providers. Questions have come up concerning what documentation these consumers need to participate in these initiatives and open savings or checking accounts. Congress addressed this question when it enacted the USA Patriot Act (http://www.ustreas.gov/press/releases/js335.htm) in 2001. Section 326 of this law and the implementing regulations (known as the Customer Identification Program, or CIP rule) outline procedures for banks to follow in order to verify the identity of customers who open accounts.

The CIP rule requires that, at a minimum, a bank must obtain the name, address, date of birth, and U.S. taxpayer number before an individual can open an account. If the individual is not a U.S. citizen, the bank may obtain the identification number and country of issuance of any other government-issued document that shows nationality or residence and bears a photograph or similar safeguard. Within a reasonable time after the account is opened, the CIP rule requires the bank to verify the customer’s identity by asking to see some form of identification, such as a driver’s license or passport or by using a non-documentary method of verification.

The CIP rule neither endorses nor prohibits bank acceptance of information from particular types of identification documents issued by foreign governments, such as the “Matrícula Consular,” or consular registration, an identification card that Mexico issues through its consulate offices. Instead, a bank must decide for itself, based on appropriate risk factors, the types of documents it will accept to verify the identity of its customers. Banks can review a fact sheet on the CIP rule at http://www.treas.gov/press/releases/docs/326factsheet.doc.
CRA Consideration for Financial Literacy Initiatives

The Community Reinvestment Act (CRA) recognizes the importance of financial literacy programs in serving the credit needs of low- and moderate-income (LMI) individuals. In addition to opening new business opportunities through an expanded customer base, a bank’s participation in, or support for, certain programs may receive positive consideration as qualified community development activities under CRA regulation.

Q: How do banks determine whether financial literacy programs qualify for positive CRA consideration?

A: To be considered under the CRA, programs must have a purpose consistent with the definition of community development (CD) provided under 12 CFR 25.12(g). In general, community services, including financial education or literacy programs, must be targeted to LMI individuals in order to be considered positively under the CRA [12 CFR 25.12(g)(2)].

Q: What specific activities can banks get involved in to receive CRA consideration?

A: Banks may receive positive CRA consideration for making qualified investments in, or funding community development loans to, organizations whose purpose is to provide financial literacy programs to LMI individuals or by directly providing financial literacy programs to LMI individuals. Funded activities or programs must have a CD purpose as defined in the CRA regulation [12 CFR 25.12(g)]. Interagency Q&As released January 6, 2009, provide examples of qualified CD activities.

These include

- Developing or teaching financial education or literacy curricula for LMI individuals [Q&A ___ .12(i) – 3];

- Providing investments and grants to nonprofit organizations serving LMI housing or other CD needs, such as counseling for credit, homeownership, home maintenance, and other financial literacy programs [Q&A ___ .12(t) – 4]; and

- Providing credit counseling, home-buyer and home-maintenance counseling, financial planning, or other financial services education to promote CD and affordable housing, including credit counseling to assist LMI borrowers in avoiding foreclosure on their homes [Q&A ___ .12(i) – 3].

Banking regulatory agencies have indicated that bank examiners may consider capital investments, loan participations, and other ventures undertaken by the institutions in cooperation with minority- or women-owned financial institutions and low-income credit unions (MWLIs), if these activities help meet the credit needs of local communities in which MWLIs are chartered. For example, majority-owned institutions may provide financial support to enable an MWLI to partner with schools or universities to offer financial literacy education to members of its local community [Q&A ___ .12(g) – 4].

Q: Do all banks receive CRA consideration for participating in, or providing support for, qualified financial literacy programs?

A: Yes. Large banks are evaluated under lending, investment, and service tests. The extent to which large banks provide CD loans, qualified investments, or CD services and the extent to which those activities are responsive to community needs are evaluated separately under each test. In addition, examiners consider the innovativeness and complexity of CD loans and qualified investments, along with the innovativeness of CD services.

Intermediate-small banks are subject to a lending test and a CD test. Agencies consider the extent to which intermediate-small banks provide CD loans, qualified investments, and CD services and how these activities are responsive to CD needs and opportunities under the community development test.

Small banks are not subject to CD requirements but can request consideration if they are seeking an “outstanding” rating.

Q: Can loans to organizations that provide financial literacy programs for LMI individuals qualify as CD?

A: Yes. The Interagency Q&As provide examples of CD loans that include

- Loans to nonprofit organizations serving CD needs;

- Loans to financial intermediaries, including MWLIs, CD financial institutions, new markets tax credit-eligible CD entities, CD corporations and community loan funds that primarily lend or facilitate lending to promote CD; and

- Loans to local, state, and tribal governments for CD activities.

Q: Is providing bank staff to serve as educators in financial literacy programs targeted to LMI individuals considered under the service test?

A: Yes. The Interagency Q&As state that developing or teaching financial education or literacy curricula for LMI individuals is an example of a CD service. Refer to §§___ .12(i)-3 in the Q&As for additional examples of community development services.
Supporting Affordable Housing through Tax Credit Syndication

Community Affordable Housing Equity Corporation (CAHEC) is a 501(c)(3) nonprofit low-income housing tax credit syndicator serving Alabama, the District of Columbia, Florida, Georgia, Kentucky, Maryland, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. CAHEC works to create and maintain affordable rental and ownership housing in the areas it serves. Since its creation in 1992, CAHEC has developed more than 7,300 units of affordable housing. CAHEC also provides a number of supportive programs designed to assist the residents of the developments it has helped to finance.

As a tax credit syndicator, CAHEC structures equity funds using investors' capital. CAHEC’s most recent fund is the South Carolina Preservation Fund II LP (SCPF II). SCPF II is a $32 million equity fund designed to preserve and renovate a portfolio of older, multifamily housing properties in South Carolina. The targeted portfolio includes 41 properties with a total of 1,548 units. Although all investments in SCPF II were fully subscribed in 2008, banks can invest in other CAHEC equity funds as they are developed. To learn more, visit CAHEC’s Web site at http://www.cahec.com/, or contact Dana Boole at dboole@cahec.com or (919) 788-1803.

Grameen America Reaches the Microenterprises and Unbanked in New York City

Grameen America has brought to New York City the group lending and savings model successfully developed and refined in Bangladesh during the last 30 years. Grameen Bank and its creator, Professor Muhammad Yunus, jointly received the 2006 Nobel Peace Prize based on the success of the microfinance model. The bank provides loans, savings programs, remittance services, and other training to its borrowers. The small loans help Grameen America’s customers start and grow microenterprises. Typical customers are low-income individuals who are unbanked and lack access to mainstream credit sources.

In November 2007, Grameen America opened the first pilot office in the United States in Queens, New York. There are plans to open additional New York locations over the next few years. The types of businesses funded through the Queens location include cosmetology, pet grooming, day care, clothing, jewelry, and food sales.

In the Grameen group model, prospective borrowers form groups comprised of five individuals. To build financial resources, all borrowers are required to save money when they receive loans. The group meets periodically to help educate borrowers on financial issues. This borrower education, combined with the savings requirement, encourages loan repayment.

In 2008, Grameen America provided 380 borrowers with more than $1 million in loans. Loans range from $500 to $3,000 for a term of 6 to 12 months. The interest rate charged is 15 percent, which is less than some alternative financing options that these borrowers previously used because of their lack of credit history.

Initially, Grameen America was funded by grants, private contributions, and loans. Its goal is to become a self-sustaining entity.

For further information, visit Grameen America’s Web site at http://www.grameenamerica.com/.

Development Financing for Affordable Housing in North Dakota

CommunityWorks North Dakota (CWND) is a 13-year-old, award-winning, nonprofit affiliate of NeighborWorks America that provides financing for affordable housing in North Dakota. Persons can obtain home purchase loans, home rehabilitation and emergency repair loans, and downpayment assistance from the DREAM Fund of CWND. Since the lending program began in 2001, CWND has provided more than $16 million in financing to borrowers in nearly every county in North Dakota. Two-thirds of CWND borrowers are within low- to moderate-income brackets and more than 95 percent are referred to CWND by banks. Approximately 50 banks participate as contributors and investors in the DREAM Fund, including some of the largest financial institutions in the country and many community banks.
CWND also develops affordable housing. It currently is at work on its third project, which is partially financed with low-income housing tax credits. In recognition of all of this work, the North Dakota Housing Finance Agency has honored CWND three times with its “Champion of Affordable Housing” award. CWND, a certified Community Development Financial Institution through the CDFI Fund of the U.S. Department of the Treasury, is forming a new loan fund that will provide pre-development financing to nonprofit organizations, to for-profit developers, and to municipalities for the development of affordable single-family homes and multifamily projects. Investors in this new fund include utility companies, foundations, government agencies, and financial institutions. Banks can be involved in CWND by referring prospective borrowers, providing grant funding, and serving on the governing board and other committees of CWND. For more information, visit CWND’s Web site at http://www.communityworksnd.org/, or contact Executive Director Paul Rechlin at prechlin@communityworksnd.org or (701) 255-4591.

**Financial Education for Indianapolis Families**

The Indianapolis Neighborhood Housing Partnership (INHP) is a 20-year-old nonprofit with a mission to “increase safe, decent, affordable housing opportunities that foster healthy, viable neighborhoods.” To that end, INHP offers tools that empower low- and moderate-income families to become long-term, successful homeowners, including education, one-on-one mortgage and credit counseling, special INHP lending products, referrals to lender partners, lending guidance, and post-purchase counseling. Individuals and families who complete INHP programs and become properly prepared homeowners are the seeds to strengthen Indianapolis neighborhoods.

While INHP, historically, has maintained its core programs, the nonprofit continues to study its data and changes in the affordable housing market, responding to changes and opportunities to develop programs and partnerships that address new needs. Currently, INHP is in a pilot phase of a unique comprehensive economic security program offering certified financial planning services. These services are designed to help INHP clients take the next step, after homeownership, to create long-term financial plans. Other programs, such as employer-based education (INHP takes its curriculum to area employers to educate employees on-site), are also a result of INHP’s ability to remain nimble, while focused on its mission. For more information, contact Moira Carlstedt at mcarls@inhp.org or (317) 610-HOME (4663) or visit INHP’s Web site at https://www.inhp.org/.

**Housing Advocacy and Financing in Atlanta**

Atlanta Neighborhood Development Partnership, a housing advocacy organization with a mission to promote the development of mixed-income communities, operates an $11 million loan fund called the Community Redevelopment Loan and Investment Fund (CRLIF). The first nonprofit in Atlanta to receive community development financial institution (CDFI) certification, CRLIF provides financing to community development corporations, which are nonprofit and for-profit housing developers that create affordable housing, mixed-income, and mixed-use properties.

CRLIF is designated as a U.S. Treasury Certified Development Entity (CDE), an officially recognized entity that has a primary mission of providing investment capital for low-income communities. To improve access to capital for community redevelopment, CRLIF offers a variety of lending products, including acquisition, predevelopment, construction, and bridge loans as well as lines of credit. Additionally, borrowers may choose to create a custom loan package combining two or more of these products.

One of CRLIF’s highest priorities is to expand its loan fund to meet capital needs related to the foreclosure crisis. In metropolitan Atlanta one out of every 91 homes is facing foreclosure. To address this issue, CRLIF is increasing its fund to support acquisition/rehabilitation programs of area nonprofits to help them preserve neighborhoods affected by a high number of foreclosures.

CRLIF is supported by local, regional, and national financial institutions. For more information, contact K.C. George at (404) 420-1608, or visit CRLIF’s Web site at http://www.andpi.org/crlif/index.htm.

**Louisiana Initiative Promotes Adult Literacy**

Adult illiteracy continues to be an urgent and growing problem in America. To help combat the issue in southeast Louisiana, the Volunteer Instructors Teaching Adults, Inc., (VITA) is actively working to help adult learners develop the literacy skills needed to further their education and to reach their full potential. As a nonprofit adult literacy agency, VITA has provided one-to-one and small group literacy instruction since 1982, serving Lafayette, St.
Supporting Bond Financing in Rural Nebraska

The Nebraska Investment Finance Authority (NIFA) provides a broad range of financial resources for homeownership, rental housing, agriculture, manufacturing, medical services, community services, and community development. Through its Development Financing program, NIFA provides technical assistance to project participants to support financing through tax-exempt issuers, such as NIFA and Nebraska counties and cities.

Tax-exempt issuers have the authority to issue revenue bonds or other debt instruments, such as industrial development bonds, to raise funds used to finance eligible development projects. Bonds must meet certain federal and state law requirements allowing the interest they bear to be exempt from federal and state income taxes. The bond issues are repaid from the proceeds received by the issuer from the borrower under a revenue agreement, lease agreement, loan agreement, or installment sale contract.

Like all states with large rural areas, Nebraska has many distressed and underserved, nonmetropolitan, middle-income census tracts. Support for projects in these rural, middle-income census tracts or low- and moderate-income census tracts funded by public bond issues or other debt instruments may meet the definition of community development in the Community Reinvestment Act (CRA).

The Development Financing program offers technical assistance to borrowers seeking bond financing. Borrowers find their own lenders or bond purchasers either by direct placement with a financial institution or through a public sale using an investment banker. Interest rates are negotiated between the borrower and lender/investment banker. Generally, the maximum bond amount is $10 million, unless the project qualifies as an “exempt facility,” such as solid waste facilities, nonprofit hospitals, or nonprofit nursing homes. For more information, contact Steve Clements, NIFA Chief Financial Officer, at (402) 434-3908 or steve.clements@nifa.org.

Los Angeles County Housing Innovation Fund

In 2006, the Los Angeles County Board of Supervisors allocated $60 million to the Los Angeles County Housing Innovation Fund (LACHIF) as part of the county’s Homeless Prevention Initiative. LACHIF’s investors include the county, philanthropic organizations, national financial institutions, and nonprofit organizations. The Corporation for Supportive Housing (CSH), a national intermediary that provides permanent affordable housing and flexible supportive services, is the lead administrator for the LACHIF. In June 2008, in order to allow smaller banks to participate in the program, LACHIF set aside a portion of the funds with a reduced minimum investment of $250,000. The investments mature in 10 years and yield two percent.

CSH and Wells Fargo (an investor in the fund) are providing underwriting, documentation, and reporting to participating financial institutions. CSH will underwrite acquisition and predevelopment loans for supportive housing projects using the monies in the fund. Although the first fund has closed, other funds will be considered in the future. E-mail Ruth Teague of CSH at ruth.teague@csh.org for more information.
What’s Inside

A Look Inside ................................................................. page 2

“America Saves” Campaign Reaches Many Communities While Keeping Nationwide Focus ................................................................. page 3

“Bank On” Programs Create Civic Partnerships that Reach the Unbanked ....................................................................................... page 6

Community Financial Access Pilot Expands Financial Services to Low-Income Neighborhoods .................................................... page 11

Operation HOPE Reaches Out to Advance Financial Literacy and Economic Empowerment ............................................................ page 13

This Just in ... the OCC’s Districts Report ......................................................... page 17