

# COMMUNITIES & BANKING

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## BANKING COUNCILS

### PARTNERSHIPS FOR COMMUNITY DEVELOPMENT

In these times of decreased profits and increased regulatory oversight, many banks are looking for new ways to increase their commitment to their local community while keeping costs to a minimum. For some, collaboration has proven the best path to this end.

Although banks have long had working relationships with other banks, local government officials, and community leaders, few formalized these associations by creating an independent working group or council. Several innovative community banking councils have been established in New England within the past three years, however. They range in design from a network of banks that meet regularly to focus on a specific credit need, to a collective of banks, public agencies, and nonprofits that acts as a forum for discussion of local economic issues. Some have paid staff which work on independent projects, such as credit needs assessments. Others rely on staff members who volunteer their time, for example, to help conduct consumer education programs or distribute funds from a loan pool.

Collaboration for the purpose of developing a loan pool is much more common than the creation of an open-ended forum. It is not difficult to see why. Loan pools are product-oriented, offering tangible results in a relatively short time. Conversely, councils that promote discussion of a wide range of issues can often be intimidating and frustrating to banks. Not only will their commitment to their local community be the topic of continual debate, but banks may also feel uncomfortable about publicly acknowledging a lack of

awareness of certain credit needs in their area.

Despite the discomfort, such banks have found that councils usually build and strengthen working relationships among banks and public and private agencies. Furthermore, combining forces with other banks and the community at large has enabled smaller banks and specialty banks to get more for their effort.

This issue of *Communities & Banking* focuses on three banking councils in New England. The Massachusetts Community and Banking Council, representing the entire state, has an ambitious agenda encompassing consumer education, banking services, and bank CRA programs. The Burlington Community Banking Council consists of all of the banks that operate in Burlington, Vermont, plus city agencies and community organizations. So far, the Council has focused on assessing local credit needs and working with a local community development credit union to increase credit flowing into lower-income areas. Finally, the Seacoast Community Banking Council, which focuses on the housing needs of a twenty-town area in New Hampshire, is primarily a loan consortium, but also is involved in consumer education and needs assessment.

Because these banking councils are fairly new, their leverage within their communities is relatively unknown. It is clear, though, that banks have been able to improve their relationships with local community organizations and expand their knowledge of community issues much more effectively by working together rather than independently. **CB**

# MASSACHUSETTS COMMUNITY AND BANKING COUNCIL

Boston banks have come under fire once again for their lending practices in the city's minority neighborhoods. Several months ago, local news media began reporting the plight of victims of second mortgage scams. Stories were told of



SCENES FROM MCBC'S ANNUAL MEETING: RICHARD POLLARD, CHAIRMAN, BAYBANKS; JOSEPH D. FEASTER, JR., PRESIDENT, MCBC; RICHARD D. DRISCOLL, PRESIDENT, MASSACHUSETTS BANKERS' ASSOCIATION; RICHARD SYRON, PRESIDENT, FEDERAL RESERVE BANK OF BOSTON

homeowners, often poor and minority, whose homes were being foreclosed because they could not afford the debt service on their second mortgages. Cases were documented that involved misleading and high pressure sales tactics, exorbitant fees, and very high interest rates.

As part of their investigative efforts, the media focused on the relationships between several second mortgage companies and area banks. These companies, operating primarily in Boston's minority neighborhoods, have all been accused of unscrupulous lending practices.

Although the banks' involvement in these unethical and sometimes illegal dealings is not yet clear, some public officials and community advocates argue that underinvestment in these neighborhoods by Boston banks has provided an environment where such companies can flourish. Community and public representatives also charge that by extending lines of credit and sometimes by purchasing loans from these mortgage companies, the banks profit from their questionable activities.

Faced with such serious allegations, the banking community found itself in need of a way to organize a joint response. Fortunately, a structure was already in place that would allow them to deal with the issues collectively.

The Massachusetts Community and Banking Council (MCBC), established in July of 1990, was designed as a forum to discuss and devise solutions to community credit needs issues across the Commonwealth. It is one of three entities created by the Massachusetts Bankers Association as part of its Community Investment Program (CIP). The CIP is a state-wide response to the problems of underinvestment and disinvestment in lower-income and minority communities.

The other two entities under the CIP umbrella, the Massachusetts Housing Investment Corporation (MHIC) and the Minority Enterprise Investment Corporation (MEIC), were chartered to make debt and equity investments in affordable housing and minority businesses, respectively. MCBC was created as a separate entity to assist both corporations in carrying out their programs and to assist member banks in meeting their CRA responsibilities, in addition to providing a forum for bank and community concerns.



WILLIE JONES, GREATER ROXBURY NEIGHBORHOOD AUTHORITY; PAT MCGUIGAN, BOSTON PUBLIC FACILITIES DEPARTMENT; SUNNY-BRENT HARDING, HARDING & HARDING, MCBC BOARD

With a membership of over 100 Massachusetts banks and a board of nine bankers and nine community

representatives from Boston, Springfield, and several other cities, the Massachusetts Community and



DAREN LOPES, GENERAL ELECTRIC; BILL FULLER, VICE PRESIDENT, SHAWMUT BANK; TOM SCHUMPERT, PRESIDENT, MASSACHUSETTS MINORITY ENTERPRISE INVESTMENT CORPORATION; RON WALKER, FLEET BANK; WAYNE JOHNSON, STATE STREET BANK

Banking Council speaks for a wide range of organizations. Joseph Feaster, MCBC's president, has been coordinating the Council's efforts to come up with a comprehensive solution to the second mortgage scam. MCBC has provided a forum where community advocates have presented proposals to the banking community to set up a conciliation process to aid victimized homeowners. The Massachusetts Bankers Association also chose MCBC to announce its support of a moratorium on foreclosures.

While MCBC has been wrestling with the issues behind the second mortgage scam for several months, it has been working on its long-term goals for over a year. Following are some of the programs and services MCBC has determined will help banks across the Commonwealth better meet the needs of their communities.

- **BANKING SERVICES.** A voluntary welfare check-cashing program was instituted last year, in which over 200 banks currently participate. In May of this year a voluntary direct deposit program for welfare recipients was introduced as well. MCBC has also undertaken research to design a low or no cost checking account for lower-income customers.

# BURLINGTON COMMUNITY BANKING COUNCIL

Three years ago Burlington, Vermont was declared the most livable city in the country by the U.S. Council of Mayors. Much of the credit for this award must go to the cooperation among the city's various community, business, and economic development agencies. During the past decade, Burlington has focused its energies on revitalizing the city from within. While other city governments were attempting to lure big business into their areas, Burlington implemented programs that promote and work with locally owned businesses.

It was in keeping with this grow-your-own philosophy that the acquisition of a local bank by an out-of-state institution mobilized the city to create the Community Banking Council in early 1989. The Council, representing the seven area banks, the city's Community Economic Development Office, and representatives from local nonprofit housing, small business, and consumer advocacy organizations, was established to ensure that banks not lose touch with the communities they were chartered to serve.

The beginnings of the Council were bumpy, by all accounts. The city, known for its progressive community development programs, faced representatives of an industry whose lending policies it felt were overly conservative. Conversely, the bankers initially felt that the nonbankers in the group were not appreciative of the regulatory and financial constraints unique to their industry. Yet both sides agree that the Council has helped clear the air. As Council member Jane Knodell, President of Vermont CRA, a consumer advocacy organization, put it, "Both sides had preconceptions, and the Council is very good at breaking down those preconceptions." John Ewing, President of Bank of Vermont and one of the Council's original co-chairs, echoed that sentiment. "We

spent the first year getting to know each other, and, in the process, got rid of a lot of webs of mistrust."

The majority of the Council's activities have been developed and implemented by its three subcommittees: Small Business, Housing, and Consumer. Below is a brief overview of several of the programs in progress.

- **AFFORDABLE MORTGAGE PRODUCTS.** The Council has approached the problem of affordable housing from several directions. It is working with the Greater Burlington Industrial Council to create a central information bank of the types of affordable mortgage products currently available. The Council also plans to write an article for the local newspaper on various homeownership products for people with low and moderate incomes. In addition, the Council intends to explore nontraditional home financing options, and will be inviting various housing experts to speak with local bankers.

- **SMALL BUSINESS SURVEY.** Burlington was recently chosen by *Inc. Magazine* as the best place in New England to grow a business. City officials contend that Burlington's business-friendly environment is due in large part to public initiatives, and argue that banks could do more than they are to encourage small business growth. In order to determine whether local banks are meeting the credit needs of small businesses, the Council has decided to conduct a survey of all small business loan applicants for a two-quarter period. Once the survey results are in, Council members will have a common ground on which to debate future small business lending policies.

- **VERMONT DEVELOPMENT CREDIT UNION.** The Council's work with VDCU, the first community development credit union in Northern New England, has become the focal point of its program. VDCU's mission, to bring financial

services to low-income people, ties directly into the Council's goals. By providing a less intimidating environment to people unfamiliar and uncomfortable with banks, VDCU has found a great demand for its services in low-income neighborhoods. By depositing funds in the credit union, local banks have enabled VDCU to increase the number of loans it can make. Bank personnel, from tellers to marketing experts, volunteer time to help VDCU, and gain a different perspective on the financial services market. The combined deposits of area banks, totaling \$200,000 in below-market CDs, and other organizations have reached over \$1,000,000. VDCU has been able to use these funds to make loans to date of \$400,000.



VDCU BOARD MEMBER CHRISTINE JONES RECEIVED A \$750 LOAN FROM VDCU TO ESTABLISH HER DAYCARE CENTER. JONES IS A FORMER WELFARE RECIPIENT.

- **EDUCATION AND OUTREACH.** The Council also supports the Burlington Ecumenical Action Ministry (BEAM), which created VDCU, in establishing educational outreach programs for the Credit Union. BEAM is well known in the Burlington area for its innovative educational, community development, and social service programs. Vermont Federal Bank is helping BEAM start a banking program for fourth and fifth graders at Champlain Elementary School. Howard Bank is involved in developing a Counseling and Advocacy Program. As part of the program, the first of several focus group meetings was held in June with members of Northgate Tenants Association, the largest low-income housing

# SEACOAST COMMUNITY BANKING COUNCIL

project in Burlington. As Cheryl Fatnassi, Chair of the Consumer subcommittee and Vice President at Howard Bank, explained, "Focus groups will help us determine what level of financial service assistance people need."

Caryl Stewart, VDCU President and Executive Director of BEAM, summarized the overall progress. "Here in Vermont, we have set a new standard for commitment by banks to the success of a community development credit union. The Banking Council has helped us do that, and everyone benefits."

As the Council matures and its programs are implemented, better relationships are being forged among its members. "Tension among different groups has lessened," noted Ewing. "The Council has provided a tremendous benefit in promoting understanding between banks and community groups," he said. Yet its members recognize that tension is an integral part of the collaborative process. "Part of the success of the Council is that there is an undercurrent of discord," explained Bruce Seifer, Council member and Assistant Director for Economic Development of the city's Community and Economic Development Office. Disagreement forces everyone to define and defend their positions, he noted, "and this makes for a better product." The city, meanwhile, will continue to prod its banks to create new products and services, and extend more credit to the community. As Seifer put it, "There's always more we could do."

For more information about the Burlington Community Banking Council contact Larry Kupferman, Business Development Specialist, Champlain Valley Office of Economic Opportunity, at (802) 863-6248 or Bill George, Senior Vice President and Regional Manager, Vermont National Bank, at (802) 863-8900. They are the Council's current Co-Chairs. **CB**

The 1980s were boom years for the Seacoast area of New Hampshire. As in most other areas of New England, this twenty-town region in the southeastern part of the state saw its unemployment rate drop and its housing prices rise. As one of the two largest employers in the area, Pease Airforce Base, located in Portsmouth, helped support the thousands of jobs and hundreds of millions of dollars in wages that local businesses generated.

So when it was announced in 1987 that the airforce base would be closing within the next two years, the local economy, pushed along by the general economic slowdown, went into a tailspin. To make matters worse, both the federal and state governments adopted an ambivalent approach to recruiting new businesses into the area. Several companies have expressed interest in locating on the base, which closed in September of 1990, but issues over leasing and hazardous waste cleanup have substantially delayed negotiations.

This gloomy picture is what Seacoast area banks were facing in late 1989 when their chief executive officers were invited to a meeting hosted by Fleet Bank - NH to discuss affordable

housing. Fleet had been approached by a local nonprofit developer, the Housing Partnership, with the request to convene the meeting. Anne Meadows, Executive Director of HP, borrowed the idea from the Massachusetts Bankers Association, which was then going through its own series of negotiations with local community organizations.

Meadows met with more than twenty local banks that November to talk about the crisis in affordable housing and her organization's work as a nonprofit developer. Her statements, however, were greeted with a great deal of skepticism from the attendees. How could there be an affordable housing crisis when rents were dropping rapidly and vacancies were on the rise? Meadows saw that it would take more than one organization's voice for these bankers to realize the magnitude of the crisis.

With the prodding of Clarke Chandler, then Senior Vice President of Fleet, these banks agreed to explore the issue further. During the next nine months, they met with representatives from city planning departments, human service agencies, and housing authorities to discuss the social and economic problems facing the area. These agencies described a scenario in which families were seeing their wages drop even faster than area rents. During the boom, they noted, the concern was escalating home prices. Today, many families that had relied on two incomes to pay the rent must now squeak by with only one family member employed.



ARBOR FALLS, RECENTLY PURCHASED BY THE HOUSING PARTNERSHIP, WILL PROVIDE 24 AFFORDABLE RENTAL UNITS IN ROCHESTER, N.H. THE COUNCIL PROVIDED A \$434,000 LOAN TO HP FOR THE PURCHASE.

Chandler acknowledged that CRA compliance was the initiative in getting banks to participate in the meetings initially. Within a few months, though, it became clear to local banks that discussions weren't enough; a program was needed to help solve the affordable housing problem.



NICHOLS AVE. IN NEWMARKET, N.H. WILL BE CONVERTED INTO A 6 UNIT AFFORDABLE RENTAL BUILDING. THE COUNCIL HAS COMMITTED \$125,000 TO THE PROJECT.

After several months of regular meetings, twenty two area banks decided to formalize their group by creating the Community Banking Council, with Chandler as Chair. Though their title is general, their mission is focused on promoting affordable housing. Mark Tierney, Executive Vice President of Fleet - NH and the Council's current Chair, noted that the Council chose to focus its energy on one issue, rather than getting sidetracked by the myriad of other problems facing the local economy.

In that vein, the Council set up a direct working relationship with the Housing Partnership by establishing a \$5.65 million below-market loan pool. The pool, formalized this spring, is structured so that HP applies directly to the Council with a loan request to purchase an existing building. A loan origination committee reviews the application before the Council meets and recommends approval or denial of the loan. HP assumes sole responsibility for managing the property if it is used as low-income rental units, or for selling the property to lower-income families. The rate of interest charged HP, from 7 to 8 percent depending on the project, is low enough to ensure the long-term affordability of its rental properties.

Although total dollar commitment is binding, the participation of every bank in each project is not required. Member banks decide, as each loan application is reviewed, whether or not they wish to participate. Three projects have been approved so far,

totaling \$715,000, with five more under review.

"We are encouraged," said Meadows, "that the banking community has developed a better understanding of the economic and social need for affordable housing." Chandler, though, is concerned about the program's flexibility. As fundraising chairman for the Housing Partnership in 1991, he cautions banks against applying standard commercial underwriting criteria to each loan application they receive, disregarding the unique aspects of affordable housing. "This hampers the agency's negotiating capabilities and eliminates some potentially rewarding opportunities," he noted.

The Council has also established several committees to explore related issues. The Secondary Market Committee was created to ensure that the loans are structured so that they can be sold on the secondary market, thus ensuring a perpetual supply of affordable housing funds. The Education Committee has held one open house so far on first time homebuyer programs. The Outreach Committee has developed and distributed questionnaires to local businesses, schools, and public agencies to help determine the credit needs of the community.

Local banks are also working through the Council to encourage the federal government to sell off the housing on the airforce base. HP is willing to purchase some of the 400 or so units

to increase the pool of affordable housing in the area.

The Community Banking Council recognizes that it does not have the support of public agencies as similar councils do in Vermont or Massachusetts, and this is reflected in their agenda. "We can't rely on the government to do our work for us," Tierney noted, "If there is a problem in the community, it's up to the community to do something about it." Their hope is that by demonstrating the commitment of banks to increasing the amount of affordable housing in the Seacoast area, the local, state and federal governments will begin to put more resources into revitalizing the area.

For more information on the Community Banking Council, contact Mark Tierney, Fleet Bank - NH, at (603) 594-5884. **CB**

**F**ree subscriptions and additional copies are available upon request to the Community Affairs Department, Federal Reserve Bank of Boston, P.O. Box 2076, Boston, MA 02106-2076, or call Sheryl Snowden at (617) 973-3097.

The views expressed in *Communities & Banking* are not necessarily those of the Federal Reserve Bank of Boston or the Federal Reserve System. Information provided on upcoming events and other organizations should be viewed as strictly informational and not as an endorsement of their activities.

Financial institutions, community-based organizations and other organizations involved in community development that have interesting projects, programs or ideas that they would like to have mentioned in the next issue of *Communities & Banking* should contact:

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## PUBLICATIONS

### CRA Compliance

**Community Relations Action Guide**, Michael P. Sullivan and Nancy B. Greenspan, American Bankers Association (1989). A guide for bankers on developing a strong community relations program. Includes "how to" sections, tables, charts, and sample documents from some of the top-rated banks in the country. Call the ABA at (800) 338-0626. \$198 members, \$297 nonmembers.

\* **Fair Lending and Community Investment Compliance Manual**, American Bankers Association (1991). Provides specific tactics and action plans to help financial institutions comply with the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, and the Community Reinvestment Act. Includes a computer-based tutorial which presents over 200 situations based on real-world circumstances involving these regulations. Call the ABA at (800) 338-0626. \$169 members, \$254 nonmembers.

**Community Reinvestment Act ADVISOR**, Carras/Newkirk Publications. A new periodical designed to help financial institutions improve their CRA programs. Call Carras/Newkirk at (800) 525-4237. \$195 for six issues.

\* **A Banker's Guide to the Community Reinvestment Act: Case Studies of 33 Institutions**, Kevin Kane, Esq. and Robert E. Mannion (1991). Provides history and requirements of CRA, along with the community reinvestment strategies of various banks. Also includes commentary on the future of CRA. Call the Bureau of National Affairs, Inc. at (800) 372-1033. \$95.00.

### Microenterprise

\* **The Hidden Beast: Delinquency in Microenterprise Credit Programs**, Katherine E. Stearns, ACCION International (1991). The costs and causes of delinquency are examined, as are successful strategies for controlling delinquency. This is the fifth in a series of discussion papers on topics related to program implementation of microenterprise projects. Call ACCION at (617) 492-4930. Each discussion paper is \$6.00 in English, \$3.00 in Spanish.

### Software Programs

\* **First Step Review**, National Business Association and U.S. Small Business Administration (1989). A business loan review software program designed to help potential borrowers understand the types of financial information required by lenders. Call the NBA at (800) 456-0440. Free.

\* **A Public/Private Partnership Model for Home Mortgage Lending**, Federal Reserve Bank of Atlanta (1990). Designed for organizations looking to create a program for lower-income borrowers. The model demonstrates how various financial factors affect affordability. Includes Lotus 1-2-3 spreadsheets on diskette. Write to Federal Reserve Bank of Atlanta, Community Affairs, Dept. of Supervision and Regulation, 104 Marietta Street NW, Atlanta, GA 30303-2713. Or call Dianne Rawls at (404) 589-7307. Free.

### Housing

\* **Lessons Learned from the Atlanta Mortgage Consortium**, Ronald N. Zimmerman, Federal Reserve Bank of Atlanta (1990). Reviews the results of a loan consortium geared toward residents of Atlanta's lower-income minority neighborhoods. Also discusses the causes of denial under traditional lending criteria and their public policy implications. Write to Federal Reserve Bank

of Atlanta, Community Affairs, Dept. of Supervision and Regulation, 104 Marietta Street NW, Atlanta, GA 30303-2713. Or call Dianne Rawls at (404) 589-7307. Free.

\* **The Housing Ladder: A Steeper Climb for American Households**, National Association of Realtors (1990). Discusses the changes in the housing market which have made the transition from rental to homeownership more difficult for people with lower incomes. Also documents the role of public and private agencies in providing affordable housing. Write to National Association of Realtors, Products and Services, 777 14th Street NW, Washington, D.C. 20005. Or call (800) 874-6500. (Item number 186-210.) \$30.00.

\* **Making Housing Set-Aside Funds Work**, The Development Fund (1991). A three-volume report that describes how community developers can access capital from redevelopment agencies. Write to The Development Fund, 1107 Oak Street, San Francisco, CA 94117. Or call (415) 863-7800. \$25.00 for nonprofits. Free executive summary.

\* **Who Can Afford to Buy a House?**, U.S. Bureau of the Census (1991). This report compares the financial situation of homeowners and renters to home costs in the areas where they live. It finds that only 9 percent of all renters are able to afford homeownership. Write to Superintendent of Documents, DPD Publications Unit, 1201 E. 10th Street, Jeffersonville, IN 47132. (Document number H121-91-1.) Enclose a check for \$2.50.

The Massachusetts Housing Partnership offers over 35 technical publications designed to assist communities developing local housing strategies. Subjects range from affordable housing design to alternative financing mechanisms. For a complete list of available publications contact Tara Murphy at (617) 338-7868.

## Community Development

\* **Regional and Local Economic Analysis for Practitioners**, Praeger Publishers (1991). A review of state-of-the-art regional and local economic development initiatives. Write to Praeger Publishers, 88 Post Road W., Box 5007, Westport, CT 06881. Or call (203) 226-3571. (ISBN number 0275937518.) \$17.95.

\* **Partnerships for Success: A Mentoring Program Manual**, Enterprise Foundation and United Way of America (1989). A manual for developing partnerships among public, private, and nonprofit organizations. Includes information on planning, marketing, volunteer training, and program operations. Call the Enterprise Foundation at (301) 964-1230. \$20.00.

\* **Banking Services for the Poor: Community Development Credit Unions**, Woodstock Institute (1991). An overview of credit unions across the United States that offer credit and financial services to lower-income communities. Includes recommendations on how public and private agencies can support the work of these credit unions. Write to Woodstock Institute, 407 S Dearborn, Suite 550, Chicago, IL 60605. Or call (312) 427-8070. \$16.00 for-profit, \$8.00 other.

\* **Mentoring Program Design Manual**, Women's Business Development Corporation (1991). Covers all steps in developing a business mentoring program, including program organization, recruitment, screening, orientation and training, and evaluation. Also includes sample questionnaires, application forms, and brochures on diskette. Technical assistance from WBDC staff also provided. Write to WBDC, P.O. Box 5347, Augusta, ME 04332-5347. Or call (207) 623-0065. \$375.00.

\* Denotes publications that have been ordered by the Community Affairs Department and are available for public use.

## CONFERENCES

### September 10-11

"Developing Affordable Rural Housing," Housing Assistance Council. Burlington, VT. A series of workshops which will provide intensive training on Farmers Home Administration programs, multi- and single-family programs and other resources for developing affordable rural housing. Designed for nonprofits, community development corporations, private builders, public agencies and other professionals involved in affordable housing development. For more information, contact Luz Rosas of HAC at (202) 842-8600.

### September 12

"Massachusetts Association of CDCs 10th Anniversary Annual Meeting," MACDC. Boston, MA. Meeting will include nominations to the executive committee with reception following. For more information, contact Gwen Reeves of MACDC at (617) 523-7002. MACDC is also planning a Lead Awareness Day sometime in October. Call for details.

### September 16-18

"Creating New Partnerships for Community Economic Development," Community Information Exchange. Washington, D.C. For grantees of HUD's Neighborhood Development Demonstration Program, other community-based organizations, and others working to revitalize low-income communities. Conference will explore federal legislation affecting our neighborhoods and state-of-the-art trends in affordable housing and business development. For more information, contact Ernestine Jackson of CIE at (202) 628-2981.

### September 17

"CRA Roundtable," Coastal Enterprises. Wiscasset, ME. A follow-up to June CRA workshop. Will focus on what has been accomplished under CRA and strategize for future collaboration. All interested bankers, community leaders, and housing providers are welcome. For

more information, contact Coastal Enterprises at (207) 882-7552.

### October 1-3

"Preserving Affordable Housing: An Introduction to Community Land Trusts," Institute for Community Economics. Washington, D.C. Training opportunities for individuals, community organizations, religious groups, and public agencies interested in starting new community land trusts to create and preserve permanently affordable housing. Case studies and caucuses with experienced CLT leaders. Workshop topics include CLT legal structure, organizing and outreach, fundraising, and project development. For more information, contact Carrie Nobel of ICE at (413) 746-8660.

### October 23-26

"1991 Public Policy Conference: Developing an Action Plan for Community Economic Development," National Congress for Community Economic Development. Washington, D.C. For community development corporations and other nonprofits. Session topics include national legislative strategies, community economic development partnerships, and local coalition strategies. For more information, contact NCCED at (202) 659-8411.

Rhode Island Housing and Mortgage Finance Corporation is sponsoring a series of Homeownership Opportunity Fairs in various locations around the state this fall. Realtors, lenders, attorneys, and RIHMFC representatives will present various housing finance options for first-time homebuyers and be on hand to answer questions and prequalify potential homebuyers. For more information on dates and locations, contact Helen King of RIHMFC at (401) 751-5566, ext. 218.

**COMMUNITY AFFAIRS DEPARTMENT**  
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• **CRA ASSESSMENT AND PLANNING PROGRAM.** This newly developed CRA program is designed to take banks beyond basic CRA compliance elements. The program includes guidebooks focusing on self-assessment, community credit needs, and development of a CRA plan.

• **EDUCATION.** A two-day Home Buyers Fair held in Roxbury last year attracted thousands of people looking to learn more about buying a home. Banker training seminars, designed to encourage bankers and community representatives to discuss local credit needs, have been held in Boston and Springfield, with more planned.

• **MONITORING.** The Monitoring Committee has developed a standardized reporting form to enable banks to respond effectively to inquiries about their community development lending practices from community groups, municipalities, and regulatory agencies. The form, designed to be used in conjunction with HMDA reports, CRA statements, and other related documentation, covers five areas: mortgages, affordable housing development and rehabilitation, small business and other credit products, low-cost checking and savings, and bank facilities.

Discussions are underway with the City of Boston to use the form as part of its linked deposit program. If adopted by the city, and possibly by the state, which has its own CRA law, this standardized form would enable public agencies and community organizations to compare and aggregate data provided by Massachusetts banks much more effectively than is currently possible.

In developing its mission, its focus, and its programs, MCBC has its share of challenges. Because the Council intends to serve the needs of banks and bank customers throughout the state, it must be careful to design products and services that are relevant to rural, urban, and suburban banks of all sizes. Also, its

board members must ensure that they speak for community interests across the Commonwealth, both rural and urban.

According to Tom Callahan, a board member and Assistant Director of Massachusetts Affordable Housing Alliance, the Council's future success will also depend on bank regulators. "The changes in the laws [CRA and HMDA] made the formation of MCBC possible," he said. If regulators are lax in grading CRA exams, he believes that banks could lose interest in the activities of the Council.

Kathy Tullberg, Vice President of Shawmut Bank and also a board member, has a different perspective. "Bankers go to a lot of meetings and have people talk to us," she noted. "My sense is that banks appreciate having a vehicle where they can talk with community folks." She noted, too, that while banks based farther from Boston have legitimate concerns about seeing any local payoff from contributing to the MHIC and MEIC loan pools, the Council's products have a broader appeal and can be adapted to local needs.

"In less than a year," Feaster noted, "the Massachusetts Community and Banking Council has positioned itself as a forum for bankers and community leaders to discuss issues of mutual concern. We will continue to strengthen our ties in the cities and towns outside of Boston, and to develop effective programs and services for our members. Because we represent both bank and community interests, we have the opportunity to become a powerful and unique voice within the Commonwealth. We intend to make the most of this collaborative process."

For more information about the Massachusetts Community and Banking Council, contact Joe Feaster, President, at (617) 423-4449. For information about the Massachusetts Housing Investment Corporation, contact Joseph Flatley, President, at (617) 338-6886. For information about the Minority Enterprise Investment Corporation, contact Tom Schumpert, Jr., President, at (617) 338-0425. **CB**

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