

New Departments Boost Banks' Commitment to Community Affairs Activities

Continental Bank

"The bank is taking a more formalized approach to its community commitment," said Ray Desiderio, Senior Vice President, Continental Bank, describing a new department formed to oversee the development, delivery and management of loans and services for low- and moderate-income individuals, small businesses, and minority-owned enterprises.

The Community Development and Corporate Responsibility Department now coordinates community reinvestment activities and provides outreach to community groups, non-profit organizations, and government agencies, explained Guy D'Onofrio, Vice President. It also researches emerging issues and is concerned with government relations, bank hiring practices, and linking branch managers with neighborhood groups and business associations.

The functional reorganization means that six professionals are working full-time instead of part-time on community development and corporate responsibility concerns. Because the department is a lending unit (all six professionals have lending authority) "We can respond quickly to requests," Desiderio added.

The department coordinates involvement in government and public/private programs, including the Philadelphia

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The Continental team includes, left to right, Denise Cummings, Guy D'Onofrio, William Fink (standing), Ray Desiderio, Emma Chappell, and Nikki Holcroft.

Mellon Bank (East)

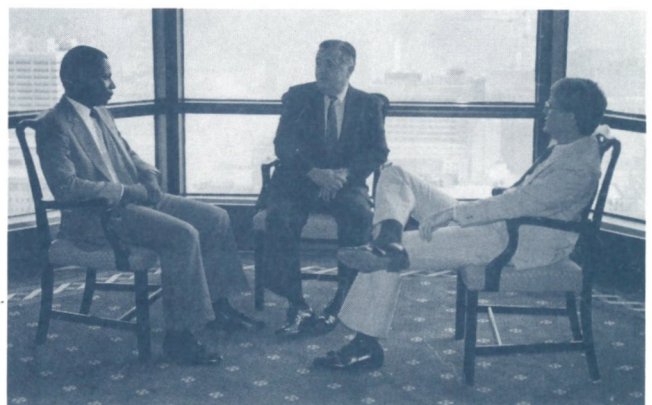
Mellon Bank (East) has set up a Community Affairs Division in order to have "a more systematic approach to community reinvestment," according to James D. Brett, a Senior Vice President of the Bank.

The Community Affairs Division is mandated to be sensitive to neighborhood needs and to monitor the bank's CRA performance. The division is headed by Bob Price, Vice President, who also chairs Mellon's CRA Committee. The committee includes officers from the bank's branch, real estate, small business, consumer credit, corporate responsibility, legal, public relations and advertising areas.

Price and his associate, Bill Smith, inform themselves about community credit needs and represent the bank in such economic development programs as the Philadelphia Mortgage Plan, the Small Business Administration (SBA), and Philadelphia Commercial Development Corporation (PCDC), among others. Their division receives requests for housing and small business loans from inner-city developers, community groups and business entrepreneurs.

"One of the major responsibilities of the CRA committee is to ensure that the bank meets the financial needs of individuals with low to moderate incomes," Price said. "A

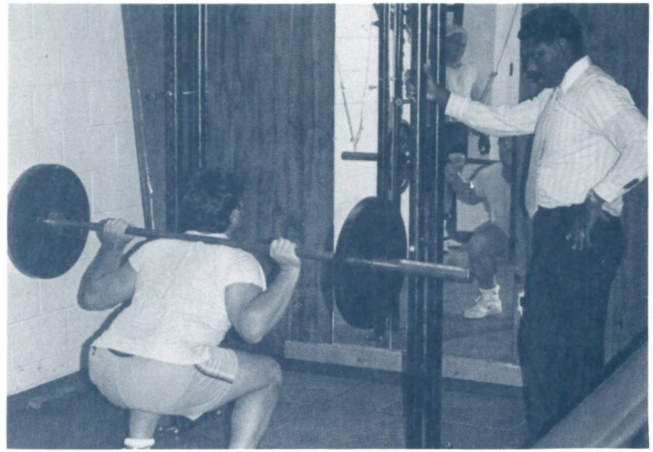
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Discussing the new Community Affairs Division at Mellon Bank (East) are, left to right, Bill Smith, Bob Price, and James D. Brett.



Bob Simpson stands at the entrance to the Crispus Attucks Association. Much more than a youth center, CA now has programs in housing, job training and day care.



Bob Simpson always has time to talk with teenagers.

Dynamic Director Leads Crispus Attucks Association into New Programs, Successes, Aided by a Public-Private Partnership

"I want the worst kids in York," said Bob Simpson.

Simpson, executive director of the Crispus Attucks Association (CA), in York, Pa., knows what it's like to be a "worst kid." But he turned his life around. And since 1979, when he took over CA, he has turned around a troubled community organization that was threatened by funding cuts and crime problems.

Today, he runs CA's model youth center, which has added housing, job placement and day care to its programs. Many of its successes can be attributed to Simpson, a strong-minded, controversial leader who grew up in the primarily black, low-income neighborhood where CA is located.

A visitor finds Simpson, muscular and carefully dressed in a white shirt and tie, striding through the spotless facility, joking with well-behaved youngsters and teenagers who are playing basketball, lifting weights or swimming. He and his staff are positive and upbeat with the kids. Explained Simpson: "I believe that if people feel good about themselves—have self-understanding and pride—they will tend to be good citizens, and will respect other people and property."

"Self-esteem is important but direction is needed," he added. He sets and enforces strict rules; fighting or graffiti can result in lifetime suspension.

Dan Elby, CA board president, underscored Simpson's importance as a leader and role model. "He takes time to interact with the kids. They see his karate, weightlifting and track trophies and they identify with him."

When Simpson took over, CA ran only a recreation center. He caused CA to address needs in the surrounding neighborhood. And, sensing the decline in federal funding, he began moving CA toward self-sufficiency. In eight years, CA membership has jumped from 250 to 1,500 and now has a staff of 50, half of whom work in the day care program. John C. Schmidt, president of the York Bank and a long-time CA supporter, said, "He's been the linchpin who brought the community together. And he's balanced the budget!"

CA has made significant strides in rehabilitating neighborhood housing. CA has rehabbed 17 homes, mostly single family, vacant dwellings. It rehabbed the initial homes at a cost of about \$52,000 each, but sold them for only half that amount. The initial rehabs, while expensive, sent a positive message to the community. Don Williams, CA's newly-hired housing director, said, "When you rehab housing, you can change people's image of their community."

To its surprise, CA found that residents were reluctant to buy the houses it had rehabbed, due to a tradition of renting and hesitation about taking on long-term debt. CA is now educa-

ting residents about the benefits of home ownership and is providing budget counseling.

CA hired Williams, who has a dozen years' housing experience with the City of Harrisburg and a non-profit developer, and formed the Crispus Attucks Community Development Corporation, a non-profit subsidiary which will coordinate its housing work. Michael J. Groft, Vice President of Drivers & Mechanics Bank and the CDC's board president, observed that "the low-income residents seem to have more pride in the neighborhood as a result of CA."

A big boost to CA's efforts was the assistance of the Enterprise Foundation, which provided training in cost-cutting and financing. Al Hydeman, director of York's Department of Economic and Community Development, introduced Enterprise to York and to CA.

"Enterprise has changed our lives," said Janet Cohen, who has served CA primarily as a volunteer for 11 years and who does its fund-raising. "We are now more cautious about rehabbing expensive properties, and we have streamlined our operations. Also, we are taken more seriously by the business community and state government."

Enterprise required that \$250,000 be raised in order for it to become formally involved for an 18-month period

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Bob Simpson, executive director of the Crispus Attucks Association in York, Pa., is enthusiastic about kids. "They're our future!" he often comments.



Don Williams is CA's housing director. CA now offers mortgage and budgeting assistance to neighborhood residents, and is providing rehabilitated housing at affordable prices.

Bob Simpson Tells It Like It Is

Bob Simpson was one of ten kids. He was poor. He used to "go junking" with his brother, starting out at 6 a.m. to collect newspapers and rags. He earned about 15 cents each day—and would always give half to his mother.

Later, he was a gang member, and ended up in a juvenile center. A turning point came when a pool hall manager offered him a job. "An adult saw something in me. It shook me up. I got a break, and some responsibility."

Today, as director of the Crispus Attucks Association, he shares responsibility with others. CA is setting up a juvenile board of directors in which the youngsters will participate with adults in making decisions.

With passion, he exclaimed: "Kids—

they're our future! They're not enough of a priority nowadays. Teachers should be valued and paid more than they are. Why do we pay baseball players more than teachers? Parents are important, too. Parents should be their kids' best role models."

Simpson has different expectations than many others about youths from low-income neighborhoods. "There's a myth that if kids come from the inner-city, they'll have a ghetto mentality. Our center proves this is false. It's clean and well-run, and the kids are well-behaved.

"They should have respect for property. It's important to set and enforce rules so kids know what they can and cannot do." In a softer tone, he confided, "Set strict rules at the beginning and then you can relax them." He added that he wants to build loyalty

and respect for the center so it can be used by youths years from now.

Simpson has strong ideas about a poor community's addressing its own problems. "I'm a firm believer in doing for yourself. If we in the black community have problems like teenage pregnancy and school dropouts, it's our responsibility to address them. Too often, we look for scapegoats."

The first black on the boards of the York Chamber of Commerce and the Rotary Club, Simpson's outspoken style is not tempered by others. "I say what's on my mind. I'm 42 years old, and I have no gray hair and no ulcers."

About the "kids," he summed it up: "I'm tough—but they know I love them."

Dynamic Director . . .

(expiring at the end of 1987). CA raised \$136,000 from area businesses while the Pennsylvania Department of Community Affairs contributed \$100,000.

John Schmidt chaired a fund-raising campaign which raised the \$136,000 in less than a month. Contributing banks were: Commonwealth National Bank, Dauphin Deposit Bank, Drovers & Mechanics Bank, Hamilton Bank, York Bank and York Federal Savings & Loan Association.

Of the \$250,000, half is earmarked for working capital and is kept in an account at Enterprise and drawn on as needed, Williams explained. "Enterprise acts as a kind of banker, charging lower interest than banks—an approach which builds discipline in community groups about handling and using money. The other \$125,000 is paid to Enterprise for training and technical assistance. Fred Cooper, Enterprise field officer, visits once a week."

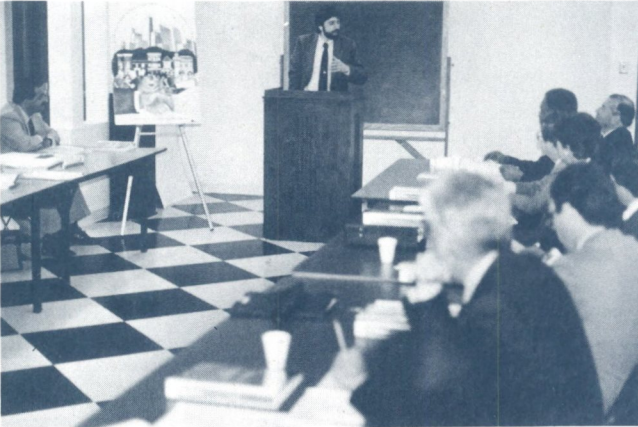
The York Bank assisted with construction financing for 16 CA-

rehabbed properties. The City of York and the National Trust for Historic Preservation were other financing sources.

CA, unsuccessful several years ago in persuading York banks to provide permanent financing for housing, is proposing a new joint venture between the banks and its CDC. Participating lenders would process at least four mortgage applications annually for a five-year period, with CA doing pre-screening.

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Community Affairs Councils and Conferences



Dr. Michael H. Lang discussed the impact of Rutgers on the Camden scene. Lang, who heads the Forum for Policy Research and Public Service at Rutgers University, addressed the first meeting of the Camden Community Affairs Officers Council.



Talking about Camden's future are left to right, David S. Dennison, Vice President, Federal Home Loan Bank of New York; Fred Manning, Philadelphia Fed; Melvin Primas, Mayor of Camden; and Larry Murdoch, Vice President and Secretary, Philadelphia Fed.

"It makes sense for bankers to know one another, and to get helpful information about community credit needs from a variety of constituencies. Because protests are growing in number, the Community Reinvestment Act is a powerful tool for inviting bankers' attention to partnerships that can lead to some practical solutions. The Community Affairs Department of the Philadelphia Fed organized its first Community Affairs Officers Council in 1986 to look for these practical solutions on the Philadelphia scene and to exchange ideas. The Council idea took off—and 1987 saw the birth of another Council—the Community Affairs Officers Council of Camden. Here's news about these meetings, and about the first out-of-the-District Community Affairs Conference, held recently in Baltimore."—Fred Manning, Assistant Vice President and Community Affairs Officer.

Kickoff Meeting Sets Stage for Bankers

"Camden is turning around," said Mayor Melvin Primas, who addressed the first meeting of the Community Affairs Officers Council in April at Rutgers University.

"Ten years ago, we were bankrupt, but we have overcome this problem. Also, for years there were no private sector investments. But recently, St. Joseph's High School was converted into a residential facility for senior citizens at a cost of \$4.4 million. An industrial laundry was built, and a metal fabricator came in. Formerly, when the city held auctions for tax delinquent property, only a few people attended. Now it's standing room only," he said.

"Today Camden is not self-supporting; but tomorrow it could be, a la Newark and Jersey City," suggested another speaker, Charles A. Richman, Assistant Commissioner of the New Jersey Department of Community Affairs. He described his agency's commitment to financial support for attracting people back to cities.

"Rutgers/Camden was once a commuter college—empty by 3 p.m.—but it now has new buildings and a new dorm, with a second dorm underway," said Dr. Michael H. Lang, Executive Director, Forum for Policy Research and Public Service, Rutgers University. The Forum holds workshops for citizens in computer application, grantsmanship, and how to set up a community development corporation.

"We don't want Camden's 90-acre waterfront development to be a 'shining city on a hill' surrounded by blight. We want housing and businesses," said Thomas Corcoran, executive director of Cooper's Ferry Development Association. "CFDA was incorporated in 1984 with funds from the Ben Franklin Foundation and Princeton Bank. We saw the waterfront as mixed use development with a major public attraction. We sold the idea of this location to Campbell Soup for a world headquarters. The public attraction will be the New Jersey State Aquarium, managed by the Philadelphia Zoo, and expected to cost \$30 to \$40 million. Beyond 1989, we look to build a small trade center, and a 250-room hotel/conference center."

"We make below market loans to our member institutions to encourage community investment," said David S. Dennison, Vice President, Federal Home Loan Bank of New York. "One billion dollars loaned leveraged \$3 billion in New York, New Jersey and Puerto Rico, resulting in 185,000 housing units for low- to middle-income people."

Camden Council Hears City, State Officials

Two women in public office were keynote speakers at the second meeting of the Camden Community Affairs Officers Council, which met in June at the University of Medicine and Dentistry, Camden.

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For information on future meetings of the Camden Community Affairs Officers Council, write Don Kelly, Community Affairs Department, Federal Reserve Bank of Philadelphia, 10 Independence Mall, Philadelphia, PA 19106-1574 or phone (215) 574-6570.

Bankers Leave Home To Learn about Enterprise Foundation, Baltimore, Community Reinvestment Initiatives; Hear James Rouse on Housing

Third District bankers—54 in all—left their offices and their cities to travel to Baltimore for the first out-of-District meeting of the Community Affairs Officers Council. The July conference was co-sponsored by the Richmond and Philadelphia Feds, and took place at the Baltimore branch.

The program described activities of the Enterprise Foundation, appropriate to the audience, since Enterprise is at work in three Third District cities: Wilmington, York, and Philadelphia. Government, banking and community leaders discussed their community reinvestment perspectives against a background of James Rouse's successful Harborplace.

"This meeting—an expanded version of the Philadelphia Community Affairs Officers Council—brings us together in Baltimore, a city helped immensely by James Rouse, to profit from the Enterprise Foundation's experience," said Fred Manning, Assistant Vice President and Community Affairs Officer of the Philadelphia Fed.

Warning the audience in advance that James Rouse, program speaker and a member of the Hall of Fame of American Business, might shock or startle them with his strong views on the bleakness of life in urban America, Manning quoted Lincoln: "He has the right to criticize who has a heart to help." Manning reviewed the career of the millionaire developer who, at

73, shuns retirement and devotes himself to the goal of producing affordable housing for low-income Americans through his founding and directing of the Enterprise Foundation, located in Columbia, Md., an all-new city built by Rouse.

Rouse did shock and startle, but he also created optimism.

"The decline in decent affordable housing is incredible," he said, "considering our country's wealth. The housing shortage is so acute that we have coined a new word: *pre-homeless*. Yet I sense a new determination about social investment on the part of corporations and foundations, as we come to learn that conditions are unacceptable. At Enterprise, we see our job as building a new housing system, showing that cost-cutting can be done and orderly change can occur."

An indicator of this change is the creation of a new federal Task Force to study how best to provide housing for people of all incomes and to make proposals to Congress for 1988. Rouse will head this Task Force, initiated by Senator Alan Cranston. It will consist of 15 to 20 people with housing experience who are open in their thinking, and who care about people, Rouse said.

"This country is going to change—but we have to work like the devil to

make it happen. Progress is occurring and the best is yet to come," he said.

Enterprise Foundation is working hard with a lot of citizen help to alleviate the housing crisis, according to F. Barton Harvey, III, Deputy Chairman. "We are now in 27 cities, partnering with 70 non-profit groups. We are particularly excited about Chattanooga, Tennessee, and we hope other cities will follow their lead," Harvey said. (Chattanooga has become the first city in the United States to launch a program to make all housing occupied by poor people in their city fit and livable within ten years. The city accepted the Enterprise Action plan, and within three months nearly \$3 million was committed from local and national sources to cover more than the first three years' operations. Enterprise identified the needed housing and estimated rehabilitation costs. Public and private leaders formed the Chattanooga Neighborhood Enterprise, Inc. to assist with planning, and to handle all of the low-income housing programs.)

The Pennsylvania housing scene was described by Karen Miller, state Secretary of Community Affairs and former mayor of Reading. "We have not solved the housing problem in Pennsylvania; there are 600,000 substandard houses in the state. There is a 'hard-nosed' reason to improve this

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Ann Winchester with her "Uncle Jim"—James Rouse, founder and chairman of the Enterprise Foundation. Rouse did not know that his niece would be a conference speaker.



Bill Pascoe, Vice President of the Baltimore Branch of the Richmond Fed, talks with Sister Peg Hynes and Christina DeLarge of The Heart of Camden. Pascoe was in charge of administrative details for the conference.

Enterprise Opens Philadelphia Office

"There is a critical need in Philadelphia for affordable housing," said Susan Trusty-Holman, "and that's why the Enterprise Foundation has now opened its first office in Philadelphia."

Ms. Holman, who heads the office, was previously executive director of the non-profit Neighborhood Housing Network, now disbanded.

"Another reason we are in Philadelphia is because the opportunities here for housing development are more diverse, and the CDCs more sophisticated. We will work with less sophisticated groups, also, but they must have strong leaders, and a track record that demonstrates their task-orientation. With the more sophisticated CDCs, we want to be a co-developer or business partner," Ms. Holman added.

For additional information, write to the Enterprise Foundation, 1608 Walnut Street, Philadelphia, PA 19103-5457, or phone (215) 545-8188.

"Examining the CRA after Its First Decade" . . . is the theme of the October 2 annual Community Affairs conference at the Philadelphia Fed.

Speakers will be: Mark S. Singel, Lieutenant Governor, Commonwealth of Pennsylvania; Glenn E. Loney, Assistant Director and Community Affairs Officers, Board of Governors of the Federal Reserve System; Michael P. Sullivan, President, Michael P. Sullivan Associates, Inc.; and James Carras, President, James Carras Associates. Loney, Sullivan, Carras, and Fred Manning, Assistant Vice President and Community Affairs Officer, Philadelphia Fed, will participate in a panel discussion, "Negotiating the CRA Protest."

Attendance at the program will be by invitation. For details, phone Manning at (215) 574-6458.

Explain New Rules to Compliance Council

"Bank Secrecy Act compliance remains a high priority item, and it is good that Third District bankers are willing to discuss this," said Richard Schriber, Senior Financial Analyst in the Division of Supervision and Regulation at the Fed's Board of Governors. He spoke to the Consumer Compliance Officers Council, individuals with regulatory compliance responsibilities in selected District banks, who met in May at the Philadelphia Fed.

He explained that because the U.S. Treasury Department continues to make changes in Bank Secrecy Act Regulations, banks have had to update their compliance procedures and training. In addition, the Federal Reserve Board has adopted changes in Bank Secrecy Act examination procedures. To obtain information about the Council, sponsored by the Philadelphia Fed, and to get information on future meetings, phone members of the Regulations Assistance staff, Phil Farley or Barry Cutler, at (215) 574-6458.

Fed Offers New Booklet On Mortgage Rates

Are you confused when you see mortgage rates published together with the points the lender charges up front? Are you able to tell which would have a lower annual percentage rate for a 25-year mortgage: a 10 percent mortgage with four points, or a 10.25 percent mortgage with two points?

If your answer to the first question is "yes" and to the second "no," then you may want to order a helpful pamphlet from the Philadelphia Fed. This free pamphlet contains charts to give you a quick grasp of the annual percentage rate, incorporating points, applied to 15-, 20-, 25-, and 30-year mortgages. The chart was designed by Phil Farley and is a "first" for the Federal Reserve System. To order it, write to the Public Information Department, Federal Reserve Bank of Philadelphia, 10 Independence Mall, Philadelphia, PA 19106-1574 or phone (215) 574-6115.

Regulations Assistance Unit Visits Many Banks

"We'll come for a visit almost any time you ask us," said Phil Farley, Regulations Assistance Manager in the Community and Consumer Affairs Department, Philadelphia Fed. He and his associate, Barry Cutler, Senior Analyst, make an average of 20 bank visits annually, all to promote understanding of, and compliance with, banking regulations.

"For years we have made a standing offer. We will go on the road for a seminar, workshop, or troubleshooting visit upon the request of an individual bank or regional organization, such as a chapter of the American Institute of Banking," Farley added.

The visits deal with specific regulatory concerns, while the workshops present information on general compliance issues for the bank's personnel. Both types of visits are confidential. Requests for visits usually increase with new banking legislation, and although there has been little regulatory legislation lately, needs can still develop due to a bank's compliance staff turnover.

Financial institutions wishing to arrange a meeting or workshop should phone (215) 574-6458. That number is also the Hotline for regulations assistance questions.

Department Welcomes New Team Member

Yvonne Banker recently joined the staff of the Community and Consumer Affairs Department of the Philadelphia Fed. In her new responsibility as Community and Consumer Affairs Clerk, she handles administrative and clerical support for eight staff members.

A Philadelphia native, she is a Fed veteran, with 15 years of service in the Checks, Accounting, and Public Information departments. While with the latter group, she scheduled and assisted with tours for visitors and new employees; managed the inventory and distribution of Fed publications; and scheduled audio-visual equipment use. She is currently enrolled in an evening college program leading to an Associate's Degree in Business Administration.

Hawthorne Council Converts School to Housing for Low-income Elderly

The Hawthorne Community Council initiated the recent conversion of the Hawthorne public school into low-income senior housing and is now moving to rehabilitate 47 houses in its neighborhood.

Alice Lipscomb, the Council's president, said that the Council intends to acquire and renovate all the vacant and dilapidated housing in the neighborhood, situated just outside Philadelphia's Center City. People from the neighborhood would have first priority for the rehabilitated housing, most of which will be rented.

Construction on Hawthorne Villa was completed earlier this year. The 55 units, including six units adapted for handicapped persons, are rapidly

becoming occupied. Most rent is subsidized with HUD Section 8 assistance arranged through the Philadelphia Housing Authority.

Investors in the \$2.6 million project were the Enterprise Foundation, CIGNA Corporation, U. S. HUD (which provided an Urban Development Action Grant) and the City of Philadelphia. Sun Oil Company also invested as a limited partner and received tax credits because the building was certified as historic.

The project was complicated, partly because many investors were involved. Lipscomb recalls that an early prospective investor said "It couldn't be done." However, she and other community leaders persisted, and "It

worked." Joanne R. Denworth, an attorney who coordinated the project for three years, said there were "lots of struggles". Enterprise was the first party to give financial backing, she said, adding that "Ms. Lipscomb inspires loyalty and commitment to the community."

The Council has renovated and sold 135 homes in addition to the Hawthorne Villa rental project. This was accomplished by 20 Council volunteers working together during the past 25 years. The Council does not have a paid staff. The renovations were done without bank financing, but Lipscomb said she will seek bank financing for the next rental project.

photo by Ciaglia



Alice Lipscomb receives congratulations from Mark Sissman, President, Enterprise Social Investment Corporation, at the formal opening of Hawthorne Villa.



Alice Lipscomb, right, shows an apartment in Hawthorne Villa to a prospective tenant, Gladys Anderson.



Hawthorne School before the renovation. It is one of a group of Philadelphia schools certified as historic, and its original classroom doors and blackboards were preserved.



Gladys Anderson enjoys her new apartment. She can use the blackboard for jotting down grocery lists and personal notes.

Got a Problem? Call Grace Theveny, Fed's Consumer Affairs Representative

So your credit rating is zilch?
So you have a dispute with your bank?
So you can't get a loan?

How do you know where to turn? Turn to the telephone. Dial (215) 574-6116. You will hear the pleasant voice of Grace Theveny, Consumer Affairs Representative at the Philadelphia Fed. And you will get timely, accurate advice on how to handle your problem.

Theveny investigates and acts to resolve complaints against state-chartered banks which are members of the Federal Reserve System. "Sometimes just a call to the right person at your bank can resolve the problem. We can help with the introductions," she said.

"I find that many people don't know the importance of a good credit rating," she explained, "because I get many inquiries concerning credit laws and regulations. Some folks don't pay

their bills, or are late with payments—sometimes for a good reason. However, if they ignore credit problems, the situation can come back to haunt them later. I tell callers how to obtain a copy of their credit report. I may suggest that they obtain a free Fed pamphlet, *Your Credit Rating*, to help them. Or, I may give them a brief explanation of their rights."

A caller may be referred to sources of help such as the Consumer Debt Counseling Service of Delaware County, a non-profit agency that negotiates with creditors to set up payment schedules, or the Federal Trade Commission, if the complaint relates to abusive tactics by a collection agency.

Perhaps consumers feel that a bank or retail store has not given them "a fair shake." Maybe they dispute an item on their credit card bill. "Sometimes I just need to explain the proper procedures to correct the situation," she added.

She's a busy person, with a busy phone. In 1986, the Philadelphia Fed handled over 20 percent of all consumer complaints received by the entire Federal Reserve System. Among these, there have been some laughs:



A child:
"I have a dollar bill with a picture of Santa Claus on the front. Is it good?"

A police sergeant:
"Do we *have* to accept jars of pennies as payment for traffic tickets?"

Theveny is the spokesperson for complaints and inquiries relating to many Federal laws. Some are: Equal Credit Opportunity Act, Home Mortgage Disclosure Act, Electronic Fund Transfer Act, Consumer Lending, Truth in Lending, Fair Credit Reporting Act, Fair Debt Collection Practices Act, and the Fair Housing Act.

Dynamic Director . . .

Among the York business community, Simpson has had a close relationship with Caterpillar—he was lent from Caterpillar for what was supposed to be one year—and with Carl Neu, retired president of the York Chamber of Commerce. Simpson said he wants to build links with other area businesses.

In the area of job assistance, CA has established an employment service which matches residents needing unskilled, entry work with local business openings. It placed 120 people

Provident National Bank recently issued a new publication describing the bank's commitment to its community through charitable contributions and support of community improvement projects. To obtain a copy of *A Catalog of Community Support*, contact Provident National Bank, Public Affairs Department, Broad and Chestnut Streets, Philadelphia, PA 19110-1083 or phone (215) 585-7218.

in its first year. Enterprise Foundation provided the operational system and training for this non-fee service for area residents.

"We're building credibility and reliability in our referrals," said Michael Jefferson, program director. "Several banks have hired our referrals and the York Chamber of Commerce has assigned a committee to assist us." The wall behind Jefferson's desk is covered with paper stars, each with a successful worker's name. This "Wall of Fame" as well as certificates and awards were among Jefferson's ideas to honor workers, "many of whom have never previously received compliments for their job performance."

CA's day care program serves 175 youngsters of working parents. Robert Hollis, CA associate director and a Vietnam veteran who found a vocation in day care, said: "From the time they walk in the door, we give the children positive reinforcement." Most day care for youngsters is funded under a government program but CA also attracts children of middle-class parents, who pay full tuition. CA ran a pilot program which

became a statewide standard for child care.

Successful, existing programs are not the end of the CA story. Simpson said that in the next few years CA will start several businesses, such as a restaurant, laundromat and janitorial supply service. Simpson added, with his customary enthusiasm, "This will be one of the best neighborhoods in the city—as good as any other!"

If you would like additional information on the Crispus Attucks Association, write to: Bob Simpson, Executive Director, Crispus Attucks Association, 605 South Duke Street, York, PA 17403-3199, or phone him at (717) 848-3610.

CASCADE is published by the Community and Consumer Affairs Department, Federal Reserve Bank of Philadelphia, 10 Independence Mall, Philadelphia, PA 19106-1574. It is available without charge. Please send subscription orders and address changes to Betty Carol Floyd at the above address, or phone (215) 574-6458.

Nine Area Banks Sign Lifeline Banking Pact

"Almost 40 percent of American families have no checking or savings accounts," said Father Joseph Kakalec, Executive Director of the Regional Council of Neighborhood Organizations (RCNO). "Our new Lifeline Banking agreement will pull Philadelphia area families of this sort back into 'the system'."

Father Kakalec pointed that out when he announced the signing of an agreement by nine Philadelphia banks, "to provide affordable and accessible services for those who need it most." The announcement was made at a spring press conference at the Philadelphia Fed.

"I doubt if such an agreement has been signed anywhere else in the country," said James F. Bodine, former head of the Urban Affairs Partnership, who saluted RCNO, community organizations, and banks for their cooperation in developing the generalized agreement.

Lifeline Banking services, with the product range and terms to vary from bank to bank, include such concepts as minimum fee checking accounts and low opening balance requirements. The nine signers are: Bryn Mawr Trust, Continental, Fidelity, First Pennsylvania, Mellon, Meridian, PSFS, Philadelphia National Bank, and Provident. For additional information, write to RCNO, 2147 Manton Street, Philadelphia, PA 19146-4312, or phone (215) 389-5135.

Need a Speaker?

Members of the Community and Consumer Affairs Department of the Philadelphia Fed may be available to talk to various audiences. Speakers and their topics are: Fred Manning, Community Affairs; and Phil Farley, Regulations Assistance. For details, phone Betty Carol Floyd, (215) 574-6458.

Speakers are also available from Jim Dygert's Public Information Department on these topics: Banking and Financial De-regulation; Business and Economic Issues; Treasury Securities; The Federal Reserve Today; and Consumer Education. For details, phone Henrietta Kiel, (215) 574-6257.

The Reading Doesn't Stop Here Anymore ---- But Lebanon Depositors Do

After they washed the blackened soot off of the brick walls with acid—*voila!*—yellow brick walls.

That happened when the Farmers Trust Company of Lebanon, Pa. turned the derelict Reading Railroad station into a branch bank. Historic preservation accompanied economic development as the old facility took on renewed appearance and purpose, and in the process strengthening community pride and expanding banking services.

"The bank mingled with foresight,

yesterday and tomorrow," according to the Lebanon County Historical Society. Since the station was on the National Register of Historic Buildings, the bank received some federal funding. Farmers Trust purchased the tract from the Lebanon Housing and Redevelopment Authority to get space for drive-in windows and customer parking, services which were lacking at their in-town location. For information on the restoration, contact Palm C. Bernardo, Vice President, Farmers Trust Company, 817 Cumberland Street, Lebanon, PA 17042-5266, or phone her at (717) 274-6505.



"Before"—a boarded-up eyesore.



"After"—a sparkling new bank, aptly named the "Railroad Office."

Continental Bank . . .

Mortgage Plan, the Philadelphia Rehabilitation Plan, and the Montgomery County Mortgage Plan. Continental is among the banks which provide below-market loans through the above plans for purchase and purchase/rehabilitation financing. The department also oversees Philadelphia Action loans (below-market home improvement and home repair loans); FHA Title I home improvement loans; and MEND loans (rehabilitation financing to Philadelphia rental housing investors).

In the last 18 months, Continental has increased its involvement in the Philadelphia Mortgage Plan, as reflected in the number of applications received and mortgage loans made. Twenty branch offices now provide information on housing programs, and accept applications.

Through its new department, Continental also makes commercial loans

to small businesses and individuals with limited incomes. This is done through the Limited Equity Assistance Program (financing to start or acquire a small business or for working capital and fixed asset acquisition); the Construction Financing for Community Development Program (residential housing for sale or rent, apartment buildings and commercial property); and the Community Mortgage Program (income-producing commercial, industrial, residential, and owner-occupied commercial properties).

"We have a good feeling about this whole area partly because executive management has a good feeling about it," Desiderio added. He pointed out that Continental has had an internal Community Development and Reinvestment Committee since 1981. Members are from areas of the bank charged with providing services for low- and moderate-income individuals and enterprises. Recently, the bank established a Community De-

velopment and Reinvestment Advisory Committee, consisting of bank officials and community leaders.

"This committee is one way to ascertain credit needs, and we feel it is very important," D'Onofrio said.

The community representatives are: George Butts, President, ACORN Housing Corporation; Rev. Joseph Kakalec, Executive Director, Regional Council of Neighborhood Organizations; Jill Michaels, Executive Director, CDC, Inc.; Adamino Ortiz, Executive Director, Accion Comunal Latino Americano de Montgomery County; and Dr. Jin Yu, Chairman, Korean Community Development Services Center.

Recently, Continental also established a CRA committee at the holding company level which meets quarterly to discuss CRA issues in Pennsylvania, and includes representatives of Continental Bank, York Bank and United Penn Bank.

Mellon Bank (East) . . .

major strategy is the presentation of seminars to neighborhood groups. Mellon speakers explain our new Basic Banking Program that offers checking accounts tailored for those with limited incomes. We outline credit opportunities such as Action Loans for home improvements, and the Philadelphia Mortgage Plan. We have provided outreach seminars to more than 20 neighborhood organizations throughout the Philadelphia area. The seminars have been attended by more than 700 people."

The Community Affairs Division is part of Mellon's Consumer Banking Group led by Brett, which is a unit of the Community Banking Department headed by Executive Vice President Charles M. Vollmer.

The division supports other Mellon departments when they are involved with community activities, and provides loans for projects undertaken by the recently-formed Mellon Bank Community Development Corporation. The Federal Reserve System authorizes bank holding companies to form subsidiary Community Development Corporations that invest

or lend money for projects designed primarily to promote community welfare. They are permitted to engage in certain activities not normally permitted to banks and are regulated by law.

To date Mellon's CDC has approved financing for projects involving several neighborhood-based CDCs. These include:

- Greater Germantown Housing Development Corporation—for the renovation and sale of two properties that will be used for individual housing.
- National Temple Commercial Development Corporation—financing for the acquisition of four mixed-use properties in the Cecil B. Moore Urban Renewal area of North Philadelphia.
- Hispanic Association of Contractors and Enterprises, Inc. (HACE)—financing for the acquisition of a commercial building along the Hispanic commercial strip in North Philadelphia.

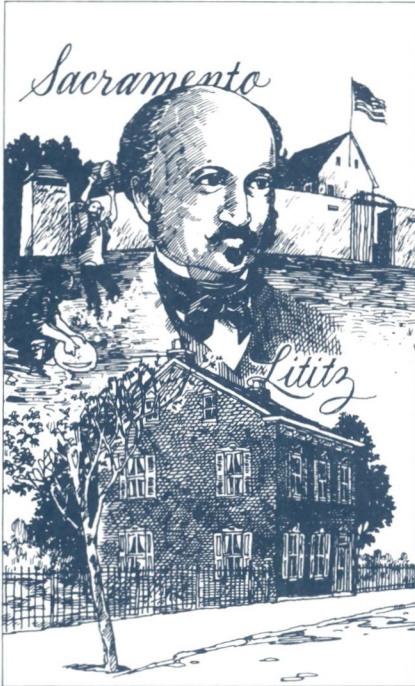
Around the District

THE NATIONAL BANK OF BOYERTOWN, Pa., recently received a salute for community service from the local newspaper. "The YMCA, senior center, athletic programs, Boy and Girl Scouts, United Way. . .you will find National Bank employees as volunteers in all of them," the editorial stated.

A BANK FIGHTS DRUGS—with a \$63,847 grant. That's Philadelphia National Bank, cooperating with the Hunting Park Task Force (community groups) to initiate a four-part anti-drug program. This includes neighborhood workshops in youth job training, counseling, and placement; seminars set up through schools and churches to discuss drug-related problems; and information to help teachers spot signs of drug abuse in students.

DOWNTOWN READING is brighter now that the 72-year-old Berkshire Hotel has been historically restored and adapted into a luxury office building. Meridan Bank provided \$6 million in loans for the \$13 million project.

Historic Preservation Means Local Pride, Business Payoff For Farmers First Bank



Preservation of historic buildings can be a critical factor in enhancing the spirit of community life, and a catalyst for reviving the economic underpinnings of a town. All the more so when the initiator is a bank.

Farmers First Bank of Lititz, Pa., has made a powerful statement about its belief in the community by its restoration of the Sutter House, and by a current project, restoration of a derelict paper mill.

Here's the Sutter story. It began in 1848, with the gold rush, in Sacramento, California, where John Sutter owned a mill. One day a workman noticed glittering metal flecks in a stream. Gold, boys, gold!

Soon Sutter's land was overrun by thousands of gold-crazy prospectors. His laborers left him. His wheat rotted in the field. Squatters stole or slaughtered his horses and cattle. After financial reverses, including unsettled land claims, the aging Sutter came east to petition Congress for payment for the disputed land. He settled in Lititz, where in 1871, aided by funds from his son, he built a splendid brick house. It had hand-carved window and entry hoods and a three-story winding staircase.

Now we jump through time to 1979. Enter: Farmers First Bank of Lititz. Because they needed more space for banking they purchased the Sutter house. The interior had been altered, the facade replaced by plate glass store windows, and many of the doors were missing. But with the help of the Lititz Historical Society, Lancaster County craftsmen, and many others, plus a little good luck (the doors were found in the basement of a Lititz resident)—the bank accomplished its goals: acquiring space through adaptive re-use and preserving the



Only one example of the handsome hand-carved window hoods was still in place. Additional ornamental hoods were carved to match the original.

structure's historic identity, with the spin-off benefit of boosting local pride.

Was this enough restoration for Farmers First Bank? No! The bank recently purchased an immense paper mill, built in the early 1900's, which lay vacant and ravaged by flood waters. Morgans Mill will become "a facility which will meet the needs of the bank as well as the priorities of the community," according to bank officials, who plan to use a portion of the space for banking offices, and lease the rest to business firms. To receive a pamphlet on the Sutter House restoration, write to Farmers First Bank, 9 East Main Street, Lititz, PA 17543-1926 or phone (717) 626-4721.

Camden Council . . .

"The Lenders' Profile of Camden is a great aid to bankers," said Mary Little Parell, New Jersey Commissioner of Banking, speaking of a study recently done by the Philadelphia Fed's Community Affairs Department. "The Profile recognizes that much is already underway here, and points to how banks can both lend responsibly and help Camden at the same time. Using this spadework, bankers can be brought up to speed rapidly about Camden's opportunities."

The audience, which included 22 bankers from 17 financial institutions, heard about Camden's recovery efforts from Barbara Coscarello, Camden's Director of Development.

"Although the waterfront is the corner-

stone of Camden's redevelopment, we are accomplishing other projects, too," she said. "This fall we break ground for a 100,000 square foot office building constructed by Hertzfeld Associates, which is already 100 percent pre-leased. We are planning a parking garage, and another 100,000 square foot building. Princeton Bank financed a \$4,500,000 development to rehab a downtown office building for the J. E. Brenneman Company, which will move its subsidiaries from Philadelphia. The Urban Enterprise Zone has resulted in Camden's receiving \$80 million in capital improvements.

"In another program, funding came from four local banks: Princeton Bank, United Jersey Bank, Midlantic Bank, and City Federal Savings Bank. This, together with money from a private foundation, the Fund for New Jersey,

and Community Development Block Grant funds, has helped form the Cooperative Business Assistance Corporation. The total amount from these sources is \$775,000 to date. Of this, the Cooperative Business Assistance Corporation is providing low-interest loans, up to \$60,000, to 'mom and pop' business operations, for working capital and fixed assets."

CASCADE now reaches more than 2500 community groups and financial institutions. If you would like to tell us about your interesting community development program or community affairs initiative, or order extra copies, write to: CASCADE, Community and Consumer Affairs Department, Federal Reserve Bank of Philadelphia, 10 Independence Mall, Philadelphia, PA 19106-1574.



Community Affairs Gets Support from Graphics

CASCADE and the Community Affairs Department at the Philadelphia Fed get lots of help from their friends.

Friends, in this case, are the members of the Graphics Department. Pictured above, left to right, are: Gina Humphreys, who does visuals, slide presentations, and art work; and Ron Williams, Art Director. Harriette Behringer, editor of CASCADE, stands behind Kathy Molinaro, who designs each issue.

Bankers Leave Home . . .

situation: economic development. Businesses do not locate where there is not enough safe, decent, and affordable housing," she said.

In Baltimore, the Enterprise Loan Fund helps make affordable housing happen. It replicates, on a large scale, low-interest loans available to non-profit groups. The Fund at Baltimore Federal Financial has made substantial commitments to low-income housing.

"Housing is sometimes written off by the business community," said Mimi Waxter, of Baltimore Federal Financial, "because they think it is a job for the federal government, or it is just too big a problem to handle." The Enterprise Loan Fund has made loans to the St. Ambrose Loan Fund, which in turn helps people buy modest homes in Baltimore.

In the long-term, good relationships with community groups are not necessarily assured even after successful resolution of a CRA protest. Continuing effort is required to nurture the association and optimize its potential. This was explained by Cynthia West, Community Affairs Officer, Dauphin Deposit Bank. Several years ago this Harrisburg bank was involved

in a landmark CRA protest. Another bank with an active community affairs program is the fast-growing 1st Nationwide Bank of San Francisco, which is a recent entry to the Philadelphia banking scene. Ann Winchester, Vice President, praised the exceptional social consciousness of the CEO, Anthony Frank, and pointed out that a successful community affairs program is usually a reflection of enthusiastic senior management support. It is sound banking, too.

"Banks have failed for many different reasons, but no bank has ever gone under because of making low-income housing loans. It is possible to do well by doing good," she said.

The conference had its lighter moments. Winchester was on the agenda just ahead of James Rouse, by design. Manning, with a sly wink, told her, "That was a Rousing talk." Then, also by Manning's design, James Rouse walked into the conference room for the Big Surprise. He did not know that Winchester, his niece, would be in Baltimore, or be at the speaker's podium.

After getting a warm family hug from her amazed and delighted relative, she introduced him to the audience and told everyone to "call him 'Uncle Jim' from now on."



Fred Manning, left, and Larry Murdoch, of the Philadelphia Fed, escort the luncheon speaker, Karen Miller, Pennsylvania's Secretary of Community Affairs, to the podium. Miller addressed the Baltimore meeting of the Community Affairs Council.

Other speakers were: Joseph Biber, Dave Cramer, and Fred Cooper, Enterprise field officers; Emmanuel Freeman, President, Greater Germantown CDC; Al Hydeman, Director, York Department of Economic and Community Development; Vinnie Quayle, Director, St. Ambrose Loan Fund; and Robert D. McTeer, Senior Vice President, Baltimore Branch of the Federal Reserve Bank of Richmond.

