



Comptroller of the Currency
Administrator of National Banks

Community Developments

Spring 2003

Community Affairs OnLine News Articles

This Just In . . .



Northeastern District

John Farrell (617) 482-1643

Denise Kirk-Murray (212) 790-4053

Vermont Agency Wins Award

The Vermont Housing Finance Agency's Housing Choice Homeownership Initiative has won a Program Excellence award from the National Council of State Housing Agencies. The Initiative helps lower-income Vermonters to buy homes using federal Housing Choice (formerly Section 8) vouchers. Although these vouchers are most commonly used to acquire affordable rental housing, the Vermont program, in partnership with numerous financial institutions, has been notably successful in using them to meet homeownership needs. For more information, visit www.vhfa.org.

Delawareans Save!

Interfaith Housing Delaware, a NeighborWorks® organization, is offering Individual Development Accounts (IDAs) — called “Delawareans Save!” — to help lower-income residents build assets. The dollar-for-dollar matched savings account (with the matching funds supplied by the state) can be used to help make a down payment for a home, start a small business, or cover education costs. Participants attend financial literacy classes and receive housing counseling and other services, offered in both English and Spanish. Graduates open their IDA savings account with a participating bank. For more information, contact Interfaith Housing Delaware at (302) 995-7408, or www.interfaithhousingde.com



Southeastern District

Nancy Gresham-Jones (404) 659-8855

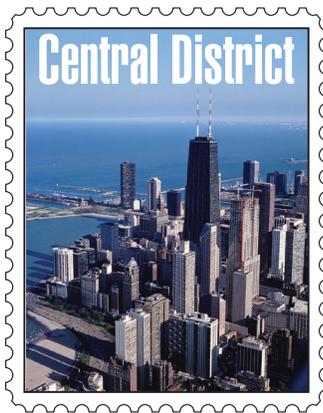
Karol Klim (404) 659-8855

Loans Aid Struggling Businesses

A new loan pool in Memphis will help small and minority-owned businesses that ordinarily couldn't get a business loan from a bank. The Memphis Business Opportunity Fund is a partnership of three local banks, city government, and a nonprofit community development agency. Union Planters Corp., First Tennessee Bank, and National Bank of Commerce have each committed \$5 million to the fund, which is also receiving support from the Federal Home Loan Bank. Loans are expected to range from \$35,000 up to about \$500,000, with a goal of loaning \$50 million over the next 10 years. For more information, contact Southeast Community Capital, a nonprofit technical assistance provider administering the fund, at (901) 526-9300.

Act Supports Affordable Housing

South Carolina's Community Economic Development Act, enacted in 2000, has gone largely unnoticed, but could help businesses reduce their taxes while boosting local economies. The act gives businesses a 33 percent tax credit for every dollar invested in certified community development corporations (CDCs) building or rehabbing affordable housing. There are 14 such CDCs in the state. For more information, contact the South Carolina Department of Commerce (www.callsouthcarolina.com).



Central District

Paul Ginger (312) 360-8876

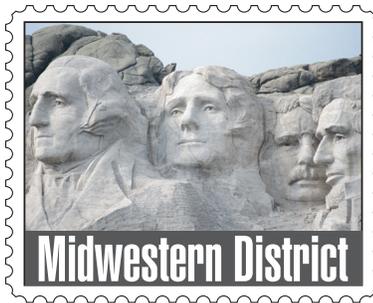
Introducing ICADC...

Illinois Community Action Development Corporation (ICADC) is a non-profit developer of affordable housing available to work in smaller Illinois communities that lack capacity to develop such housing. ICADC recently broke ground on its first project, a \$4.3 million, 42-unit development in West Frankfort. Financing for this project is completed, but banks can provide financing and purchase Low-Income Housing Tax Credits in connection with other ICADC projects as they are developed. For more information, contact Joyce Probst at (217) 789-0125 or jprobst@icaanet.org.

...and GLRCAP

Great Lakes Rural Capital Assistance Program (GLRCAP) is a non-profit firm helping small communities in Illinois, Indiana, Kentucky, Michigan, Ohio, West Virginia and Wisconsin install and improve drinking water, wastewater and solid waste infrastructure and management systems serving lower-income populations. Banks can provide construction financing and long-term loans for these

projects. GLRCAP, which works through local community action agencies, recently won a \$700,000 grant to assist local communities with planning for affordable housing and economic development. Banks can provide loans for projects that GLRCAP helps plan. For more information, contact Debra Martin at (800) 775-9767 or dcmartin@wsos.org.



Midwestern District
Annette LePique (816) 556-1832

Rural CDC Starts Up in Missouri

Joplin, Missouri serves as the commercial, medical, and cultural hub for the largely rural region that includes SW Missouri, SE Kansas, NE Oklahoma, and NW Arkansas. Eight local banks have formed the Joplin Capital Corporation (JCC), a for-profit community development corporation to promote economic development in economically underserved areas. JCC will provide “gap” small business loans, from \$5,000 to \$50,000, for entrepreneurs unable to arrange a complete package of conventional financing. JCC anticipates that a typical loan will finance a portion of a project’s needs while leveraging funds from other sources.

JCC has identified census tracts in which businesses must operate to be eligible for loans. Businesses receiving a loan from JCC must contribute to the overall economic goal of attracting, retaining, or creating new jobs. Eligible applicants can include existing businesses, start-up businesses, purchasers of an existing business, home-based businesses, or investors in commercial real estate. Interest rates will be based on market rates and priced according to risk. For more information, contact Bob Stark, Senior Vice President, Hometown Bank, at (417) 782-0005.



Southwestern District
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Texas: Colonias Initiatives

More than 340,000 Texans live in impoverished rural colonias where the need for decent affordable housing is extreme. The state Office of Colonia Initiatives can help residents convert residential property purchased under real estate contracts to fee-simple ownership financed by a conventional mortgage. Fee-simple ownership allows owners to seek funding for construction, rehabilitation and other benefits linked to real property ownership. For additional information about the Contract for Deed Conversion Initiative, contact Homero Cabello with the Office of Colonia Initiatives at (800) 462-4251.

Oklahoma: Low-Interest Loans

The Oklahoma Housing Finance Agency (OHFA) has \$36 million available for low-interest home loans through OHFA Advantage, a statewide affordable home loan program. Some \$3 million has been set aside for “OHFA 4 Teachers,” an innovative program designed to make it easier for underpaid but critically needed teachers to become homeowners. Rates are at 6 percent interest for 30-year fixed-

rate loans, and include 4 percent down payment assistance. Loans can be FHA, VA, USDA/RD or conventional. For more information, call OHFA at (405) 419-8207 or (800) 256-1489 x 207, or visit www.ohfa.org.



Western District

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Susan Howard (818) 240-5175

RARE Helps Rural Communities

Resource Assistance for Rural Environments (RARE), administered through the University of Oregon, is a program aimed at helping rural communities improve their capacity to impact economic, social, and environmental conditions by providing trained graduate students who will live and work there for a year. RARE is currently supported through grants from several state and federal agencies, with each participating community providing \$17,000 of the approximately \$37,000 needed to place, train, and support a full-time RARE participant. For more information, please visit RARE's Web site www.uoregon.edu/~rare/

Sustainable Ruralism

North Fork, a small town in California's San Joaquin Valley, for decades was home to a lumber mill. When it closed a few years ago the town was plunged into economic chaos. But residents persuaded the mill owner to donate the land to the town and created a community development corporation (CDC) to promote recovery. North Fork CDC recently held a symposium, "ReGenerations: Collaborative Formulas for a Sustainable Ruralism," including case studies from across the nation. For more information, contact Barry Vesser, North Fork CDC, at (559) 877-2244 or www.northforkcdc.org.