



# bridges

SUMMER 2016

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## All Low- and Moderate-Income Areas Are Not Created Equal

By Mike Eggleston

Stark disparities in consumer credit exist in low- and moderate-income (LMI) neighborhoods across metropolitan areas (MSAs). Consider George, who lives in Montgomery, Ala., and Francine, who lives in Madison, Wis. Both individuals live in an LMI neighborhood, which is defined as an area where the median income is 80 percent of the average median income in the metro area or state. Each is looking to purchase a car, both to reduce their commute time to work and to allow them more options for child care for their young children. Like many in his neighborhood, George has poor credit and, as a result, is not able to secure financing from a financial institution to buy a car. However, Francine is part of the vast majority of people in her neighborhood who have good credit and, consequently, she has no trouble securing a car loan from a bank.

The example above is played out across 200-plus MSAs for which data is available. Boulder, Colo., is on one end of the spectrum, with 35.9 percent of

the population in LMI neighborhoods credit constrained, defined as having poor/fair or no credit history. On the other end is Memphis, Tenn., where 77.4 percent of the population in LMI neighborhoods (nearly eight out of every 10 people) are credit constrained. (See Figure 1.) This disparity has big implications for both the residents of these neighborhoods and the regulated financial institutions that serve these markets, which have certain obligations under the Community Reinvestment Act (CRA). Before describing the implications of this disparity, it's worth noting some observations.

### Observations

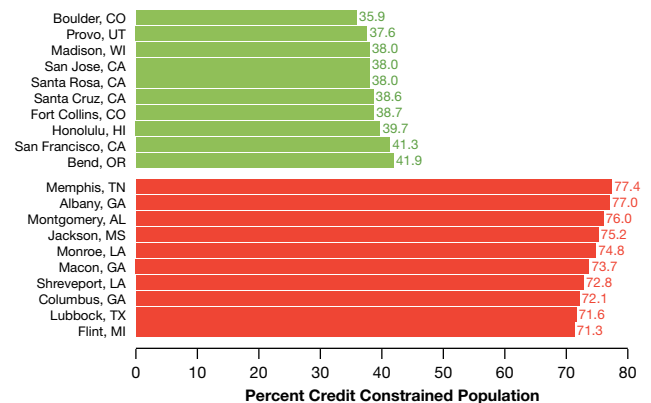
LMI neighborhoods comprised of residents with relatively better credit tend to have a larger percentage of white occupants; they are usually located in the East, West and parts of the upper Midwest, and they tend to have relatively low poverty rates.

LMI neighborhoods comprised of residents with poor credit tend to have a larger share of African-American

>> continued on Page 4

FIGURE 1

### Top 10 and Bottom 10 Metros—Credit Constrained Population in LMI Neighborhoods



*Bridges* is a quarterly publication of the Community Development Office of the Federal Reserve Bank of St. Louis. It is intended to inform bankers, community development organizations, representatives of state and local government agencies and others in the Eighth District about current issues and initiatives in community and economic development. The Eighth District includes the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

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**7-8 Exploring Financial Resiliency & Mobility 2016 National Community Affairs Conference**  
*Kansas City, Mo.*

**Sponsor:** Federal Reserve Bank of Kansas City  
**Visit:** <http://www.kansascityfed.org/events/2016/natl-conf-fin-res-9-7-2016>

**8 Interagency CRA Roundtable: Financing Health Centers and Supporting Community Wellness**  
*Louisville, Ky.*

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**Visit:** [www.cvent.com/d/vvqk52](http://www.cvent.com/d/vvqk52)

**12-14 Community Banking: 2016 Annual Convention & Exhibition**  
*Lake Ozark, Mo.*

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**Visit:** <http://miba.net/2016-annual-convention-exhibition>

**13 What It's Worth: Building More Financially Prosperous Arkansans through Savings and Education**  
*Little Rock, Ark.*

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**Visit:** [www.cvent.com/d/svq89f](http://www.cvent.com/d/svq89f)

**15 Delta Communities: Building the Right Team and Relationships for Community and Economic Development**  
*Greenwood, Miss.*

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**Visit:** [www.cvent.com/d/lvqk9p](http://www.cvent.com/d/lvqk9p)

**16 Delta Communities: Building the Right Team and Relationships for Community and Economic Development**  
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**21-23 Reinventing Our Communities: Transforming Our Economies**  
*Philadelphia, Pa.*

**Sponsors:** Include Federal Reserve Banks of St. Louis, Atlanta, Boston, Cleveland, Minneapolis, New York, Philadelphia and Richmond; Penn Institute for Urban Research  
**Visit:** [www.philadelphiafed.org/roc2016](http://www.philadelphiafed.org/roc2016)

**22 Financial Capability and Inclusion: Leveraging Strategies and Tools to Empower Youth (Part 2 of 3)**  
*Webinar*

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**Visit:** [www.stlouisfed.org/events/2016/09/cd-ei092216](http://www.stlouisfed.org/events/2016/09/cd-ei092216)

**28-30 CFED Assets Learning Conference**  
*Washington, D.C.*

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**Visit:** <http://cfed.cvent.com/events/assets-learning-conference-alc-2016/event-summary-95aca38a8ab4427c9c7275ad3176c033.aspx>

### OCTOBER

**3 Your Money, Your Goals Training**  
*Huntingburg, Ind.*

**Sponsors:** Indiana Assets & Opportunity Network, Indiana Legal Services Inc.  
**Visit:** <http://www.indianaopportunity.net/upcoming-events>

**18 Financial Capability and Inclusion: Tools and Strategies to Promote Personal Savings (Part 3 of 3)**  
*Webinar*

**Sponsor:** Federal Reserve Bank of St. Louis  
**Contact:** [lisa.locke@stls.frb.org](mailto:lisa.locke@stls.frb.org)

**18-19 Abandoned Housing Strategies 101**  
*Indianapolis, Ind.*

**Sponsor:** Indiana Association for Community Economic Development  
**Visit:** <http://myiaced.org/event-2281943>

18-20 **Placemaking Basics**  
*Indianapolis, Ind.*

**Sponsor:** Indiana Association for Community Economic Development

**Visit:** <http://myiaced.org/event-2281921>

20 **Delta Communities: Making a Plan for Financing Community and Economic Development**  
*Greenwood, Miss.*

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**Contact:** [teresa.cheeks.wilson@stls.frb.org](mailto:teresa.cheeks.wilson@stls.frb.org)

21 **Delta Communities: Making a Plan for Financing Community and Economic Development**  
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## NOVEMBER

14-17 **2016 Annual Conference**  
*Dallas, Texas*

**Sponsors:** National Federation of Community Development Credit Unions, Credit Union National Association

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## DECEMBER

1 **Delta Communities: Sourcing Financial Resources for Community and Economic Development**  
*Greenwood, Miss.*

**Sponsor:** Federal Reserve Bank of St. Louis

**Contact:** Teresa Cheeks Wilson at [teresa.cheeks.wilson@stls.frb.org](mailto:teresa.cheeks.wilson@stls.frb.org)

2 **Delta Communities: Sourcing Financial Resources for Community and Economic Development**  
*Helena, Ark.*

**Sponsor:** Federal Reserve Bank of St. Louis

**Contact:** Drew Pack at [andrew.a.pack@stls.frb.org](mailto:andrew.a.pack@stls.frb.org)

Save the date!

JANUARY 2017

19 **Delta Communities: Tapping the Community Reinvestment Act for Community and Economic Development**  
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**Contact:** Teresa Cheeks Wilson at [teresa.cheeks.wilson@stls.frb.org](mailto:teresa.cheeks.wilson@stls.frb.org)

20 **Delta Communities: Tapping the Community Reinvestment Act for Community and Economic Development**  
*Helena, Ark.*

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**Contact:** Drew Pack at [andrew.a.pack@stls.frb.org](mailto:andrew.a.pack@stls.frb.org)

Save the date!

MARCH 2017

23-24 **Strong Foundations: The Economic Futures of Kids and Communities Tenth Biennial Federal Reserve System Community Development Research Conference**  
*Washington, D.C.*

**Sponsors:** Federal Reserve Board, Federal Reserve Bank of Minneapolis

**Visit:** <http://www.minneapolisfed.org/2017CDResearchConference>

**Contact:** [CDConference@mpls.frb.org](mailto:CDConference@mpls.frb.org) or 612-204-6785

## All Low- and Moderate-Income Areas Are Not Created Equal

>> continued from Page 1

occupants; they are usually located in the South and they tend to have relatively high poverty rates. In fact, among the ten MSAs in which people living in LMI neighborhoods have the poorest credit, the average poverty rate is 68 percent higher than the average poverty rate of the ten MSAs where people living in LMI neighborhoods have the best credit.<sup>1</sup> Jackson, Miss., Shreveport, La., and Montgomery, Ala., are examples of this demographic.

Interestingly, there are MSAs that are clear outliers based on their geographic peers. For instance, the LMI neighborhoods of Madison, Wis., Ann Arbor, Mich., Charlottesville, Va., and Houma, La., are all overperforming their peers. In other words, there is a substantially smaller portion of the

population who are credit constrained and living in an LMI neighborhood than their peers in the surrounding MSAs. Coincidentally, three of these four MSAs have universities located within their borders and are what some consider a “college town.”

Conversely, the LMI neighborhoods of Reno, Nev., Milwaukee, Wash., and Bakersfield, Calif., all are underperforming their geographic peers. (See Figure 2.)

### Implications

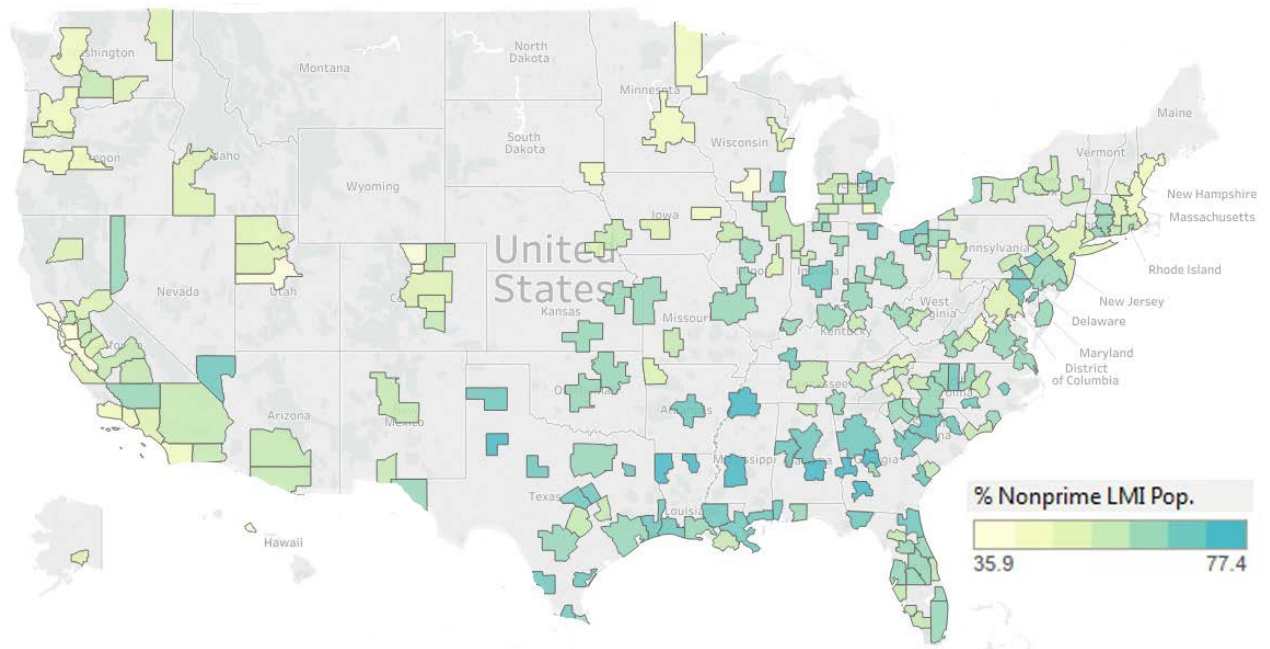
As has been illustrated, the credit profiles of people living in LMI neighborhoods across the country vary significantly. Why should that matter? There are at least two groups for whom it matters a great deal.

A good credit profile can be the make-or-break detail that determines an individual’s ability to get a

mortgage, car loan or student loan. It can also be a factor in whether or not one can rent an apartment, how much insurance costs, and securing employment. In short, good credit can signify whether an individual’s financial situation is on the right track. This can be particularly powerful for someone living in an LMI neighborhood where opportunities to improve their situation can be scarce and hope can feel far off in the distance. That’s why many nonprofit organizations throughout the country, sometimes in partnership with bank representatives, work with people to improve their credit profiles. And it’s why some community-based organizations (e.g., Justine Petersen, headquartered in St. Louis) view credit as an asset.

Regulated financial institutions, depending on size, are required to comply with the CRA and, therefore,

FIGURE 2  
Credit Constrained Population of LMI Areas



to meet varying thresholds relative to investments, loans and service in LMI neighborhoods. Currently, the credit profile of a bank's assessment area, which may include part of or an entire MSA, is not taken into consideration when determining whether a bank is meeting its obligation under the CRA. But maybe it should be. As the data illustrates, a bank operating in Madison will have a much easier time finding qualified borrowers in LMI neighborhoods than a bank in Memphis, Tenn. On a per capita basis, a bank operating in both metro areas will have to work twice as hard to find a qualified borrower in Memphis. This raises some important questions about the appropriate role of the CRA in promoting fair and impartial access to credit in underserved communities, such as:

- Should additional weight be given to loans and investments made in LMI areas where more people are credit constrained?
- How can the service test better encourage activities associated with credit building in LMI areas where more people are credit constrained?
- Are there other measures, such as the poverty rate, that can complement area median income to determine targeted populations?

For the first time, consumer credit data for LMI areas in 200-plus MSAs is publicly available via the [Consumer Credit Explorer](#), thanks to Equifax and the Federal Reserve banks of Minneapolis, New York and Philadelphia. Through the release of this data, researchers will be able to better understand the factors that determine why people in some LMI neighborhoods of one MSA can have drastically different credit profiles than people in LMI neighborhoods of other MSAs. Until that is sorted out, residents like Francine, living in LMI neighborhoods in MSAs such as Madison, Boulder and San Jose, will have a much better shot at accessing credit—and thus opportunity—than those like George who live in LMI neighborhoods in MSAs such as Montgomery, Memphis and Jackson.

*Data: FRBNY Consumer Credit Panel/Equifax Data (12/1/2015), tabulated by the Federal Reserve Banks of Philadelphia and Minneapolis and accessed via the Consumer Credit Explorer*

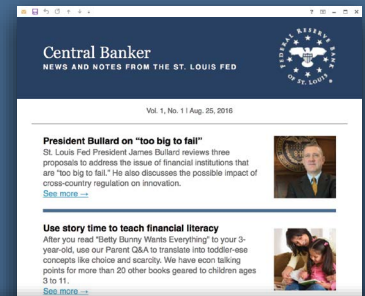
Mike Eggleston is a senior community development specialist at the Federal Reserve Bank of St. Louis.

#### ENDNOTES

- 1 Census Bureau, American Community Survey, 2014 1-year Estimates

## Want to Know What the Rest of the St. Louis Fed Is Working on?

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# Moving First-Time Buyers Off the Fence: Solving the Millennial Homebuyer Puzzle with Proven Online Solutions and Partnerships

By Doug Dylla and Dean Caldwell-Tautges

With the low-interest-rate environment and relatively stable home prices, it seems to be a perfect time for first-time homebuyers to enter the market. Instead, 2016 is shaping up to be a modest year for home sales, especially for millennial buyers. Given all of the benefits of homeownership—including increasing wealth, security, family stability, community involvement and educational achievement—many communities and industry players have been looking for creative ways to engage millennials and encourage them to pursue homeownership sooner rather than later.

First-time homebuyers have represented 20-40 percent of total home sales over the past 10 years, according to the National Association of Realtors. Most first-time buyers are 25-44 years old; their actions have helped drive the housing market and have been an engine for economic growth across the nation.

Certainly millennials and other potential first-time buyers face many barriers to homeownership, including high-cost housing and soft job markets. Or they have significant debt, often in the form of student loans, that prevents them from saving for a down payment or even qualifying for a mortgage.

## Educating Buyers Online Benefits Everyone

Another barrier for younger homebuyers is their lack of knowledge about the complexities and nuances of the process, which can be rooted in fears related to what they witnessed during the recent housing collapse and recession. Nonprofit counseling agencies across the country have been a great source for pre-purchase education and counseling services that help fill this information gap and encourage buyers to move ahead with confidence. By offering comprehensive educational workshops and individualized advice, these agencies reach 200,000 potential

buyers annually, according to the U.S. Department of Housing and Urban Development (HUD). Many lenders encourage their first-time homebuyers to participate in these programs because of benefits such as smoother underwriting and closings; better understanding of the terminology and process; more realistic expectations; and improved loan performance with significantly fewer delinquencies and defaults, as documented by many creditable studies (see Table 1).

One perceived downside of traditional homebuyer education is that many nonprofits are constrained with limited resources, resulting in workshops sometimes offered just once a month and filling up quickly. The resulting delays in homebuyer education cause concerns for both lenders and potential homeowners. Thankfully, over the past several years, new options for these services have been developed with high-quality online education courses—such as eHome America ([www.eHomeAmerica.org](http://www.eHomeAmerica.org))—that help meet the demand for the service without the delay.

eHome America was developed in 2009 by an acclaimed nonprofit housing counseling agency in Lexington, Ky., to serve residents throughout the rural parts of the state. It has since expanded nationwide. The organization is supported by a network of 450 HUD-certified counseling agencies and used by the U.S. Department of Agriculture, over 15 state housing finance agencies and numerous lenders.

TABLE 1  
Independent Studies Showing Benefits of Homebuyer Education and Counseling

Topic and Researchers	Key Findings
<b>Reduced loan delinquencies</b> Avila, Nguyen and Zorn, 2013	First-time buyers who received education and counseling had a <b>29 percent reduction in delinquency rates.</b>
<b>Improved financial health and increased knowledge</b> Staten, Elliehausen and Lundquist, 2002	Borrowers who received education and counseling had <b>significant increases in their credit scores</b> and/or had improved overall credit health.
<b>More efficient transactions</b> Hartarska, Gonzalez-Vega and Dobos, 2002	Borrowers are <b>better able to measure “ability to pay”</b> and <b>select better loan products.</b>
<b>Increased mortgage sustainability</b> Neil Mayer, Urban Institute, 2011	Counseled borrowers are <b>67 percent more likely to remain current</b> on their mortgages.

Over the past five years, eHome has served more than 200,000 homebuyers across the nation. The customers have been very diverse. As expected, 44 percent of eHome customers in 2015 were internet-savvy millennials in their peak homebuying years; 35 percent were minority households; 54 percent had incomes under \$50,000 while another 15 percent had incomes over \$75,000.

Of special note, the largest referral source of eHome customers in 2015 was from lenders (57 percent). This suggests that many lenders believe that eHome America is an asset and resource for their homebuying customers.

“We’re seeing nonprofits and lenders partnering to offer online education to more than 250 homebuyers every day,” said Milt Sharp, president of the eHome Network. “It’s been exciting to see how together we can inform and motivate first-time buyers while at the same time giving them the foundation for long-term success as homeowners.”

From a lender’s standpoint, there are many benefits to using eHome America, including the following:

- The course is always available online for \$99.
- The program meets HUD-required content and national industry standards so borrowers can easily qualify for special mortgage programs from housing finance agencies (HFAs), Freddie Mac, Fannie Mae, federal home loan banks (FHLBs), the Federal Housing Administration (FHA), etc.
- The course is completely compatible with smart phones and tablets.
- Banks can strengthen their connections with nonprofit agencies operating in their markets to improve their Community Reinvestment Act

(CRA) programs (promoting access to quality homebuyer education is a CRA-qualified service, so the program may lead to mortgage loan opportunities and help meet CRA-qualified lending expectations).

- Income statistics from eHome document that a high percentage of customers fall within low- and moderate-income (LMI) ranges for most areas, which supports the CRA program.
- The course is updated to address the latest TILA/RESPA Integrated Disclosure (TRID) rules.

eHome America also has a unique revenue-sharing structure with local counseling agency partners that helps these agencies become more efficient, more sustainable and less dependent on government funding for delivering these important services.

#### **Celebrating Partnership: Central Bank and Beyond Housing**

Central Bank in St. Louis has successfully used eHome America to reach millennials and prepare them for homeownership through a partnership with Beyond Housing, a local nonprofit agency.

Christa Cunningham, community development officer at Central Bank, reports, “Our partnership with Beyond Housing and their online homebuyer education course is a key component of our mortgage lending program. The online education course provides preparation and resources that help LMI households realize their dream of homeownership.”

The Beyond Housing class is always available online and doesn’t delay the loan process. Potential buyers save time, prefer the convenience of online education at their own pace, and save travel and child care costs. In the past

three years, Beyond Housing has used eHome America to provide homebuyer education to more than 1,700 homebuyers in the region.

Chris Krehmeyer, president and CEO of Beyond Housing, said, “eHome America took us to new places. Today, we have more referring partners and can easily reach homebuyers throughout the greater St. Louis region.”

eHome America provides necessary information in an easy-to-use format, filling in knowledge gaps and allowing the homebuying process to continue smoothly without delay. Successful completion of the course prepares potential homeowners to make informed decisions and it meets the homebuyer education requirements for many federal, state and local first-time homebuyer programs. As one participant said, “[The course] conveys an encyclopedia of knowledge, absolutely crucial for the potential homebuyer.... By the time I was done, I felt like a realtor!.... I could start, end and pick up where I left off without any confusion or endless scrolling. The organization of the course...made using it as easy and intuitive as reading a cookbook.”

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Doug Dylla is a principal at Doug Dylla Consulting. He served as the national director of homeownership programs at NeighborWorks America from 1993-2006, served as an advisor to the NeighborWorks Center for Homeownership Education and Counseling, and as a member of Freddie Mac’s Affordable Housing Advisory Committee. Dean Caldwell-Tautges is a principal at Dean Caldwell-Tautges Consulting. He has served as the director of counseling at the Homeownership Preservation Foundation. Dylla and Caldwell-Tautges have assisted with the development of eHome America.

# Innovative Partnership Brings Hope to Small Towns

By Cassandra Williams

Over the last year, Hope Credit Union (HOPE) announced the opening of four branches within the Eighth Federal Reserve District. The branches were the offspring of an innovative credit union/bank partnership that harnessed the spirit of the Community Reinvestment Act (CRA) and resulted in an expansion of banking services in three of the poorest counties in the country.

As part of its branch optimization activities, Regions Bank identified the Delta markets of Drew, Shaw, Itta Bena and Moorhead, Miss., as areas where operations could be

consolidated. However, given the CRA-sensitive nature of the locations, the bank did not want to exit the towns without an alternative solution. In three of the four towns, all with populations of fewer than 2,500 residents and very high poverty rates (see Figure 1), the bank branch served as the only depository.

Regions reached out to its long-time partner, HOPE, to discuss the possibility of taking over the branches. HOPE had a long track record of working with low-income residents and in low-income communities throughout the Mid-South. Additionally, HOPE could offer a

more comprehensive menu of products and services than Regions for the residents of the Delta markets.

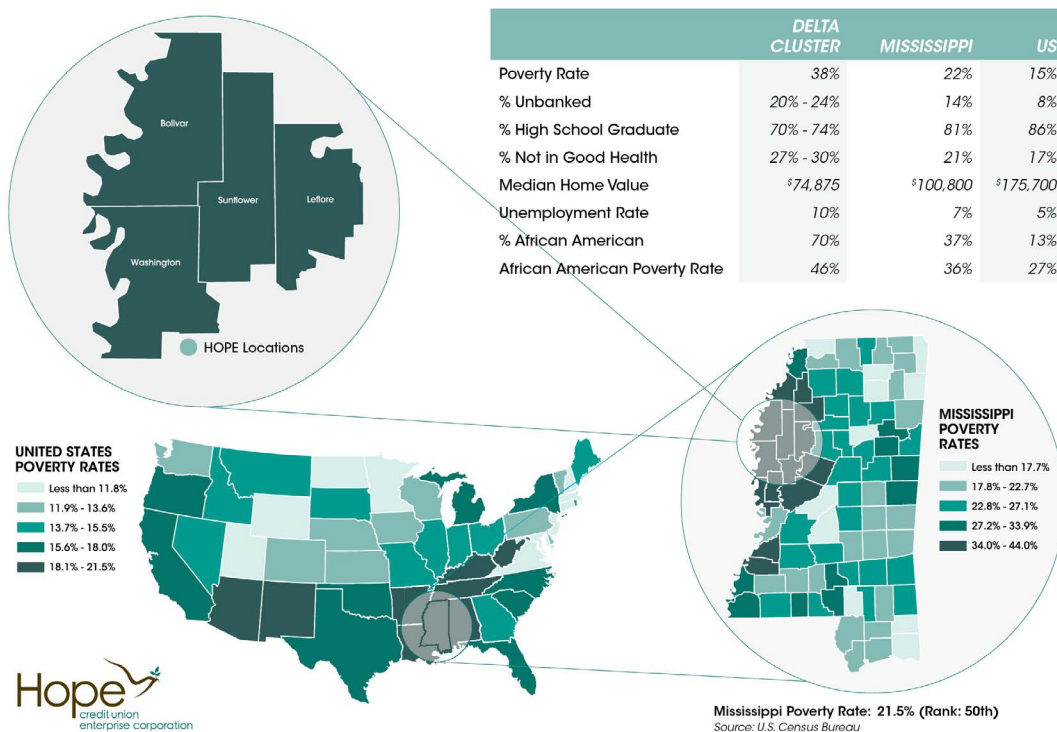
The two organizations worked together to develop a solution that worked well for HOPE, Regions and the community. Regions donated the four branches in the consolidation area and provided startup capital to facilitate HOPE's retail transition into the communities. Regions also granted HOPE access to its list of customers and an in-branch presence to market the benefits of member ownership in HOPE.

For me, the opening of the four branches in the Delta Cluster was a moment of pride. I grew up in the Mississippi Delta and personally knew people who did not always have access to banking services or a relationship with a banker. I took a job with HOPE nearly two decades ago specifically to use the financial service system to make a difference in people's lives. Seeing people come from nothing to accomplishing their goals is why I'm here.

At HOPE, I served on the training team for the organization's new associates in the Delta Cluster. When prospective members arrived at HOPE, I emphasized our unique difference—as a mission-driven institution. Early on, I taught our new associates to take the time to talk with the people who walk through our front doors. At HOPE, we don't say no; we may say not yet and we always figure out a way to meet people where they are.

One of the first members with whom I worked in Moorhead was

FIGURE 1  
Delta Cluster





## CDAC MEMBER SPOTLIGHT



**Cassandra Williams** is a vice president and regional branch administrator for Hope Credit Union. She is responsible for overseeing all retail and operational activities for HOPE's northern region, which serves over 10,000 members. Williams has over 20 years of community development and banking experience, which includes 16 years with HOPE. Previously, she was an assistant vice president at Union Planters Bank. Williams is a member of the board of directors of the Blues City Cultural Center in Memphis, Tenn. She holds a bachelor's

degree in finance and a master's in business administration from Delta State University. She is a member of the Community Development Advisory Council (CDAC) for the Federal Reserve Bank of St. Louis.

CDAC members are experts in community and economic development and financial education. They complement the information developed through outreach by the Eighth District's Community Development staff and suggest ways that the St. Louis Fed might support local efforts. A list of current members is available at [www.stlouisfed.org/community-development/community-development-advisory-council](http://www.stlouisfed.org/community-development/community-development-advisory-council).

Mr. Kelly. For months, Mr. Kelly was unable to drive because his truck had broken down and he was stuck in a cycle of payday loan debt. Living on the outskirts of town, he relied on friends, family and even strangers for transportation. When news broke that HOPE was open for business, Mr. Kelly walked several miles to meet with a HOPE representative. When he arrived, he was greeted by me. I listened to his story, reviewed his situation and in the end, made a loan that pulled him out of the grips of a predatory loan and provided the cash needed to fix his truck.

Mr. Kelly was not alone. Since opening the branches, HOPE has experienced significant growth in the acquisition of accounts. Figure 2 provides an overview of the trend in HOPE's account growth.

The Itta Bena and Moorhead branches opened in September 2015. Over 600 members have joined the credit union in those two markets,

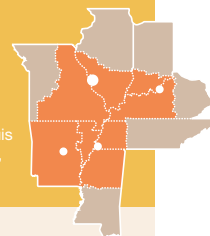
opening over 1,200 accounts. The Drew and Shaw branches opened more recently in April 2016.

HOPE's success in the Delta Cluster in such a short amount of time underscores an important point. The CRA still matters. As the financial system rapidly evolves, questions of its reach and its utility continuously emerge. What remains unquestionable is that in Drew, Shaw, Itta Bena and Moorhead, the policy fostered an environment where local people were better off than before the partnership occurred.

At a time in our country's history when division remains far too often a default frame of reference, a bank and a credit union worked together to identify and implement a solution where the institutions, the community and its residents all came out ahead. The HOPE/Regions Delta Cluster case illustrates how good policy breeds good practice.

## SPANNING the Region

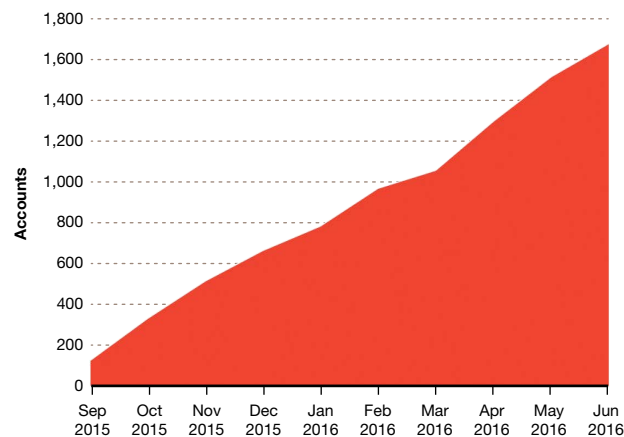
The region served by the Federal Reserve Bank of St. Louis encompasses all of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.



### Grant Opportunity in Tennessee

The program description and application are now available for the Tennessee Housing Development Agency's 2017 fall round of the Housing Trust Fund Competitive Grant program. There will be approximately \$2.15 million available. All housing funded through the program must be rental and address the housing needs of households with incomes at or below 80 percent of the area median. Encouraged are projects serving the rental housing needs of households with incomes at or below 50 percent or 30 percent of the area median. Additional points may be awarded to applicants meeting the housing needs of youth transitioning out of the state's foster care system and ex-offenders. **Applications are due Sept. 22, 2016.** For questions or to access the application, visit <https://thda.org/business-partners/competitive-grants> or call 615-815-2030.

FIGURE 2  
HOPE Delta Cluster Account Acquisition



# Entrepreneurship and Economic Development Fueled by Students and Faculty

By J.R. Love

Over the past two years, dozens of students and faculty at the University of Mississippi (UM) have embarked on an incredible journey focused on addressing social problems in Mississippi and identifying actionable solutions. The students have been given the opportunity to develop an entrepreneurial skill set by working with community members and university faculty and staff. The students and faculty are part of the Catalyzing Entrepreneurship and Economic Development (CEED) Initiative at

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**The work of the CEED Initiative and McLean is to advance transformation through service and to help fight poverty through education in Mississippi.**

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UM. Thanks to generous support from the Robert M. Hearin Support Foundation, the McLean Institute for Public Service and Community Engagement (McLean) at UM is helping to advance transformation through service and fighting poverty through education in Mississippi.

The CEED initiative is unique in that it is open to undergraduate and graduate students from any academic major on campus. Students are selected through a competitive process and are awarded a two-year scholarship that covers tuition, funding for summer internships and travel money for undergraduate students

(Innovation Scholars). Graduate students (Innovation Fellows) are awarded the same plus a monthly stipend and health insurance. Since the fall of 2014, 33 students have been awarded \$606,000 in scholarships. In return, they devote two years to researching a social problem in Mississippi and providing solutions in partnership with a community organization.

The initiative has already produced results. CEED students started a partnership with Catholic Charities in Vardaman, Miss., in 2014. Less than a year later, a program was created by three CEED Innovation Scholars to provide 30 children with a summer camp focused on art and health education. After this successful program was completed, McLean Assistant Director Laura Martin met with representatives from Catholic Charities to discuss next steps to strengthen the partnership and enhance programming. Catholic Charities reps identified a need for multigenerational family economic stability. Through the assistance of McLean, funding was obtained through the Caterpillar Foundation to help address this need. Currently, the *Your Money, Your Goals* program is being facilitated in the community by Catholic Charities and McLean.

Community engagement is built on trust and is a two-way street for all parties involved. The work in Vardaman is an example; a foundation has been established for community and economic development in the years ahead.

The CEED initiative is also in evidence through the workforce

development programs with Tri-County Workforce Alliance (TCWA) in Clarksdale, Miss. Caitlin Brooking, a master's degree student in sociology at UM and a CEED Innovation Fellow, partnered with TCWA to assist in survey research on the citizens of Coahoma County. The Career Aspirations Survey focused on parents' current educational and economic attainment and career goals, with the aim of understanding the barriers to completing educational programs and obtaining better jobs and sustainable income. This research presented findings and recommendations to help TCWA seek grant funding to expand their programming and accelerate economic and workforce development.

Each of the students in the CEED initiative is introduced to an entrepreneurial mindset by the Ice House Entrepreneurship Program through the Kauffman Foundation. "Who Owns the Ice House?" is a book by Pulitzer Prize-nominated Clifton Taulbert on lessons he learned from his uncle in the Mississippi Delta. Taulbert is an entrepreneur, author and businessman who grew up in Glen Allan, Miss. In February 2016, he visited with CEED students and shared his thoughts on community and economic development with UM administrators. (See photo.)

Mike Davis, a CEED Innovation Scholar from Kilmichael, Miss., had an extraordinary experience through his time with McLean. Through a partnership with the Center for Innovation and Entrepreneurship (CIE) at UM and the CEED initiative, Davis

## “Ice House” Author Visits University of Mississippi



Clifton Taulbert, author of “Who Owns the Ice House?” and a Mississippi Delta native, meets with UM administrators in February 2016 and offers his thoughts on community and economic development.

was awarded a contract by Apple in January 2016 for Impster, a social polling application that he created as a UM student. Davis visited with Taulbert while the author was in Oxford. They discussed the entrepreneurial mindset and Davis’ journey to final approval from Apple after four rejections.

The work of the CEED Initiative and McLean is to advance transformation through service and to help fight poverty through education in Mississippi. In spring 2016, McLean hosted a statewide program to reach youth all across the state. Rising 10th-, 11th- and 12th-grade students took part in the inaugural McLean Entrepreneurial Leadership Program, the purpose of which is to foster dialogue about how Mississippi can utilize resources through UM to address some of the state’s most pressing needs. Outcomes of this program are designed to stimulate business in local communities,

improve educational systems and strengthen the conversation between university and community members. Who assisted in coordinating this program? Two CEED students.

A central goal of the CEED initiative is to allow students to develop an entrepreneurial skill set. Thanks to the collaboration of community partners like Catholic Charities, TCWA, Clifton Taulbert and many others, the initiative is accomplishing this goal. We welcome additional partners that will allow this program to reach more communities across Mississippi.

For more information on McLean and the CEED initiative, visit [www.mclean.olemiss.edu](http://www.mclean.olemiss.edu) and <http://mclean.olemiss.edu/ceed/2015-2017-cohort>.

J.R. Love, Ph.D., is the project manager of the Catalyzing Entrepreneurship and Economic Development (CEED) Initiative with the McLean Institute for Public Service and Community Engagement at the University of Mississippi.

## HAVE YOU Heard?

### Final Revisions to Interagency Q&A Regarding Community Reinvestment Act (CRA) Released

The federal bank regulatory agencies with responsibility for CRA rulemaking have published final revisions to “*Interagency Questions and Answers Regarding Community Reinvestment*.” The Questions and Answers document provides additional guidance to financial institutions and the public on the agencies’ CRA regulations.

The new and revised guidance addresses questions raised by bankers, community organizations and others regarding the agencies’ CRA regulations in the following areas:

- Availability and effectiveness of retail banking services
- Innovative or flexible lending practices
- Community development-related issues, including economic development; community development loans and activities that revitalize or stabilize underserved nonmetropolitan middle-income geographies; and community development services
- Responsiveness and innovativeness of an institution’s loans, qualified investments and community development services

For more information on the CRA, the agencies’ CRA regulations and the agencies’ Questions and Answers, please visit the Federal Financial Institutions Examination Council website at [www.ffiec.gov](http://www.ffiec.gov).

### White House Launches “The Opportunity Project”

“The Opportunity Project” is a new open data effort to improve economic mobility for all Americans. It will unleash the power of data, putting tools in the hands of civic leaders, community organizations and families to help them navigate information about critical resources such as access to jobs, housing, transportation, schools and other neighborhood amenities. A unique package of federal and local datasets has been released in an easy-to-use format, accelerating a new way for the federal government to collaborate with local leaders, technologists and community members to use data and technology to tackle inequities and strengthen communities. For more information, visit <http://opportunity.census.gov>.

# Impacting Homelessness in Missouri

By Alyssa Murphy

How should community be defined? After completing a quick internet search and thumbing through a dusty dictionary, the definition found was overly simplistic. The communities that Missouri Housing Development Commission (MHDC) is privileged to work with are much more than “a group of people living in the same place.” The communities we work with are a collective group of dedicated people, made up of diverse stakeholders, who are searching for a solution to assist their most vulnerable neighbors—homeless individuals and families in Missouri.

How can we help our most vulnerable? In 2004, San Francisco’s mayor and Department of Public Health

crafted a model—Project Homeless Connect (PHC)—that significantly impacts how people across the United States organize service delivery to the homeless. The radical idea? Organize service providers together in one central location for a one-day, one-stop event to provide immediate access to quality-of-life services for the homeless community.

In 2005, the United States Inter-agency Council on Homelessness launched the National Project Homeless Connect Partnership; the number of cities hosting PHC events from 2005 through 2008 grew to over 200 nationwide. Although these events were sprouting up in large metropolitan cities, the staff of MHDC, which serves as the lead agency for

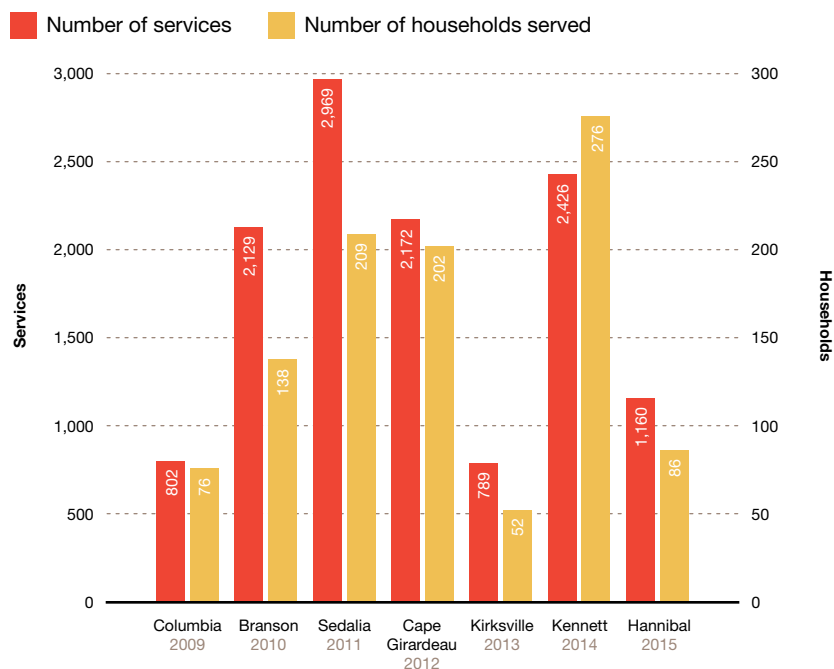
the Missouri Balance of State (BoS) Continuum of Care (CoC) Program that covers 101 rural counties, saw an opportunity to bring this immediate-service delivery model to smaller communities within the BoS regions.

Along with the Missouri Governor’s Committee to End Homelessness (GCEH) (the governing body of the BoS CoC), MHDC created a strategic implementation plan. In 2009, MHDC and the GCEH hosted Missouri’s first PHC event in Columbia, located in the central part of the state. Because of the success of this event, MHDC established a \$10,000 grant program to fund an annual PHC event in a different location each year. The grant is used to pay for the cost of services, birth certificates, IDs, lunch for guests, supplies, venue rental and much more.

What does the process look like? MHDC researches Point-in-Time count data, poverty rate information, population size, service provider availability (or lack of) and community leadership for a specific area. After determining need and viability, MHDC works with community leaders to bring together a group of local stakeholders. The planning process begins in January and continues through the day of the event, typically held in the fall.

After seven years in seven different cities, serving over 1,500 individuals (see Figure 1), we continuously look for ways to tailor the PHC model to increase the positive impact of this event. It takes committed leadership, political engagement, interested service providers and a willingness to learn about the unique barriers facing

FIGURE 1  
MHDC Sponsored Project Homeless Connect Event Outcomes



rural homeless Missourians. Many communities step up to the challenge and, as a result, four of the seven communities continue to host annual events modeled on PHC.

MHDC utilizes a planning toolkit (available to all Missouri communities) to help guide the process. A local committee meets each month to work through details. The committee is led by a chairperson (MHDC staff), with local community coordinating person(s) leading the effort in their community. Subcommittees are formed so people can focus on different planning details based on their strengths; they focus on finding service providers, a large network of volunteers, child care professionals to provide free child care, and sponsors and donors to secure both in-kind and monetary donations. The toolkit includes helpful guides for each of these subgroups to give them a solid foundation for decision-making.

The most rewarding part of this planning process is challenging new committees to expand the impact in their communities. The national focus on Housing First and Rapid Rehousing implementation has prompted us to find ways to incorporate these strategies into our events.

In 2015, Hannibal became the first rural community in northeast Missouri to set up a process before the PHC event for those who were literally homeless to gain access to housing. MHDC worked with the community to give priority to those with the most severe needs, leveraged other funding sources to maximize the \$10,000 grant and developed a plan to place individuals into housing within two weeks of the PHC event.

Before the event, the subgroup that was focused on the housing triage

effort lined up hotel/motel rooms, housing units and case management professionals. They set aside \$2,500 from the PHC grant and looked for ways to maximize funding with other sources in the community. The group received a \$3,000 community foundation grant. With funds from the PHC grant, existing grant programs in the area, and the community foundation grant, they were able to raise about \$5,500 to move nine households into housing and jump-start funding for future events.

Following the PHC event, community organizations that traditionally work independently realized the impact that coordinating efforts have on the entire area. Community partners have a better understanding of what other organizations do and how, through collaboration of resources, to maximize assistance to people who are homeless. Eight months after the PHC event in Hannibal, seven clients are still in the housing provided during the event.

“The impact Project Homeless Connect had in our community is two-sided,” Dr. LeAndra Bridgeman of Northeast Community Action Agency said. “In addition to providing needed services and housing to homeless community members, this event brought social service and medical agencies closer and was a catalyst for interagency collaboration.”

After the event is over, planning committees must find a way to move forward without the \$10,000 grant. Most continue to secure donations and sponsorships from organizations within the community. Other benefits include an increased awareness of homelessness, success stories from volunteers and a better understanding

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# Resources

## Exploring Innovation in Community Development Webinars

This webinar series from the Community Development department at the St. Louis Fed allows community development professionals from across the Eighth Federal Reserve District to connect with industry experts to hear and discuss current developments and initiatives. Topics vary and are of interest to economic development professionals, financial institution representatives, community advocates and policymakers. Recent sessions include:

### Financial Capability and Inclusion

- [Part 1 – Promoting Financial Capability in the Workplace](#)

Both the audio and the presentation for all sessions are archived at [https://bsr.stlouisfed.org/EI\\_CDAudioConference](https://bsr.stlouisfed.org/EI_CDAudioConference).

## Consumer Credit Explorer (CCE)

This new interactive data tool enables users to explore national, state and regional trends in consumer credit use from 2005–2015. The CCE allows users to focus on key credit use indicators related to mortgage debt, auto debt, student loan debt, debt collections and others. Visit [www.philadelphiafed.org/eqfx/webstat/index.html](http://www.philadelphiafed.org/eqfx/webstat/index.html).

## Leadership Online for Today

This new interactive program allows participants to improve communication skills, build relationships and networks, and develop a collaborative project to benefit a community or organization. It includes 11 online sessions, each with a specific focus. The program was developed with the intent to prepare emerging leaders to effect positive community change. Experienced leadership coaches guide the learning process by posing questions and helping members make progress toward their goals. Registration information can be found at <http://extension.missouri.edu/leadership/home.aspx>.



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### Impacting Homelessness in Missouri

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of how to collect data to show impact. The community uses the momentum of the experience to plan the next event.

The 2016 PHC host city is West Plains in South Central Missouri. With a high sheltered and unsheltered homeless population, the challenges will likely be different than those in Hannibal. The funding landscape is different and so is the number of people waiting for affordable, safe and decent housing. MHDC will utilize the initial grant and find ways to engage community sponsors to advance the housing triage model to help those in immediate need of housing. And, as in all other PHC host cities, the committee will be challenged to find ways to build a reserve fund to make this an ongoing, sustainable resource for West Plains.

For communities working to end homelessness in rural Missouri, PHC is a tool that brings organizations together, allows

them to work toward a common goal and improve quality of life for their vulnerable neighbors. Beginning to define community can be an initially intimidating task, but once all the layers are examined and a group of passionate organizations come together with a common goal, the definition begins to write itself. Each community puzzles together funding, volunteer engagement and service providers to create a successful event. It takes more than people gathering in one place; it takes determination. Get involved by volunteering at or donating to a local event near you. If an event doesn't already exist, MHDC is happy to discuss strategies to engage stakeholders to begin the planning process.

To learn more about ongoing initiatives in Missouri communities, please visit [www.endhomelessnessmo.org](http://www.endhomelessnessmo.org).

Alyssa Murphy is a community initiatives information specialist with Missouri Housing Development Commission.

### What Are Specific Themes of Project Homeless Connect?

- Not business as usual. Disturb the status quo response.
- No waiting in line. Homeless people do that enough.
- Hospitality from the whole community. Government and business leaders partner with faith and nonprofit agencies.
- Immediate access. Not simply referrals.
- Quality-of-life resources. Including haircuts, massage and foot care, phone calls, eyeglasses, dental and medical care, meals, entertainment, wheelchair repair, and more.

Source: United States Interagency Council on Homelessness: Project Homeless Connect: A Step-by-Step Guide, Version 2.1, December 2008, Washington, D.C.