How to Talk the Talk Your Financial Partners Can Understand

Financial institutions play a central role in Assets for Independence Projects, holding Project Reserve Accounts and Individual Development Accounts for participants. Many institutions also support AFI Projects by providing presenters for financial education, facilities, or advisors on policies and procedures. A few AFI grantees are themselves credit unions or other financial organizations, such as CDFIs (Community Development Financial Institutions). There are, however, many different types of financial institutions; the number and types of relationships they may have with AFI Projects and with the families and individuals these projects serve can be quite varied. The purpose of this discussion is to help AFI grantees to think of ways to broaden their relationships with financial institutions to benefit their participants and their organizations as well.

This resource document focuses on three points:

1. An overview of the major types of financial institutions and the niches they fill in the industry,
2. How the type of financial institution and its role shapes, to some degree, what it may be interested in doing with respect to asset building and what it may do in relation to asset building.
3. Examples of trends in products and services tailored to attract and retain low-income household affiliation with mainstream financial institutions.

From the Top

The financial services industry in the United States includes myriad players, from the Federal Reserve down to the check casher on the corner. Some key classes of institutions are:

The Federal Reserve

There is only one Federal Reserve System and one Board of Governors, though it is divided into 12 regions. The Federal Reserve, through its chairman, Board of Governors and the Open Market Committee, sets basic monetary policy. Its general purpose is to insure smooth functioning of markets and access to capital and to minimize extreme swings in the economy, largely by setting interest rates for lending to banks and other financial institutions. These rates, in turn, influence the rates charged at each level of the financial system: by commercial banks, community banks, credit unions, and even mortgage and auto financing businesses. In addition, the Federal Reserve manages currency exchange, insuring that there are enough dollars, quarters and dimes where needed, and processing funds transfers by check or, increasingly, by electronic transfers.

With respect to asset building, the Federal Reserve includes in its mission efforts to support community development and revitalization by fostering relationships among financial institutions and community-level projects, and by providing technical assistance and training to institutions that want to invest in community development, whether through affordable housing or through other types of asset-building projects. The Federal Reserve has also supported a great deal of research on IDAs and other anti-poverty strategies, their impacts, and most effective practices.

Secondary Markets

These kinds of financial institutions, originally established by Congress, do not provide direct financial services to individuals. Instead, they buy loans in large quantities from local lenders, such as commercial banks and credit unions, whether national, regional or local. The lender recoups the amount loaned quickly and, thus, can lend to another customer, for a home mortgage or an education loan, for example. The secondary buyer then sells the loans, often in large numbers of the same type, to investors, such as pension funds or central banks, or invests itself and collects the interest, thus replenishing its own capital. In this category are the Fannie Mae Corporation, the Freddie Mac Corporation, and other entities, such as Sallie Mae (which purchases student education loans). The Office of Federal Housing Enterprise Oversight regulates Fannie Mae and Freddie Mac, including requiring them to finance affordable housing and housing in central cities and other underserved or rural areas.

The secondary market, because it does buy billions of dollars in loans, also partly determines how flexible a local lender may be in setting the terms of a mortgage or business loan to an individual. The secondary institutions will not buy loans that do not meet their requirements. While some banks and credit unions prefer to retain at least some loans in their own portfolios and manage them directly, many more sell their loans to the secondary market. In recent years, the major secondary institutions, such as Fannie Mae and Freddie Mac, have developed products with downpayment and interest terms that are more flexible for low-income households. The terms for some products explicitly recognize the use of savings and matching funds from individual development accounts or are more favorable for those who have completed financial education. [See table at the end of this document for examples.] In this instance, the lender and the secondary market are judging that such an individual is less likely to default on a loan.

There are also other kinds of intermediaries that work locally or nationally to direct capital toward community development. Among these are Small Business Development Centers affiliated with the Small Business Administration (including centers that target women and minorities); the Opportunity Finance Network (formerly the National Community Capital Fund); and local or nationally affiliated community development entities, such as LISC (Local Initiatives Support Corporation), Neighborhood Reinvestment Corporation, and the Association of Enterprise Organizations. Such intermediaries, which may be funded from local, state or Federal sources, all try to match low-cost capital to projects and activities that will boost economic development, whether through developing affordable housing and small businesses, or providing planning and technical assistance.

Commercial Banks

Commercial banks (state or federally chartered) provide a full range of services: checking and savings accounts; ATM and debit cards; consumer financing, such as mortgage, business and education loans; certificates of deposit or other investment instruments; and investment advising. They are usually insured by the Federal Deposit Insurance Corporation (sometimes a state) but regulated by different agencies: for example, the Office of the Comptroller of the Currency oversees national banks; the Office of Thrift Supervision is the primary regulator of federally-chartered and state-chartered savings associations, their subsidiaries, and their registered savings and loan holding companies. In addition to the influence of the secondary markets, regulations require commercial institutions to limit their risks in lending, to provide detailed reporting, and to maintain their lending terms within certain bounds. These entities are sometimes called prime lenders and their rates prime rates, in contrast to subprime lenders, which are not regulated as closely and who may take greater risks and charge much higher rates of interest.

Commercial banks and prime lenders include institutions of various sizes: national banks, such as Citigroup, JPChase, Bank of American, Wachovia, and the like; regional banks, such as Whitney or SunTrust, that have many branches, even in several states, but concentrate their business in one area of the country; and local or community banks, that may have a small number of branches, or even only one. The size of the institution is a factor in its relationship to initiatives like AFI. For a large bank, adapting an accounting system, for example, to accommodate a few dozen or even a few hundred IDA accounts, may not be worth its while—from a purely business perspective. Conversely, a community bank may be willing and able to handle a small number of IDA accounts by assigning a staff member to the task. It may also be able to work personally with IDA savers to transition them successfully to other products. On the other hand, a pure business analysis is not the only factor determining whether and how a commercial financial institution participates in IDAs or similar community development investments. [See CRA and Business Case and Costs below]

A new trend in commercial banking is the interest of retailers, such as Wal-Mart and Home Depot, in gaining ownership of charters within a special class of banks, called industrial banks. These institutions are similar to commercial banks but do not provide basic consumer services such as checking and deposit accounts. They do, however, handle large portfolios of credit card accounts.

There are several other types of financial institutions, and a few institutions function in more than one niche. Among these are:

Credit Unions

Credit unions are non-profit financial cooperatives, owned and controlled by their members. “Not for profit, not for charity, but for service” is a credit union motto. Credit unions provide their members with a safe place to save and borrow at reasonable rates. Members pool their funds to make loans to one another. Members elect a volunteer board of directors to manage, direct, and control the credit union. To join a credit union, you must be eligible for membership. Each institution decides whom it will serve. Most credit unions are organized to serve people in a particular community, group or groups of employees, or members of an organization (including faith-based organizations) or association. The nation’s approximately 1,100 low-income designated credit unions are unique. They serve primarily low-income members in distressed and financially underserved areas.

Generally, credit unions offer financial products/services similar to commercial banks but restrict them to their members (although some products/services can be offered to non-members). The National

Credit Union Administration (NCUA) is the Federal agency that charters and supervises Federal credit unions and insures savings in Federal and most state-chartered credit unions across the country through the National Credit Union Share Insurance Fund. In the past few years, NCUA has emphasized the benefits these institutions provide to the many people who are often underserved by traditional banking institutions. NCUA also manages a Community Development Revolving Loan Fund (providing community development funds for low-income credit unions around the nation) and offers technical assistance grants to low-income designated credit unions.

Federal Home Loan Banks

The Federal Home Loan Bank System includes 12 regional banks with more than 8,000 community financial institution members, the Federal Housing Finance Board which regulates them, and the Office of Finance, which acts as a liaison with Wall Street. They are one of the largest sources of residential mortgage and community development credit in the country. Their Acquired Mortgage Assets program serves as an alternative to the secondary mortgage market. They also support an affordable housing program and a community investment program with capital. Several regions offer nonfederal funds to match individual savings, either through IDA programs, such as AFI, or other means to bring funds to the purchase of a home.

Community Development Financial Institutions

CDFIs grew up in the 1990s as a way to encourage investment in community development that seemed too risky for the conventional financial institutions, such as affordable housing, microbusiness, and even childcare, healthcare and charter schools. A CDFI may be a conventional financial institution (bank or credit union), or it may be a community-based organization that invests in affordable housing or microenterprise, for example. Their focus is investment, not consumer services, such as checking and saving. More recently, conventional financial institutions have become more active in these areas, as risks seemed to recede. CDFIs operate under the Department of the Treasury, which provides capital that is passed on to individual institutions at favorable rates to encourage local investment. Treasury also provides other mechanisms and technical assistance to CDFIs to encourage their activity: for example, a CDFI might receive funds to design an IDA project or train staff to work with an existing IDA program.

Other Financial Institutions

This category includes specialized lenders, such as Ford Credit, and businesses that deal only in mortgages, such as Countrywide Mortgage, or only in business loans. It also includes standalone or franchised consumer financing businesses, payday lenders, and check cashers. In general, these institutions are less regulated or their regulations are largely determined by the states in which they are chartered or operate.

In recent years, alternative financial service providers, such as check cashers, and mainstream financial institutions, such as credit unions and commercial banks, have begun testing partnerships. The goal is to combine the convenience and flexibility of the ubiquitous check casher with the stability and low cost of the traditional financial services provider. For example, the Bethex Federal Credit Union in New York City, a community development credit union, teamed up with RiteCheck Cashing. At the check cashing outlets, credit union members can make deposits to their accounts, loan payments, and withdrawals at no cost. They may also cash checks with no fee, or a reduced fee absorbed by Bethex. If they do not have accounts, they can get information on opening regular low-cost accounts. The credit union reaches more low-income, unbanked individuals, thus furthering its mission without investing in new facilities, and the check casher gets a higher volume of business and improves its image in the neighborhood. Technology that allows the check casher, as well as the bank or credit union, access to ATMs makes this approach cost-effective for both parties. This model, which required approval from the New York State Banking Department and the National Credit Union Administration, may be a partial answer to the scarcity of traditional financial institutions in many low-income neighborhoods.

Community Reinvestment Act Realities

Those working to revitalize communities and to implement asset-building approaches to eliminate poverty often cite the Community Reinvestment Act (CRA) as a reason that financial institutions should support their work, with dollars or other resources. The CRA requirements, however, are limited and sometimes misunderstood. There are three general areas on which financial institutions are evaluated; the evaluation also depends on the institutions' self-defined mission and business strategies. The three general areas are lending, investment, and service. Lending is carries more weight; service less. A mortgage or business loan to a low-income individual, or dollars to support operations for a qualified organization serving a low-income neighborhood will earn more points than a number of small, interest-bearing, no-fee savings accounts or holding an interest-bearing AFI Project Reserve Account: these options count as service. Service also includes staff time allocated to financial education directly or with a partner organization, outreach, working on boards and committees, or providing facilities that support an antipoverty activity. Even under lending or investment, there are many opportunities from which to choose. The breadth of activities counted under CRA means that, in effect, AFI or similar projects, are competing against equally qualified or attractive options. Thus, CRA credit, while not negligible, may not be the best basis on which to develop a relationship with a financial institution.

Business Case and Costs

AFI Projects, and other organizations with community revitalization missions, may be better off developing a business case for support of their activities and participants, in whatever form. While both large and small banks and credit unions are very active with IDA programs, the potential and advantages and disadvantages for them vary.[1] Here are several points to consider.

Is a potential financial partner likely to retain loans or mortgages linked to AFI, or a similar initiative, or to sell them in the secondary market? If they plan to sell, then they are restricted in what terms they

[1] A 2003 study showed that 89% of participating banks and 54% of participating credit unions were small or medium in size, though larger financial entities held the majority of all IDA accounts. See the Center for Community Capitalism in the resource list at the end of this document.

can offer. In recent years, Fannie Mae and Freddie Mac, for example, have supported more flexible terms, even allowing no downpayment and accepting higher risks, especially for borrowers who have participated in financial education. Even if a financial institution plans to keep certain loans in its portfolio, there are still limits. Either way, the financial entity still must meet its regulator's requirements for soundness and risk, or be penalized upon examination.

Another important consideration for financial institutions, especially commercial banks, is the relationship with the community organization. Where does it do its banking business? Handling its reserves, operating accounts, investments, or loans is likely to be more enticing than servicing IDA accounts alone. At least balancing costs with income will help. Research has shown that most financial institutions involved with IDAs had a prior relationship with the community-based implementing partner.[2] Further, AFI grantee staff need to show potential financial partners that they understand the reality of less visible costs, such as training its staff about IDAs and the reserve account; and revising, reviewing and adopting policies and procedures related to such activities. On the other hand, IDA programs are almost risk free, and local bank managers are evaluated in part on their risks and losses. Credit unions vary somewhat in this area, in that they are nonprofit, service-oriented cooperatives, so that the relationship with IDAs or other community-development opportunities is not driven by deposits, but by the service component. Participation, however, cannot jeopardize fiscal soundness.

Also of great importance is the financial institution's judgment of the community organization's ability to manage its own business, its ability to efficiently implement individual programs and manage its own financial and strategic operations. Nonprofit organizations that wish to gain support need to demonstrate that their own house is in order, that it has strong "back office" policies and procedures that can insure accountability, not only for dollars but also for program outcomes. Demonstrating strong planning, setting clear goals, and tracking and achieving those goals assure the potential financial partner that its investment, of whatever type, is more likely to lead to the projected return. The return may defined, for example, in new housing units, new and successful small businesses, a revitalized neighborhood, or new, reliable customers.

Historically, IDA and other asset-building initiatives have argued that their participants evolve into good customers, while the financial partner has little direct cost to acquire this customer. To date, however, there is scant hard data on whether this is happening. Large banks may have many savers in many sites, but even several hundred or a thousand accounts is too few for such institutions to invest time and technology in tracking these customers to see if they are retained and if they move up to use other, more profitable products and services. Smaller banks or credit unions that have only a handful of IDA accounts are unlikely to have resources for this kind of tracking and analysis. Therefore, if AFI Projects and other organizations working with low-income households can stay in contact with participants to see whether they remain with the financial partner for an extended period, then project managers may be able to develop sound local data for this assumption.

Sharing Goals and Sharing Space

[2] Ibid.

A few commercial banks and organizations interested in IDAs and asset building have taken their relationship one step further, combining the goals and resources of both institutions. For example, in Chicago, Bethel New Life, an AFI grantee with several other community development programs, has partnered with Park National Bank in a co-location arrangement. The bank has opened a branch in a building owned by Bethel New Life, which also contains childcare and employment services. One side of the bank lobby features the usual tellers and customer service representatives; the other side has desks for Bethel New Life staff who are managing the IDA program. In addition, the bank has developed new small loan products to help individuals establish or improve their credit ratings while also meeting short-term financial service needs of people in the neighborhood. Bethel offers financial education on site and manages outreach for the IDA project from the same location.

A more immediate and more easily measured opportunity for a financial institution to benefit from "investment" in IDA or similar activities is at asset purchase. Does the financial institution get the mortgage or business loan from which it can fairly profit, whether retained locally or sold into the secondary market? Here the AFI Project must balance enhancement of their organization's financial relationship, with modeling the financial decision-making skills it teaches participants. For a given saver's circumstances, such as credit status, income, and asset goal, which potential lender offers the terms most favorable when it comes time to make a purchase? For any number of reasons—risk, regulation, location, type of loan—a particular financial partner may not be the best option. It may, therefore, be wiser to have relationships with many financial institutions and with institutions of different types.

Technology

In general, the cost of business, per transaction, has gone down, thanks to technology and the increasing number of electronic transactions, such as direct deposit, ATM and debit cards, and automatic bill payment. Still, handling small numbers of accounts with low balances is relatively costly. Some bankers point out, however, that there can be a direct benefit to the customer in electronic funds transfer: accounts managed this way can be set up to accept direct payroll deposits and to prevent overdrafts and bounced checks, thus saving consumers cash and helping to preserve or improve their credit ratings. Such accounts thus protect both the bank and the customer, while also benefiting the employer whose payroll costs are less than with paper checks. Technology has also made doing small consumer loans easier and less costly.

Some large financial institutions have products that require little adaptation to track IDA activity. The industry already has reasons to use central accounts with many subaccounts for other types of customers, such as lawyers, realtors, and investment advisors. Still, for a national back, even a few thousand accounts is very few and not likely to get priority when it comes to making changes in account data and tracking systems. Some banks have developed or adapted their systems at the headquarters level to track and report IDA accounts, but many have not and leave it up to the local branch. Smaller banks or credit unions may not have the resources to develop or adapt their account monitoring, especially since they are more likely to have smaller numbers of accounts.

Despite gains, the wide variation in IDA program details and operations remains a barrier to less costly and thus more attractive engagement by financial institutions. Collaboratives may have some advantage here, in that they tend to have common policies and procedures and to aggregate a large number of accounts. Depending on the type of collaborative it may or may not be feasible to have all its accounts linked to a single financial institution, to gain benefits of scale. Outside of formal collaboratives, however, even individual IDA programs could develop common practices for matters involving their financial partners.

Financial Education Essential

Technology cannot provide all the savings and mitigate all the risk. Financial institutions involved in IDAs or in other products and services for low-wage workers concur that effective financial education is critical. Unless individuals learn to manage their money without frequently overdrawing their accounts or missing loan payments, and, of course, learn to save regularly, they remain more risky and more expensive to serve, regardless of income level. Unless financial education is effective, neither the financial institutions nor the community asset-building project will achieve the common goal of increasing the number of financially stable individuals and families.

TRENDS IN PRODUCTS AND SERVICES

Following are examples of products and services developed by various financial institutions that involve using IDA savings or that may be advantageous for low-income households that are trying to build assets.

Product/Service	Features	Financial Institution
Community Advantage Mortgages	Allows Fannie Mae-approved lenders to grant mortgages to borrowers who do not meet usual secondary market standards (poor credit or low income)	25 lenders around the country; Fannie Mae, Federal Home Loan Bank, Ford Foundation, which provides funds to secure the risk.
Opportunity Lending	Risk-priced, but advantageous consumer lending for credit union members with weak credit histories	Alternatives Federal Credit Union
Refund Loans	Allows individuals to borrow against their tax refund but at rates more favorable than usually found in Refund Anticipation Loans (RALs)	Various commercial banks and credit unions around the country
Low-Fee Check Cashing	Allows credit union members to cash checks at business member locations without purchase; a variation puts low-fee check cashing services inside retail sites, such as grocery stores	Various commercial banks and credit unions
Second Chance Checking/ Second Chance Review	Allows persons who have troubled histories with checking overdrafts and mismanagement of accounts to open a checking account with certain restrictions; fees may be high and there may be no actual protection against worsening one's credit status.	Available at many commercial banks and credit unions, some with reasonable fees and consumer protection from additional overdrafts and fees, and some not
Keep the Change	Allows customers to round up transactions and to put those amounts into savings that may be matched by the financial institution	Bank of America
Linking Financial Education and Banking Benefits	Participants who successfully complete approved financial education curricula receive banking services with lower fees; a variation puts a small matching amount into a successful participant's savings account	Various commercial banks, that may or may not require using their own financial education curriculum; matches sometimes supplied by foundations or other nonbanking source
Community Express	A loan program combining SBA-guaranteed loans with technical assistance to small businesses located in designated low or moderate-income areas, and to firms owned by women, veterans, and minorities	National Community Reinvestment Coalition (affiliated with the American Bankers Association) and the U.S. Small Business Administration
Community Rescue Fund	Gives borrowers at risk of foreclosure a "fresh start" with reasonably priced second mortgages (averaging 5.5%)	Affiliated with the American Bankers Association, with funding from Household International, Fannie Mae Foundation, Fannie Mae, Freddie Mac, The Ford Foundation, The Heron Foundation,

		and the JP Morgan Chase Foundation

Electronic Payroll Cards	These are essentially stored-value cards. Pioneered by First Union, these no-fee cards allow employers to deposit wages to a secure access card and allow the wage earner to use the card in an ATM or point of sale as a debit card. A version called, Visa Payroll Card, is linked to Visa but carries no monthly fee.	First Union, Bank of America, US Bancorp, First Tennessee National, and others
All-Access National Savings Program	Takes the stored-value card a step further to permit deposit of single or regular amounts into interest-bearing savings accounts. There are fees for withdrawals from savings but not for enrollment or transfers to savings.	Inter National Bank and NetSpend
Cash and Save	Combines education with services. Check-cashing customers can access services, such as discounts on multiple money orders; no-fee, low balance checking and savings accounts; a secured credit card; and direct deposit of government benefits. The goal is transitioning customers to traditional accounts.	Union Bank of California
Rapid Pay Machines	Banks and check cashers joined to permit customers to cash paychecks at these ATM-like machines that use face-recognition technology in retail locations or bank lobbies.	Wells Fargo, Cash America
Reward Programs	Like merchant or credit card rebates, these programs are based on consumption. The rebate, however, may be deposited into a savings account.	Upromise and Babymint, for example, track, collect and deposit funds into tax-free college savings plans.
Employer-Assisted Homeownership	EAH support (for forgivable loans and for matches to employee savings)	Fannie Mae Corporation that provides grants to back the employers' loans
Affordable Housing Program	Provides a set aside for first-time buyer and homeowner assistance programs: $2K to $15K Can match AFI funds (or other IDAs) for closing and downpayment assistance	Federal Home Loan Banks
Catch the Dream	Includes a number of variations that offer flexibility on downpayment sources (relatives, grants, gifts/AFI, lender financing), the Affordable Gold 5 mortgage product; acceptance of IDA savings and IDA match funds as "borrower personal funds" and "other borrower funds" to meet contribution requirements for certain types of mortgages; reduction in mortgage insurance requirements resulting in lower monthly payments	Freddie Mac Corporation
Access Across America	Procedural changes that allowed more than 250 credit unions to expand membership by more than 600,000 and to provide low-cost services in underserved neighborhoods	National Credit Union Administration

FOR MORE INFORMATION:

Following are sources of additional information on the financial services industry and current trends in products and services for low-income families.

American Bankers Association, Center for Community Development
http://www.aba.com/Community+Development/default.htm
This page, within the trade association's website, provides updates and links to commercial bank initiatives in lending and investment in affordable housing, business and related asset-building topics. There are also links to some innovative programs to provide products and services for populations such as immigrants and Native Americans.

Center for Community Capitalism
http://www.kenan-flagler.unc.edu/KI/commCapitalism/index.cfm
Located at the University of North Carolina, the institute offers a variety of publications on the involvement of financial institutions in asset-building efforts, such as IDAs. Among these is the article by Michael Stegman referenced earlier ("Financial Institutions and Individual Development Accounts: Results of a National Survey," 2003).

Center for Financial Services Innovation
http://www.cfsinnovation.com
An affiliate of ShoreBank Advisory Services, the Center for Financial Services Innovation, encourages the financial services industry to serve unbanked and underbanked customers. It carries out research on innovative financial products and services, as well as sponsoring creative pilots and conferences on cutting-edge financial models.

Community Development Bankers Association
http://www.communitydevelopmentbanks.org
This is an association of FDIC-insured institutions, many of them also CDFIs, whose mission is to facilitate economic revitalization and educate the financial services industry, socially motivated investors and community development banks about the credit and financial service needs in disinvested low income communities. The site includes a listing of members and links to them.

Comptroller of the Currency
http://www.occ.treas.gov
The Office of the Comptroller of the Currency provides information on CDFI activities and resources, and guidelines for the Community Reinvestment Act evaluation, as well as a free newsletter on community development topics. Check especially the *Community Affairs* publication.

Credit Union National Association
http://www.cuna.org/
The Credit Union National Association (CUNA) is a national trade association. About 90 percent of U.S. credit unions are affiliated with CUNA. The site offers information on individual credit unions, links to state credit union leagues, and news of trends in this class of financial institutions.

Fannie Mae Corporation
http://www.fanniemae.com
Search this site for information on the Fannie Mae Corporation's initiatives in the secondary financial market to support homeownership for low-income families, and related asset-building strategies.

Fannie Mae Foundation
http://www.fanniemaefoundation.org/programs/bb/
Check this site, under the title *Building Blocks*, for short studies of innovative financial services. The Foundation also provides some direct funding for asset-building initiatives and research. Publications highlight innovative strategies in housing and financial services.

The Federal Reserve System
http://federalreserve.gov
The Federal Reserve is divided into 12 regions, each with its own website and resources. Use this address to reach the site for the Board of Governors and then to link to individual regions. Search the sites for publications and research, community affairs, and economic education, as well as for news relating to conferences and national initiatives supporting community development.

Freddie Mac
http://www.freddiemac.com
As one of the major purchasers of home mortgages, Freddie Mac supports a wide range of products and services to facilitate homeownership by low-income households. The site provides general information on its policies and links to descriptions of specific loan products, as well as information on special national initiatives to increase homeownership. There is also a useful glossary of financial and lending terminology.

Federal Home Loan Bank(s)
http://www.fhlbanks.com
This site describes how this group of banks and its 8,000 members provide capital to institutions to make lending associated with affordable housing less risky. The FHLB also has a program to match individual IDA savings at the time of the asset purchase.

National Community Development Capital Association
http://www.communitycapital.org/
This site includes much information on Community Development Financial Institutions. Recently the organization changed its name to the Opportunity Finance Network (http://www.opportunityfinance.net). The organization has developed a mortgage platform—in conjunction with partners—to deliver an array of responsible mortgage products to people who are or may be vulnerable to predatory lenders.

National Credit Union Administration
http://www.ncua.gov

From this site, locate credit unions, check out their financial status, and find links to effective practices in community development and asset building. Information on small and low-income credit unions is also available.

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