

Cascade

A newsletter from the Philadelphia Federal Reserve Bank about consumer credit and community reinvestment

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Spotlight on: Johnstown, Pennsylvania

Johnstown, Pennsylvania is the second city to be featured in a series of articles in **CASCADE** reporting on economic development activities throughout Federal Reserve District Three. Known today for high unemployment rates and in history for some terrible floods which periodically devastated the downtown area, Johnstown has positive features which haven't received sufficient publicity. Among these are strong economic development partnerships.

A visit by Community Affairs Representative Patrick Bond in March was particularly revealing on the leadership role of Johnstown's bankers. In combination with other business leaders and City officials, bankers have shown determination and ingenuity in supporting the local economy. In this article, following a brief description of the nature and extent of Johnstown's problems, some bright spots will be highlighted. Some tools used by banks and others to both spur on new business and strengthen old will be examined. Positive lessons from Johnstown's struggle can be learned and applied in similar settings in the Northeast.

Economic Hardship

Johnstown, a city of 35,000 in 1980, was for most of its history reliant on two regional industries, steel and coal mining. Based in a valley in the Allegheny Mountains 100 miles east of Pittsburgh, Johnstown had numerous natural resources nearby

in the Southern Laurel Highlands to produce a strong industrial base.

Until the 1960s, steel and coal kept Johnstown booming. The City and eighteen local municipalities that make up the Greater Johnstown Area reached a peak population of 112,641 in 1960. Thanks to well-paying union jobs in the two industries, consumer spending and the savings rate were both high, and other quality of life features — medical care, higher education, historic attractions, recreation, a low crime rate — ranked the area very "livable."

But Johnstown has some physical disadvantages. Floods ravaged the city in 1889, 1936 and 1977. Unlike Pittsburgh, the two waterways which converge in the center of town are unnavigable, useless for transport of finished product. The mountains



Johnstown, PA as viewed from above.



surrounding the city are hostile to use by heavy motor freight, particularly in the harsh winter. And even though rails that were used to open parts of America for development were rolled in Johnstown steel mills, the cost of operating railroads to and from Johnstown itself was particularly high.

Although coal mining had been on the decline for some time, economic hardship in Johnstown fully arrived in 1973 in the form of massive employment layoffs by the Bethlehem Steel Corporation. Bethlehem converted its primary steelmaking facility in Johnstown to an electric furnace operation, thereby reducing its workforce from 11,800 to less than 4,000 today. U.S. Steel recently closed the only other major steel plant in the area, adding fifteen hundred more to the unemployment rolls.

The 1980 population of the Greater Johnstown Area slipped to 92,000, and unemployment for those who stayed reached 25.9% in mid-1982, the highest in America.

Struggling Against Adversity

With Johnstown's economy faltering, business and civic leaders have put forth some unique new strategies to provide jobs and to reposition the industrial and manufacturing base of the region.

As mentioned, bankers are playing leading roles. Two major projects — the Johnstown Corporation and a proposed synthetic fuels operation

— are directly dependent on the support of Johnstown's banking community. Additionally, the banks have spearheaded the organization of innovative financing instruments and their participation in economic development planning groups has been highly valued.

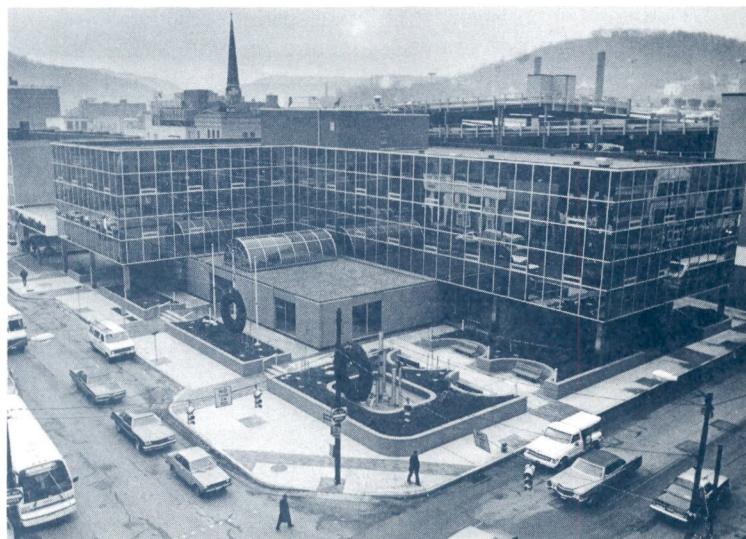
The Johnstown Corporation, founded less than a year ago, is a skeletal, highly efficient version of the old U.S. Steel Company mill which announced its shutdown at Christmas 1983. In April 1984, a team of local business representatives, including bankers, toured the plant with John Sheehan. Mr. Sheehan, a former Federal Reserve Board Governor, grew up in Johnstown, attended the U.S. Naval Academy and Harvard University Business School, and has turned his attention as an industrialist to faltering companies in declining industries. In May, having made a decision to purchase the mill, Mr. Sheehan began organizing the financing that would make it possible. Facing a July 1 deadline to retain the old U.S. Steel purchase orders, Mr. Sheehan persuaded local lenders and government officials to assist with the project. The result was a major UDAG Grant which the City of Johnstown made available as a loan, a Pennsylvania Industrial Development Authority loan, and private financing from a consortium of banks (U.S. National, Johnstown Bank and Trust, Pittsburgh National, Moxham National and Dale National); the total package was \$13 million.

Mr. Sheehan notes that "Johnstown

has more leadership per square inch than anywhere else I know. The hometown banks were overwhelmingly important in getting the Corporation going." According to Johnstown's Congressman John Murtha, who convened the initial meeting with U.S. Steel Chairman David Roderick, "The banks did a tremendous job in being involved in this particular project . . . I remember (Roderick) saying to us, 'I don't think there's any way you can get this done in less than six months.'" But with the help of Johnstown's bankers, from start to finish, the project took just 71 days to arrange. The Corporation's 236 employees — represented by the United Steelworkers of America — then signed contracts that trade wages for profit sharing. Producing high quality components in a much more efficient manner than before, the Corporation went from red to black in October and has been improving every month since.

Another project which Johnstown's business and banking leaders expect to be a success story is the "Keystone Project", a synthetic fuels plant to be built on the outskirts of town near the old coal mines. The Keystone Project will convert coal to methanol at a rate of 18,000 tons to 100,000 barrels per day. Final plans for the project are due to be completed within a year.

The Johnstown banks are interested in new financing instruments. To that end, three banks combined to open a Community Development Corporation several years ago. U.S. National Bank, Johnstown Bank and Trust,





Gerald Swatsworth, Chairman, President and CEO of Johnstown Bank and Trust Company.

Johnstown Savings Bank and Johnstown Area Regional Industries (a major business association) each contributed \$50,000. The result was rehabilitation work on some downtown housing. A decision was then made to use the remaining funds to seed a venture capital pool called Enterprise Capital Corporation. The fund, to be certified as a Small Business Investment Corporation, has grown to \$1 million, and is expected to provide much needed investment in Johnstown's small businesses.

Over the last year, the banks have taken other initiatives to assist their community. Johnstown Bank and Trust began secondary mortgage market participation. U.S. National, one of the few unionized banks in the country, undertook strong minority business loan marketing and organized charitable contributions for the area's unemployed. While the beautification of Main Street was underway, Johnstown Bank and Trust and U.S. National offered loans 4% below market to those small businesses adversely affected. Dale National is supportive of the Pennsylvania Emergency Mortgage Assistance Program. Johnstown Savings Bank began offering a "rapid paydown mortgage," featuring a payment every two weeks. By this payback method, a homebuyer with a \$50,000 loan would cut the payment period from 30 years to 18 years, potentially saving as much as \$58,000 in interest.

number of banks for its population. Yet in spite of the soft economy from 1977 to 1983, the six major local banks (ranging in size from \$60 to \$550 million in assets) were able to increase their deposit base an average of 41%.

Two bankers, Jerry Swatsworth of Johnstown Bank and Trust and Gerald Mock of U.S. National, are playing significant roles in major projects such as the Johnstown Corporation and as advisors on economic development activity in general. High praise for community support is given Swatsworth, Mock and other local bankers. Mayor Herbert Pfuhl, Jr. said that the "banks have constantly been in the front ranks on economic development." Charles Kunkle, Jr., Chairman of the Laurel Corporation, commented that "The banks' superb activity gets a rating of 10."

In an environment of high unemployment and personal economic hardship, Johnstown's banks have practiced forbearance on mortgage delinquencies. Jerry Gross, an official with the United Steel Workers, said, "I found the banks have been very cooperative on refinancing mortgages."

Others in the private sector are becoming more involved with broader economic development goals. The Greater Johnstown Committee is an association of major businesses devoted to downtown revitalization, government efficiency, flood prevention, transportation improvements and other matters. The Chamber of Commerce has a broad agenda offering civic services, the promotion of tourism, and support for existing businesses. The Chamber's President, John Creighton, believes that Johnstown's small businesses will become the backbone of its economy. Johnstown Area Regional Industries was formed following the Bethlehem cutback in 1973 to promote regional development. JARI, as it's known, houses a Certified Development Corporation and takes major responsibility for attracting new businesses to the Johnstown area. An incubator facility and job training programs are being developed by JARI and the Greater Johnstown Committee.

economic development efforts have benefitted greatly from federal funds. Mayor Pfuhl, accompanied by bankers and business leaders, won UDAG commitments at a special meeting at the White House last year. Currently, \$100 million in public-leveraged projects are underway, assisted by \$25 million in UDAG grants since 1977. (Johnstown ranks seventh in the nation for per capita access to federal funds.) The federal 25% tax credit for historic renovation is also being widely utilized.

As a Pennsylvania Commonwealth Enterprise Zone, Johnstown has received \$250,000, and one business leader calls the Pennsylvania Industrial Development Authority loans "the best tool in the country for economic development."

The city of Johnstown has initiated its own programs, including a job loan program which has resulted in 36 loans for over one million dollars with 246 new jobs created. The Southern Alleghenies Planning and Development Commission also offers low interest loans for job creation. The downtown beautification project, shown in photographs on page 7, was undertaken because of Mayor Pfuhl's belief that the "downtown is the gem of any city." A facade program offers a \$10,000 outside grant for a \$10,000 commitment on internal rehabilitation. City officials view waste disposal as the critical issue over the next five years as landfills become scarcer. A waste-to-energy facility will likely be built in the area.

(Continued on page 7).



Gerald R. Mock, Chairman and CEO of U.S. National Bank.

Notes From Around the District:

Federal Reserve District Three includes most of Pennsylvania, New Jersey, and all of Delaware. We're pleased to briefly describe any community development efforts within the district, particularly where financial institutions may play a role. Contact Ms. Constance W. Noll — (215) 574-6570 — with news from your area.

New North Philadelphia Shopping Center Financed with Bank's Help

Hope Plaza Shopping Center, to be located in the heart of blighted North Philadelphia, has received financing assistance from a partnership effort which included Provident National Bank, Philadelphia Industrial Development Corporation, the Department of Housing and Urban Development, and Deliverance Evangelistic Church. The financing package amounts to \$5.3 million. Hope Plaza will occupy ground once part of the old Connie Mack baseball stadium. The stadium was razed in 1976 and the area has since been unused.

Revitalization Efforts in Shippensburg

Dale E. Auchey, President of Orrstown Bank, Orrstown, PA, serves as President of the Shippensburg Redevelopment Corporation. This non-profit organization was created by the Shippensburg Chamber of Commerce to revitalize downtown Shippensburg. In 1984, Orrstown Bank donated \$6000 to the corporation and was instrumental in helping the community obtain a \$200,000 grant from the Pennsylvania Department of Community Affairs to further their revitalization efforts.

Community Group Gains New Business with Bank Financing

Mellon Bank (East) combined its resources with those of the City of Philadelphia to help finance the Federal Reserve Bank of St. Louis

Philadelphia, the Local Initiatives Support Corporation, Sun Corporation, Cigna, Hunt Manufacturing, and the Philadelphia Citywide Development Corporation to assist a nonprofit community organization in acquiring a suburban business. The financing package came to \$257,000. The organization, Impact Services Corporation of Kensington, decided to buy Ogontz Industries and relocate the firm in a carpet factory that they had acquired in 1980. Although the grand opening was only two months ago, business is already so strong that the group is targeting fifteen new jobs.

Boyetown Bank Offers Community Trust

The National Bank of Boyertown, PA provided assistance in the development of the Boyertown Community Trust last year. Some successful fundraising activities had prompted bank SVP Rolland Ackelson to bring together local community leaders to institutionalize charitable giving for civic purposes. A trust geared to attracting donations and bequests was formed and is now housed at the National Bank of Boyertown. Major projects will be undertaken occasionally, but a healthy reserve will be kept for town emergencies such as natural disasters. For more information on the Boyertown Community Trust, contact Jimalee Gottshall at (215) 367-6001.

Community Review Council

Dauphin Deposit Bank and Trust Company of Harrisburg, PA utilizes a Community Review Council to monitor bank progress on compliance with the Community Reinvestment Act. The Council consists of representation from six neighborhood organizations plus three officers of Dauphin Deposit. The Council meets quarterly and reviews reports and documents supplied by the bank. It also compiles information and reports independently for review by senior management of the bank and the board of directors. Information on housing loans supplied for review by the Council includes a record of credit denials, lending activity for

each quarter by census tract and by type of loan, and a commentary on Dauphin Deposit's involvement and investment in programs referred by community-based organizations.



Home Improvement Loans in Dauphin County

Hamilton Bank, Lancaster, PA has committed \$1 million to the Dauphin County Redevelopment Authority and the Dauphin County Home Improvement Loan Program. Loans will be made for most home improvements in amounts from \$2000 to \$15,000 at a fixed interest rate for a term of 2 to 15 years.

Services for Seniors

Farmer's First Bank of Lititz, PA has developed a senior citizens program that provides discounted services and increases communications between Farmers First and its senior citizens customers. One of the discounted services gives participating senior citizens a rate reduction of ½ to 1% on installment loans up to \$10,000. The communications efforts include a quarterly newsletter, "The Senior Forum", which contains articles about a variety of topics including credit. Farmers First has also designated one branch in each of its communities to house a senior services center displaying materials from the Lancaster County Department of Aging.

(Continued on page 11).

City of Philadelphia Active in Neighborhood Commercial Revitalization

Neighborhood economic development depends on many factors, but a strong small business presence is vital. Philadelphia's Department of Commerce has targeted six depressed neighborhoods for a "Coordinated Development Demonstration Project" that will include special assistance for the neighborhoods' commercial strips. Plans are also underway to deal with small business needs on a citywide level. Joseph James and Barbara Turner of the Commerce Department recently supplied the Philadelphia Fed with information concerning their role in community development.

The six neighborhoods in the Coordinated Development Demonstration Project all have small business strips, shopping centers or industrial areas. Each is described below.

1. Strawberry Mansion (29th and Dauphin Streets in North-Central Philadelphia) — A new shopping center is under construction with a June 1 completion date.

2. West Parkside (next to Fairmount Park in West Philadelphia) — Control Data's Business and Technology Center (see page 5) is the cornerstone for Enterprise Zone activity.

3. Grays Ferry (South Philadelphia, where Grays Ferry crosses the

Schuylkill River) — Twenty acres of public land next to the Schuylkill Expressway has been cleared for an industrial park to house mid-technology manufacturing concerns. A tenant factory is being planned in hopes of serving the nearby Washington Avenue contractors shopping strip.

4. Broad and Susquehanna (near Temple University in North Philadelphia) — Susquehanna Avenue's small business strip is being revitalized, an old school building will be redeveloped for private use, a new SEPTA commuter station is proposed for Temple University and several other buildings will be rehabilitated. The Bell Telephone Company recently announced plans to relocate their main Philadelphia computer center to the neighborhood.

5. Hunting Park West (22nd and Lehigh in North Philadelphia) — An Enterprise Zone area, Hunting Park West will see development of an industrial park from an old steel plant and the construction of a new shopping mall, Hope Plaza (see page 4).

6. 5th and Lehigh (North Philadelphia) — Revitalization of the 5th Street small business strip is beginning, a new health center has located nearby, a small business incubator is proposed, and the American Street Enterprise Zone will have spin-off

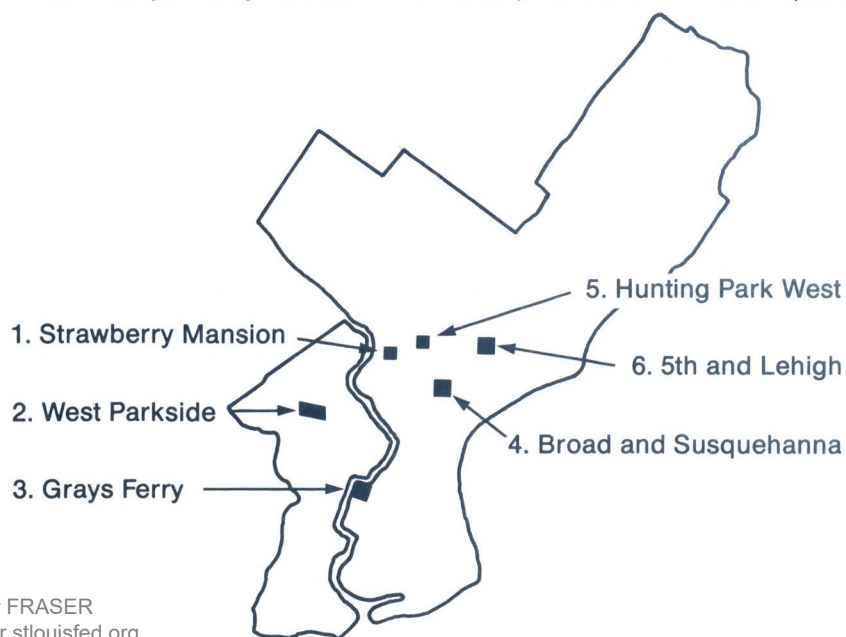
effects. Thanks to a strong community response, the major local institution (a renowned hospital) reconsidered its plans to move from the area.

Mr. James listed several means of support which the City will concentrate in the six neighborhoods: upgraded police and sanitation services, intensive housing rehabilitation, implementation of City-sponsored public improvements, assistance for local community organizations to enhance their participation in economic development efforts, and better coordination between City institutions, businesses and residents of the neighborhoods.

Mr. James and his staff hope that by marshalling various public resources for the six neighborhoods, the private sector will show renewed investment interest. Among the contributions that banks can make to this effort, Mr. James noted, are to become active participants in the process by sitting on development groups' boards and loan committees, to make more creative financing available and to develop flexible working arrangements with community groups and local businesses.

On a Citywide level, a number of innovative programs have been established to encourage neighborhood economic development. The Philadelphia Citywide Development Corporation (PCDC), a non-profit group tied to the Commerce Department, provides financial and managerial assistance to small businesses. The Enterprise Zone concept is being tried in three industrial areas. And the Community Economic Development Corporation (CEDC) Program is assisting several community-based organizations with the development of business projects in their neighborhoods.

For more information on the Commerce Department's activities in neighborhood economic development in Philadelphia, contact Deputy Director Joseph James at (215) 686-8488 or in writing at: 1600 Municipal Services Building, Philadelphia, PA 19102-1684.



GUEST COLUMN

Jill Michaels, Executive Director, CDC, Inc.



The Community Development Corporation Agenda

The Community Development Coalition, Inc. (CDC, Inc.) is a coalition of successful Philadelphia community development corporations who have banded together to support and promote neighborhood-based development in the City's low and moderate income neighborhoods.

On February 13, CDC, Inc. held a Conference at the regional office of the National Trust for Historic Preservation to develop the Action Agenda for Fiscal Year 1985-86. Over 100 people attended, representing a wide variety of private and public sector institutions involved in community development. During the morning, Barry Zigas, President of the National Low Income Housing Coalition, discussed the climate for housing development in light of the proposed Federal Budget cuts. Eric Siegal, partner in the Paoli Technology Center, spoke about the development of business incubators. Russell Owens, of the State of Virginia's Employment and Training Division, rounded out the morning program with a discussion of the links between employment and training and community development. The afternoon was spent in two workshops — one on Housing and one on Economic Development. Out of those workshops emerged a Report proposing a CDC Action Agenda for Fiscal Year 1985-

The Conference Report outlines the steps that neighborhood-based developers must take in the coming year to support and expand their work in improving the housing and economic climate in their neighborhoods. It also addresses the types of assistance the community development corporations will need from banks and lending institutions, corporate and foundation funders, the Mayor and City Council in order to get the job done.

The theme running throughout the Report is that community development corporations must marshal the resources to act as private sector developers would in a given situation. It has become obvious to many nonprofit developers that problems in the administration of public sector programs make neighborhood development too slow and too expensive. The solution lies in an entrepreneurial packaging of public and private financing that makes efficient use of both resources, freeing dollars from bureaucratic excess for increased production.

A number of Philadelphia's community development corporations have already been effective, in certain specific projects, in accomplishing

this. Philadelphia's first large-scale recycling facility not administered by the City is the National Temple Recycling Center, developed and implemented by a North Philadelphia organization. Its Director, Rudolph V. Tolbert, is now considered a regional expert on resource recovery and the Center is in the process of setting up two satellite operations.

The Southwest Germantown CDC packaged the only Housing Development Action Grant (HoDAG) to be received in Philadelphia. The project is a very complex deal which uses not only public and private dollars, but also a mix of public and private developers (in addition to SGCDC, developers are Rouse Urban Housing and the Philadelphia Rehab Plan). Financing is coming from the HoDAG and from a combination of historic tax credits, PSFS and a consortium of Philadelphia insurance companies.

In order to develop support for an increased level of public and private cooperation to do neighborhood development, CDC, Inc. is taking its Conference Report "on the road". The first presentation of the report, held on March 22 at the Federal Reserve Bank, was to banks and lending institutions, corporate and



Attendees at CDC, Inc. presentation included Chuck Powell of Bell Telephone, Philip Price of the Urban Affairs Partnership, Richard Cox of the William Penn Foundation, and William Parschall of the Hunt Foundation. In the background is an oil painting of former Federal Reserve Bank President, Dr. Karl Bopp.

foundation funders. The Report was very well received and the briefing opened up lines of communications between community development corporations and those attending. A second briefing was held April 4 for the Mayor's Cabinet and another was held later in the month for the Executive Committee of the Urban Affairs Partnership. The Report has been distributed to City Council and to over 250 representatives of public and private institutions that work

directly with community development corporations. Additional briefings will be held throughout the spring.

Why all this emphasis on public forums? CDC, Inc. was created to serve as a unifying force for formerly single-focused neighborhood community development corporations. In the past neighborhood-based developers have worked in virtual isolation and have not had the benefit which comes from cooperative

planning. This spring, CDC, Inc. has set out to rectify that situation in the belief that cooperative efforts will greatly enhance individual organizations' abilities and effectiveness.

Anyone interested in a copy of the CDC Action Agenda, or in a presentation of the Agenda at a public forum, should contact CDC, Inc., 919 Walnut Street, 8th Floor, Philadelphia, PA 19107 (215) 627-1713.

Spotlight on: Johnstown, Pennsylvania

(Continued from page 3).

Social service agencies — Operation TOUCH (Together Our Understanding Can Help) is a well-known example on the main square — deal with the many negative effects of the high unemployment. A job training center — Centech — was formed with the assistance of the University of Pittsburgh at Johnstown, JARI and others.

Johnstown Prepares for the Future

In spite of adversity brought on by changing economic conditions and by nature, Johnstown is working hard to restore prosperity. The city's people are proud of its many quality of life features. In fact, in a 1984 study report in *USA TODAY*, Dr. Robert Pierce, a geography professor at the State University of New York in Cortland, rated Johnstown as the 25th most livable city in the country.

And there's good economic news in many areas. Medical and office related industries have become the high growth sectors for an economy in transition.

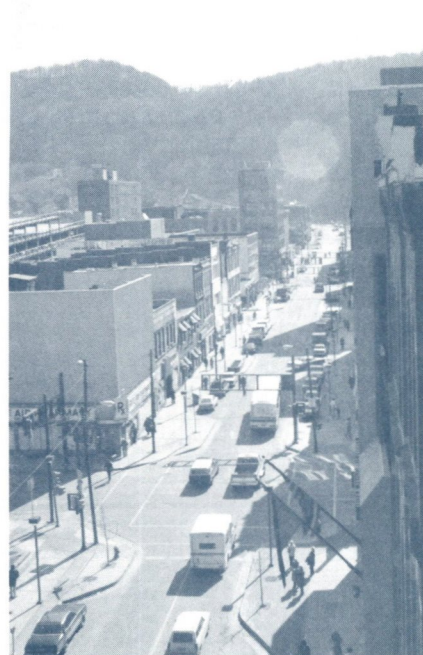
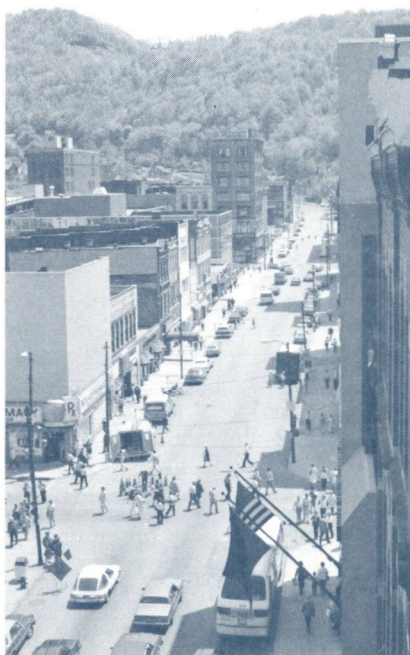
Major corporations such as Pennsylvania Electric Company, Metropolitan Life Insurance Company, National Valve Company, Fairmount Supply Company and Abex Corporation have located regional head-

quarters or major installations in Johnstown in recent years.

Perhaps most importantly, according to JARI promotional literature, Johnstown is home to a "proud, productive community workforce where people and business thrive . . . (The workforce) has won acclaim as a dedicated, hard-working group, whose renowned productivity has

kept steel making in Johnstown despite drastic economic setbacks in the industry."

With the input of activist bankers, business leaders and city officials, the Johnstown economy may soon see better times. Its natural resources and the spirit of its citizenry provide a strong base for economic development possibilities.

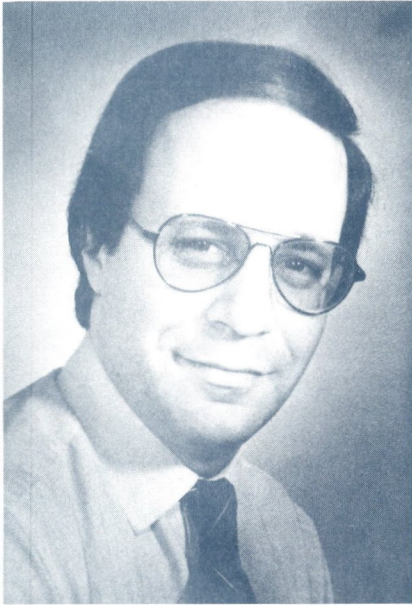


A bird's eye view of the Main Street Beautification Project, before and after.

INTERVIEW

John Paone,

Former Executive Director, Philadelphia Neighborhood Housing Services



John Paone served as Executive Director of Philadelphia Neighborhood Housing Services (PNHS) from June 1982 until this month. He was the City of Philadelphia's representative on the PNHS Board of Directors for eight years prior to that while serving the City as Housing Administrator. Mr. Paone received his B.A. from Penn State and a Masters in Public Administration from American University. In this interview, conducted by Community Affairs

Representative Patrick Bond, Mr. Paone reflects on his association with PNHS.

CASCADE: *I understand that even before joining PNHS, you had extensive housing experience in Philadelphia.*

MR. PAONE: Yes, right after graduate school I worked for the Deputy Managing Director for Housing for the City of Philadelphia. My initial assignment was urban renewal and relocation, which was part of what was then known as "The Workable Program," which preceded the Community Development Block Grant Program. Housing was a very chaotic field in City government! The job I ended up performing after ten years in the City was very broad: administering the neighborhood preservation programs for 44 city neighborhoods; being the contact person with financial institutions, insurers, foundations and developers; and testifying and acting as political liaison with City Council and State Legislators.

CASCADE: *How did you first get involved with PNHS?*

MR. PAONE: In June 1975, the Urban Reinvestment Task Force was

invited in to Philadelphia by the Greater Philadelphia Movement. Philadelphia then became one of the first ten NHS cities in the country. One PNHS board position was reserved for a City representative, and from the beginning, that was me.

CASCADE: *Then the board position led to the directorship?*

MR. PAONE: Yes. While I was on the board, I was able to convince the other members, particularly the financial community, that the City was committed. We were able to get City money allocated to the two NHS neighborhoods (East Frankford and Allegheny West) and provide better City services. What I think I did was to convince the board and the communities that the City was not their enemy. This was important at the time. The energies were not spent fighting City Hall. Of course the City did not contribute any direct funds to PNHS, thus there was no room for political leverage, which was also good.

I took the position of Executive Director in June 1982 because after serving two mayors and eleven housing directors and going through three office reorganizations, I wanted a more stable environment. I wanted

Philadelphia Neighborhood Housing Services, Inc.

Neighborhood Housing Services, Inc. (NHS) is a nationwide non-profit organization devoted to housing rehabilitation through a combination of community self-help, outside technical assistance, public sector support, and private sector financing. Founded in Pittsburgh in 1968, NHS now operates in 130 cities and 180 neighborhoods across the country. A 1984 study estimated total NHS-related investment in these areas at \$2 billion.

NHS is the core program of the Neighborhood Reinvestment Corporation (NRC), a public corporation chartered by Congress. The NRC's purpose is "to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government." Its board is comprised of the Chairmen of each of the federal bank and thrift regulatory agencies and the Secretary of the Department of Housing and Urban

Development. J. Charles Partee, Governor of the Federal Reserve Board, currently serves as the Chairman of NRC.

Each NHS is a locally-controlled, nonprofit corporation headed by neighborhood residents, local lenders and government officials. A typical NHS neighborhood contains 2500 residents. NHS operations have produced on average \$12 million in new investments.

to focus my concentration on one or two programs that dealt with neighborhoods.

CASCADE: *How had PNHS been run before you took over?*

MR. PAONE: Julia Robinson (now Philadelphia's Director of Housing) was the original director, until 1978. Then the organization was run by an Executive Committee. There were financial and organizational problems, and no central coordination.

CASCADE: *You were able to revive the finances of PNHS?*

MR. PAONE: The funding base had fallen apart when the thrifts ran into financial problems. But in the first year we raised over \$1 million. That was my first crack at fundraising. My advantage was that I'd known PNHS for so long.

CASCADE: *What were your other priorities when you moved in?*

MR. PAONE: I wanted to reshape the organization administratively and move it into new areas — Southwest Philadelphia, Ogontz, and soon Overbrook. Those initial goals have either been accomplished or set in irrevocable motion.

CASCADE: *Did your support from financial institutions reflect the changes?*

MR. PAONE: PNHS had always been considered an S&L program. Now there's a great deal more commercial bank involvement. In general, all types of financial institutions have made top personnel available. Chairmen have included Don McGill of Home Unity, Rodney Green of First Federal, Ed Grubb of Trevoise (now Horizon), and Ron Reed of PSFS. Commercial bankers sit on the local and citywide boards. Financial institutions have also helped in other ways. Contributions have increased. On loans and mortgages, PNHS would basically prequalify our clients for them, so some banks knocked their rates down a point or a point and a half. We put over 1200 cases through banks or through other programs like Action Loans.

CASCADE: *You've supervised the phasing out of your first neighborhood, East Frankford. How do you feel about that?*

MR. PAONE: East Frankford will phase out in June 1985. It's now a better place to live and work. A homeowner can now get a loan, a mortgage, insurance. Our job was

effectively done in East Frankford, so we're looking to other areas now.

CASCADE: *What do you see as the future of the organization?*

MR. PAONE: Initially, PNHS was the only kid on the block in housing in Philadelphia. What we found though was that PNHS should not be a citywide program. It must work in specific neighborhoods. It must put its time and energy into community development, not just housing. And it probably should not work in more than five or six areas at a time. The City Planning Commission did a study and found a dozen neighborhoods that meet NHS criteria. But PNHS has adopted a philosophy of never biting off more than it can chew.

CASCADE: *After careers in the public and non-profit sectors, you've now joined the private sector to pursue your interests.*

MR. PAONE: Yes, I've recently joined the Philadelphia National Bank as Public Responsibility Officer. I anticipate a great deal of satisfaction here. The bank is committed to housing and neighborhood development. So this job gives me a good chance to use my expertise to improve Philadelphia neighborhoods through the bank.

The partnership that NHS produces in a neighborhood has several elements. Neighborhood residents agree to fix up their own homes and to encourage their neighbors to do the same. City officials assist through providing better city services, site improvements and accommodating zoning and inspection decisions. Local bankers and businesspersons provide financial contributions and technical aid in management and finance. Bankers agree to provide

home improvement loans to qualified residents.

A strategy is developed to address broad housing problems in the neighborhood. Core services provided by the NHS neighborhood office include rehabilitation counseling, financial counseling and referral, construction monitoring and community involvement. A revolving loan fund is initiated for homeowners who don't qualify for conventional

loans.

In Philadelphia, there are NHS operations in East Frankford, Allegheny West and Southwest Philadelphia. A fourth neighborhood — Belfield-Ogontz-Fernwood — will be the site of a new NHS operation in June. The Philadelphia NHS Central Office is located at 1705 Unity Street, 19124.

(Continued on page 15).

An Urban Lending Initiative: The Philadelphia Mortgage Plan

Dating back to 1975, the Philadelphia Mortgage Plan (PMP) has provided over \$100 million in long term mortgages to low- and moderate-income residents of Philadelphia. The PMP operates with no federal subsidy and makes mortgages only as high as \$22,500. Administered by the Urban Affairs Partnership, PMP has been proclaimed as a superb example of how banks can work together to solve housing credit shortages while still turning a profit.

The PMP makes mortgage funds available to creditworthy prospective purchasers of residential properties in potentially healthy city neighborhoods which have fallen victim to deterioration and disinvestment. Fifty-five percent of PMP recipients bought houses in sections of North and West Philadelphia.

The program was developed in 1975 by a partnership of bankers and community activists (among them current Philadelphia Mayor Wilson Goode, current Pennsylvania Commonwealth Secretary of Community Affairs Shirley Dennis,

and Father Joseph Kakelec). The initial lending came primarily from PSFS, First Pennsylvania Bank and Philadelphia National Bank. Since then these three have accounted for more than 50% of total PMP loans.

PMP participants in order of market share as of 12/31/84 are as follows:

PSFS — 28.8%
Philadelphia National Bank — 14.3%
First Pennsylvania Bank — 10.0%
Fidelity Bank — 8.3%
Mellon — 8.0%
Atlantic Financial Federal — 6.5%
Germantown Savings Bank — 5.7%
Provident Bank — 5.2%
Continental Bank — 4.4%
Beneficial Savings Bank — 4.2%
Industrial Valley Bank — 2.5%
Central Penn Bank — 0.8%
Frankford Trust Company — 0.6%

After a significant drop in loan originations in early 1980 culminating in only 120 settlements per quarter in early 1983, PMP activity has increased slightly since then.

Last summer, PMP originated its

9000th mortgage. The average loan since October 1975 is \$11,568. Downpayment requirements have been decreasing steadily.

The rejection rate for PMP applications is 22%. Reasons for rejection have included lack of income (31%), poor credit history (26%), the condition of the property (16%) and the condition of the block on which the property is located (10%). Lack of job stability is increasing as a reason for rejection.

Several minor changes are in the works for PMP this year. The PMP will have as its official title "The Greater Philadelphia Mortgage Plan"; all loan activity in low-income suburban locations will now be submitted by PMP lenders. The Technical Committee, which was meeting weekly to discuss foreclosures, delinquencies and rejections will now meet biweekly. Private mortgage insurers will be encouraged to attend meetings, as will loan officers from participating banks. A new ad hoc committee will conduct quarterly workshops to address the problem of delinquencies.

Philadelphia's Urban Affairs Partnership

The Urban Affairs Partnership is a meeting ground for most of Philadelphia's business and civic leaders. The Partnership was founded in 1976 (as the Greater Philadelphia Partnership) and now is associated with two other groups — the Greater Philadelphia Chamber of Commerce and the Greater Philadelphia Economic Development Coalition — under the broad leadership of the Greater Philadelphia First Corporation. The Urban Affairs Partnership's specific role is the promotion of quality of life concerns.

The Co-Chairmen of the Partnership are John Eckman (Chairman of the Rorer Group, Inc.), the Honorable Nelson A. Diaz (Judge, Court of Common Pleas) and Robert I. Smith

(President, Glenmede Trust Company). James Bodine, formerly President of First Pennsylvania Bank and Secretary of Commerce for the Commonwealth of Pennsylvania, directs the Partnership.

Edward G. Boehne, President of the Federal Reserve Bank of Philadelphia, is on the ninety-one member Board of Directors of the Partnership.

A recent project of the Partnership was to define new initiatives for corporate involvement in Philadelphia.

Three Task Forces were convened last year and developed the following goals: a corporate plan for hiring City youth; expanding education for employment programs in the schools; establishment of a Philadelphia Youth Service Corps; creation of a Philadelphia Rental Plan to complement the Philadelphia Mortgage Plan and the Philadelphia Rehabilitation Plan; and encouraging increased corporate/community involvement.

The Housing Task Force was chaired by M. Todd Cooke (Chairman of



THE URBAN AFFAIRS PARTNERSHIP

PMP has set out lending criteria as follows:

- Banks ensure that decisions are based on evaluation of the property and applicant.

Applicants:

- Income of borrower's spouse/co-mortgagor is recognized as effective income.
- Confirmed income from official welfare agencies is also recognized.

The Mortgage:

- Loan-to-value ratios of up to 90-95% are acceptable, provided there is adequate mortgage insurance. The maximum loan amount is \$22,500 and the maximum sale price \$25,000.
- Amounts necessary to cover annual taxes, fire insurance and private mortgage insurance may be collected with the monthly payment.
- Mortgage terms are based on loan amount and ability to repay.
- Uniform loan application and appraisal forms are used by the participating institutions.

The Properties:

- Homes for which mortgages are sought are appraised according to their structural state and that of other housing units in the immediate block. Prospects for mortgage financing are most favorable for homes on blocks in which the median property value is at least \$6,000 and the combined abandonment and vacancy rates do not exceed 10%. However, in cases where these conditions are not present, properties may still be eligible for mortgage funds where a combination of the following factors exist: the presence of a strong and cohesive neighborhood or community organization, the existence of a rehabilitation or other ongoing housing improvement program by either a non-profit developer, public agency or recognized private group; or a cooperative effort by absentee owners with neighborhood residents to improve housing conditions and make needed repairs on existing dwellings.

To receive more information about PMP, contact Dan Gunderson at the Urban Affairs Partnership (215-545-4858).

Notes From Around the District:

(Continued from page 4).

Williamsport Bank Approved for CDC

An application by Commonwealth Bancshares Corporation, Williamsport, PA to open a Community Development Corporation (CDC) was approved last month by the Federal Reserve. The CDC vehicle, described in the November 1984 CASCADE, is expected to serve Commonwealth in its attempts to supply 'core' equity to attract business and investment back to Williamsport and other nearby communities. In its application, Commonwealth commits \$250,000 to capitalize the CDC and notes three activities to be undertaken: equity investments in commercial projects in downtown business districts; equity investments in low- to moderate-income housing projects; and real estate development, management and ownership to assist small businesses in low- to moderate-income areas. For more information on the CDC, contact Charles Lydon, Commonwealth Bank SVP, at (717) 327-5011.

PHFA to Make 4000 Low Cost Mortgages Available

Beginning on May 13, the Pennsylvania Housing Finance Agency (PHFA) is making \$150 million in mortgages available at 10.125% interest. Of the mortgages, \$58 million worth will be earmarked for new homes. There are a number of qualifying factors relating to the applicant's income, the value of the house, and the type of mortgage. In forty counties, including Philadelphia and the western Pennsylvania counties, the applicant need not be a first time homebuyer, but that restriction does apply to all other parts of the state. Applications will be accepted at participating banks beginning May 13. For more information, call the tollfree PHFA hotline: 1-800-358-4539.

PSFS), the Committee to Support Philadelphia Public Schools was chaired by Ralph Saul (former Chairman, CIGNA Corp.), and the Youth Employment Task Force was chaired by Bernard Anderson (Director of Social Science for the Rockefeller Foundation).

The Partnership's three Task Forces offered 22 recommendations for business involvement in solving many of Philadelphia's social problems. Although the Partnership does not see itself operating the programs it advocates — as it does the Philadelphia Mortgage Plan — it does offer to "act as convener and catalyst toward implementing these urban affairs initiatives".

The Partnership has other activities planned for 1985, including a lead role in Philadelphia's International City month in October and administering the International Neighborhood City project. Community development corporations will be given technical assistance under arrangements with the Ford Foundation. Various other groups — the High School Academies Program and Local Initiatives Support Corporation — will also receive Partnership aid. For more information on the Partnership's programs, contact Dan Gunderson, Assistant to the Managing Director, at 900 Avenue of the Arts Building, Broad and Chestnut Sts, Philadelphia, PA 19107 (215) 545-4858.

Philadelphia Federal Reserve Bank Announcements

• Community Affairs and Regulations Assistance — A New Department at the Philadelphia Fed

As of January 1, 1985, the Community Affairs and Regulations Assistance functions at the Federal Reserve Bank of Philadelphia were combined to form a new department. Located on the seventh floor of the Reserve Bank, the Department of Community Affairs and Regulations Assistance is staffed by the following people:

	telephone
Frederick Manning,	574-6482
Assistant Vice President and Community Affairs Officer	
Philip Farley,	574-6458
Manager of Regulations Assistance	
Barry Cutler,	574-6457
Senior Regulations Analyst	
Michael Collins,	574-6035
Community Affairs Representative	
Constance Noll,	574-6570
Community Affairs Representative	
Renee Bridges,	574-6037
Community Affairs Representative	
Patrick Bond,	574-6477
Community Affairs Representative and Editor of CASCADE	
Betty Carol Floyd,	574-6458
Secretary	

In terms of organization structure, the Department is part of the Public Information function at the Reserve Bank.



Renee Bridges, Community Affairs Representative

• New Fed Staffer to Serve as Community Contact

Renee Bridges, formerly of the Boston Federal Reserve Bank, has recently become a Community Affairs Representative at the Philadelphia Reserve Bank, assuming responsibility for community group outreach. In Boston, Renee was a Community Affairs Coordinator working on education and job training projects. She represented the Reserve Bank with the Tri-Lateral Council for Quality Education, the Boston Private Industry Council and other groups. She also served on the boards of Neighborhood Housing Services and the Greater Boston Personnel and Guidance Association and on task forces of the Boston Compact and the League of Women Voters. Renee holds degrees from Harvard and Creighton Universities. Renee was named as a Black Achiever in the Boston area by the Greater Boston YMCA in 1983. Renee is a native of Oak Ridge, TN and grew up in Phoenix, AZ. About her new job, Renee remarked, "I feel very fortunate to be a part of the Community Affairs staff — it's a dynamic department with an exciting future." One of Renee's first projects here involves a survey of community groups' banking needs.

• Fed Staffer Joins NHS Board

Michael Collins was recently named to the Board of Directors of the East Frankford Neighborhood Housing Services. Michael joined the Fed in 1974 and now serves both as a Senior Bank Examiner and a Community Affairs Representative. Michael is a graduate of Susquehanna University and the Graduate School of Bank Management at the University of Virginia. He is currently attending the Stonier Graduate School of Banking at Rutgers University.

While on the NHS Board, Michael says, "I hope to gain a better understanding of how the NHS process aids in the revitalization and stabilization of urban neighborhoods. I hope to be able to bring a different perspective to the problems and solutions related

to community development from information and expertise gained from my association with Community Affairs at the Fed." Because East Frankford NHS has been in operation for ten years, it is now examining options for transferring many of its functions to other neighborhood institutions.

• Mayor Appoints Fed S.V.P. to Head Council

Hilary H. Holloway, Senior Vice President and General Counsel of the Philadelphia Fed, was recently appointed by Philadelphia Mayor Wilson Goode as chairman of the Minority Business Enterprise Council. The purpose of the Council is to enforce and implement the City's policy to promote and encourage economic development of minority and female owned businesses and their participation in City contracts. Mr. Holloway also serves on the Boards of Directors of the United Negro College Fund, the Philadelphia Museum of Art, the Lankenau Hospital and the Metropolitan YMCA.

• Recent Community Affairs Visitors to the Philadelphia Fed

Since the beginning of the year, the Community Affairs function has hosted visits by the following bankers, government officials and community representatives:

Father Joseph Kakelec, Robin Durant and Marjorie Dubrow of the Regional Council of Neighborhood Organizations

Guy D'Onofrio and Denise Cummings of Continental Bank

George Norton, Donald Cooper, Thomas O'Rourke, John Adams and Tom Patterson of Philadelphia National Bank

James Oser of the Federal National Mortgage Association

Michael Layton of New Kensington Neighborhood Advisory Committee

James Bodine and Dan Gunderson of The Urban Affairs Partnership

Dave Chittester and Greg Metz of the Pennsylvania Department of Community Affairs

James Fanning and Dan Brail of the Office of the Comptroller of the Currency

Cynthia Lewis and Robert Fanning of the Federal Deposit Insurance Corporation

Richard Manson and Kevin MacGruder of the Local Initiatives Support Corporation

Bill Harrington and Steve Golnar of the Philadelphia Cooperation Office

Mamie Nichols of Point Breeze Federation

• **New Federal Reserve System Consumer Education Film Released By Philadelphia Fed**

"Both Borrower and Lender" is a new Federal Reserve film/video (14 minutes) which explains the links between interest received on deposits and interest paid on loans by consumers. Larry Murdoch, Vice President and Secretary of the Philadelphia Federal Reserve Bank, conceptualized and supervised production of the film, which is to be distributed nationwide through the Reserve Banks. "Both Borrower and Lender" is available on a free loan basis to bankers, educators and consumer groups.

• **National Consumers Week Assists Bank Customers**

Dissemination of information — in the form of showings of "Both Borrower and Lender" and handouts on consumer credit rights — was the focus locally of this year's National Consumer Week, April 22-28. An exhibit was prepared for the Reserve Bank lobby and the Fed's Department of Consumer Affairs joined twenty-three federal and local organizations in providing material of interest to consumers in the Gallery shopping complex in Center City Philadelphia. For more information

on the Fed's consumer services, contact Jim Dygert at 574-6112.

• **Fair Lending Addressed at Fair Housing Conference**

On Tuesday, April 16, Community Affairs Representative Michael Collins participated in a day-long conference at Rutgers University, Camden Campus. The conference was sponsored by the Camden and Gloucester Counties Community Housing Resource Boards and featured a keynote speech by Camden Mayor Melvin Primas and presentations by representatives of the U.S. Department of Housing and Urban Development and the real estate industry. Dr. Michael Lang of Rutgers University discussed findings on mortgage lending patterns in Camden. Mr. Collins' speech was entitled "The Role of the Federal Reserve in Fair Housing." It described the importance of three federal laws

— the Community Reinvestment Act, the Home Mortgage Disclosure Act and the Equal Credit Opportunity Act — in promoting nondiscrimination and fair lending practices in consumer finance.

• **Citizens Guide to CRA Revised, Other Fed Publications Available**

A new version of *A Citizens Guide to CRA* has been issued by the Federal Financial Institutions Examinations Council. The *Citizens Guide* contains information relating to the Community Reinvestment Act and the procedures the bank regulators follow to enforce the law. Policy descriptions have been submitted by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the Office of the Comptroller of the Currency.

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Consumer Complaints Handled by Federal Reserve System

In 1984, the Federal Reserve System handled 2337 consumer complaints. The complaints were registered at the twelve Reserve Banks or with the staff at the Federal Reserve Board's Division of Consumer and Community Affairs in Washington, DC. The following list groups complaints by statute or regulation.

Consumer Complaint Category	Federal Reserve System	Philadelphia Reserve Bank
Equal Credit Opportunity Act	166	6
Home Mortgage Disclosure Act	18	12
Fair Housing Act	3	1
Holder in Due Course	3	0
Fair Credit Reporting Act	65	11
Truth in Lending Act	461	54
Unregulated credit practices (advertising, tactics, etc.)	423	77
Regulated deposit practices (computation, penalties, etc.)	118	23
Unregulated deposit practices (delayed availability of funds, service charges, refusal to cash checks, etc.)	561	109
Electronic Funds Transfer Act	80	14
Other unregulated practices	427	39

"Incubators" Offer Small Business Innovations

Small business incubators are buildings which provide low-cost rents to entrepreneurs, basic services, many types of small business assistance, and an atmosphere which is conducive to fostering the birth and growth of a new business.

The services which many incubators provide include: on-site business advice, assistance in obtaining financing, shared support services at low or no cost, flexible leases, flexible space arrangements, and employee training and placement services. In having these subsidized conveniences, it is believed that more businesses will survive the crucial start-up stage. Rents are generally below market rates.

Incubators fall into various categories according to affiliation and support: publicly sponsored, industrial development agency supported, non-profit community-based, university related, and subsidiary of a private corporation. Different goals dictate different types of incubators.

The Institute of Public Administration at Pennsylvania State University recently surveyed twelve small business incubators in Pennsylvania and reported that the average incubator firm is three years old and has 3.4 employees and annual sales of \$36,150. The ages of incubator-based entrepreneurs in the study ranged from 23 to 63 with a median of 39, and most fell between 23 and 40 years old. Over 70% have a college degree and on the average have completed 17 years of education.

The benefits of small business incubators include increased employment, economic development, and a high rate of business survival. Over 40% of the firms hired 3 or more new employees. After a successful business leaves the incubator, it will often relocate in the community.

A Special Look at a "Job Creation Network" in West Philadelphia

In a depressed area of West Philadelphia what began as a small business incubator is now described

by the manager, Dr. Brenda K. Mitchell, as a "job creation network." On October 11, 1984, a ribbon-cutting and dedication ceremony was held to mark the opening of the Business & Technology Center (BTC). The former warehouse was purchased in 1983 by Control Data Corporation for \$2.8 million. Another \$2.2 million went into rehabilitation of the 60 year old building.

Dr. Mitchell describes the BTC as a job creation network because it offers more support systems and communication links than would a business incubator. Control Data's national system of job creation networks allows for matching needs and production capabilities of the network tenants.

As of December 31, 1984, 90% of the 246,381 square feet of rentable space in the Philadelphia BTC was occupied. Forty of the 59 businesses are minority owned and 14 are owned by women. There were 33 new business start-ups and 31 new business expansions reported by the end of 1984. The BTC also has 12 part-time tenants.

Some of the features the BTC offers its businesses include 24-hour building access, use of a conference room, telephone answering, furniture rental, secretarial services and copying. It has recently opened a subsidized lunchroom run by a locally-based minority caterer.

The Center has aided reinvestment efforts in several respects. There are over 750 employees in the BTC. Over 300 new jobs have been created. Fifty percent of the BTC employees live within a 3 mile radius of the Center.

The economic revitalization the West Parkside community sought is being achieved. The Parkside Association, through the dedication of its founding president, Ella Francis, was instrumental in establishing the BTC. The Parkside Association had gone to the Philadelphia City Council in 1980 with plans to improve the community via job creation. After being introduced to the City Venture Program, the

Association requested that Control Data bring its job creation/business network to their community.

The BTC makes use of various job training programs that the Parkside Association provides. A Parkside Association company maintains the BTC with janitorial and maintenance services. The Association also maintains a center for disadvantaged people, a job bank and entrepreneurial training.

"We are proud of the businesses that have located in the Center," said Mrs. Francis. "The community is why we have the Business & Technology Center — if we hadn't fought for it, there would be no Center."

For more information about the Philadelphia Business and Technology Center, contact Center Manager Dr. Brenda Mitchell, 5070 Parkside Avenue, Philadelphia, PA 19131 (215) 879-5000.

Philadelphia Fed Bank Announcements

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The Federal Reserve Bank has many publications that can assist consumers and bankers. Several of these were listed in the November 1984 CASCADE. A brochure is now available describing four Community Affairs and Regulations Assistance publications: *A Guide to the Consumer Banking Regulations* (1984), *A Guide to the Commercial Banking Regulations* (1985), *Options for Investing in our Communities* (1985) and CASCADE. To receive the Federal Reserve Bank publications list, *A Citizens Guide to CRA*, or extra copies of CASCADE, please write to: Ms. Constance W. Noll, Department of Community Affairs and Regulations Assistance, Federal Reserve Bank of Philadelphia, Ten Independence Mall, Philadelphia, PA 19106.

Philadelphia Neighborhood Housing Services, Inc.

(Continued from page 9).

In addition to the standard NHS services, Philadelphia NHS has coordinated its neighborhoods' Philadelphia City Capital Improvement Program which has produced over \$2 million in direct new public investments. Home Ownership Programs in East Frankford and Southwest Philadelphia promote an active real estate market and expanding homeownership opportunities, in part through NHS acquisition of large numbers of vacant houses. And an Apartment Improvement Program is being developed to rehab large multi-family apartment buildings.

Philadelphia NHS recently announced that Glenmede Trust has provided the organization with a grant of \$150,000 in the form of a High Risk Market Trust. The grant will be used to help those first-time buyers of NHS-rehabbed homes who can't get mortgage loans at prevailing rates. By using more flexible credit criteria with the NHS loan counseling program, lower rates will be available to buyers as well as those borrowing for the construction phase.

One of the benefits of an NHS is that it can sell its mortgages to the Neighborhood Housing Services of America which acts as a secondary market. Institutional investors such as insurance companies have bought mortgages at approximately 3% below market rates through the NHS

Note Purchase Agreement and in the process replenished NHS neighborhood funds. A recent agreement with Fannie Mae (see November 1984 *CASCADE*) provides for the purchase of \$25 million in Apartment Improvement Program loans at origination rates.

Other Neighborhood Housing Services are operating strongly elsewhere in Federal Reserve District III. Please contact their directors for information on their specific programs:

Barry Black
Executive Director
Trenton NHS, Inc.
1018 Hamilton Ave.
Trenton, NJ 08629

Deborah Cox-Van Horn
Director
Allentown NHS, Inc.
502 N. 8th
Allentown, PA 18102

Deborah Lachina
Director
Reading NHS
221 W. Buttonwood
Reading, PA 19601

David Klimas
Director
Scranton NHS
647 Madison Ave.
Scranton, PA 18510

CASCADE is a periodic newsletter designed to facilitate the flow of information on issues of concern to bankers and their customers in Pennsylvania, Delaware, and Southern New Jersey. *CASCADE* is received by community groups, consumer advocates, government agencies, and all types of financial institutions. *CASCADE* takes its name from the Alexander Calder mobile - the world's largest mobile - that the Philadelphia Fed commissioned as part of the City of Philadelphia's public art program.

The material in *CASCADE* should not necessarily be interpreted as the official policy or endorsement of the Federal Reserve Bank of Philadelphia.



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