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partners

in community and economic development

Can Housing Be Green *and* Affordable?

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Can Housing Be Green and Affordable?

Green building and affordable housing are natural partners with the common goals of ensuring long-term housing affordability, creating neighborhoods of choice and limiting urban sprawl. Although many assume green building is not cost effective in affordable housing, growing evidence suggests that it's often economically justifiable.

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Technical Education: a Remedy for Poverty?

Reflecting the Atlanta Fed's emphasis on the Community Reinvestment Act, *Partners* often focuses on neighborhood redevelopment topics such as affordable housing and small business growth. But we have seldom addressed the potential of vocational or technical education as a remedy for poverty.

Technical education programs are designed to provide the skills necessary to carry out tasks in a specific trade. Acquiring these skills may help individuals get better-paying or more stable jobs, especially if the educational programs are aligned with committed corporate employers. Unfortunately, vo-tech programs often do not establish these links, and individuals trained in these programs may still struggle to find good jobs.

Training people properly to fill good jobs and meet an employer's demands can be challenging. For starters, most technical programs provide general training that prepares graduates for entry into a specific trade, but only at the ground level. It also takes time and money to complete a tech program, and students may need support while they finish the curriculum. Finally, there is usually no guarantee of a better-paying job, even after the program is completed.

Several years ago, I met Bill Strickland, president and CEO of a technical education program that meets these challenges. Located in Pittsburgh, Pa., Manchester Bidwell Corporation is the parent organization to several nonprofit companies and centers designed to educate disadvantaged youth and unemployed adults. Students can choose options ranging from art and culinary instruction to training in hydroponic gardening or medical coding.

The success of this program comes in great part from the corporate partners Bill has attracted to the organization. Manchester Bidwell has collaborated with major corporations including Bayer, BASF, Steelcase, Marriott, eBay and Heinz to design programs tailored to match employee training to the needs of these corporations. Most graduates are employed by the corporate partners right away, and a few have even become Manchester Bidwell employees.

Several years ago, Bill began introducing this highly successful educational model in other parts of the country. Today, these programs based on meeting market opportunity are gaining steam. Facilities have recently opened in San Francisco, Cincinnati and Grand Rapids. Each is a customized version of the original Pittsburgh center that provides specific training through corporate partnerships at the local level. Bill is now considering expanding the Manchester model into other communities, including two markets in the Sixth Federal Reserve Bank district—Atlanta and New Orleans.

At a May 2006 meeting hosted by the Atlanta Fed in collaboration with Enterprise and the Community Foundation for Greater Atlanta, business and community leaders took a trip to experience one of these vocational education centers first hand. Their interest in pursuing partnerships with Manchester Bidwell Corporation was clear. A second trip scheduled for later in the summer could bring a similar center into our area.

While we realize that a technical education program like the Bidwell Training Center will not entirely cure poverty, its success in improving the lives of those fortunate enough to participate speaks for itself.

Juan C. Sanchez
Community Affairs Officer

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Can Housing Be Green *and* Affordable?

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AS THE GREEN MOVEMENT IN HOMEBUILDING TAKES OFF NATIONWIDE, AFFORDABLE HOUSING ADVOCATES ARE EAGER TO EXPLORE ITS ADVANTAGES.

Although green housing still accounts for only a small percentage of the total housing market, the National Homebuilders Association sees it as the wave of the future.

Green building and affordable housing are natural partners. Affordable housing advocates focus on many of the same issues as advocates for green building—ensuring long-term housing affordability, creating neighborhoods of choice and limiting urban sprawl.

Many assume that green approaches to homebuilding, which often cost more at the outset, are not appropriate for affordable housing. However, a growing body of evidence speaks to the contrary. Advocates for the greening of affordable housing argue that it is actually more economical because over time low-income homeowners will benefit from lower utility bills, fewer maintenance costs and healthier environments.

What is green building?

The most common perception about green building is that it uses environmentally sensitive building materials in energy-efficient designs. However, green building also encompasses the character of the community to consider proximity to transportation, infrastructure, jobs and services. Green building is a holistic strategy for sustainable development that aims to reduce utility costs, improve housing conditions and the health of the community residents, and limit urban sprawl and poorly planned development.

The green building rating system of The Leadership in Energy and Environmental Design (LEED) recognizes the U.S. Green Building Council (USGBC) as the national leader in promoting healthy, environmentally responsible and profitable building. The LEED program, which created national green building standards, encourages integrating green practices throughout the design and construction process.

One of the largest national players in the affordable housing industry, Enterprise Community Partners Inc., launched its Green Communities Initiative in 2004. It aims to make green building and sustainable development a mainstream phenomenon in the affordable housing industry through the creation of national standards. The criteria established for Green Communities draw heavily on standards developed for the LEED program and are compatible with other state and local green building programs.

Green Communities criteria address three key areas: energy and resource conservation, healthy environments and community characteristics. These areas are subdivided into seven categories: integrated design, location and neighborhood fabric, site improvements, energy efficiency, water conservation, materials beneficial to the environment, and operation and maintenance. These guidelines represent the first set of comprehensive criteria for building low-income sustainable housing.

Working with the National Resources Defense Council, Enterprise has pledged $555 million to the Green Communities Initiative over the next 5 years. Their goal is to provide training, technical support and policy advocacy to create 8,500 green affordable homes.

State and local organizations have also created green building standards. For example, the EarthCraft House was created by Southface and the Greater Atlanta Homebuilders Association to promote healthy, sustainable development and affordable housing. The EarthCraft program, which began in Atlanta, has now certified over 1,500 homes in the Southeast.

Costs and benefits of building green

The affordable housing industry is assuming an important role in the green building movement as an increasing number of affordable housing developers adopt green building techniques. However, only limited research has been conducted about the costs and benefits of green affordable housing. Research thus far focuses mainly on green practices in commercial and industrial

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development, where results consistently indicate that long-term benefits exceed the upfront capital costs.

Housing affordability is usually measured by the initial construction costs. Green building often requires additional upfront costs and so does not appear to promote affordability. New Ecology Inc. recently completed a study of 16 green affordable housing projects and found a small green "premium" of 2.42 percent of total development costs. Research by the Home Depot Foundation indicates that green building pushes costs up 3 to 5 percent, but it also shows these costs are recouped through reduced expenses in less than 5 years.

The benefits associated with green building are far-reaching, and many can be achieved without significant initial outlays. While it is easiest to quantify savings on energy and other utilities, homeowners also profit from the use of more durable materials that reduce maintenance and replacement costs for the home. Energy and water efficiency, indoor air quality, and durability generate the highest financial return, and therefore they are the most common goals in green building.

The environmental gains associated with green building are not as easily quantified, but they are no less important. Environmentally friendly construction conserves resources by using materials with recycled content, eliminates excess waste through efficient use of construction materials and encourages pedestrian-friendly neighborhoods that reduce automobile dependence.

Finally, advocates argue that these practices produce significant health benefits that stand to lower medical expenses for green housing residents.

The first-year report on Enterprise's Green Communities Initiative offers strong evidence of the perks that come with building green: The 4,300 pending Green Communities homes will save families and apartment owners up to $1.5 million in energy bills, eliminate more than 5,000 tons of greenhouse gas emissions and reduce water use by 30 million gallons.

Making green building more affordable

Advocates for greening affordable houses identify several ways to make it more economical. Most important for cost-effectiveness, they say, is incorporation of green building practices from the beginning of the project. Starting the design process with green principles in mind is much more efficient than trying to add them into the project after it is designed.

A second recommendation is to follow an integrated design approach that involves all members of the development team from the beginning of the process to set green goals and identify a plan for achieving them.

To assess the true affordability of green building practices, proponents argue for a life-cycle approach that accounts for both upfront capital costs and long-term operating expenses to measure affordability. Case studies conducted by New Ecology found that energy and water costs for green housing were significantly lower than for conventional housing. They contend that these savings could potentially offset additional upfront costs for greening the project. When other benefits are factored in, the savings over time are likely to be significant.

Overcoming obstacles

There are several reasons why green building practices have not been widely applied to affordable housing. The biggest obstacle in both the conventional and affordable housing market is the prevailing emphasis on keeping upfront construction costs as low as possible. This issue is particularly acute in the affordable housing industry, which tends to focus entirely on getting low-income people into the homes, and not on the long-term costs of living in them.

Green affordable housing is also indirectly discouraged by the home finance industry. Lenders use only the purchase price of the home in underwriting the mortgage. The potential long-term savings on other monthly expenses associated with green building practices are not factored into the assessment of the borrower's repayment capacity. Thus some homebuyers are not able to qualify for the mortgage amount required to pay for a green home, even though lower operating expenses could offset the higher mortgage payment.

Finally, many public subsidy programs for affordable housing restrict green building by imposing "per unit" development costs caps. The caps limit upfront development costs and discourage developers from taking on any additional expenses, including those for green building that would reduce long-term operating costs.

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Strategies for expanding affordable green housing

Overcoming barriers and expanding green affordable housing calls for both public and private sector involvement. State housing finance agencies and the lending industry are two important potential partners for this effort.

State Housing Finance Agencies. Most affordable housing requires some form of government assistance, and state and local governments can promote green practices through the public subsidy programs they administer. The Low Income Tax Credit is the most important source of financing for affordable multi-family housing, and many state financing agencies are starting to include incentives for meeting green building criteria in the Qualified Allocation Plan (QAP) used to allocate tax credits.

MANY STATE FINANCING AGENCIES ARE STARTING TO INCLUDE INCENTIVES FOR MEETING GREEN BUILDING CRITERIA.

A study by Global Green USA late in 2005 examined the QAPs in all states to determine the extent of green building criteria in four categories: smart growth, energy efficiency, resource conservation and health protection. The study found most states gave some preference in the QAP to projects that met smart growth and energy efficiency requirements.

The study cited Georgia as one of the top five states in the country for encouraging green building practices. It pointed to several requirements in the Georgia QAP that could serve as models for states across the country to develop universal green building requirements for affordable housing.

The lending industry. The lending industry also has an important role to play in promoting green affordable housing. Few lenders have pursued new opportunities to help finance green housing. Green building advocates argue that green affordable housing would proliferate if lenders would use a life-cycle approach to determine the mortgage amount a borrower could afford.

Some financial institutions are beginning to explore creative products for underwriting green building, including energy-efficient mortgages. FHA now offers a program for borrowers to purchase new energy-efficient homes or to make upgrades that improve the efficiency of existing homes. Borrowers are able to fold the additional costs of green features into the mortgages if they can provide evidence that the improvements will lead to energy savings.

Fannie Mae, too, offers mortgage products for environmentally sound affordable housing, providing energy-efficient mortgages that qualify borrowers for a higher amount if they purchase a home with energy-conserving features. They recognize that potential energy savings will compensate for higher house payments. Fannie Mae also offers smart-commute mortgages: Borrowers who live near public transportation qualify for a larger mortgage on the basis that the homebuyer will save money on transportation expenses.

Even though such products are available, they have not been widely embraced by the lending industry. Additional research on the actual long-term cost savings afforded by green building practices may, however, encourage greater flexibility in mortgage underwriting and more widespread use of creative mortgage products.

Conclusion

Many synergies exist between green building and affordable housing. In fact, the affordable housing industry could become a leader in green development. But additional research is needed to ease some of the barriers to the greening of affordable housing. More extensive training is also important to expand cost-effective green strategies among builders and in the affordable housing industry generally. Despite the challenges, promoting housing that is healthy and sustainable as well as affordable seems a natural progression for an industry that has long focused on improving the lives of low-income individuals and their communities. ♦

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

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Soaring Insurance Costs Make Housing Less Affordable

TODAY'S DISCUSSIONS OF AFFORDABLE HOUSING ARE LIKELY TO TURN TO THE TOPIC OF INSURANCE. IN SOME HOT REAL ESTATE MARKETS LIKE SOUTH FLORIDA, ESCALATING HOME PRICES OVER THE PAST FOUR YEARS HAVE OVERSHADOWED THE ROLE OF TAXES AND INSURANCE IN ERODING HOME AFFORDABILITY.

Across the country low interest rates have masked the effect of rising taxes and insurance costs on monthly housing payments. But as the real estate market cools down, interest rates continue to rise, and catastrophic losses reveal the exposure of vulnerable geographies, attention is shifting to the volatility of insurance underwriting and pricing.

Affordable insurance is critical

Many remedies have been proposed to address insurance concerns. The disproportionate impact of Hurricane Katrina on the poor and the uninsured has prompted community groups in hurricane and flood zones to increase outreach and education regarding the availability and benefit of both hazard and flood insurance. Educational efforts and financial assistance also aim to mitigate damage through repairs that will protect properties from future storms and keep them from deteriorating further. Unfortunately, in Florida and along the Gulf Coast many homeowners are facing the 2006 hurricane season without having completed repairs to damage from storms in 2005.

Access to affordable insurance will ultimately determine the success of community-based outreach to protect homeowner assets. Those already insured will have to keep up with the mounting expense of insurance and rising deductibles brought on by shocks to the industry that have resulted in special assessments and significant hikes in premiums. For the uninsured, establishing coverage can be difficult without prior insurance history. Personal credit scores are now used across the industry to approve and price insurance, and this practice may adversely affect low-income homeowners.

Insurance tab drives housing costs upward

In higher-risk markets such as California, Texas, Florida and New York, coverage has become more restrictive and deductibles have risen. In some areas the number of companies underwriting insurance is dwindling. In Florida, for example, some insurance companies have been allowed to leave the state and others have become insolvent, so there are fewer providers. Lack of compe-

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tition combined with the increased market risk is fueling double-digit increases in premiums there.

Housing advocates, who have been battling soaring home prices with elaborate layers of financing to make ownership affordable for low- and moderate-income families, are now confronted with the severe impact of insurance premiums on the monthly mortgage payment. While a few thousand dollars difference in the price of a home can determine whether a family will qualify for the mortgage, a few hundred dollars' in insurance cost can have the same effect. Moreover, while a fixed-rate mortgage will maintain the same principal and interest payment over the life of the loan, insurance premiums change annually and therefore can unexpectedly jeopardize the family's ability to stay in their home.

The insurance dilemma has even more far-reaching implications. While homeowner insurance supports mortgage underwriting by protecting the property's collateral value, insurance company investments in both bonds and mortgage-backed securities maintain the liquidity of the mortgage lending industry. Insurance companies sell a variety of products with variable risks and payouts. The premiums they collect are split between building up reserves to meet short-term payout demands and generating investment income with funds dedicated to long-range returns. Thus the solvency and profitability of the insurance industry—whether considered nationally or in specific markets—directly influences the mortgage industry and affects the availability of residential and commercial real estate financing.

To further complicate the issue, government has been attempting to work with the insurance industry in high-risk and high-cost markets to keep homeowner insurance accessible and affordable. These measures have traditionally focused on state-based negotiations with insurance providers, but support is growing for a federal response similar to the 1968 National Flood Insurance Program. Insurers are requesting that legislators allow claims to be funded with pre-tax rather than post-tax reserve dollars.

Insurers seek new solutions

Another proposal would create a federal insurance fund to help companies pay claims resulting from catastrophic events that meet certain damage or market thresholds. However, a federal pool of funds would distribute insurance cost nationally, as does the market-based risk mitigation strategy for traditional insurance models.

Distribution of costs raises one of the most contentious points of dispute in the insurance debate, namely whether low-risk markets should be required to help fund losses in higher risk markets. While this idea has been broached across the country since Hurricane Andrew in 1992, the insurance industry has responded to Katrina with the decision that premiums will go up nationally to help cover losses sustained in the 2005 hurricane season.

Many living outside high-risk markets—especially those outside hurricane-prone markets —understandably oppose an industry-based risk sharing model preferring instead a market-specific risk pricing model. However, changes in the exposure to risk and in the types of risk have compelled the industry to find alternatives for meeting demand while protecting profits and solvency.

The state-based focus on regulation and pricing has kept larger insurance companies from adequately spreading costs and risks throughout their market areas, creating instead concentrations of risk in vulnerable geographies. This dynamic is especially important for large insurance companies that are not able to reinsure their exposure effectively. Through reinsurance smaller companies are able to buy their own insurance policies to protect funding of their claims in the event of significant covered losses. But larger companies, and more importantly those with dense concentrations in high-risk markets, are not able to access reinsurance at all or cannot do it profitably.

The Florida legislature created a state insurance pool to provide coverage to homeowners as insurers fled the state following Hurricane Andrew. Citizens Property Insurance has always operated on tight margins and has periodically faced significant shortfalls to cover claims, most recently after the active 2005 hurricane season. Although access to the state insurance is limited to those who cannot obtain private coverage, that list is growing as more insurance companies become insolvent, opt to limit coverage geographies, or leave the state altogether. As a result, the latest session of the Florida legislature had to approve a state-funded bailout of the pool, which resulted in premium hikes for the insured.

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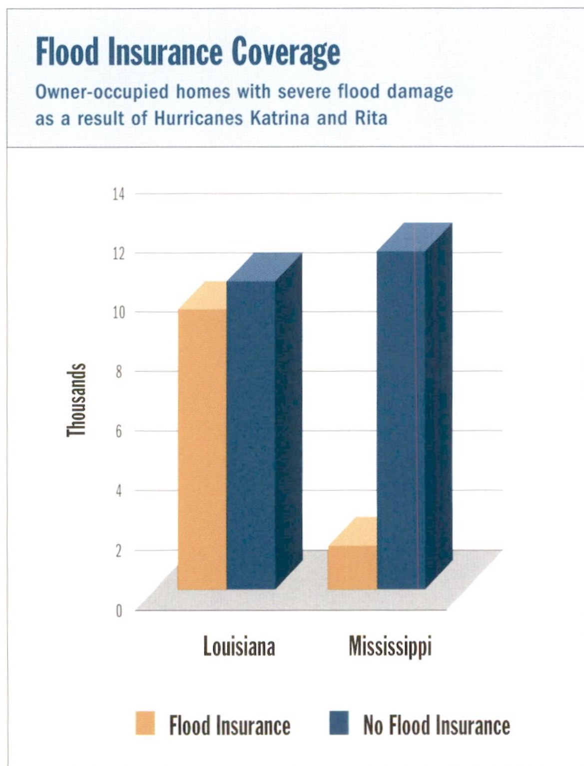
Governor Jeb Bush is now asking the lawmakers to consider creation of a second insurance pool to help small businesses as commercial windstorm insurance has become prohibitively expensive or completely unavailable.

Emphasizing the importance of insurance

Market penetration is another issue for the insurance industry as homeowners and renters opt to "self-insure," that is, to cover their own losses rather than include insurance cost in a tightening household budget. Education and counseling may help many homeowners, especially low- and moderate-income families or those with otherwise limited savings, to consider the advantages of obtaining some level of insurance.

The proportion of homeowners without flood insurance in New Orleans surprised many. On average, insurance covers more than 60 percent of losses after a natural disaster; in New Orleans, it is expected to cover less than half. Lack of flood coverage will make the New Orleans recovery that much more costly. For lower income families without any insurance, the prospect of rebuilding may seem hopelessly challenging.



Source: Federal Emergency Management Agency and Department of Housing and Urban Development.

The Flood Disaster Protection Act of 1973 made flood insurance mandatory in flood-prone areas for properties financed by federally regulated lending institutions or through federal assistance. A 2003 study by the Rand Corporation found that 49 percent of single-family homes in special flood hazard areas (SFHA) nationwide are covered by flood insurance, while in the South, the figure rises to over 61 percent.

However, the SFHA designations, which are delineated on maps produced by the National Flood Insurance Program, are based on a number of assumptions which are now being questioned, such as the extent to which levees will protect New Orleans from flooding. Households outside the designated flood zones and not compelled to purchase flood insurance by their mortgage lender are much less likely to opt for the coverage, despite its relative affordability. The Rand study found that only 1 percent of homeowners in non-SFHAs purchase flood insurance.

The potential for natural and man-made disasters is expected to remain high for the next 20 years. Community organizations must continue to educate and inform the uninsured about the benefits of insurance, the importance of building a cash reserve for disaster recovery, and the availability of community loan programs to mitigate potential losses by repairing homes, trimming trees and installing safeguards. At the same time, discussion must move forward about how to control the rise in insurance premiums for the average homeowner while keeping high-risk markets reasonably profitable for insurance companies. ♦

This article was written by Ana Cruz-Taura, regional community development director in the Atlanta Fed's Miami branch.

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CRA Revisions: Flexibility and New Choices

CHANGES IN THE COMMUNITY REINVESTMENT ACT (CRA) WILL ALLOW BANKS MORE FLEXIBILITY TO SATISFY REQUIREMENTS THROUGH A BROADER DEFINITION OF COMMUNITY DEVELOPMENT ACTIVITIES.

In addition, a new category of small banks will have more latitude in choosing assessment criteria. The revised act also addresses the impact of discrimination and other illegal credit practices on an institution's CRA rating.

Revision of the CRA was published as a joint final rule of the Board of Governors, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation in August 2005 and became effective in September 2005.

While the regulatory "facelift," which acknowledges banks' activities in under-served, distressed and disaster-affected areas, is good news for financial institutions, it will doubtless create challenges as banks and regulators adjust to the revised criteria.

New community development criteria for all banks

CRA's revised definition of community development, which applies to all banks, offers financial institutions credit for activities that revitalize or stabilize communities designated as distressed or under-served, nonmetropolitan, middle-income census tracts. A financial institution can also receive credit for disaster recovery activities that revitalize or stabilize a federally designated disaster area in its assessment range.

Areas that qualify as distressed and under-served, nonmetropolitan, middle-income census tracts will be determined by federal regulatory agencies and listed annually on the Federal Financial Institutions Examination Council's website @ www.ffiec.gov. Designated disaster areas are identified by the Federal Emergency Management Agency (FEMA).

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The range of activities considered revitalizing or stabilizing for communities will vary depending on the geography. In distressed, nonmetropolitan, middle-income geographies, activities will be required to serve the primary purpose of community development by helping to attract and retain residents and businesses (including through job creation). They can also qualify if they are part of a bona fide plan to revitalize or stabilize the geography. Banks must demonstrate that their endeavors provide long-term direct benefit to the entire community, including low- and moderate-income individuals and neighborhoods.

For areas designated as under-served, nonmetropolitan, middle-income geographies, examiners will determine if banks' activities help meet essential community needs, including those of low- or moderate-income individuals. Financing for the construction, expansion, improvement, maintenance or operation of essential infrastructure or facilities for health services, education, public safety, public services, industrial parks or affordable housing will be considered under these criteria to determine if they qualify.

The regulations distinguish between activities that qualify for consideration in under-served geographies and those that qualify in distressed geographies. Financial institutions should contact their federal regulators to obtain clear guidance about which activities will satisfy the criteria.

Disaster recovery activities will be evaluated according to the same guidelines that would be applied to a low- or moderate-income geography or a distressed, nonmetropolitan, middle-income geography.

Since the goals of many community development activities are only achieved over time, regulating agencies instituted a lag period of 12 months for both distressed and under-served, nonmetropolitan, middle-income tracts. Revitalization and stabilization activities undertaken by banks during the 12 months following the lifting of an area's under-served or distressed status will be assessed as if the area were still designated as distressed or under-served.

Banks serving federally designated disaster areas will receive credit for disaster recovery-related activities for 36 months following the date of designation by the federal government.

The FFIEC website will indicate annually which designated distressed or underserved census tracts are in their lag period.

New choices for intermediate small banks

The CRA revision also created a new category for financial institutions with assets between $250 million and $1 billion. Under the new ruling they are now considered "intermediate small banks," and they will be relieved of some regulatory burdens and presented with new choices.

The joint final rule exempted banks in this category from CRA loan data collection and reporting obligations. It also made these institutions eligible for evaluation under the small bank lending test combined with a new community development test in lieu of subjecting them to the lending, investment and service tests used to evaluate larger banks.

The recent changes remove holding company affiliation as a factor in determining which CRA evaluation standards apply to a bank. The asset size of the holding company no longer has a bearing on which test applies to a bank.

Regulators will now use a two-part test to assess intermediate small banks: the performance criteria used to evaluate small banks—those with assets under $250 million—and a new community development test.

The new community development test examines how well a financial institution supports local development by meeting lending, investment and service needs. Performance is assessed according to the nature of the community's needs and the capacity of the bank. This test is designed to be applied flexibly by regulators so banks can use their resources strategically to foster the types of activities that best meet the community's needs.

To obtain an overall satisfactory rating, the financial institution must earn a satisfactory rating for both tests.

Small intermediate banks can still choose to be examined as a large bank under the lending, investment and service tests. A bank in this category should perform a self-analysis under both tests to determine which approach to examination will be most favorable and then choose which examination process to undergo.

Although intermediate small banks will no longer have to report CRA loan data annually to federal regulators,

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they will still be required to report HMDA data if they are subject to the reporting requirements of Regulation C – Home Mortgage Disclosure Act. A financial institution that opts to be examined under the "large bank" criteria must continue to collect and report CRA loan data.

Discrimination and the use of illegal credit practices

A final major change in CRA relates to how evidence of discrimination or other illegal credit practices will affect a bank's CRA rating. Banks will not only be responsible for their own compliance but will also be assessed on the compliance of affiliates within the assessment area.

A BANK'S CRA EVALUATION WILL ALSO BE ADVERSELY AFFECTED BY EVIDENCE OF DISCRIMINATION OR OTHER ILLEGAL CREDIT PRACTICES BY AN AFFILIATE.

The final rule issued by the agencies states that evidence of discrimination or evidence of credit practice violations will have an adverse impact on a bank's CRA performance. In addition, a bank's CRA evaluation will also be adversely affected by evidence of discrimination or other illegal credit practices by an affiliate in connection with loans inside the bank's assessment area(s), if any loans of that affiliate have been considered in the bank's CRA evaluation.

Regulators will consider the following: evidence of discrimination against applicants on a prohibited basis under the Equal Credit Opportunity Act or Fair Housing Act; evidence of illegal referral practices in violation of section 8 of the Real Estate Settlement Procedures Act (RESPA); evidence of violations of the Truth in Lending Act concerning a consumer's right to rescind a credit transaction secured by a principal residence; evidence of violations of the Home Ownership and Equity Protection Act; and evidence of unfair and deceptive credit practices in violation of section 5 of the Federal Trade Commission Act. Senior management and compliance officials at financial institutions will need to know the status of an affiliate's record with regard to these laws and regulations before deciding to include its CRA loan data as a part of the performance evaluation.

Considerations in the wake of Hurricanes Katrina and Rita

Another CRA issue has been raised in relation to the disaster areas created by Hurricanes Katrina and Rita. Many state member banks regulated by the Board of Governors have asked if their activities assisting disaster areas outside their assessment range, particularly those affected by Hurricanes Katrina and Rita, can be considered for CRA credit. The joint committee ruled that activities contributing to revitalization or stabilization of these disaster areas by state member banks located outside the disaster areas—indeed for state banks anywhere in the nation—will be evaluated favorably provided the banks have otherwise adequately met the needs of their own assessment areas.

Activities assisting the disaster areas or individuals affected by Katrina and Rita will be considered regardless of the median income of the census tract or the personal income of the individual. However, more weight will be given to activities that assist the entire community, including low- and moderate-income areas and individuals.

Conclusion

In conclusion, financial institutions will have many new considerations with regard to CRA guidelines, and they should contact federal regulators regarding any issues or uncertainties concerning the final amendments to the CRA regulation. Financial institutions categorized as intermediate small banks will have special decisions to make as they review the pros and cons of being examined under the intermediate small bank test versus the large bank test. ♦

This article was written by Gary Clayton, senior consumer affairs examiner in the Atlanta Fed's Supervision and Regulation Division.

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Reverse Mortgages Provide Answers for Some (but Not All) Seniors

MUCH HAS BEEN WRITTEN ABOUT "HOUSE RICH, CASH POOR" SENIORS WHO CAN NOW TAP INTO THE LARGE AMOUNTS OF EQUITY IN THEIR HOMES.

Reverse mortgages enable many seniors to stay in their homes with increased retirement income rather than sell them out of necessity to maintain their standard of living or pay for health care. Most of those who opt for reverse mortgages will probably use the equity for health-related expenses, home repairs or services that will allow them to live at home independently longer.

A new product on the rise

Reverse mortgages are designed to give homeowners 62 or older the option of remaining in their homes by means of a "mortgage in reverse"—essentially a loan secured by the borrower's residence. The loan is not repaid for as long as the borrower continues to live in the same home. Instead of paying the lender, as borrowers usually do, the homeowner typically receives equity payments from the lender. The payments may be structured as a lump sum distributed at the transaction's inception, as payments that extend for the term of the loan, or as a line of credit that may be drawn upon at the borrower's discretion.

The reverse mortgage is repaid through the sale of the home when the homeowner moves or dies. Failure to meet contractual obligations such as maintaining the residence or paying property taxes can also end the agreement with the lender.

The number of reverse mortgages written in the United States has accelerated dramatically—from 7,781 in 2001 to 37,829 in 2004. Between 2003 and 2004 alone, the number of these loans nationwide jumped 109 percent. This huge increase has been pushed by rapidly appreciating property values and the aging of the population. The Home Equity Conversion Mortgage, a reverse mortgage product insured by the U.S. Department of Housing and Urban Development since 1989, accounts for 90 percent of the reverse mortgages written, according to the National Reverse Mortgage Lenders Association.

"Aging in place" benefits seniors and government coffers

One of the most compelling arguments for reverse

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mortgages from a social perspective is that the funds can be used to support long-term care at home. According to a study released by The National Council on Aging, reverse mortgages could help over 13 million Americans pay for long-term care expense at home, thus allowing them to remain independent and in their homes longer.

The study estimates that some 9.8 million elderly households (aged 62 and older) deal with an impairment that makes it hard to live at home. It indicates these households could access as much as $695 billion through reverse mortgages. These funds could go toward family caregiving and other long-term care expenses typically not covered by Medicare, Medicaid or private insurance. Access to these funds would enable many seniors to postpone relocation to an assisted care facility or avoid it altogether, allowing them to "age in place".

"Use Your Home to Stay at Home: Expanding the Use of Reverse Mortgages to Pay for Long Term Care," a report funded by the Centers for Medicare and Medicaid Services and the Robert Wood Johnson Foundation, shows how reverse mortgages can alleviate financial pressure not only for individuals and families, but also for state Medicaid programs and the federal government. Increasing the market for reverse mortgages could save Medicaid $3.3 billion annually by 2010.

Low-income homeowners face challenges

What are the implications of reverse mortgages for low-income and very low-income elderly households? For those with significant equity in their homes, reverse mortgages may help to ensure continued independence and quality of life. Two-thirds of households headed by individuals 75 or older are headed by single persons, and three-quarters of these are female. Many live on extremely low incomes.

If their homes have substantial equity, reverse mortgages could be the key to lifting these women out of poverty and helping them live independently. However, many low-income households are in either urban core neighborhoods or rural areas where property values have not appreciated. In some instances values have actually declined due to the condition of the property or general disinvestment in the surrounding neighborhood.

For homeowners whose property has slipped in value, strategies to continue living independently become more complex. Many could remain in their homes if they received subsidies or grants for repair and maintenance and some basic caregiving services. Home repair programs are available from local, state and federal funding sources, but the need greatly exceeds available resources. Most of these programs report a two-to-three year waiting list.

Social service organizations offer limited caregiving such as meals on wheels or personal care services, and some home maintenance services base fees on income; but again the need greatly outstrips available resources. In some instances, households without access to such services will have to leave their homes due to the physical condition of the property and a lack of funds to make repairs. They may have little choice but to move to subsidized rentals or assisted living facilities.

When they are feasible, reverse mortgages can also serve as a tool to combat predatory lending practices that target low-income elderly households. Unlike high-cost home equity loans, reverse mortgages protect elderly homeowners against foreclosure and other predatory practices. Reverse mortgage programs also require pre-approval counseling for potential applicants to determine if the product is appropriate for meeting their needs. Counseling, which is usually conducted by nonprofit consumer credit organizations, provides seniors with an opportunity to assess their overall financial circumstances and apply for other assistance if they need it.

Reverse mortgages could thus deter high foreclosure rates and disinvestment due to predatory practices in lower income neighborhoods. Targeting neighborhoods with these demographics for educational programs on the advantages of reverse mortgages could prove beneficial to both elderly homeowners and communities in general.

Some concerns for policymakers

Despite the advantages of reverse mortgages for elderly households, the product raises some concerns. One is its possible impact on intergenerational wealth transfer. Studies indicate that home equity accounts for about 80 percent of the nonpension wealth of older households. If a substantial amount of household equity is consumed during the homeowner's lifetime, the potential for wealth

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transfer to subsequent generations will be diminished or eliminated. Because these products have only been in use for several years, this aspect of reverse mortgages has yet to be analyzed, but it could become an issue in the future.

Some financial planners suggest that potential losses to heirs can be mitigated if the homeowner uses a portion of the proceeds of the reverse mortgage to buy a life insurance policy (single cash payment) to offset the loss of equity. Anecdotally, housing counselors report that most potential heirs support the use of reverse mortgages to improve the lives of their elderly relatives. Whether widespread use of this product could actually decrease the asset value of households who normally would have received an inheritance remains to be seen.

A RISK EXISTS THAT HOUSEHOLDS WILL RELY TOO HEAVILY ON REVERSE MORTGAGES TO THE DETRIMENT OF OTHER ASSET-BUILDING STRATEGIES.

A risk also exists that households will rely too heavily on reverse mortgages to the detriment of other asset-building strategies such as contributions to individual and employer-sponsored retirement plans. As real estate prices have escalated in many parts of the United States, homeowners have turned increasingly to the equity in their homes as a primary asset-building tool for retirement. In the event of a regional or nationwide downturn in real estate values, this approach could prove disastrous.

As the nation's households age, the popularity of reverse mortgages seems destined to increase, and policymakers will have to consider the issues raised by these products as the market evolves. Reverse mortgages will clearly be a useful asset management tool which, when used properly, may assist elderly households in meeting daily living expenses, financing health care, and maintaining the physical condition of their homes.

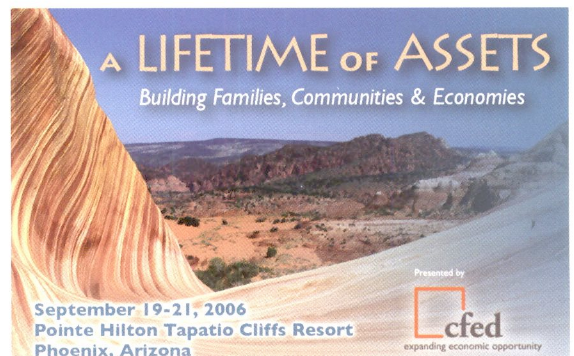
However, federal, state and local policies will continue to be crucial for the quality of life of the many senior homeowners living in poverty in our urban core neighborhoods and rural areas. Without significant increases in funding for home health care and programs to rehabilitate and maintain housing, many of these seniors will be forced to give up independent living before more affluent households with access to home equity and reverse mortgage products. ♦

This article was written by Janet Hamer, regional community development manager in the Atlanta Fed's Jacksonville branch.

2006 Assets Learning Conference

Conference speakers include Arizona Governor Janet Napolitano (invited), CFED President Andrea Levere and Sandra Braunstein, Federal Reserve Board. More than 50 conference sessions will feature experts on:

- Individual Development Accounts and other matched savings programs
- Financial education
- Overcoming racial disparities in wealth
- Tax policy and the Earned Income Tax Credit
- Programs to encourage children's savings
- The federal government's over $350 billion budget for assets and how it is spent
- Excerpts from finalists of the Federal Reserve System/CFED Closing the Wealth Gap research competition
- Roundtable discussion from the authors of "The Color of Wealth"



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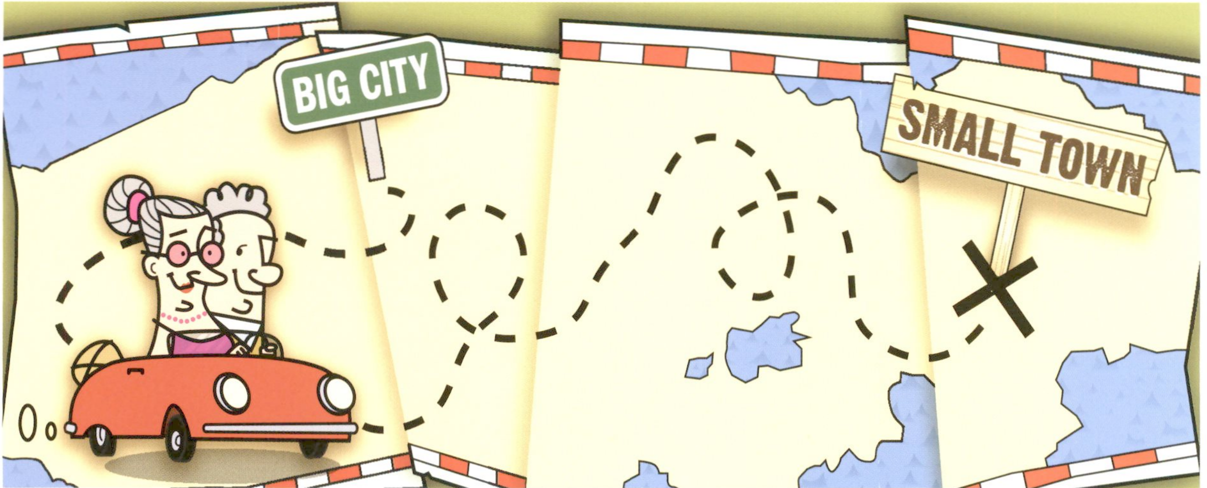
Recruiting Retirees Calls for Careful Planning



RETIREES ARE ON THE MOVE, AND THEY ARE TAKING THEIR SPENDING POWER WITH THEM. MANY RURAL COMMUNITIES INTEND TO BENEFIT FROM THIS MIGRATION BY APPEALING TO SENIORS WITH ACTIVE ADULT COMMUNITIES AND OTHER AMENITIES.

According to the Pew Research Center, the graying of the baby boomer generation will create an 18-year surge of retirees. Beginning in 2006, economists anticipate about 4 million people will retire each year. They project at least 400,000 a year will move to another state, bringing on average $320,000 to purchase a retirement home.

More than half of total U.S. consumption can be attributed to this diverse crowd of highly educated retirees, who part with about $2.3 trillion annually. According to *USA Today*, baby boomers' large disposable incomes have been fueled by increasing home equities resulting from ballooning property values, fat 401k funds and inheritances.

Projections indicate that as many as 20 percent of the 70 million retiring baby boomers will migrate. To capture some of this mobile wealth, many rural communities are including plans to recruit retirees in their economic development policies in hope of boosting local economies. Disadvantaged rural areas characterized by a low-skilled labor force and significant unemployment stand to benefit from the service and retail jobs that retirement communities generate.

Three types of retirees tend to migrate. The first are seeking amenities such as warmer climates, lakes, beaches or mountains. The second type, return migrants, move back to their home states to be closer to relatives. Dependency migrants, the third type, move to be closer to families or others who can help care for them. Communities seeking to attract retirees typically target couples in good health who possess above-average disposable incomes.

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What communities stand to gain

Immigrating retirees can spark growth in multiple markets. Industries as varied as housing, entertainment, banking, financial services, transportation, health services, insurance, utilities, household goods, and food all stand to gain from an influx of well-heeled seniors.

Since most retiree income is from transfer payments, pensions and other non-wage revenue, it is not affected by economic downturns. An expanding tax base provides municipalities with more funding for state and local services, with little or no strain on social services, criminal justice services or schools. Finally, retirees exponentially boost a community's tourism industry.

A 1986 study by the Federal Reserve Bank of Kansas City found that retirement-based rural communities have out-paced all others in per capita income growth. Non-metro counties identified as retirement sites have also witnessed the largest increases in personal income and employment. The study found that retirees' incomes have a high multiplier effect on employment in local economies since their disposable wealth is largely used for goods and services. The economic impact of one new retiree household is equal to 3.7 new manufacturing jobs, according to economists Green and Schneider in a 1989 study. They attribute the disparity to "leakages" in wage employment such as federal and state income taxes and income exported to commuters.

Retiree recruitment efforts in the Sixth District support the notion that migrating seniors can benefit local economies. Mississippi has led the way with its official retiree attraction program, Hometown Mississippi Retirement. The major component of the program is the "certified retirement city" where the state screens cities on certain criteria such as affordability, low taxes and quality medical care.

According to a 2005 study by Mississippi State University, the program has cost the state $200,000 per year, but has netted nearly 7,500 additional retirees. In addition, it adds some $194 million per year to the state's tax coffers and generates 2,320 jobs annually. This project also helps local officials in the 19 certified communities to showcase their areas to retirees.

In Alabama the state pension fund sponsored the Robert Trent Jones Golf Trail, including 18 public courses and numerous hotels. The project catapulted tourism income there—from $2.5 billion in 1990 to more than $7 billion last year.

Success depends on careful planning

Thoughtful planning is key in implementing a successful retiree recruitment strategy. Local governments must enlist a skilled staff and collect sufficient data to develop a plan that will benefit the community. Strategizing for retirees is more specialized than traditional economic development, so local governments in areas that lack expertise may face planning challenges.

IN ADDITION TO PROJECTING INCREASES IN LOCAL WEALTH, PLANNERS MUST BE MINDFUL OF MEETING THE NEEDS OF AN OLDER POPULATION THAT WILL MOST LIKELY "AGE IN PLACE."

In addition to projecting increases in local wealth, planners must be mindful of meeting the needs of an older population that will most likely "age in place." Building nursing homes will be important in these communities. Additionally, the economic status of the retirees will eventually decline due to failing health, the loss of a spouse or both. As retirees age, the need for governmental services such as health care and elderly assistance will increase. Strategies to recruit retirees must consider these changes and the demands they will impose on the community and local government.

Local governments should also be aware that intentionally aging a community can result in the dominance of the retirement population, and indigenous locals may

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be adversely affected. For example, expanding a housing market to accommodate retirees will raise the cost of public services for old and new residents as demands on the community's infrastructure increase.

Many will stay put

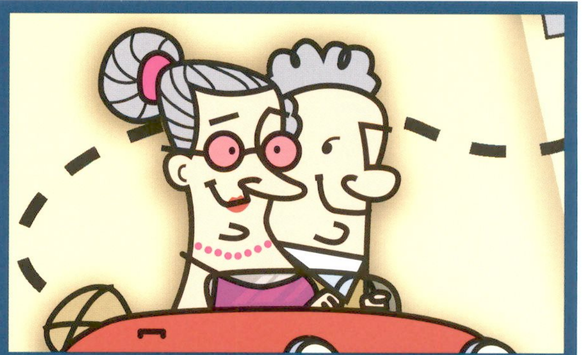
Despite the projections for retiree migrations, the majority of the elderly decide to age in place. In any given five-year period, only about 5 percent of those over 60 make a long- distance move, according to a study conducted by Sheilds, Stallman and Deller. Likewise, The Pew Research Center finds that roughly the same percentage of families live close to one another now as in the late 1980s, when Gallup conducted a similar survey. These studies suggest that U.S. society may not be as mobile as it imagines itself to be.

Many retirees who relocate will probably choose to move to an active adult community not far from where they currently live. In Henry County, Ga., for example, developer Steve Romeyn of Windsong Properties found that 60 percent of his new homes for active adults sold to individuals who lived in the greater Henry County area. Local governments would thus do well to consider appealing to retirees already in their midst.

Not too early to start marketing strategy

A growing number of rural municipalities have made attracting migrating retirees a key component of their overall economic development strategy. The expected growth in the number of older migrants in the next decade bodes well for those seeking to boost their tax base without overly straining the existing infrastructure. Consequently, many communities are seizing the opportunity early to market themselves as a retirement destination for the first wave of baby boomers who will be looking to relocate their roots and wealth. ♦

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



Representing approximately 30 percent of the U.S. population, persons aged 50 and above have...

- 77 percent of the nation's personal financial assets;
- 80 percent of the money in savings accounts;
- 68 percent of all money market accounts;
- Nearly 50 percent of all corporate stocks;

are significant economic players who

- Earn 42 percent of total after-tax income;
- Buy 48 percent of all domestic new cars;
- In 80 percent of the cases own their own homes, 80 percent of which are mortgage free;
- In 27 percent of the cases have accounts with brokerage firms;

maintain major assets including

- Financial assets 80 percent larger than average;
- Savings accounts 90 percent larger than average;
- Checking accounts 50 percent larger than average;
- U.S. Savings Bonds 50 percent larger than average;
- Other securities 50 percent more than average;
- Houses worth 20 percent more than the U.S. average.

Source:
Auburn University Community Resource Development and Jackson State University Center of Economic Development.

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Atlanta Fed Hosts Last in Series of Asset-Building Forums

ACCORDING TO THE BUREAU OF ECONOMIC ANALYSIS, AMERICANS SPENT MORE THAN THEY EARNED LAST YEAR, REGISTERING A SAVINGS RATE OF MINUS .5 PERCENT. THIS NEGATIVE SAVINGS TREND PERSISTS IN 2006, RAISING CONCERN ABOUT HOW HOUSEHOLDS WOULD MANAGE AN ECONOMIC DOWNTURN OR INCOME INTERRUPTION.

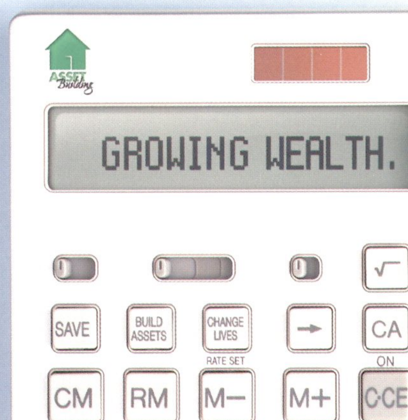
To address these concerns, the Federal Reserve and CFED (formerly the Corporation for Enterprise Development) hosted Innovations in Asset-Building Policy, Products and Programs, a broad partnership to explore market-based approaches to increasing the number of American families who are saving and building wealth.

Between June 2005 and April 2006, this four-part series of forums across the country invited leaders in economic policy, community development, philanthropy and the financial industry to consider ways of promoting and supporting asset-building activities.

The role of financial institutions in wealth-building

The last of four regional forums, "Tapping Emerging Markets: Financial Institutions' Role in Wealth Building," was held at the Federal Reserve Bank of Atlanta in April 2006. The day-long working meeting brought together senior-level representatives from key financial institutions such as J.P. Morgan Chase, Citigroup, Bank of America and Wells Fargo, including those in product development, community development, government affairs and related positions. Participants came from as far away as Puerto Rico.

The forum's objective was to inform financial institutions about the characteristics of low- and moderate-income savers and engage them about innovative ways to reach this market segment. Participants explored the roles financial institutions can play in expanding savings and investment products and services for low-income individuals as a means of boosting their market share. Spotlighting practical, real-world innovations in new product development, sessions focused on what individual financial institutions, and the sector as a whole, can do to tap into new market opportunities.



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Simplifying the application process

In a brief inroduction, Atlanta Fed President Jack Guynn framed concern about asset-building through the experience of Hurricane Katrina and the tragedy that can befall those who are most financially vulnerable after a natural disaster.

Presentations by nationally recognized experts on reaching the unbanked followed. Ellen Seidman from ShoreBank Center for Financial Services Innovation and Lisa Mensah with the Aspen Institute's Initiative for Financial Security focused on the business opportunity for financial institutions that capture the largely untapped profit in the unbanked and under-banked market.

Mensah noted a recent survey which indicated almost two-thirds of those who bank use non-bank financial services as well. More surprisingly in this age of free checking, free bill-paying and other banking incentives, the unbanked and under-banked population reported they were not opposed to paying for competitive services that fit their needs.

Ray Boshara of the New America Foundation focused on local, state and federal policies that promote asset-building. He also described the financial industry's participation in programs that can be taken to scale for maximum impact and profitability.

Over lunch the forum participants heard presentations about banks' successful efforts to reach new markets. "Bank on San Francisco," a broad-based initiative spearheaded by local elected officials, nonprofits and banks, enrolled 10,000 unbanked families into traditional bank accounts.

The Young Americans Bank, a Denver-based financial institution introduced by Richard Martinez, is designed specifically for children and young adults. It features special accommodations that make banking accessible to young people, including pull-out steps that let a small person meet eye-to-eye with their teller and kid-friendly disclosures. The bank now boasts over $14.4 million in assets and over 14,700 active customers from all 50 states and 9 foreign countries.

Brainstorming about the future

Lively feedback and a multitude of suggestions generated during discussions demonstrated the banking sector's commitment to engage a broader segment of the citizenry in mainstream financial services.

Building on the morning's thought-provoking presentations, forum participants broke into groups to identify three important ideas for moving the field forward. The following ingredients for progress emerged:

First, financial institutions agreed that reaching the unbanked population was not a "one-size-fits-all" proposition. They called for more in-depth research about the sub-populations who do not use traditional banking, offering support for a research agenda that would provide critical information about the banking behavior of non-banking sub-populations and effective marketing tactics for reaching them. By sharing this information, each unique institution could develop appropriate financial strategies and products.

Secondly, the groups saw the need for a communications network to share information, brainstorm, identify best practices and conduct other conversations about financial services for the un- and under-banked with the goal of sharpening their own institution's success.

Finally, although they believed that getting to scale was an eventual goal, they agreed that the immediate need was to continue funding innovation and pilot programs to winnow out what works from what does not.

Board selects key participants to plan next steps

In preparation for the next steps of the CFED/Federal Reserve System's partnership, the Federal Reserve Board of Governors will select participants from the previous four forums to develop a future agenda to continue the work of promoting asset-building. The initiative, which also includes a research "call for papers," will present findings from the series at CFED's bi-annual asset-building conference this year in Phoenix, Ariz., September 19-21.

For more information on the upcoming conference and the initiative please visit CFED's website at www.cfed.org. If you or your institution is interested in joining the initiative, please contact Nancy Montoya at nancy.montoya@atl.frb.org. ♦

This article was written by Nancy Montoya, regional community development manager in the Atlanta Fed's New Orleans branch.

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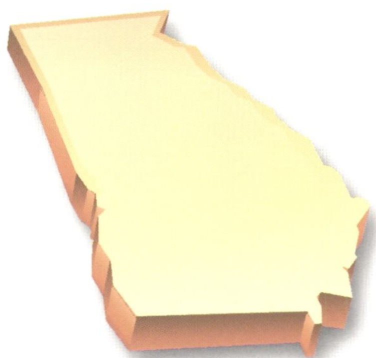

GEORGIA

RE-ADAPTED HOSPITALS BOOST NEIGHBORHOODS

Obsolete but historic hospitals can be an eyesore or an opportunity. Two communities in Georgia have re-adapted abandoned medical facilities to boost neighborhood revitalization projects.

Savannah project wins award

Retooling the historic Charity Hospital was central in Savannah's plan to bring new life to the Cuyler-Brownsville neighborhood. Beginning in 1997, the City listed the old neighborhood on the National Register of Historic Places; then it contracted with Mercy Housing, a national nonprofit housing developer, to provide affordable multi-family housing.

Heritage Place Apartments, which opened in 2002, now provides 88 affordable housing rental units to low-income families. In December 2005, Mercy Housing opened Heritage Corner and Heritage Row, a collection of 70 more homes located on sites scattered throughout the development.

Recipient of numerous awards, Heritage Place Apartments most recently won an Affordable Housing Finance Readers' Choice Award for "Best Master Planned Community." Combining affordable housing, historic preservation, and neighborhood revitalization, the development is an excellent example of what can be accomplished through the collaborative efforts of local government, nonprofits, neighborhood associations, philanthropists and other community groups.

Decatur hospital makeover anchors community resurgence

Rehabilitation of the historic Scottish Rite Hospital became a critical part of the City of Decatur's 1997 plan to revitalize the Oakhurst Neighborhood. The city sought a developer to provide new single-family housing for the community, refurbish the Oakhurst Business District, return some property to the tax rolls, and provide a community center for South Decatur.

Progressive Redevelopment Inc. (PRI) and the Housing Resource Center (HRC) responded. Central to their vision was the adaptive reuse of the Scottish Rite Hospital and its two wings. Planners also proposed construction of 14 new accessible apartment units for clients of the Shepherd Center (who have temporary or permanent disabilities) as well as new single-family affordable homes.

The completed renovation of the hospital provides 22,000 square feet of commercial office space for both non-profit and for-profit tenants, including the YWCA of Greater Atlanta, the Community Center of South Decatur, an art gallery and an optometrist. The property is fully leased.

This project, which has pumped life into both the Oakhurst community and the Oakhurst business district, cost about $5,000,000. Funding came from Regions Bank, a Federal Home Loan Bank EDGE loan, Dekalb County CDBG funds, Historic Tax Credits, a Housing and Urban Development 811 grant, and owners' equity. ♦

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

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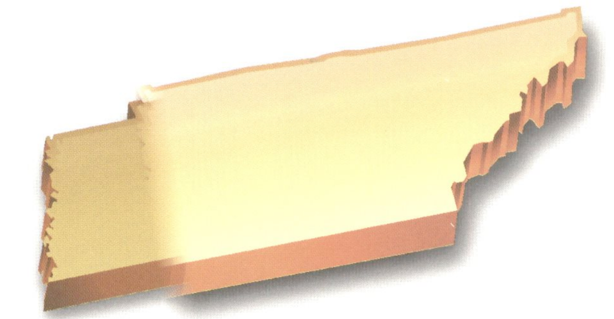
TENNESSEE

ANTI-PREDATORY LENDING VICTORY



Tennessee recently joined the growing number of states with anti-predatory lending legislation. The Tennessee Home Loan Protection Act of 2006, signed into law by Governor Phil Bredesen in June, came after several years of prompting by consumer advocates concerned about exploitative lending practices.

Proponents of the bill, led by the Memphis Branch of the NAACP in partnership with the Memphis/Shelby County Anti-Predatory Lending Coalition and other Tennessee consumer advocacy groups, mounted a grass roots campaign during 2006 to gain support for the legislation. Aggressive lobbying and intensive negotiations with the Tennessee Bankers and Mortgage Brokers Association and the Tennessee Association of Realtors resulted in a strong anti-predatory lending bill to protect Tennessee's most vulnerable homeowners. Previous attempts to pass such legislation had failed.

Regulation of high-cost loans

Effective in January 2007, the new law will regulate high-cost loans—those with over 5 percent in points and fees. Borrowers who opt for high-cost loans will receive certain protections, including measures that will restrict loan flipping, pre-payment penalties and balloon payments.

Lenders will be prohibited from financing points and fees that exceed 5 percent of the loan amount in connection with the closing of the loan. They will also have to assess a borrower's ability to repay the debt. Mortgage payments less than 50 percent of the borrower's income are considered affordable. High-cost loans that result in negative amortization will also be prohibited.

Purveyors of high-cost loans will be required to document that the borrower's credit score disqualifies them for a lower cost loan. Lenders will also be directed to provide a written disclosure (in 12-point boldface type). The statement, to be signed by the borrower, will acknowledge they understand they are receiving a high-cost loan and may be eligible for a lower cost mortgage depending on their credit score and other loan variables. The disclosure also advises the borrower to speak to a HUD-certified home counselor prior to signing the loan documents.

Bill protects most vulnerable

Rosalind Robinson, president and founder of Residential Resources Inc., a nonprofit housing agency in Nashville, is one of the leaders of the coalition responsible for this legislative victory. She states:

"I am extremely pleased with the passing of this much-needed legislation which will help protect the most financially vulnerable members in our community—the low-income, elderly and minorities. It will be interesting to see the impact this legislation will have on the escalating number of mortgage foreclosures in Tennessee. . . We know that this legislation will make things better than before."

She is also housing committee chair for the Nashville branch of the NAACP. ♦

This article was written by Jessica LeVeen Farr, regional community development director at the Atlanta Fed's Nashville branch.

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