

# DISTRICT HIGHLIGHTS

## State Forces Payday Lenders to Cease Internet Business and Offer Refunds

The West Virginia Attorney General filed suit on November 6, 2006, to force 14 Internet payday lenders to stop offering Internet loans in West Virginia. State law bans payday lending, including over the Internet. "Payday loans" are short-term loans or cash advances secured by a postdated check or by an agreement authorizing an electronic debit for the full loan amount, plus interest from the consumer's account. According to the Consumer Federation of America, a clearinghouse for information on consumer issues, payday lenders try to circumvent state laws



by lending over the Internet. The companies named in the suit deposit loans electronically into consumers' accounts and charge interest rates of more than 44 times the maximum annual percentage rate of 18 percent allowed in West Virginia. The Attorney General reached a settlement with 18 other Internet payday lenders in which they promised to permanently discontinue their payday loans in West Virginia and to refund all unlawful fees and charges collected from West Virginia consumers. For more information visit [www.wvago.us/consumernews/viewtopic.php?t=170](http://www.wvago.us/consumernews/viewtopic.php?t=170) or call 1-800-368-8808.

## Statewide CDFI Plans Commercial Bank

Virginia Community Capital (VCC), a statewide community development financial institution (CDFI), plans to open a regulated community development bank later this year. VCC will file an application to become a state-chartered bank that will focus on commercial banking, socially-conscious investing and deposits that meet Community Reinvestment Act (CRA) requirements, according to Jane Henderson, VCC President. Begun in 1995 as a CDFI offering microloans and individual development accounts in three counties, VCC now has \$17 million in equity capital and operates throughout the Commonwealth. With \$15 million of equity already received from the state of Virginia, VCC also has plans for a community development financing network in Virginia. For more information about VCC, visit [www.vacommunitycapital.org/](http://www.vacommunitycapital.org/).



## State Increases Tax Credits for Businesses Investing in High-Poverty Areas

North Carolina has expanded its largest tax-credit program designed to recruit business to the state. The William S. Lee Act was passed in 1996 to attract more companies to the state, and to rural areas in particular. Revisions to the law, which went into effect on January 1, established "urban progress zones" and "agrarian zones," or high-poverty areas within counties. Businesses locating and expanding in these zones receive enhanced job creation and business property credits. The Act continues to require businesses to provide health insurance to employees, enforce environmental and worker safety and health laws, and meet all tax obligations. For more information visit [www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2005&BillID=H2170](http://www.ncga.state.nc.us/gascripts/BillLookUp/BillLookUp.pl?Session=2005&BillID=H2170).



## More People, More Jobs, Not Enough Housing Forecast for Greater D.C.

"Growth Trends to 2030," a report released last fall by the Metropolitan Washington Council of Governments (MWCOG), found that the region's population will continue to grow, the number of jobs will grow even more, the supply of housing isn't meeting demand and the imbalance is likely to continue.

The overall regional population is expected to increase by one-third to 6.6 million by 2030. The outlying counties will continue to experience the fastest rates of growth. For example, the population of Loudoun County is expected to grow by 94 percent, Stafford County by 83 percent and Prince William County by 58 percent. The District of Columbia is expected to grow by more than 25 percent—the same rate expected in Arlington and Alexandria.

Job growth is projected to increase by almost 40 percent, most of which is expected to occur by 2010. Service industries are projected to account for two-thirds of all new jobs. Although the largest percentage of job growth is projected to occur in the outer suburbs of Maryland and Virginia, the District of Columbia is expected to hold the largest number of jobs that will account for a fifth of the region's job base by 2030. The study is available from MWCOG at [www.mwcog.org/uploads/pubdocuments/8llaXQ20061010135838.pdf](http://www.mwcog.org/uploads/pubdocuments/8llaXQ20061010135838.pdf)

## **South Carolina Collaborative to Help the Working Poor**

The South Carolina Asset Development Collaborative (SCADC), launched in September 2006, seeks to improve the future economic potential of working poor families in South Carolina.

SCADC will help develop and implement asset-building policies and pro-

grams and raise the awareness of economic and educational opportunities already available to the working poor. The Federal Reserve Bank of Rich-

mond's Community Affairs Office facilitated SCADC in response to IRS statistics showing that in 2002, more than \$132 million in Earned Income Tax Credits available to South Carolina families went unclaimed. In addition, CFED, formerly the Corporation for Enterprise Development, a national non-profit group that studies and promotes individual development accounts and other means of asset building, produced a scorecard that showed that South Carolina ranks 44th among U.S. states in households with checking accounts. SCADC brings together South Carolina's

Association of Community Development Corporations, the Commission for Minority Affairs, and the Consumer Affairs Department, along with Benedict College and local financial institutions to advance policy and initiatives that maximize dollars for the working poor. For more information, visit [www.communitydevelopmentsc.org/news/category/news/](http://www.communitydevelopmentsc.org/news/category/news/) or contact the South Carolina Association of

Community Development Corporations at 843-579-9855.

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## **Initiative Expands Foreclosure Prevention Services in Baltimore**

The City of Baltimore's Homeownership Preservation Coalition (BHPC) has launched a three-year Homeownership Preservation Initiative (the Initiative) to reduce the number of home foreclosures in the city. According to the city, in 2005, approximately 2,500 homes were foreclosed on (about 50 homes per week). As a part of this new initiative, homeowners facing foreclosure can now call 311, the City's One-Call Center, where operators will connect them



to trained nonprofit counselors available 24 hours a day. The Initiative also enables the St. Ambrose Housing Aid Center to expand its services in default and delinquency prevention and in legal assistance, and supports Baltimore Community Lending's emergency loan program for borrowers of high-cost predatory loans. BHPC brings together city agencies, local and national foundations, private lenders and NeighborWorks America, a leading national community development group. For more information about the BHPC, visit [www.preservehomeownership.org](http://www.preservehomeownership.org).

## **REGULATORY ALERT**

### **Regulatory Agencies Release Adjustment to Asset Thresholds Under CRA**

The Federal Reserve System, Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency have announced the annual adjustment to the asset-size thresholds used to define "small bank" and "intermediate small bank" under CRA. The adjustments, which took effect January 1, are based on the 3.32 increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for the period ending November 2006. "Small bank" now means a

bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.033 billion. "Intermediate small bank" now means a small bank with assets of at least \$258 million as of December 31 of both of the prior two calendar years, and less than \$1.033 billion as of December 31 of either of the prior two calendar years. For more information about the adjustment visit [www.federalreserve.gov/boarddocs/press/bcreg/2006/20061227/default.htm](http://www.federalreserve.gov/boarddocs/press/bcreg/2006/20061227/default.htm). For a list of the current and historical asset size thresholds, visit the web site of the Federal Financial Institutions Examination Council at [www.ffiec.gov/cra](http://www.ffiec.gov/cra).