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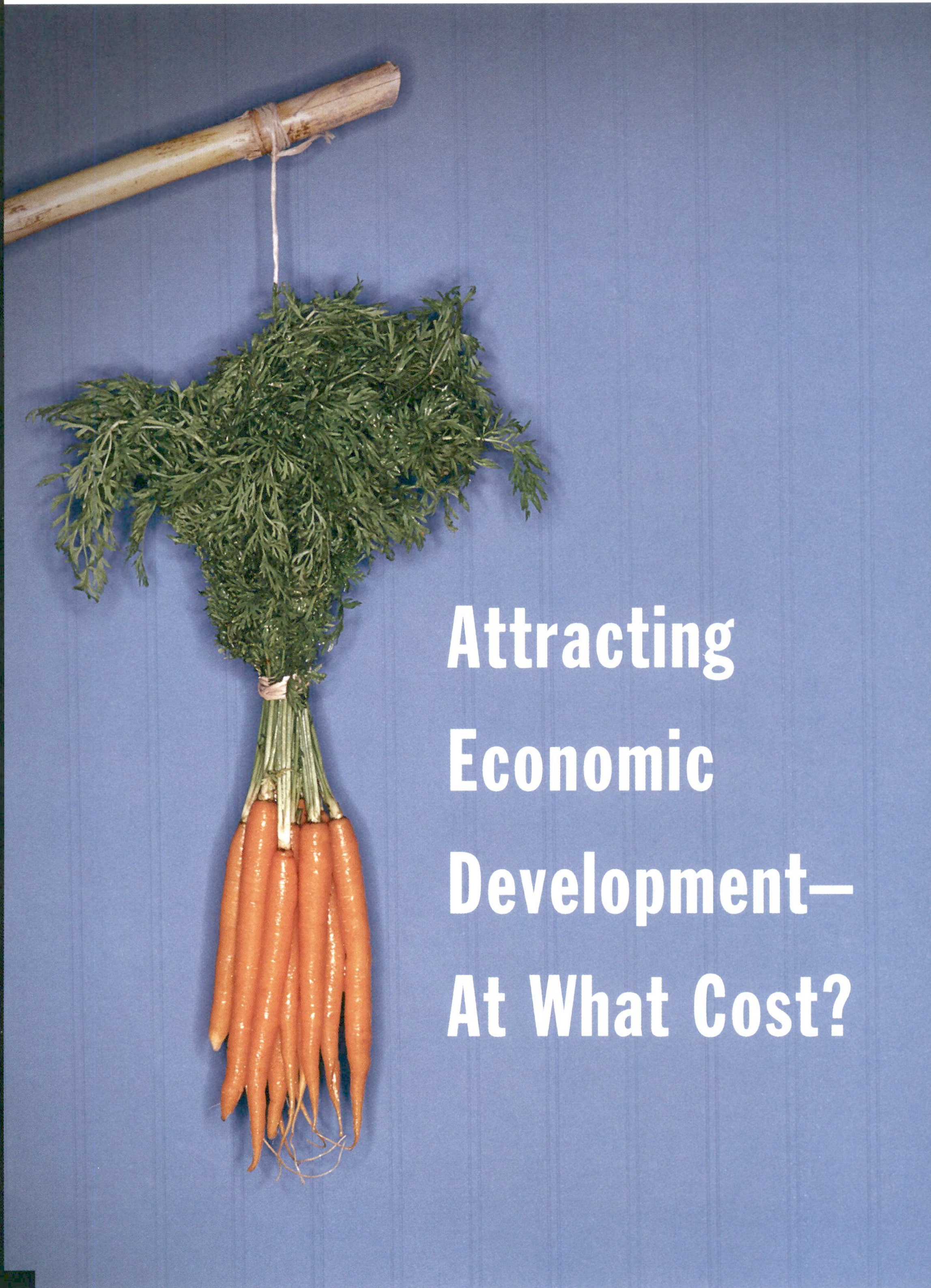

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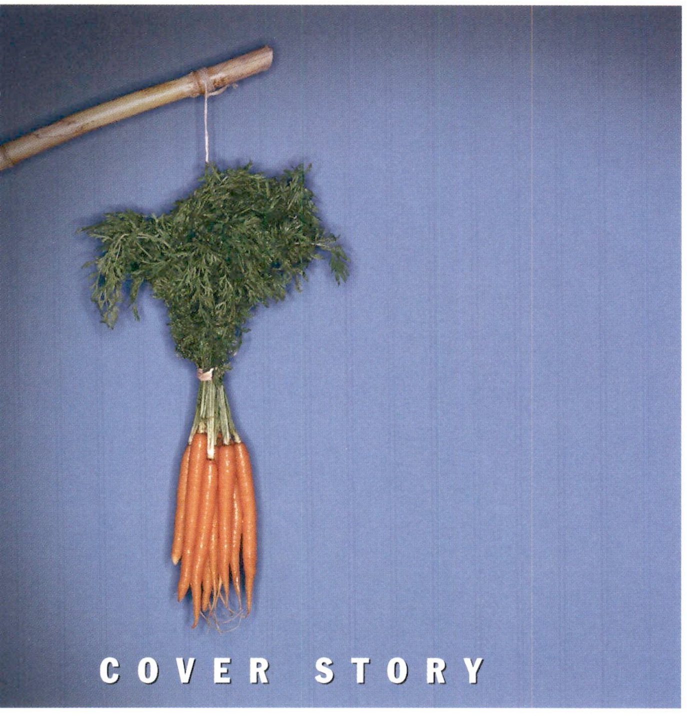


FEATURES

Katrina – A name we won't forget

In 2004, four hurricanes hit Florida in a single season. This unprecedented bombardment devastated many of Florida's communities, especially those along its West Coast. The hurricane season of 2005 has been even more destructive—the Atlantic's busiest in recorded history according to the National Hurricane Center, followed by the season of 1969. Ironically, 1969 was the year when Hurricane Camille pounded the Gulf Coast following a track similar to Katrina's.

Over the years we have coped with many storms and the problems they create in the Sixth Federal Reserve District, but it doesn't seem to get any easier. People living in coastal areas may be better prepared for storms, but addressing community needs after a natural disaster remains a huge undertaking.

Rebuilding a devastated community requires a great deal of effort and cooperation from many different organizations, and developing a suitable plan can be quite a challenge. While storms usually result in similar types of problems, Katrina has brought about a whole new set of difficulties, primarily due to family displacement. Yes, natural disasters often displace some families from their homes for a time, but never have we had to deal with displacement on such a large scale before. Almost an entire city of several hundred thousand people was forced to evacuate from New Orleans and relocate to communities spread across the entire nation.

Since flooding and not just windstorm was a major cause of damage, experts anticipate environmental hazards as a result of mold and bacteria, making redevelopment that much more complex.

The Atlanta Fed's Community Affairs Office understands the enormous task involved in rebuilding our coastal states after Katrina. We also realize that extensive coordination will be essential to ensure the effectiveness of the many national, regional and local organizations who have called us wanting to assist in the huge undertaking of redeveloping the New Orleans community.

At the Fed we have emphasized issues that are within our reach, and we are poised to shift our focus as opportunities arise. We started by addressing the needs of our staff and ensuring their safety. We relocated many of our New Orleans employees to our other facilities and provided them with housing and work. We also moved immediately to support financial institutions by keeping the products and services we provide flowing seamlessly until our New Orleans Branch became more fully operational.

In the Community Affairs Office, our current focus is to assist those displaced from their homes by working with organizations that provide jobs, housing, education and financial assistance. We are serving on task forces and undertaking special projects with numerous groups in Atlanta, Baton Rouge, Birmingham and other areas that experienced a large surge of evacuees. We are also addressing regulatory questions from financial institutions through our Banker Roundtables and other mechanisms.

A lot of uncertainty still exists about how long the rebuilding will take and what the final decisions will be. However, one thing is clear: even if 2005 goes down in the record books as the busiest hurricane season ever, it will most be remembered as the year Hurricane Katrina devastated our Gulf Coast states.

Juan

Juan C. Sanchez
Community Affairs Officer


CASH GRANTS
DEFFERALS
INCENTIVES
ABATEMENTS
NEW BUSINESS

Attracting Economic Development—At What Cost?

VAST AMOUNTS OF RESOURCES ARE DEDICATED TO ECONOMIC DEVELOPMENT AT THE LOCAL, STATE AND NATIONAL LEVEL. THE STRATEGIES EMPLOYED TO GENERATE ECONOMIC GROWTH AND CREATE JOBS VARY, BUT TAX INCENTIVES HAVE EMERGED AS ONE OF THE MOST POPULAR AND OFTEN DEBATED TOOLS.

Southern states have traditionally relied more heavily on incentives, which are often cited as one of the important factors in the migration of manufacturing jobs from the Northeast to the South. As use of tax incentives has increased, debate has intensified over whether these incentives are a wise investment of public resources.

What is economic development?

Economic development is usually defined as economic growth that leads to increased job opportunities and wealth generation at the city, state or national level. The public sector has a critical role in economic development because it can use public resources to reduce risks and costs that could prohibit private sector investment and job creation.

Different interests and goals must be accommodated in forming an economic development program. Business leaders are concerned with improving the business climate and economic competitiveness of the region. Labor leaders want a strategy that leads to more jobs, higher wages and more worker training. Community leaders think economic development should alleviate poverty and reduce inequality. Public officials want to see overall economic growth in their communities.

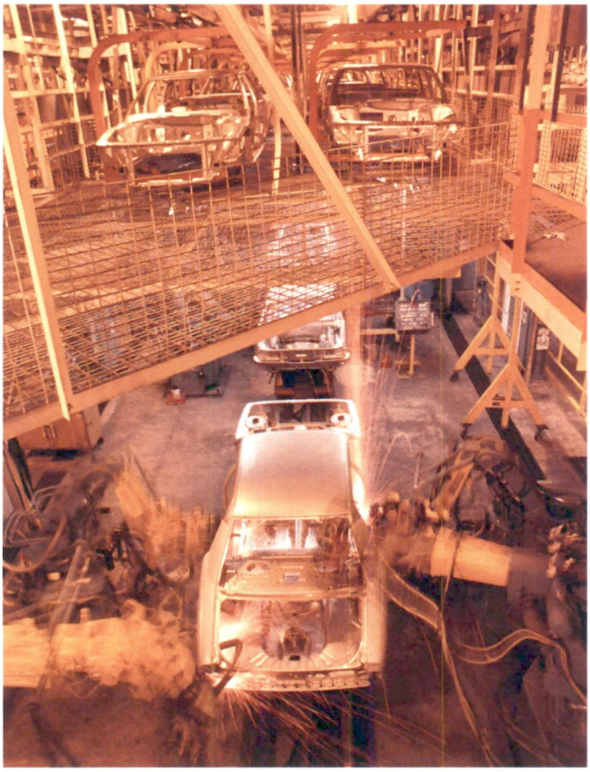
While all of these goals are important, different theories exist about the best use of limited public resources. Trade-offs between the different goals may be unavoidable. Devising a comprehensive strategy for economic development that incorporates the different goals and accommodates trade-offs is challenging.

Economic development strategies and assistance

In the past, economic development strategies focused on programs that impacted the traditional factors of production: land, labor and capital markets. However, as businesses have become more willing and able to move to a wide variety of locations, many states and cities have adopted economic development strategies that emphasize reducing the cost of conducting business.

Economic development strategies are characterized by two approaches: An externally focused approach generally directs resources towards new business recruitment and relocation incentives. An internally focused approach directs resources towards a "grow your own" strategy. There is no "one size fits all" approach, and states must develop a strategy to meet their particular strategic goals and economic needs. Regardless of which approach is emphasized, assistance should aim to fix a market failure rather than serve as a substitute for private investment.

Economic development assistance is generally divided into two categories. The first approach uses the tax code and offers tax incentives such as capital investment tax credits, jobs tax credits, sales tax credits, property tax



abatement and tax increment financing. Tax incentives for economic development were once more heavily used in the South and Midwest, but now they are offered in at least 40 states.

The second category of development assistance provides non-tax incentives, such as infrastructural improvements, subsidized financing, direct cash grants, loan guarantees and other forms of business assistance. These may be offered in conjunction with tax incentives.

Do tax incentives work?

The effectiveness of tax incentives is a common debate in economic development circles. Proponents of incentives, including many public officials and corporate leaders, say they are a necessary tool for attracting business and promoting job creation and retention. They argue that states or cities that do not offer tax incentives are at a competitive disadvantage when attempting to recruit or retain jobs that could migrate to another state or country.

Proponents argue that tax incentives pay for themselves by generating additional revenue as businesses expand and jobs are created. Supporters of this view point to several economic studies that show the multiplier effect of tax incentives and indicate the return on investment exceeds the actual cost of the incentive.

On the other hand, widespread criticism of tax incentives exists among economists, policymakers, community leaders and even some business leaders. Critics contend that tax incentives are an inefficient use of scarce public resources, that they do not produce the same return on investment as other forms of direct public investment.

Critics of tax incentives further claim they deprive state and local governments of revenue needed to fund education, infrastructure and other public services. They point to studies that show spending on education and public infrastructure also encourages economic development and argue that tax incentives force spending cuts in these very areas.

The role of tax incentives in a company's investment decisions is also hotly contested. Proponents of tax incentives believe they play a critical role. Critics on the other hand cite studies that indicate the quality of the workforce, geographic location and the overall business climate are more important than tax incentives in a firm's investment decision.

Measuring effectiveness

Assessing the effectiveness of tax incentives is difficult for a variety of reasons. First, determining the true cost of tax incentives is challenging because these costs are not typically captured in a state's budget.

Second, there is no consistent method for assessing the cost-to-benefit ratio of tax incentives. For example, incentives may encourage the creation of new jobs in an area, but these new jobs may create additional public costs such as increased traffic congestion and public service needs. Often these additional costs are not included in the analysis of the incentives.

On the other hand, the cost of incentives may seem to outweigh the benefits, but there may be other long-term social benefits associated with the investment that can not be easily measured. A uniform cost-benefit analysis that includes immediate and long-term costs and benefits as well as the social costs and benefits should be developed to evaluate the effectiveness of incentives.

Third, it is difficult to determine the impact of incentives because it is impossible to know what might have happened without the incentives. For example, it is hard to determine if a company would have located in the same area or created the same number of jobs even without incentives. In high-growth areas where new companies are locating and all companies are growing, it is particularly difficult to isolate the impact of the incentives.

Finally, lack of long-term monitoring makes it difficult to measure the effectiveness of incentives. Cities and states usually focus development resources on new investment and job creation rather than ongoing supervision to ensure that corporations follow through on the commitments they made in return for the incentives.

What is the future of tax incentives?

The use of state and local tax incentives is clearly controversial. Businesses now almost expect incentives when they announce plans for a new location or expansion of their current facilities.

INCENTIVES ARE OFTEN CRITICIZED FOR...DRIVING THE "ECONOMIC RACE TO THE BOTTOM."

However, a broad range of groups are voicing concern over the use of incentives in light of the tight fiscal situation facing state and local governments.

Incentives are often criticized for fueling a bidding war between jurisdictions and driving the "economic race to the bottom." These critics argue that in an effort to win the big deals, states and local governments are giving away their tax base and would be better off if they competed with different economic development strategies.

Since nearly all states offer incentives, it is virtually impossible for one state to end its incentive program unilaterally. Thus tax incentive opponents are calling for action at the federal level to end incentive competition between the states. The federal government usually defers to the states regarding economic development policy at the local level, but a recent court decision in Ohio indicates that could be changing.

In September 2004, the U.S. 6th Circuit Court of Appeals declared that part of an incentive package offered to DaimlerChrysler by the state of Ohio was unconstitutional. The business community and state economic development agencies quickly introduced federal legislation to protect a state's right to grant economic development incentives to private corporations. On September 27, 2005, the U.S. Supreme Court agreed to review the 6th Circuit decision, causing the federal legislation to be delayed.

To ensure more efficient use of tax incentives, greater transparency and accountability are essential. Disclosing the full value of incentives and conducting a cost-benefit analysis that includes both short- and long-term costs and benefits would lead to a more informed public debate over the use of incentives. Making corporations more accountable for the incentives they receive is also important. More states are starting to include performance standards that tie incentive offers to certain job or investment benchmarks.

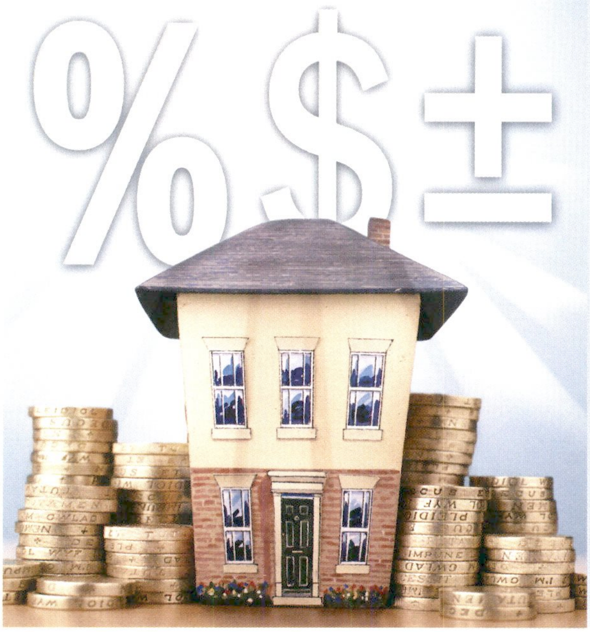
What are the alternatives to tax incentives?

In addition to tax incentives, investment in education and workforce training, promotion of policies to assist entrepreneurs and investment in other forms of business assistance are all strategies to spur economic development. Some states are also considering making their tax codes more business friendly overall while reducing reliance on incentives.

An effective economic development program must balance many different interests in light of both short- and long-term goals. It should help the state improve all of the factors that create a strong business climate: an educated workforce, good schools, adequate public services, good infrastructure, housing and a competitive tax system. ♦

This article was written by Jessica LeVeen Farr, regional community development manager in the Atlanta Fed's Nashville Branch.

What to Expect From Recent Changes in the Home Mortgage Disclosure Act



RECENT CHANGES IN THE REPORTING REQUIREMENTS OF THE HOME MORTGAGE DISCLOSURE ACT (HMDA) HAVE SPURRED WIDESPREAD CONCERNS ABOUT THE PUBLIC AVAILABILITY OF LOAN PRICING INFORMATION.

Lenders fear that if new loan pricing data suggests correlations between variations in the price of mortgage loans and a borrower's race, sex or geographic location, the information could prompt significant regulatory oversight, protests from consumer advocacy groups and class action litigation regarding unlawful discrimination. Bankers are also concerned about increased regulatory burden for compliance with the new HMDA changes.

Banking regulatory agencies agree that the new HMDA data cannot conclusively support any meaningful allegations of illegal discrimination; rather they believe that the data will help to focus fair lending examinations by identifying which lenders, products and geographic areas require further scrutiny. In a speech to the Independent Community Bankers of America, Fed Chairman Alan Greenspan stated the changes in HMDA resulted from the Federal Reserve's intention, in consultation with other agencies, to amend the "HMDA data collection in order to gather information on rates charged to aid [us] in seeing if, in fact, differences in rates are truly driven by differences in risks and costs and not tainted by discrimination."

History of HMDA

The Home Mortgage Disclosure Act (HMDA), originally enacted by Congress in 1975 and implemented by the Federal Reserve's Regulation C, requires most lending institutions at a certain asset level with offices in metropolitan statistical areas to disclose publicly available data on mortgage applications they received or purchased during each calendar year. The purpose of HMDA is to provide information about how well financial institutions are serving the housing credit needs of neighborhoods and communities in which they operate.

Since its enactment Congress has amended HMDA several times. The most significant changes were in 1989 when Congress passed the Financial Institutions

Reform, Recovery and Enforcement Act (FIRREA), which expanded HMDA coverage to mortgage lenders not affiliated with depository institutions or holding companies. The amendments also required lenders to report the disposition of applications and to collect and report information about the race, sex and income of applicants for loans subject to HMDA. It is noteworthy that home mortgage lending is the only type of lending that requires or even permits the gathering of information about race.

The new public data resulting from the 1989 amendments indicated that minorities were denied at significantly higher rates than whites, thus heightening concerns about fair lending in the mortgage market. Lenders responded by adopting more specific credit risk guidelines to ensure fair treatment and to avoid the unintended consequences of unlawful discrimination in their mortgage lending. Lenders have also tried to reach minority borrowers as well as low- and moderate-income borrowers and neighborhoods through community outreach activities.

Recent developments in the home mortgage industry such as the growing significance of risk-based pricing, the expansion of the sub-prime market and increased concern about predatory lending have led to further changes in HMDA. In addition, the Office of Management and Budget (OMB) revised the classification of race and ethnicity, thus necessitating further changes to HMDA. In 2002, the Federal Reserve Board announced a final rule that amended Regulation C.

The recent changes in HMDA

The most recent changes in HMDA, effective in January 2004, expanded coverage to more non-depository lenders that are active mortgage lenders. In 2004, HMDA covered 8,853 lenders. The new changes require HMDA filers to:

- Report pricing information in the form of a rate spread—the difference between a loan's annual percentage rate (APR) and the yield on Treasury securities with comparable maturity. For first-lien loans, the rate spread is reported when it is at least 3 percentage points, and for subordinate-lien loans when the rate spread is at least 5 percentage points.
- Report denials for pre-approval requests. Lenders also have the option to report pre-approvals that were granted but not accepted by the consumer.
- Identify loans subject to the Home Ownership and Equity Protection Act (HOEPA), which amended the Truth in Lending Act and applies to non-purchase closed-end home loans with an APR or fees in dollars above specified thresholds.
- Report if a loan or application is for a manufactured home.
- Characterize loans using the new streamlined definitions of refinancing and home improvement loan.
- Report whether a home loan is secured by first lien, junior lien or unsecured.
- Obtain and report an applicant's race and ethnicity for all applications completed remotely or in person. The OMB revised standards for race by removing "Hispanic" from the race category and placing it into a newly-created ethnicity category. Applicants are categorized as one or more of the five racial groups (American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, and White) and into whether an applicant's ethnicity is "Hispanic or Latino" or "Not Hispanic or Latino."
- Report loans placed in private securitizations.

The various additions and revisions to Regulation C are designed to provide stakeholders with more useful information to gauge competition, study market trends, identify potential price and underwriting disparities for closer scrutiny, and to provide a better understanding of the higher-priced segment of the mortgage industry. In addition these HMDA changes allow regulators and other enforcement agencies to evaluate better an institution's compliance with anti-discrimination laws, namely, the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHA) and other consumer protection laws.

The addition of HOEPA status will identify the number of HOEPA loans a lender made thus providing regulators another tool for evaluating fair lending and Regulation Z compliance. The revised definitions of refinancing, home improvement, race and ethnicity aim to reduce inconsistencies in the data as well as align them with changes in OMB definitions. However, changes in the definitions of race and ethnicity will present a challenge in comparing 2004 HMDA data to pre-2004 data.

The reporting requirement that tracks pre-approval requests gives examiners and other stakeholders insight into the pre-approval stage and therefore provides a more complete picture of the mortgage process. Other new data items such as lien status, the identification of manufactured homes and loans placed in private securitizations allow more precise product differentiation to ensure homogeneity in HMDA lending analysis.

DESPITE THE REGULATORS' JUDGMENT THAT HMDA DATA ALONE ARE INADEQUATE TO DRAW CONCLUSIONS PERTAINING TO ILLEGAL DISCRIMINATION, NEGATIVE PRESS REPORTS AND LITIGATION REGARDING PROVOCATIVE LENDING DISPARITIES MAY NONETHELESS EMERGE.

How can lenders respond to new HMDA data?

The new HMDA data was first made public on March 31, 2005. In September 2005, the government published the much awaited aggregate HMDA lending data. Despite the regulators' judgment that HMDA data alone are inadequate to draw conclusions pertaining to illegal discrimination (because factors pertinent to a borrower's creditworthiness such as credit score, debt-to-income ratio and other risk-based pricing factors are not included), negative press reports and litigation regarding provocative lending disparities may nonetheless emerge. Lenders can respond by being proactive instead of reactive, by becoming intimately familiar with their HMDA data and preparing for any consequences that may result from its release.

By undertaking their own analysis of the new HMDA data as a compliance measure, lenders can prepare to allay any issues that may be raised by protest groups and class action lawyers. Lenders should analyze and dissect their data using both cursory and in-depth analysis to see if potential lending disparities exist with regard to race, ethnicity, sex, income bracket or neighborhood.

Large mortgage lenders can employ sophisticated statistical analysis and perform comparative file reviews of similar applicants. Lenders should also understand the implications of the channels they use to obtain mortgage applications as well as analyze discretionary loan pricing. They should be prepared to explain fully their business rationale regarding policies on overages, concessions, commission structure and broker fees. Training and adequate internal controls can forestall discriminatory practices. However, it is not enough to merely tell employees not to discriminate.

Conclusion

Lenders should develop a strong understanding of their HMDA data and prepare to provide credible explanations for any pricing and denial disparities. Community groups and other stakeholders should, at the same time, be aware that HMDA data cannot support definitive conclusions about whether price or denial disparities reflect unlawful discrimination. The new HMDA data should fulfill the intended purpose as an invaluable tool for understanding an institution's mortgage lending patterns and those of the industry as a whole. ♦

This article was written by Assan Jallow, examiner in the Supervision and Regulation division at the Atlanta Fed.

Specialized Mortgage Products: a Game of Chance?

THOSE RETURNING TO THE HOMEBUYING MARKET AFTER SEVERAL YEARS WILL BE SURPRISED BY THE BAFFLING ARRAY OF MORTGAGE PRODUCTS. CHOOSING THE RIGHT MORTGAGE IS NO LONGER AS SIMPLE AS KNOWING THE DIFFERENCE BETWEEN A CONVENTIONAL AND FHA LOAN OR A FIXED VERSUS ADJUSTABLE RATE.

On the contrary, specialized products such as the "piggyback" and "interest-only" mortgage are being offered to all segments of the market from the first-time homebuyer to the more sophisticated investor.

Many of these products have been developed in response to the demand from homebuyers for an affordable mortgage that requires little or no down payment on a home purchase. Other features offer more flexibility to accommodate the lifestyle changes of certain market segments over time. Although this industry shift has accounted for a significant increase in homeownership, what potential pitfalls await homebuyers? Is the flexibility worth the risk?

Piggyback loans

A piggyback loan is a combination of a first and second mortgage closed at the same time. Often involving 100 percent financing, the first mortgage loan can cover 80 percent of the cost of the home with a 'piggyback' second mortgage valued at the remaining 20 percent.

The most common type, however, is the 80-10-10 in which the second mortgage product accounts for 10 percent of the purchase price and the borrower invests 10 percent as a down payment on the loan.

Although the second mortgage carries a higher rate than the first mortgage and extends for a shorter term, the advantage of the piggyback mortgage is that the interest expense is potentially tax-deductible while the mortgage insurance payment (typically required for loans exceeding 80 percent of the home's value) is not.

According to a survey by the National Association of Realtors, 25 percent of all homebuyers financed 100 percent of the purchase price of their home. Forty-two percent of first-time homebuyers bought with no money down.

Popular alternative to private mortgage insurance

The popularity of the piggyback loan has been partly fueled by home buyers who want to avoid private mortgage insurance (PMI). PMI is circumvented by keeping the first mortgage amount at 80 percent or less, and taking out a second mortgage for the remainder.

Piggyback loans have taken 40 percent of the market share from private mortgage insurers. According to Patrick Sinks, executive vice president of Mortgage Guaranty Insurance Corporation (MGIC), homebuyers with FICO scores of 770 or higher account for 80 percent of the lost volume. These borrowers are considered to be the most desirable market segment.

Mortgage insurers are fighting back by pushing to make PMI tax deductible for families earning up to $100,000 by developing new products, and by urging homebuyers to compare the advantages and disadvantages of financing with a piggyback versus a PMI loan.

Mortgage insurers offer new products

In response to the piggyback loan boom, MGIC developed its SingleFile lender-paid mortgage insurance product. Instead of the borrower paying PMI, the lender pays the mortgage insurance premium, but charges the borrower for this expense either in the form of a higher interest rate on the mortgage loan, a mortgage origination fee or a combination of both. When the lender charges a higher rate to cover the mortgage insurance premium, it is recast into a tax-deductible interest expense for the borrower.

SingleFile is cheaper than other mortgage insurance because it is a low-risk product offered to borrowers who have excellent credit. Eligibility requirements include a 700 credit score or higher and a total debt-to-income ratio of 45 percent or less. The discounted lender-paid mortgage insurance premium is 40 to 65 percent less than regular borrower-paid insurance.

Interest-only loans attract both wealthy and low-income borrowers

One of the fastest growing adjustable-rate products in the last two years is the interest-only mortgage. As the name implies, interest-only mortgages allow the borrower to pay only interest on the mortgage in monthly payments for a fixed term of usually five to ten years. At the end of the fixed period, the loan is fully amortized over the remaining term of the loan.

Historically the interest-only mortgage has been considered a product for savvy, wealthy borrowers who prefer to use the principal portion of their payment for more lucrative investments such as the stock market. It also provides flexibility for individuals with cyclical income (commissions, for example) who can make lower payments during the lean months and repay principal when their incomes are higher. Another good fit is with young professionals who want to leverage future income potential for a larger home today.

Although not a new product, the interest-only mortgage has made a comeback in recent years as mainstream borrowers try to combat high home prices. Lower interest rates and more innovative financing options have increased the demand for housing and, in many markets, driven housing prices up. Consequently, homebuyers are seeking ways to borrow more money without increasing their payment or income.

Interest-only loans are especially popular in markets where home prices are appreciating fastest, including California, Arizona and Florida. However, Georgia led the nation in share of interest-only loans in 2004 even though home prices did not appreciate as significantly as in other states. More than half of the "purchase" mortgages in Georgia were interest only, compared with less than one-third nationwide. In Atlanta, 55 percent of mortgages issued in 2004 were interest only.

The lure of the lower payment does come with increased risk for the borrower. First, borrowers are gambling that their incomes will rise enough to cover the future increase in monthly payments. Second, they are counting on market appreciation rather than debt retirement to build equity in their homes. Third, they are assuming the risk of possible hikes in interest rates after the fixed term expires as well as the potential for payment shock.

New twist to interest-only option

An interest-only option can be attached to both fixed-rate and adjustable-rate mortgages. Interest-only ARMs are gaining in popularity, but misperceptions about this product's features can be costly for uninformed borrowers.

One common misunderstanding is that the quoted interest rate on an interest-only ARM is fixed for the entire interest-only period. This is not the case. The interest-only period is the period during which the borrower is allowed to pay interest only. An ARM with an interest-only option also stipulates a time limit for the initial loan rate.

In the case of ARMs with a very low initial rate, the interest-only period is always longer than the initial rate period. For example, an ARM with an interest-only option for 10 years may have an initial rate period of six months. So a five percent rate today may rise to seven percent in six months. Consequently borrowers should not shop for a mortgage solely based on the quoted rate without assessing the overall risk of the product.

A cautionary note

This new wave of real estate business poses risks to two segments of potential homebuyers. The first consists of individuals who see real estate as a better way to accumulate wealth than investing in the stock market. They sell quickly for capital gain and refinance to "put equity to work," thus growing equity through property appreciation rather than by paying down their loan balance. However, this tactic ignores the fact that mortgage amortization is in the homeowner's control while appreciation is not. Even the savviest borrower must bear this in mind. If the value of the home does not appreciate as anticipated, the buyer will be liable to pay the difference out of pocket.

Individuals who want to realize the American dream of homeownership but have not accumulated the savings for a down payment or need a lower payment to qualify for a mortgage product are also drawn to these loans. Young professionals who can count on rising salaries or executives who receives annual bonuses may run less risk than others, but those who utilize one of these products to buy a house they cannot otherwise afford are taking a gamble. These loans are not designed to address affordability issues, and thus they can set up homebuyers for failure.

Although these products may permit home purchase for little or no money down, allow for smaller initial payments or both, they all have costs, and they all have risks. These products should be used for their intended purposes. Consumers must shop to see which if any of these loans will work best for them. ♦

This article was written by Sibyl Howell, regional community development manager at the Atlanta Fed.

Percentage of New Single-Family Home Interest-Only Mortgages in 2004 by State*

**for states with sufficient data*

STATE	2004
GEORGIA	50.4%
CALIFORNIA	47.1%
COLORADO	45.5%
NEVADA	44.7%
D.C.	43.8%
ARIZONA	40.3%
VIRGINIA	40.2%
WASHINGTON	34.6%
MARYLAND	31.9%
OREGON	31.2%
NATIONAL	31.1%
FLORIDA	30.6%
SOUTH CAROLINA	30.2%
MINNESOTA	29.9%
NORTH CAROLINA	29.4%
UTAH	26.9%
HAWAII	25.1%
MASSACHUSETTS	20.8%
NEW JERSEY	19.8%
ALABAMA	18.5%
IDAHO	18.3%
MICHIGAN	17.2%
NEW MEXICO	17.0%
OHIO	16.5%
TENNESSEE	16.1%
NEW YORK	15.1%
NEW HAMPSHIRE	14.8%
KENTUCKY	14.8%
CONNECTICUT	14.8%
ILLINOIS	13.9%
PENNSYLVANIA	11.3%
KANSAS	11.3%
TEXAS	11.0%
MISSOURI	9.2%
WISCONSIN	9.0%
LOUISIANA	8.0%
INDIANA	5.8%

Source: LoanPerformance

Mississippi in the Wake of Katrina

HURRICANE KATRINA BATTERED THE MISSISSIPPI GULF COAST. WHATEVER ONE REMEMBERS IS GONE. ESTIMATES OF KATRINA'S DAMAGE EXCEED $100 BILLION, MAKING IT THE MOST DEVASTATING STORM ON RECORD. HOWEVER, THE REBUILDING EFFORT WILL PROBABLY FUEL AN ECONOMIC REBOUND.

In the meantime, the devastation is extensive: the damage in Mississippi alone has been estimated at between $30 and $50 billion. Two months after the storm, much of the coast remains buried under a mountain of rubble. A profound lack of housing persists and schools are meeting in tents. Mississippi Power estimates that nearly 20,000 of their customers are still unable to take power because the building is gone or so severely damaged that restoring power would be dangerous.

Economic recovery spurred by rebuilding efforts

Looking at the longer-term economic effects of the storm, the outlook becomes much more promising. The billions of dollars required to rebuild the area will generate significant economic activity and may well set the stage for a complete revitalization of the Mississippi Gulf Coast. This is the hope of Governor Haley Barbour and the newly formed "Commission on Recovery, Rebuilding and Renewal" charged with the task of bringing a renaissance to the coast. If this plan is successful, Hurricane Katrina may act as a catalyst for an economic boom on the coast and in the state as a whole.

Despite the economic downturn immediately following the storm, it is becoming increasingly clear that the decline is likely to be small relative to the growth sparked by rebuilding. Though the latest employment figures show a five percent decline in the total number of people employed in the state, tax collections exceeded the pre-Katrina estimate during the two months following the hurricane.

Strong tax collections are a result of the refugees from New Orleans and the coast dispersed throughout the state who are spending money for rooms, food, clothes and other items—money they would not spend if Katrina had not occurred. Additionally, many people have already begun to rebuild and that activity is also generating increased sales tax. As the rebuilding progresses, the state can expect to see a robust rebound of economic activity.

This pirate-themed casino resort on the Mississippi Gulf Coast (above) was ravaged when Hurricane Katrina hit Biloxi. The photo below shows the casino after the storm.

Coastal economy key to state's recovery

Central to the economic rebound will be the revitalization of the Coast, which suffered the worst storm damage. The three coastal counties make up roughly 14 percent of the state's economy. They rely heavily on tourism, with 20 percent of the workforce directly or indirectly involved in the industry.

Since the mid-1990s, gaming has been the centerpiece for coastal tourism. Before Katrina 12 casinos operated on the coast and another was scheduled to open soon. All 13 suffered significant damage. Obviously, the closing of the coastal tourism industry results in a loss to the state's coffers. Though the state is losing sales tax from the tourism dollars, losses from gaming taxes and fees are even greater.

Before Katrina the coastal casinos were generating roughly $8 million per month for the state through gaming fees and taxes alone. Closure of the coastal casinos will cost the state most but not all of this revenue. Some gambling activity will move to the 17 casinos in River County and this will offset some of the coastal loss.

Casino gambling in Mississippi

A key component in the Gulf Coast revitalization plan has been to move casinos on shore to more secure facilities. Legal obstacles have already been addressed and at least two casinos are scheduled to reopen by early in 2006.

For someone not familiar with the history of gaming in Mississippi, moving the casinos onshore may seem an obvious solution. But legalization of gambling in Mississippi has long been controversial. Mississippi has never embraced the gambling industry with open arms. While gambling opponents were fighting a very public war against the establishment of a state lottery, bills that would permit dockside gaming were quietly making their way through the legislature. No one, including the casinos who initially invested in the state, anticipated the extent of the industry's success.

Mississippi experienced tremendous economic growth between 1992 and 1994 as the state built its casino industry. Strong expansion continued through the next few years as the state added more hotels, and bigger, more luxurious casinos came into the Mississippi market. The 1990s were by far the most economically prosperous period the state has seen in recent decades. Some anticipate that moving the casinos on shore will create a similar boom.

However, it is unlikely that rebuilding land-based casinos will single-handedly create an economic boom for the state. During the 1990s, casinos were being built along the Mississippi River as well as on the Coast. In addition the 1990s enjoyed a strong national economy, and Mississippi was in part riding that wave.

Coastal economy likely to rebound

The coastal economy is nevertheless poised to prosper in the coming years. In fact, land speculators are already bidding up the price of real estate, and it is possible that some residential property will give way to high-dollar condominiums. The casinos are expected to reinvest heavily to make the Gulf Coast an even more popular destination than before the storm, and this will benefit the entire state.

Rebuilding efforts in other damaged areas will also contribute to the state's growth. In addition, some New Orleans businesses have relocated to Mississippi. For some the move will be temporary, but others will choose to remain.

The economic outlook for Mississippi in the wake of Katrina is decidedly positive. The state is expected to outperform the nation over the next few years as construction activity fuels strong expansion.

Longer term prospects are more mixed. While the coast's economy is likely to enjoy an economic renaissance, the rest of the state will probably return to its long-term growth pattern characterized by prosperous population centers and struggling rural areas. ♦

This article was written by Darrin Webb, Ph.D., senior economist at the Mississippi Institutions of Higher Learning.

Photo on p. 12 by Mark Wolfe courtesy of FEMA.

Partnership Promotes International Volunteerism

The Office of Volunteers for Prosperity (VfP) at the U.S. Agency for International Development (USAID) and Operation HOPE, Inc. (HOPE), a leading non-profit organization, have agreed to jointly promote international volunteer service by American professionals in developing countries.

"Operation HOPE has achieved great success in addressing the economic challenges of under-served minority communities throughout the United States. Its approach has enabled people to share in the American dream as homeowners and entrepreneurs," said Jack Hawkins, USAID Director of the Office of Volunteers for Prosperity (VfP)."

"Operation HOPE is excited to be working in partnership with VfP because we share a common goal - the goal of empowering underserved communities everywhere through economic education and the provision of much needed knowledge and expertise," said John Bryant, HOPE founder, chairman and CEO.

Among the joint activities of the two organizations will be public relations efforts to promote the new VfP/Operation HOPE model for collaboration to support international volunteer service. For more information, please visit www.operationhope.org or www.volunteersforprosperity.gov.

OPERATION HOPE

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Personal Reflections on the Storm

Regional Community Development Manager Nancy Montoya in the Atlanta Fed's New Orleans branch recounts her experience riding out Hurricane Katrina in her home for eight days after the storm hit and the levees broke. In this article, Nancy examines how the events underscore our reliance on technology as well as reveal the ingenuity of individuals forced to create alternative means of communication in the midst of a natural disaster.

I have never been much of a fan of technology. After experiencing the initial thrill of personal computers in the 1980s, I started to feel that technology led to more work, not less, and had a dehumanizing effect on our lives and relationships. All of that changed after Katrina. There are now two time periods in my life: B.K. (before Katrina) and A.K. (after Katrina). My change in outlook began with a simple telephone call, something we take for granted every day.

Braving the storm

The night before the storm I had an old-fashioned land-line conversation with my father in Los Angeles about why I wasn't evacuating. I chose to hunker down and ride out the storm in my 1903 Victorian with food, water, gas, cash and a good friend. I assured him that my house had lived through over 100 years of environmental assault and that I lived on some of the highest ground in New Orleans. After the final "I love you," I hung up. It was 10 p.m. and the power was already off.

I won't give you details about the storm, except to say that it looked exactly like it did on TV. But the TV doesn't capture the sound of the wind moaning around the house, objects being slammed against and into the house, and the house rocking back and forth.

On August 28, the morning after the Saturday night storm, I used my cell phone to let my parents know that I was fine and asked that they call everyone else. This was before the levees broke. With that event, my whole world changed. Soon the water started rising, looting began and we heard the sound of helicopters ferrying people to high ground.

We waited for the National Guard feeling sure they would arrive in two days, by Tuesday. From the crank radio (low technology, but still technology), we heard our local leaders' pleas for help, and from the window we watched for supplies. They finally appeared on the following Monday, September 5, when we saw bundles dropped to the school across the street. I don't know what we expected but it certainly wasn't cans of Slim Fast.

My cell phone battery lost its charge on August 29 when the levees broke. I defaulted to my work Blackberry to send e-mails to my manager and family. Conserving what little battery I had was important. Three days passed before my manager received my message and contacted my family. He's now on the family Christmas card list.

By Friday I figured some order had been restored to the neighborhood so I ventured out in wading boots to find a land-line phone. The water was now about 1-1/2 ft high. One person down my street who had the only working phone in the neighborhood put it out on the porch for neighbors to call their loved ones.

After reaching my mother and hearing both her relief and anger at my stubbornness in refusing to leave, I reassured her that I was fine. In truth, where was I to go? From what I heard on the radio, the Superdome and Convention Center were absolute chaos. My mother in Los Angeles had heard news reports of roaming gangs of thugs shooting at anyone who moved in the neighborhoods. This surprised me as we were safe and sound and dry.

After I hung up, I went half a block to the corner where my friends and neighbors were peacefully talking and sharing supplies. We exchanged information about where our other friends were, where supplies could be found, and about any dangers we needed to be aware of. It was very low-tech communication, but very effective. Ahh, the power and simplicity of community. What I experienced didn't match the news reports of chaos, violence and vandalism.

Finally, after eight days I was convinced by my manager to relocate temporarily to the Fed's Birmingham branch. By now I was holding on to both my cell phone and Blackberry like they were the Holy Grail. I had a newfound appreciation for the beauty of their utility. But it wasn't until I got to Birmingham that my respect for the power of technology was fully ignited.

Reconnecting to a scattered community

They say that things can be replaced, but not people. After 16 years of living in New Orleans and ardently loving it—cherishing her noble and graceful architecture, experiencing the exhilaration of riding home down Bourbon Street, marveling at the majesty and shelter of her trees and other numerous gifts—I finally realized that it's the people that really make New Orleans what she is. The communities, large and small, that exist in her 72 distinct neighborhoods are the "meat in the po'boy."

This search for my people led me to my neighborhood blog, "Marigny/Bywater" on NOLA.COM. There I found my friends who were scattered to the winds in places like Houston, Savannah, rural Georgia and Mississippi, Austin, Taos and Los Angeles.

I also found new neighbors sharing information on everything from stranded pets to minutes from meetings with the local Councilperson. The blog included thoughts, concerns, gripes, fears, jokes, information bits and joys that make up a neighborhood. I discovered a virtual community, available right there through my fingertips.

Although I'm now back at home, I still have my virtual community. It has even become a part of my work. Through my neighborhood blog site I can monitor the pulse of current issues, such as the housing concerns for landlords and renters, how insurance companies are handling claims, where people are shopping and services they would like in the future, and the need for affordable housing for local musicians and artists.

I can't get this kind of information anywhere else; my regular news sources and even our town hall meetings are unable to provide information this honest, blunt, bold, candid, forthright, uninhibited or even naïve. The blog offers a clear and irreplaceable window into the hearts and minds of our residents.

Building a virtual community development network

My neighborhood site was so useful that I began thinking about how we could build a virtual "community development community." Most of the people that I have worked with in the city on community development issues are still displaced. Many of them have lost their own homes, neighborhoods and workplaces. Many of our housing counselors themselves have no homes.

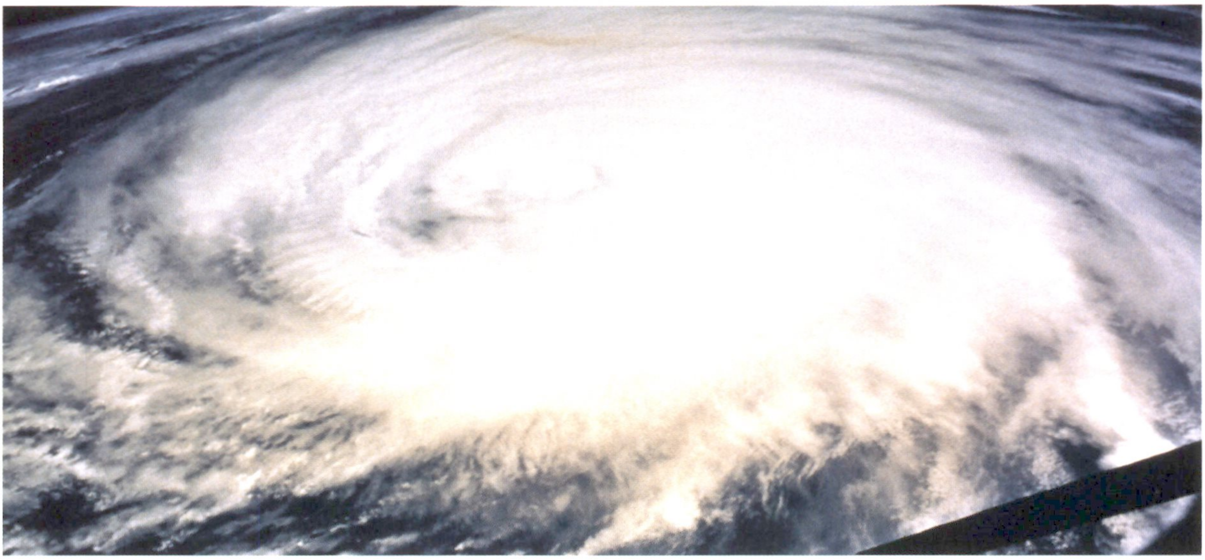
Before Katrina about 469,000 people lived in the city. When I left eight days later, only 100,000 remained. The population estimate is now around 75,000 and it appears from observing the license plates that most of them are disaster and rebuilding personnel.

Where are my respected peers who know New Orleans literally from the ground up and have spent their lives and considerable talents building homes and families with their vision and sweat? They're in Houston, Baton Rouge and Covington, La., longing to return home and help rebuild the homes and lives that have been destroyed.

How can we gather together to share our dreams and talents, to provide support for each other, to savor each other's successes as we did B.K.? The answer might be in technology.

A virtual community could never replace the living, breathing, joyous and funny community I so love and treasure. But it can help us embellish an already rich fabric, pull together loose threads, push us to be a more open and democratic society, encourage more open and honest thought and conversation, and give us a chance to participate on a more expansive and inclusive level than ever before. Let's use this tool to protect, promote and cherish what really makes New Orleans home: her people.

Hurricane Recovery in Florida: What the 2004 Storms Taught Us



On August 28, 2005, Florida residents experienced an uncomfortable mixture of feelings: one was relief that a hurricane was going to miss us; the other, which followed immediately, was guilt because we knew others would be hit. After the devastating hurricane season we faced in 2004, however, it is perhaps understandable that we were still reeling from the aftermath of a succession of disastrous storms.

Though we are only one year into the disaster recovery process, what have we learned about rebuilding that might be of use to our neighbors in Louisiana and Mississippi?

Our experience has been that recovery takes time, money and expertise. It has also been important to have a statewide affordable housing trust in place to meet the needs of very low- and low-income families.

Succession of hurricanes in 2004 wreak havoc

Florida experienced four major storms in a two-month period in 2004. On August 13, Hurricane Charlie went roaring across the state, entering in Charlotte County as a Category 4 storm and exiting through Palm Beach County. Insured losses were estimated at $6.7 billion.

Hurricane Frances (Category 2) came to visit on September 5, blowing in over the southern end of Hutchinson Island and causing $4.1 billion in insured losses as it tracked across the state.

Just a few hurricanes later Ivan bullied its way through the Panhandle, leaving insured losses in its wake estimated over $4 billion. Although weary of watching the Weather Channel, we were all glued to it one more time on September 25, when it was Jeanne's turn: this Category 3 storm hit Florida only two miles from the point where Frances made landfall.

All in all, the 2004 Florida hurricane season damaged or destroyed over 708,000 housing units and left over $21 billion in property damage. Hidden within those numbers is an incalculable loss of older, affordable market-rate housing, along with the displacement of the tens of thousands of poor households who called that housing home.

While the suffering in each of these storms was widespread, the poorest families suffered uniquely and most severely. It was their housing that was least likely to withstand the pressures of the storms. Elderly homeowners often had no insurance and few (or no) resources to rebuild.

Recovery takes time

Families who have had their homes damaged or destroyed by a hurricane understandably want them repaired as quickly as possible so that life can return to normal. Unfortunately, while hurricanes do their damage in a matter of hours, rebuilding takes months, and sometimes years.

Our housing market, for example, produces a certain amount of building material each year on the basis of historical demand. When major hurricanes damaged hundreds of thousands of units, the producers could not flip a switch to instantly meet the hugely increased demand for building materials. As a result, homeowners had to wait.

Builders also hit limits to their capacity. A sudden increase in demand does not allow adequate time to add the skilled labor needed to increase production. Efforts to speed up the rebuilding by taking shortcuts in the development process often result in communities overpaying for substandard work.

Higher construction prices ratchet up subsidies for affordable housing

According to developers working throughout the state, construction prices skyrocketed after the storms, and as of November 2005 they had yet to fall. Between spring 2004 and fall 2005, the cost of construction in Florida's panhandle rose from $65 per square foot to $95 per square foot. In southwest Florida the prices rose from $90 per square foot to $125 per square foot. Southeast Florida saw similar increases, with prices rising from $95 to $130 per square foot.

Needless to say, during this time incomes did not rise at the same rate. As a result, the assistance required to subsidize housing has risen dramatically compared to pre-storm amounts.

Local government purchase-assistance programs that helped low-income families with subsidies of $15,000 to $20,000 before the storm are now finding that it takes closer to $100,000 to assist families earning similar incomes. The days of rehabilitating a home for $25,000 are also gone, and many local government programs have had to spend $40,000 to $50,000 per unit.

Recovery takes expertise

Florida's housing trust fund has equipped every county—both urban and rural—with the capacity to accept and process applications for rehabilitation and purchase assistance programs. Some counties actually implement these programs, and others also fund rental development.

The state also has a very well-developed technical assistance delivery system through the "Affordable Housing Catalyst," which is funded by the Florida Housing Finance Corporation and implemented by the Florida Housing Coalition (Coalition). A portion of the state's housing trust fund also supports the program.

The Coalition's technical assistance includes workshops and on-site, one-on-one training as well as deal-specific instruction. The workshops present a core curriculum for those new to the affordable housing field and provide an advanced curriculum for those with more experience.

Since the Coalition's staff includes housing professionals with a training background, they are able to quickly develop and present effective training on the rules of the new hurricane program as well as provide information on how local governments should design their programs and strategies to best meet the needs of hurricane victims. In addition to these workshops, the staff has continued to offer one-on-one assistance as local governments implement their recovery strategies.

Regrettably, there is no way to rebuild a community as fast as a hurricane destroys it. However, communities can rebuild with time, money and expertise. Florida's experience shows that a dedicated revenue source for affordable housing and an established infrastructure for spending the funds can be valuable components of hurricane recovery efforts. ♦

This article was written by Stan Fitterman, senior technical advisor at the Florida Housing Coalition.

Branch Employees Resilient Through Storm

Partners: *In the aftermath of Hurricane Katrina, you were faced with the daunting task of having to take care of continuing bank operations while ensuring the safety of Branch employees. How did you balance those priorities?*

Musso: The storm was…bigger and stronger than anything we'd seen in 30 or 40 years; it was pretty clear that this time we would have to tilt the scales in favor of employee safety. There was no doubt about that. Once we secured the facility, all of our priorities were centered on taking care of the employees and making sure that they were safe and out of harm's way. In every case, we did err in favor of safety for the employees.

Partners: *Obviously, right after the storm, without electricity, there was no access to ATMs. What was the immediate impact on cash following the hurricane?*

Musso: There was a huge demand for cash, and it wasn't even as large as it could have been. The area was so devastated that some of the banks couldn't even open up in temporary locations. Many of their employees relocated out of the state. The banks with locations in the areas that were most devastated were totally inaccessible or they were underwater. Those banks in areas on the periphery of the destruction had a huge demand for cash. Even some of those banks lost electricity and had to set up tents outside of their offices. They were working off records that had been previously run several days before that showed checking account balances, and they were allowing cash to be given out to those people presenting checks. I spent a few days in my hometown of Thibodeaux, La., and for two or three weeks the grocery stores there were only accepting local checks or cash. Credit cards, debit or ATM cards were not acceptable. So it did turn into a cash society in many areas for about three or four weeks.

Partners: *In your view, what is the importance of the New Orleans branch going forward especially as it relates to community and economic development initiatives and rebuilding in that region in the future?*

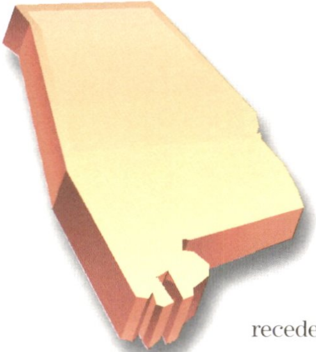
Musso: I think it is extremely important. We are up and running now. We have restored cash operations for paying and receiving functions totally. We are feeling pretty good about the future of the operations in cash in New Orleans. That we were able to get up and running that quickly is certainly a symbol to the city, to all of Louisiana and to the banks. And the fact that we are going to be there and our presence is going to be known will make others consider coming back to the city.

Partners: *As a native Louisianan, I'm sure you have seen many storms and hurricanes in the area. Do you think that Hurricane Katrina will weaken the resolve of residents to want to rebuild?*

Musso: I think that Katrina has temporarily shaken the confidence of a number of our citizens. It certainly has had an effect upon the business community. I think it has even had an effect on the staunchest politicians. I do think that the resolve will return….The more I see this situation evolve, the more I hear people saying that they have decided to come back and rebuild. The companies that initially said that they weren't coming back have changed their minds. And I think that with the help of everyone involved and with the construction of a wholly new concept in levees… that we will be fine. I really do think that we can come back. And hopefully you'll come back to a better New Orleans…, one that is more economically viable and one that has a better lifestyle for all of its citizens. ♦

Note: Many employess at the New Orleans branch lost or suffered damage to their homes. Soon after the hurricane, all 176 New Orleans Branch employees returned to work—either in New Orleans or elsewhere in the District or System. As of mid-December, 95 New Orleans staff are back working at the branch.

Interview was conducted by Jennifer Grier, community affairs project manager at the Atlanta Fed.



ALABAMA

BAYOU LA BATRE RECOVERS FROM KATRINA

The flood waters have receded, the phone lines are working and all power has been restored: the city of Mobile, Ala., breathes a sigh of relief. Many realize how fortunate they are when they see the devastation only a few miles away. The small community of Bayou La Batre, just west of Mobile, was not so lucky.

With a population of about 3,500, the coastal city had emerged as a commercial seafood industry giant. According to the local Chamber of Commerce, its port accommodated over 300 major vessels that fished the Gulf waters from the Florida Keys to Mexico, reaping some of the best shrimp, oysters, crabs and finfish in the world. Bayou La Batre was commonly referred to as the "Seafood Capitol of Alabama," and its economic contribution to the state was estimated at $90 to $100 million a year.

The powerful winds of Hurricane Katrina literarily tore this small community to shreds, shutting down an important source of food and revenue for the state. As you travel along the coastline, you see literally hundreds of fishing vessels either totally destroyed or tossed inland by flood waters. The storm also ravaged countless numbers of commercial buildings, commercial equipment and homes.

In recent years Bayou La Batre's popularity as a site for vacation homes was on the rise, and private investors had plans to expand this community's potential as a resort city. But now the city's plans focus on little more than reestablishing basic services that will allow for eventual reconstruction.

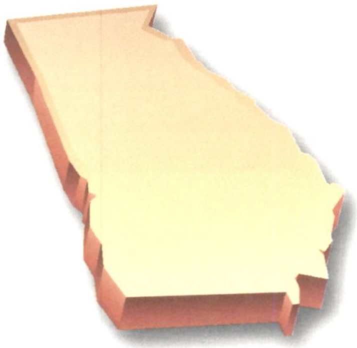
According to the Governor's office, damage from Hurricane Katrina totaled over $166 million just in Alabama. Along with Mobile County, nine other western Alabama counties have been designated as disaster areas eligible for individual and public assistance. Despite major financial loss, only two people died as a result of the hurricane, both in an automobile accident during the storm.

As of November 2005, the Federal Emergency Management Agency (FEMA) reported 27,000 applications from evacuees who have come to Alabama from other states. The most significant need is money for basic living expenses. Outside of FEMA and the Red Cross, the Governor's Emergency Relief Fund has raised $3.2 million. Other organizations are playing a major funding role as well, such as the United Way, trade groups and faith-based organizations, many of which collaborate with state and local governments.

Successful development—and redevelopment—always comes down to successful partnerships. Alabama Emergency Management Agency and the Governor's Office of Faith-Based & Community Initiatives have been working jointly to address the needs of both hurricane victims and evacuees. And the Fed continues to be at the table. Volunteer organizations that provide disaster response are developing stronger ties with one another and with financial institutions. Local long-term recovery committees are also building strong collaborative relationships on the county level to work strategically with all partners in addressing needs. ♦

This article was written by Michael Milner, community development director in the Atlanta Fed's Birmingham Branch.

Photo by Marvin Nauman courtesy of FEMA.



GEORGIA

AGENCIES UNITE IN KATRINA RELIEF EFFORTS

Georgia has become the temporary home to tens of thousands of Hurricane Katrina evacuees. Earlier reports indicated that 25,000 to 50,000 people may need resettlement assistance for several months or longer. Several collaborative efforts in the Metro Atlanta area have been launched to address the immediate and short-term needs of those who fled to the state of Georgia.

United Way

Several days after the storm, United Way of Metro Atlanta convened 200 community leaders representing government, nonprofit, faith and business sectors. The result was the creation of "Neighbors Helping Neighbors: Uniting for Life after Katrina," an organization to coordinate efforts in the Atlanta region and the state to respond to the long-term needs of families and individuals displaced by the hurricane.

The group crafted a 90-day response plan to address a range of evacuees' needs: food, shelter, transportation, health, reunification or relocation, documentation and identification, benefits, school readiness and education, employment, transitional or permanent housing, child care and youth development.

The United Way projects the need for an incremental increase of $10 million over its initial $76.5 million campaign goal to implement these priority resettlement items and to support agencies on the front line working with those displaced by the hurricane. For more information, visit the website: www.unitedwayatlanta.org.

HomeAid Atlanta and the Atlanta Homebuilders Association

HomeAid Atlanta, an affiliate of the Greater Atlanta Home Builders Association, responded to hurricane Katrina by organizing three efforts to assist displaced individuals and families.

First, HomeAid Atlanta hosted an emergency drive to collect items for infants in response to requests from many local service providers who experienced a shortage of disposable diapers, baby wet wipes, infant formula and baby food. HomeAid also assembled "home starter kits" with essential household items for displaced families moving into permanent homes.

In addition HomeAid is partnering with the United Way to construct new "bridge" housing for the evacuees until they can make permanent living arrangements. Eventually the bridge housing will serve as transitional housing for homeless families.

The Home Builders Association has also committed to identify employment opportunities in Atlanta for Katrina evacuees with experience in the homebuilding industry. For more information visit: www.atlantahomebuilders.com. ♦

This article was written by Sibyl Howell, regional community development manager at the Atlanta Fed.

Photo by Liz Roll courtesy of FEMA.

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The program committee welcomes research papers and studies that fit the topic. Refer to the following website:
http://www.philadelphiafed.org/cca/conferences.html

Individuals interested in presenting their research should submit via e-mail an electronic copy of their completed paper or a detailed abstract by July 15, 2006. Telephone inquiries can be made to Amy Lempert, Community Affairs Manager at the Philadelphia Fed, at 215/574-6570.