

Approaches to CDFI Sustainability

Community Development Financial Institutions (CDFIs) are being challenged to grow and reach a greater share of the underserved in the United States. They are working to do so in an increasingly competitive environment for both funding and customers. This struggle has raised some critical questions within the CDFI field. This paper attempts to look at sustainability within the context of increasing industry scale and the use of subsidies. Through quantitative analysis, a survey of industry practitioners and a series of case studies, the study looks at the state of sustainability in the field, and uses these findings to develop a framework for understanding sustainability.

— Excerpt from the report.

www.aspeninstitute.org/publications/approaches-cdfi-sustainability

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Financial Innovations Roundtable: Developing Practical Solutions to Scale up Integrated Community Development Strategies

Financial Innovations Roundtable, housed at the Carsey Institute at the University of New Hampshire, brings together nearly 100 leaders from conventional financial institutions such as banks, mortgage companies, insurance companies, and investment firms as well as leaders from public agencies, CDFIs, foundations, pension funds, religious institutions and universities. These participants collaborate on increasing the flow of capital and access to financial services in low-income communities. The group convenes annually to address broad policy issues in community economic development. Members identify the challenges inherent in community development and create cross-sector partnerships to develop practical solutions. Over the year, these partners

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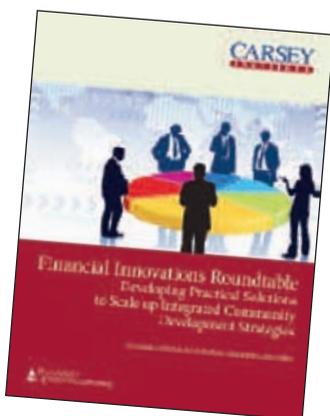
engage in various initiatives and research, working to remove barriers between conventional and non-traditional lenders, investors, and markets, and to create products and services that offer low-income communities greater access to

capital and financial services.

This publication presents several innovations that roundtable participants have created or are currently developing. The first section looks at capital markets and community development—the flow of capital and access to financial services in low-income communities. A second section of this report tackles mission-related investing and targeted investing.

— Excerpt from the report.

www.carseyinstitute.unh.edu/publications/Report-FIR-2009.pdf



A Guide to Home Mortgage Disclosure Act Data

The Home Mortgage Disclosure Act (HMDA) requires most lending institutions to report on home mortgage loan applications, including the application outcome, loan- and applicant-related information, and property

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location. Annual data collected through HMDA

provide a unique set of files with information at the neighborhood level. HMDA-based measures can begin to answer a wide array of questions:

- What is happening to home prices in a particular area?
- Has home investment in certain low-income neighborhoods lagged compared with that in other neighborhoods?
- How has the racial or economic composition of borrowers changed over time?
- Have minorities or women had trouble accessing mortgage credit?
- In what kinds of neighborhoods are subprime loans concentrated?
- What types of borrowers are most likely to receive subprime loans?

This guide provides an introduction to HMDA data and describes the HMDA indicators available on DataPlace (<http://beta.dataplace.org>). It also describes the contents of the original source files from which the DataPlace indicators were derived. Finally the guide illustrates how DataPlace indicators derived from HMDA data can be used to shed light on such issues as neighborhood investment trends, changes in the racial and economic composition of homebuyers, disparities in home loan access and subprime lending.

— Excerpt from the report.

www.urban.org/publications/1001247.html



Revisiting the CRA: Perspectives on the Future of the Community Reinvestment Act

The Community Reinvestment Act (CRA), enacted in 1977, has fostered access to financial services for low- and moderate-income communities across the country. Together with

other anti-discrimination, consumer protection and disclosure laws, CRA remains today a key element of the regulatory framework, encouraging the provision of mortgage, small business, and other credit, investment, and financial services in low- and moderate-income neighborhoods.

While CRA has been a part of the bank regulatory framework for more than 30 years, many observers think the act has not kept up with changes in the financial services industry. This volume of research papers and essays, jointly published by the Federal Reserve Banks of Boston and San Francisco, documents how much the industry has changed since the CRA was passed and offers proposals for CRA reform. The volume captures many different perspectives on the past and future of CRA, provides facts and highlights possible reforms.

— Excerpt from the report.

www.frbsf.org/publications/community/cra/revisiting_cra.pdf

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Foreclosure-Response.org: A New Tool to Help Communities Prevent Foreclosures and Stabilize Neighborhoods

The Center for Housing Policy, KnowledgePlex, the Local Initiatives Support Corporation and the Urban Institute have joined forces to launch Foreclosure-Response.org – a new resource

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that provides government officials, housing practitioners and advocates with up-to-date information on several state

and local policy solutions related to foreclosure prevention and neighborhood stabilization. The site includes a policy guide to state and local housing policy, maps and data, and a forum.

www.foreclosure-response.org

Stretched Thin: The Impact of Rising Housing Expenses on America's Owners and Renters

The housing woes of America's families extend beyond higher mortgage payments to include large increases in a wide variety of other housing expenses, according to a new study entitled *Stretched Thin: The Impact of Rising Housing Expenses on America's Owners and Renters*.

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Conducted by the Center for Housing Policy, the research affiliate of the National Housing Conference, the study reveals that mortgage payments are only one

of several factors contributing to the challenge of rising housing expenses, and that this problem is adversely affecting virtually all segments of the housing market – homeowners and renters, new and longtime homeowners, and households with and without mortgages.

— Excerpt from the report.

www.nhc.org/pdf/pub_stretchedthin_2008.pdf



Neighborhoods in Bloom Revisited

In 1999, the City of Richmond decided to target the bulk of its federal Community Development Block Grant funds and its Home Investment Partnership funds, as well as significant amounts of capital improvement funds and other resources on seven carefully chosen neighborhoods. Through the Neighborhoods in Bloom initiative, the city planned to concentrate significant



resources on these neighborhoods until it achieved the critical mass of public investment needed to stimulate self-sustaining, private-market activity.

— Excerpt from the report.

Pierre-Daniel G. Sarte, a senior economist at the Federal Reserve Bank of Richmond, revisits the Neighborhoods in Bloom initiative for insight into the economic effects

of community revitalization. A Richmond, Va.-based community

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development program provides a natural experiment for measuring how the choices of one property owner can increase or decrease the value of neighboring properties.

Residential Externalities essay available at www.richmondfed.org/publications/research/economic_brief/2009/eb_09-02.cfm.

Read the original Neighborhoods in Bloom report at www.richmondfed.org/community_development/emerging_issues/reports/pdf/nib_research.pdf.