

INTRODUCTION

Moving low-income people to self-sufficiency requires a set of tools to build assets, successfully invest those assets, and ensure alternatives to predatory or high cost products widely targeted to low-income people. The Community Reinvestment Act (CRA) is one of those tools that have successfully leveraged billions of dollars in community development financial services from private sector financial institutions, making millions of low-income people into new homeowners and savers. Creating a mandate for banks to provide targeted investments in affordable housing, small business development, affordable mortgage products, and low-cost bank accounts, the Community Reinvestment Act has enjoyed substantial bipartisan support, helping to create an ownership society that stresses access to capital at a fair price.

During 2004, the success of the Community Reinvestment was severely weakened by a regulatory agency that enforces the act for national savings and loans. Acting without notice to their fellow bank regulators and failing to issue even a cursory public comment period, the Office of Thrift Supervision has unilaterally reduced the community reinvestment standards to which banks are held, and the number of banks to which the act applies. By turning back the effectiveness of CRA, this agency overstepped its fellow regulators and weakened the mandate placed on banks to help low-income people build assets. Woodstock Institute has worked diligently to describe empirically the likely consequences of these actions and develop policy alternatives.

GOALS

Woodstock Institute's goals are to promote community reinvestment, economic development, and access to capital and credit in lower-income and minority communities in ways that help develop and support local leadership. Our specific tools are applied research and policy development, technical assistance, public education, and coalition-building.

ACCOMPLISHMENTS

Researched the Ability of Low-Income Credit Unions to Serve Low-Income People

A new report from Woodstock Institute, *Financial Services for People of Modest Means: Lessons from Low-Income Credit Unions*, addresses credit union services for lower-income consumers and under-served communities. For years, the Federal Reserve Board estimated that about ten million households in the U.S. lack access to basic bank accounts. However, a recent study by the General Accounting Office found that there are as many as 22.2 million unbanked households---comprising about 56 million adults. This staggering figure points to a crisis in the bifurcated financial service world.

Financial Services for People of Modest Means, asserts that credit unions can make a significant contribution to reducing the number of unbanked and provide services to lower-income consumers. In fact, many credit unions offer financial services and loans desired by lower-income consumers. However, there are serious questions about whether mainstream credit unions are adequately serving people of modest means.

Previous Woodstock Institute research has illustrated that many mainstream credit unions have failed in meeting the needs of low-income people. *Financial Services for People of Modest Means* finds that the low-income credit union (LICUs) industry is one segment of the credit union industry that has succeeded. Case studies of three low-income credit unions, Trustar FCU, Greater Abbeville FCU, and El Paso Employees FCU, provide lessons on how mainstream credit unions can more effectively serve modest-income consumers and communities. These lessons include: the importance of financial education and counseling services; establishing partnerships with other community organizations or businesses; generating financial support; developing financially sustainable initiatives; and establishing effective marketing strategies.

Developed Community Partnerships with Mainstream Credit Unions

In 2004, Woodstock Institute introduced a new technical assistance project, building on its long-standing work bringing asset building resources and services to low-income communities. Its goal is to provide technical assistance to three or four non-profits seeking to expand financial opportunities to low-income and minority families and communities by partnering with mainstream credit unions.

Many families and communities simply do not have access to convenient and appropriate products and services tailored to their needs. Mainstream credit unions, who in past years have been struggling to meet the financial needs of low-income and minority families and communities, represent unique partners. Their nonprofit status provides them with the ability to offer mortgages and checking accounts at a lower-cost than banks. By lowering the cost of basic services, more under-served families and communities can enter the financial mainstream.

Woodstock Institute sees this as an opportunity to work with community organizations and help credit unions fulfill a critical part of their mission—bringing low-cost financial services to the underserved. Four organizations working in underserved communities were selected.

Fresno West Coalition for Economic Empowerment, Fresno, CA will receive assistance in designing a business plan for a new credit union that meets the transaction and short-term credit needs of the community. Spokane Neighborhood Action Program, Spokane, WA is seeking to expand its limited service credit union branch from a pilot project to a full service operation. Community Action Project, Tulsa County, OK is seeking a credit union to assist victims of predatory lending and help establish a financial education program. Hartford Individual Development Account Collaborative, Hartford, CT is seeking assistance in attracting a limited service branch of a local credit union that does not currently serve low-income families adequately.

As part of the project, Woodstock Institute issued *Building Community Assets: A guide to Credit Union Partnerships* to help organizations and credit unions sustain partnerships and meet the future financial services needs of the underserved. It is also developing an Internet-based networking and communication tool that will enable credit unions, community organizations, and others to exchange information on community/credit union partnerships.

Produced an Organizing Guide for Community Organizations Seeking to Partner with Mainstream Credit Unions

Woodstock Institute published *Building Community Assets: A guide to Credit Union Partnerships* in October, 2004. This guide lays out the necessary steps to: understanding credit union operations; developing a partnership business plan; locating local credit unions; choosing and contacting possible partners; negotiating a partnership implementation plan; and monitoring and evaluating the ability of the partnership to increase low-income membership.

Mainstream credit unions have the ability to offer affordable financial products and services through their federal and state tax exemptions, but they have historically been unable to recruit low-income people as members. Likewise, while community organizations have many members who lack access to basic banking services, they are unable to commit the resources to chartering a credit union. Partnerships between community organizations and existing credit unions offer both organizations the chance to more effectively serve low-income people.

This guide was produced as part of Woodstock Institute's ongoing organizing and technical assistance efforts focused on increasing low-income membership in credit unions and ensuring that mainstream credit unions live up to their mission of meeting the financial needs of people with modest means.

Released Report Calling for Stricter Regulation of Overdraft Protection to Protect Consumers from Abuse

Woodstock Institute released *Reinvestment Alert #26: Banking on Bounced Checks: Federal Proposal on Bounce Protection Still Exposes Consumers to Hidden Bank Fees*, an alert describing the perils of bounce protection, a loan program increasingly offered by banks across the country. The report, which examines the details of this program at the Chicago area's seven largest banks calls for stricter regulation of bounce protection. It also provides recommendations to consumers on how to avoid stiff fees and unclear disclosures from their banks.

Bounce protection is effectively a short-term loan program. Customers have the ability to withdraw funds from an account above and beyond its current balance for a fee. The overdraft fees are, in effect, an interest rate. Overdraft/non-sufficient funds fees typically are \$25 to \$35 per transaction. Many banks will even charge an additional "extended" overdraft fee, usually a \$5 to \$6 charge for each day the account remains overdrawn.

Annual percentage rates (APRs) for bounce protection at Chicago area banks are excessive. In a scenario that involves a \$200, 14-day loan made up of five overdraft debits, APRs at the seven study banks range from 1,629 percent to 3,441 percent, with a mean of 2,424 percent. For this loan, consumers would pay between \$125 and \$264 in fees for the \$200 overdraft.

Some banks use dishonest practices to increase the number of overdraft/non-sufficient funds fees. The report itemizes these practices. For example, many banks now display a "cash available" figure rather than an "account balance" at ATM terminals and on periodic statements. This "cash available" figure is the sum of the account balance and the overdraft limit, which misleads the consumer into supposing they have more money in the account than is the case. In this way, consumers are almost invited to incur exorbitant fees.

Bounce protection procedures are intentionally unclear so that consumers can't compare it to other products. Many banks don't even tell their customers they have bounce protection. Currently, banks aren't required to tell accountholders the types of transactions covered, the amount of the overdraft limit, and the order in which checks are processed. Some banks process the largest checks first to maximize the number of checks bounced and the amount of fees charged. Woodstock Institute and several other consumer groups are asking the Federal Reserve Board to regulate bounce protection under the Truth In Lending Act to make these procedures more clear, and to impose additional consumer protections.

Released a Report Detailing the Strong Relationship between Subprime Lending and Foreclosures

In March of 2004, Woodstock Institute released *Risky Business—An Econometric Analysis of the Relationship Between Subprime Lending and Neighborhood Foreclosure*. This report analyzes the impact of subprime lending and its relationship to increased and spatially concentrated foreclosures in the Chicago region. The report finds that subprime lending is the dominate driver of the increased and highly concentrated neighborhood foreclosure levels in the late 1990s through 2002. In the Chicago region, subprime loans lead to foreclosure nearly 20 times as often as conventional loans, even when controlling for neighborhood demographics and economic conditions.

The report represents one of the first studies to move beyond the issues of individual consumer abuse or the impact of regulatory actions on access to mortgage credit and to look directly at the impact of subprime lending on neighborhood foreclosures.

The report's key findings include:

- High-cost, subprime lending leads to foreclosure at a much higher rate than previously thought.

- Subprime home purchase loans lead to neighborhood foreclosure rates 28 times higher than conventional loans.
- Subprime home purchase loans have the largest per loan impact on neighborhood foreclosures.

Prime lending, on the other hand, had minimal impact on the foreclosure level and, in the case of refinance lending, prime lending actually reduces the level of foreclosures expected. From this analysis, Woodstock Institute determined that stronger regulation might be necessary to prevent high rates of foreclosures in struggling neighborhoods even if it may reduce access to credit for a few borrowers.

Researched the Predatory Consumer Loan Problem in Illinois

In April 2004, Woodstock Institute released *Reinvestment Alert #25: New Terms for Payday Loans: High Cost Lenders Change Terms to Evade Illinois Consumer Protections*. This alert describes changes in the Illinois payday loan industry since 2001 when new regulations were enacted. These regulations were developed to prevent consumers from over-borrowing and becoming captive to payday lenders through perpetual refinancing. However, well publicized loopholes in the 2001 regulations have left payday lenders essentially unregulated in Illinois.

The alert describes the new products developed by the payday loan industry, including a 31-day loan that evades the current regulations covering loans made for 30-days or less and high cost installment loans. It also demonstrates that the average borrower has significantly lower-income than other Illinois consumers. Despite arguments to the contrary, the alert finds that the payday loan industry continues to target minority and lower-income communities.

The Institute also makes several policy recommendations that are crucial to safeguarding Illinois consumers from predatory consumer loans. They include providing:

- A new definition of payday loan that would encompass current and future short-term, high-cost consumer credit products.
- A limit on the maximum principal borrowed based on the borrower's income.
- Limits on the number of rollovers per loan.
- A cooling-off period between payday loans to allow borrowers to stabilize cash flow
- A low-cost repayment plan that would enable borrowers to escape the cycle of debt associated with payday loan rollovers

This report was used as a benchmark for Woodstock Institute's ongoing discussions with the national payday loan industry as part of the Monsignor John Egan Campaign for Payday Loan Reform.

Contributed to a Study of the Debt Collection Practices of a Major Payday Lender

The Institute made a major contribution to The Egan Campaign Report, *Greed: An In-Depth Study of the Debt Collection Practices, Interest Rates, and Customer Base of a Major Illinois Payday Lender*.

The report tells the stories of individuals who are trapped in cycles of never ending debt, and provides concrete evidence regarding payday loan debt collection litigation in Chicago, Illinois, focusing specifically on Americash, one of the biggest lenders in the state. While payday lenders claim that their business (providing short-term loans at exorbitant interest rates) plays an important role in the communities they serve, this report exposes the reality that many payday loan customers face ever-increasing debt, heightened financial anxiety, and the very real chance of traumatic litigation.

Among the report's key findings are the following:

- Contrary to the industry's claims, lawsuits against payday loan customers are a common occurrence. From 2000 to 2003, one such lender, Americash, sued 898 people in Chicago alone.
- Payday loans are anything but affordable. In 2002-2003, the mean annual percentage rate (APR) on Americash loan products with terms of 31-days or less was 573.18 percent.
- Court records indicate that the average payday loan was \$331.14. Customers were charged an average finance charge of \$144.35—almost half the amount of the loan itself.
- On average, Americash sought \$825.77 in damages from the customers they brought to court—quite an increase on the original loan amount, and indicative of the way in which ostensibly “affordable” payday loans quickly balloon into financial disaster for the average working person.
- Americash's attorneys sought an average fee of \$303 per collection case, despite the fact that almost every suit was resolved in favor of the lender with minimal litigation. Greatly exceeding the average loan size of \$331.14, Americash and its attorneys ended up asking for \$954.52 in the typical payday loan case, a difference of \$623.38.

Worked to Preserve Comprehensive CRA Examinations for FDIC and OTS Banks

Woodstock helped organize a Chicago region and downstate letter writing campaign targeted at reversing the recent FDIC attack on the Community Reinvestment Act.

Going beyond the initial joint proposal issued by the four federal bank regulators, in 2004 the Office of Thrift Supervision (OTS) raised the asset threshold for the comprehensive large bank CRA examination from \$250 million to \$1 billion, twice

the proposed increase from \$250 million to \$500 million. This new large bank definition drastically reduces the number of banks that will be subject to community development lending, investments, and services examination in their chartered communities. The FDIC then followed suit and issued a similar proposal. The FDIC has not yet published the final rule.

Woodstock organized comment letters from community organizations and likeminded individuals throughout Illinois. Nationwide the over 3,000 letters opposed the rule's adoption. Woodstock Institute also contacted numerous media outlets both in the Chicago region and in downstate Illinois, protesting this detrimental change to CRA.

Released Report Surveying Community Reinvestment Legislation in Several Countries

In a new publication, *A Global Survey of Community Reinvestment Laws: The Obligation of the Private Sector to Serve the Underserved in Several Countries*, Woodstock Institute has produced the first ever description of community reinvestment legislation in countries around the world. The report documents public sector mandates in eight countries that address private sector financial institutions' responsibilities to serve lower-income people and undeserved communities. These countries include; Australia, Brazil, Canada, India, Nigeria, South Africa, the United Kingdom, and the United States. The report notes that there may be additional countries with such mandates.

Among the report's findings are:

- In 1977, the Indian Central Bank ruled that no new bank branch application would be approved unless four branches were also built in undeveloped areas. That rule was eliminated in 1990 but, while in operation, helped triple the proportion of credit dispersed in rural areas.
- Beginning in 2001, all Nigerian Banks are required to set aside 10 percent of their before-tax profits and invest these funds in small and medium sized business enterprises.

- South Africa has a mandatory home loan and mortgage disclosure law but is still debating a law to require banks to lend and provide financial services in underserved communities.
- In 2003, Brazil enacted several community reinvestment measures including provisions that financial institutions set aside two percent of demand deposits for loans to small businesses; the offering of simplified low-income bank accounts to low-income customers; and the loosening of rules for credit cooperative membership to people who live in municipalities with less than 100,000 residents. The two percent set-aside provision also contains details of maximum interest rates, minimum loan amounts, and other terms.

This report will serve as a background paper for Woodstock Institute's international program seeking to promote mutual problem solving among community development finance advocates in countries with a legislative mandate for community reinvestment.

Hosted Representatives from Several Countries at First Ever Multinational Community Reinvestment Legislation Conference

In October, Woodstock Institute hosted a small working conference attended by representatives from South Africa, India, Mexico, Brazil, the United States, and the United Kingdom. Held in Rio de Janeiro and cosponsored by the Brazilian Instituto de Estudos do Trabalho e Sociedade (IETS), Centro Internacional de Estudos e Pesquisas sobre a Infância (CIESPI) and the U.S. National Community Reinvestment Coalition (NCRC), the three-day conference helped build a foundation for an international community reinvestment network. The conference included a working visit to Viva Cred's small business loan fund in Rocinha, Rio's largest favela or slum.

The impetus for this working conference comes from a series of reinvestment laws recently passed by the Brazilian government. These laws deal directly with the provision of affordable bank accounts and microfinance funding for low-income

Brazilians. Participating nonprofit organizations were invited to share the opportunities and challenges of implementing these types of laws.

The following organizations participated in addition to Woodstock Institute:

- Sa-Dhan – a Delhi, India-based association of community development financial institutions seeking to improve access to low-cost capital for investment in community development and microfinance projects.
- FECHAC – a Chihuahua, Mexico-based foundation that funds financial literacy training and small business lending through a payroll tax development fund.
- National Housing Finance Corporation – a South African financial intermediary that has played a central role in the drafting, passage, and implementation of a series of community reinvestment measures.
- New Economics Foundation – a London-based think tank working to expand access to capital and financial services to currently underserved communities throughout the United Kingdom.
- Instituto de Estudos do Trabalho e Sociedade (IETS) – a Brazilian research and policy organization working to reduce the dramatic income disparity in urban areas and produce meaningful opportunities for asset creation and business development in disadvantaged communities.
- Centro Internacional de Estudos e Pesquisas sobre a Infância (CIESPI) – a Brazilian policy center associated with the Pontifical Catholic University in Rio de Janeiro working to improve the condition of young children and youth in Brazil's urban centers.
- National Community Reinvestment Coalition – the national trade association of over 600 community reinvestment organizations in the United States.

Primary discussion topics included private sector incentives for affordable financial products and services as well as the unique regulatory environments of each country.

Organized South Suburban Community Reinvestment Forum

The Chicago region continues to be characterized by sharp imbalances in the areas of community and economic development, as well as the mismatch between jobs and housing. In the south suburbs, there is an abundance of affordable housing, yet economic development occurs at a much slower pace than in other parts of the region. In the northwest and west suburbs, job growth and economic development continues to steam ahead, yet there are limited opportunities for workers who need affordable housing to live close to work.

Research conducted by Woodstock Institute over recent years suggests that the south suburbs:

- Have disproportionately fewer banks per capita than other parts of the region,
- Have a higher percentage of residents who are unbanked or underbanked, and
- Receives conventional loans less and subprime loans more frequently, even at higher incomes and with good credit.

The Chicago CRA Coalition, in concert with the Leadership Council for Metropolitan Open Communities and several Chicago and south suburban organizations, hosted a forum to explore opportunities for leveraging the Community Reinvestment Act in the south suburbs towards improvements in community and economic development, bank branch locations, and home ownership.

Released a Report Evaluating Different Strategies to Increasing Affordable Housing Production

In February 2004, Woodstock Institute published *Increasing the Stock of Affordable Housing: The*

Value of Different Strategies in a Growing Crisis, to evaluate a variety of strategies for tackling the problem of affordable housing. This research comes at a time when over 80 million people in the United States face moderate or severe housing cost burdens. By one estimate, demand for affordable units outstrips supply by nearly 3.3 million units. As direct federal subsidies for affordable housing decrease, unassisted housing that is affordable to low- and moderate-income renters becomes increasingly important.

The report pays particular attention to how a number of tax incentive models would impact small “mom and pop” owners of rental housing. The report looks at an “average” cash flow statement of a Chicago property owner with a 24-unit building to illustrate the impacts. The report’s findings include:

- Revival of the rapid tax depreciation allowance of the early 1980s would have a moderate impact on a small scale developer but is probably not politically feasible.
- Changing the “passive loss” rules for investors in affordable housing to include the small developer and increasing the amount of the special allowance deduction would bring more small developers into the affordable housing market for existing buildings.
- Small public sector grants for the acquisition and renovation of affordable units would also help small scale developers serving low-income families but the qualifying rules would have to be kept simple so as not to discourage small scale owners from using the grants.

Most importantly, the study found, these alternative strategies are not an effective supplement to public investment. Woodstock analysis determined that the larger problem is the gross inadequacy and inequity of federal housing subsidies, 63 percent of which benefit households with incomes in the top fifth of the income distribution.

Convened the Chicago CRA Coalition and Negotiated an Agreement with Bank One and JP Morgan Chase

For many years, Woodstock has convened the Chicago CRA Coalition, which is comprised of dozens of community-based and other nonprofits that are dedicated to promoting community reinvestment in low-income areas. The Coalition has expanded significantly in recent years and now includes representatives from many suburban and downstate communities. The Institute organizes, staffs, and provides technical assistance for the Coalition.

The Coalition challenges banks to increase their community development lending, investments, and services in their chartered communities. In some cases, banks enter into formal community reinvestment agreements with the Coalition with measurable performance goals. The Coalition has previously negotiated a number of these formal agreements which it monitors through data analysis and periodic meetings with senior bank staff.

In Spring of 2004, the Chicago CRA Coalition set a historic precedent, negotiating a six-year Memorandum of Understanding (MOU) for the Chicago region with New York-based JP Morgan Chase on its acquisition of the Chicago-based Bank One. Woodstock and the CRA Coalition encouraged the bank to make a commitment to the Chicago region spelled out in terms of new loans, investments, and financial services that benefit low-income and minority families.

This agreement sets strong lending, investment, and service goals for the merged bank at the local level. The new agreement contains the following community reinvestment provisions:

- The merged bank will establish parity in the ratio of its small business and mortgage lending between low- and moderate-income borrowers and communities and middle- and upper-income borrowers and communities. The bank will set similar lending ratios between its mortgages to minority borrowers

and communities and its mortgages to white borrowers and communities.

- The bank will continue to offer the innovative and flexible Community Express loan product through the U.S. Small Business Administration and work with the Coalition to establish flexible underwriting procedures for its other business loans.
- The bank will work with community groups to prevent foreclosures and help consumer groups provide solutions for victims of predatory lending.
- Overall, the new bank will strive to be one of the top five mortgage lenders in the Chicago region.
- The bank will provide \$80 million in community development loans in the Chicago area. These loans will support affordable multifamily and single-family housing as well as commercial development.
- The bank will increase its total community development grants and investments and provide a breakdown of grants and investments for monitoring and evaluation.
- The bank will establish 12 new branches in low- and moderate-income census tracts and achieve a ratio of low- and moderate-income branches similar to that of all banks in the Chicago region.

The MOU is the only community reinvestment agreement in the country with JP Morgan Chase entered into as part of its acquisition of Bank One.

Provided Data Analysis and Regulatory Policy Recommendations Related to the CRA Performance of Various Banks

One of Woodstock's main roles is to analyze and disseminate information about specific banks' CRA performance. In 2003, the Institute analyzed, commented on, and distributed information

relating to the CRA performance of a number of financial institutions. Our colleagues around the country rely on our expertise in this field in order to monitor specific and general trends related to community reinvestment.

During 2004, Woodstock Institute issued comments on major federal policy initiatives, particularly those that affect the housing and credit needs of low-income and minority communities. These in-clude:

- Supporting stronger affordable housing goals in the secondary market by encouraging Fannie Mae and Freddie Mac to more effectively target loan purchases to low-income and minority communities.
- Supporting stronger regulation of high-cost overdraft protection products.
- Opposing changes to CRA that would allow an increased number of small banks to avoid rigorous evaluation of their community development activities.
- Supporting a strong national predatory lending standard and urged the Office of the Comptroller of the Currency to expand its criteria of a predatory home loan.
- Successfully urging the Board of Governors of the Federal Reserve System to hold multiple public hearings on the merger of Bank One and JP Morgan Chase.
- Supporting changes to the Electronic Funds Transfer Act that would protect unbanked workers using payroll cards from fraudulent transfers and undisclosed fees.

Technical Assistance

Technical Assistance in Chicago and the Surrounding Metropolitan Area

Aon Corporation - Extending financial products to lower-income households

Bell General Credit Union - Provided research materials and expertise on ways mainstream credit unions can have a greater impact on the financial services available to low-income families and communities.

Chapin Hall Center for Children, University of Chicago - Provided assistance on developing research strategies for the center's North American Integration Project.

Chicago Community Ventures - Provided staff with a list of contacts for community development grant solicitations.

Chicago Employees Federal Credit Union - Provided financial literacy resources and suggestions for community partnerships when Chicago Employees FCU acquired Austin-West Garfield FCU.

Chicago Reporter - Provided information for a major Chicago Reporter article on high-cost financial services in the Chicago region.

Chicago Sun-Times - Met and followed-up with a staff reporter and provided information on payday lending that resulted in a major newspaper article. Co-authored follow-up op-ed letter. Authored several op-ed pieces in support of strong community reinvestment legislation.

Country Club Hills, City of - Provided advice and data for marketing presentation to try and attract a bank branch.

Credit Card Magazine - Provided follow-up information from 2004 DEMOS conference on the increase in consumer debt and bankruptcy.

Credit Union Times - Provided information for Credit Union Times article on low-income credit unions and their ability to provide financial services to low-income customers and communities.

Chicago Community Ventures - Discussed strategic framework for approaching banks with funding proposals for non-profit business development.

Diversity, Inc. - Provided Community Reinvestment Act organizing workshop to a group of South Suburban nonprofits and government officials interested in fair and affordable housing.

E*Trade Bank - Held a series of conference calls regarding E*Trade's unsatisfactory grants and investments performance and provided a number of Chicago area community contacts.

First American Bank - Provided background information on redlining settlements to Chicago journalists as context for First American's settlement with the U.S. Department of Justice.

Alderman Manuel "Manny" Flores (1st Ward) - Provided background research for the creation of a disincentive for bank-funded payday lending operations.

Illinois Coalition for Immigrants and Refugee Rights - Provided information on payday loan operations and transactions for program participants.

Illinois Department of Revenue - Advised on sources of data for bank branch deposits and banking activity.

Illinois Department of Financial and Professional Regulation - Provided information on several occasions documenting the extent of the payday loan problem in Illinois, developed a set of guidelines for a borrower database, and advocated for the release of a department study on payday lending licensees.

Indiana Star - Provided an overview of payday lending for upcoming article and gave specific

information on an area bank engaged in the payday lending and refund anticipation loan business.

Lawndale Christian Development Corporation - Discussed ways a community development corporation can measure and combat predatory home mortgage lending in their service area.

Office of the Illinois Lieutenant Governor, Pat Quinn - Provided research on payday loan alternatives and background information for banks offering these types of loans and co-hosted a press conference opposing the changes to CRA proposed by the FDIC.

LISC Chicago - Provided mapping consultation and developed a series of health indicators for program area.

John D. and Catherine T. MacArthur Foundation - Provided foundation staff with detailed maps illustrating bank branch distribution and branching patterns.

Medill School of Journalism, Northwestern University - Provided an in-depth history of the payday loan industry in Illinois, and provided a list of contacts in the Chicago area consumer advocacy community.

Metro Chicago Information Center - Offered expertise on conceptualizing the future of metro areas and designing metrics to measure success.

Monsignor John Egan Campaign for Payday Lending Reform - Provided research and advocacy support around the issue of payday lending reform. Identified necessary payday loan database variables to assist in the enforcement of Illinois payday loan regulations. Campaigned for release of Illinois Department of Financial Institutions analysis of pay-day lending. Provided data analysis for a recent Egan Campaign publication.

Neighborhood Housing Services of Chicago - Discussed availability of data sources on lending and foreclosure.

Rogers Park Community Development Corporation - Provided organization with contact list for soliciting community development grants or investments from area banks.

Southside Federal Credit Union - Met with credit union staff as they established new account products and provided information on model accounts for community development credit unions. Conducted extensive data analysis on market share ratios for the top Chicago banks, and provided credit union with a list of top subprime lenders in service area.

Alderman Tom Tunney (44th Ward) - Provided information on the distribution of payday loan and title loan companies in Chicago's Lakeview neighborhood in an effort to oppose the opening of a new payday loan operation.

National and International Technical Assistance

"5" Eagles Corporation - Discussed process necessary to comment on a bank's CRA performance and provided organization staff with regulator contact information.

American Association of Retired Persons - Review consultation of AARP report on financial conditions of older Americans. Provided information on the effectiveness of community organization and credit union partnerships.

Appalachian Regional Commission - Provided assistance in analyzing the impact of a proposed FDIC change to CRA.

Atlanta Journal-Constitution - Provided background on current title loan regulation in Illinois.

Blue Dot Finance (South Africa) - Discussed the U.S. community reinvestment legislation environment and the impact of CRA on microfinance and housing.

Boston Community Development Credit Union - provided advice and a discussion of community

implications surrounding a possible merger with a mainstream credit union.

Children's Defense Fund - Provided a summary of best practices, and a review of successful products that offer banking services to the currently un-banked.

Community Development Advocates of Detroit - Provided advice and information on community development resources for starting a Detroit area community development credit union.

Housing Research Center - Evaluated community development activities and discussed how to quantify the impact of these activities on the housing market.

Institute for the Study of Work and Society (Brazil) - Provided data on disparity in access to financial services between whites and minorities.

Mavent, Inc. - Discussed the strengths and practicability of an anti-predatory lending compliance software package and its ability to allow mortgage lenders to comply with state lending laws without the need for federal preemption.

Muscatine Center for Strategic Action - Provided information on advocating for a statewide community reinvestment policy in Iowa requiring government agencies to consider a bank's CRA rating when depositing public funds.

National Consumer Law Center - Provided feedback to NCLC on proposals for high-cost loan public marketing campaigns.

Office of the Comptroller of the Currency - Met with senior staff members and made recommendations on possible improvements to the CRA Examination Service Test for large banks.

Our Money Place - Facilitated a discussion on partnerships between community organizations and mainstream credit unions using the Maryland-based Our Money Place as an example for several other possible partnerships being formed around the country.

Payday Loan Alternative - Offered expertise in developing low-cost financial products to organizations across the country interested in establishing a responsible payday loan alternative in their area.

USA Today - Gave a detailed explanation of the impact of concentrated subprime lending on neighborhood foreclosures and recent enforcement of Illinois high-cost lending laws.

Presentations

January

“Community Development, Government and Banking Forum.” MCIC Conference. Chicago, Illinois.

February

“Community Reinvestment Organizing.” Chicago CRA Coalition Forum on the Merger of Bank One and JP Morgan Chase. Chicago, Illinois.

March

“Advocacy and Organizing: Building Local and Statewide Community Collaborations.” National Community Reinvestment Coalition. Washington D.C.

“Subprime Lending: Defining the Market and Its Customers.” Testimony Before the U.S. House of Representatives Subcommittee on Housing and Community Opportunity and the Subcommittee on Financial Institutions and Consumer Credit. Washington D.C.

“Advocacy and Organizing.” DEMOS’ Borrowing to Make Ends Meet Community Forum. Chicago, Illinois.

“Chicago CRA Coalition sets Concrete, Verifiable Goals in Bank One/JP Morgan Chase Memorandum of Understanding.” Testimony before the Zoning Committee of the Chicago City Council. Chicago, Illinois.

April

“Communities and Community Reinvestment.” University of Chicago City Space Conference. Chicago, Illinois.

“Opportunities and Challenges in Community Organizing for Major Public Systems Change: The Case of Chicago School Reform.” Promundo and Centro Internacional de Estudos e Pesquisas Sobre a Infancia. Rio de Janeiro, Brazil.

“Community Reinvestment and Changing Social Welfare Policy.” DePaul University. Chicago, Illinois.

May

“Check-Cashers Add to Poverty Surcharge of Low-Income Residents.” LaSalle Bank Currency Exchange/Credit Union Forum. Chicago, Illinois.

“CRA 101.” ICCA Annual Conference. Chicago, Illinois.

June

“Payday Loan Borrower Profiles.” Conference of State Bank Supervisors. Chicago, Illinois.

“CRA 101.” Third Unitarian Church. Chicago, Illinois.

“Current Status of CRA from a Community Economic Development Perspective.” National Association of Affordable Housing Lenders Conference. Chicago, Illinois.

July

“CRA 101: Tool for Improving Community Development Lending, Services and Investments.” Diversity Inc. East Hazel Crest, Illinois.

September

“Maintaining a Strong CRA and HMDA.” Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) Public Meeting. Chicago, Illinois.

“Impact of Proposed FDIC Regulatory Changes to CRA on Illinois Communities.” Press Conference with the Office of the Lieutenant Governor. Chicago, Illinois.

October

“Short-term, High-Cost Loans.” National Consumer Law Center Conference. Cleveland, Ohio.

“Community Reinvestment in the United States.” Woodstock Institute and Instituto de Estudos do Trabalho e Sociedad, First International Conference on CRA-type legislation in select countries. Rio de Janeiro, Brazil.

“NonProfit Advocacy and Community Reinvestment.” Urban Planning and Policy Program. University of Illinois at Chicago. Chicago, Illinois.

November

“CRA Policy and Small Business Lending.” Community Development Finance Association workshop. Chicago, Illinois.

“CRA and Predatory Lending.” Statewide Housing Action Coalition (SHAC) statewide conference. Springfield, Illinois.

“CRA and Predatory Lending.” Northwestern University Law School Public Interest Law Week. Evanston, Illinois.

“Financial Trends for Families and Changes in the Financial Services World.” Chicago Community Trust’s Planning Group for 2005 *Chicago Matters*. Chicago, Illinois.

“Current Status of CRA in the United States.” Community Development Financial Association of the United Kingdom. Chicago, Illinois.

“Office of Thrift Supervision Proposes Weakening CRA.” Chicago CRA Coalition Annual Fall Forum. Chicago, Illinois.

December

“CRA 101: Tools for Improving Community Development Lending, Services and Investments.” Identifying Community Reinvestment Opportunities for Financial Institutions in Chicago’s South Suburbs. Governors State University. University Park, Illinois.

“Affordable Alternatives to Payday Loans: Examples from Community Development Credit Unions.” Credit Union Executives Society 2004 Directors Conference. Waikoloa, Hawaii.

Collaborations and Memberships

Advisory Committee, Illinois LINK Committee-- Advises on strategies to implement and increase usage of the electronic benefits transfer (EBT) direct deposit initiative in Illinois.

Advisory Committee, MoneySmart Chicago--A Federal Reserve Bank-sponsored coalition of community organizations, banks and regulators working to establish and improve upon financial literacy efforts in the Chicago area.

Advisory Group, Woods Fund of Chicago--The group works to advise the Fund on the direction of its Strategic Plan.

Asset Building Group: Woods Fund of Chicago-- The group works to reconfigure the asset agendas of local community groups.

Board Chair, Financial Markets Center (FMC)--Monitors the activity of the Federal Reserve Board from the perspective of the average citizen.

Board Member, Center for Community Labor Research--Specializes in new approaches to community development, with an emphasis on manufacturing effective partnerships between labor, community, and business groups.

Board Member, Chicago Area Fair Housing Alliance--Coalition of nonprofit and government organizations working to promote fair housing in the Chicago region.

Board Member, Chicago Council on Urban Affairs--Research and policy organization that works on issues of poverty, race, and juvenile justice.

Board Member, Deborah's Place--Provides permanent and transitional shelter and support services for homeless women.

Board Member, International Center for the Study of Children and Youth, Rio de Janeiro, Brazil--Engages in research and policy analysis to improve the condition of poor children in Brazil and other countries.

Board, Executive Committee, Legislative-Regulatory Policy Committee and ad hoc Bank Merger Committee Member, National Community Reinvestment Coalition--A coalition of over 700 groups working to improve community reinvestment practice and policy throughout the country.

Board Secretary and Steering Committee Member, Coalition of Community Development Financial Institutions--A national group of CDFI practitioners and coalitions working to improve national policy on CDFIs.

Convenor, Chicago CRA Coalition--The Coalition develops and advocates for concrete improvement in Chicago region banks' community reinvestment activities.

Convenor, Midwest Bank Regulators and Community Development Organizations Collaborative--Discusses community and regulator issues about the implementation of CRA regulations.

Core Group Member, Policy Research Action Group--Promotes collaborative research and projects between universities and community groups in the Chicago area to promote effective policy and action.

Executive Committee Member, John Egan Campaign for Payday Loan Reform--Works on legislation, public education and advocacy to reduce the negative effects of the payday loan industry in Illinois.

Member, Bankers Community Collaborative Council--A collaboration of the National Community Reinvestment Coalition and representatives of leading financial institutions. The Group is dedicated to improving community reinvestment performance, practice, and policy.

Member, Chicago Low-Income Housing Trust Fund--Oversees city and other funds to improve housing for very low-income people.

Member, Community Development Roundtable, Federal Reserve Bank of Chicago--Meetings between regulators and other community representatives to discuss Midwest community development issues.

Member, Community Development Venture Capital Alliance--Research strategies for evaluating community development venture capital funds and how they can effectively achieve their "double bottom line."

Member, Consumer Federation of America--Advocates, provides technical assistance and develops policy in the interest of consumer protections.

Member, Financial Links for Low-Income People--Coalition of community and consumer groups, lenders and regulators working to create a comprehensive financial literacy program for Illinois' welfare-to-work initiatives

Member, Governor's Task Force on Financial Literacy--A consortium of financial literacy experts working to evaluate and improve financial literacy programs in Illinois.

Member, Illinois Insurance Collaborative--The Collaborative is seeking to document the barriers to and find solutions for equal access to home insurance products.

Member, National Low-Income Housing Coalition--Works to end America's affordable housing crisis through education, organizing, and advocacy.

Member, National Forum to Promote Lower-Income Household Savings--Meets quarterly to review progress and provide feedback on Cleveland Saves, a program developed by the Consumer Federation of America and Cleveland-based community groups to promote financial literacy and increased asset development.

Member, National Partnership for Financial Empowerment--Public-private partnership led by the U.S. Department of the Treasury. Seeks to raise awareness of the need for financial literacy training.

Member, New Alliance Task Force on Immigrant Banking--Formed by the Federal Deposit Insurance Corporation in conjunction with the Mexican Consulate of Chicago, the Task Force includes banks, nonprofits, regulatory agencies, and schools that partner to further the advancement of immigrants' access to financial services.

National Federation of Community Development Credit Unions and JP Morgan Chase--Developing and implementing an evaluation of a Community Development Credit Union Pilot Emergency Loan Program.

Steering Committee Member, National Stop Predatory Lending Initiative--A national coalition of research and policy organizations working to put a stop to predatory mortgage lending through effective federal policy.