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Seven of the original nine Savings Club members ages 9-16. By the end of September, the club grew to 24.

Greater Kinston
PREPARES YOUNG PEOPLE FOR A BRIGHTER FINANCIAL FUTURE

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- Maurice Smith, Chairman
- Sandra Scales, Vice-Chairman
- Byron Robinson, Secretary
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- Frances Bradshaw
- John Herrera
- Edward Mills

This past summer, Greater Kinston planted the seeds of financial wellness in the minds of young people by establishing its first youth savings club. With assistance from The Support Center, “The Budgeting Bratz” held its first meeting in Kinston this past July. Enthusiastic about the club, the kids quickly assumed the responsibility of setting a regular meeting schedule, taking their own meeting minutes, electing the club’s name and their president. Each member received a \$5 donation for deposit from longtime member and volunteer Linda Williams. “I wanted to show my support for what they’re doing and incent them to keep saving,” said Williams.

The club met for 3 consecutive months, using materials, articles, and fun activities from several programs including NEFE, CUNA and The Support Center. At the end of each session, prizes were awarded to members that successfully answered questions from that day’s session. CONTINUED ON PG. 4

Bringing its full range of financial services to the low-modest income (LMI) community in Statesville, NC, First Legacy announced it will have its ribbon cutting ceremony on November 16. The branch will operate with a three-person staff, including Branch Manager, Nicole Oliphant, Member Services Representative, Raven Miller, and Receptionist, Edith Derr.

Conveniently located at 1022B Shelton Avenue, in southwest Statesville, the branch underwent construction to accommodate the credit union's need to provide a professional and pleasant experience for its members. "Our members appreciate the professional appearance of each of our branches," says President Sandra Scales. "We want our members in Statesville to feel the same way when they visit their branch. We understand that our environment lends itself to cultivating the relationships we have with our members."

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- Sandra Scales, President

First Legacy, which recently switched from a federal charter to a state charter, expanded its services in Statesville after it merged with Rowan-Iredell Area Community Credit Union in 2002. Plans for future development include reestablishing its branch in Kings Mountain, NC.



Center For Responsible

In an attempt to divert attention away from the destructive lending practices that fueled the credit crisis, some are trying to place the blame for it on the Community Reinvestment Act (CRA). They argue that CRA forced lenders to make risky loans to low- and moderate-income families and to communities of color.

Nothing could be farther from the truth. Consider this:

CRA WAS EFFECTIVE LONG BEFORE THE SUBPRIME MARKET EXISTED.

CRA was passed in 1977 to correct the longstanding problem of redlining – the lack of lending in low and moderate income communities and in communities of color. The lending practices that created this crisis didn't exist until the past five years.

MOST SUBPRIME LENDERS WEREN'T COVERED UNDER CRA.

The predominant players in the subprime market – mortgage brokers, mortgage companies, finance company affiliates, and the Wall Street investment banks that provided the financing – aren't covered under CRA. In fact, many banks shifted the most risky lending – the loans at the root cause of this current crisis – to affiliates to escape CRA requirements and regulatory oversight.

Generations Introduces

ONLINE BANKING

Members at Generations will soon enjoy the ease of conducting their personal transactions from home with the launch of the credit union's *MemberLink* internet banking. Currently in its final testing phase, Generations looks to launch their new service just in time for the holidays. *MemberLink* will offer members the comfort and freedom to transfer funds, pay bills, retrieve account statements, and view recent transactions safely from their home computers.

"Our members have expressed a need for this service for awhile, but we wanted to make sure we identified the best product for our members and introduce it to them at the right time," explains Jelani Thompson, VP of Operations. "The timing is ideal now that we are attracting members that rely on the internet to manage their lifestyle."

In the coming months, the credit union will introduce a new online loan application process, Visa gift cards, and prepaid debit cards. ■



Lending Update:

THE ECONOMIC CRISIS AND CRA

REGULATORY OVERSIGHT AND ACCOUNTABILITY WAS MISSING.

In many communities, particularly communities of color, subprime lenders were often the only ones serving the community. Had regulators leveled the playing field through common sense underwriting requirements and more vigorously enforced CRA requirements instead of allowing a race to the bottom, this crisis would have been averted.

THE MAJORITY OF SUBPRIME LOANS WENT TO WHITE BORROWERS.

It is true that African-American and Latino families disproportionately received ruinous subprime loans, but the majority of total loans were made to non-Latino white families. According to data from the Home Mortgage Disclosure Act (HMDA) from 2005 to 2007, 58% of higher-cost loans went to white borrowers, with 18% to African-American borrowers and Latino borrowers each.

The real cause of the current economic crisis is clear. In a recent opinion piece that ran in the Durham Herald-Sun, Martin Eakes, CEO of Self-Help and the Center for Responsible Lending, said, "Subprime lenders made irresponsible loans that they knew most families could never pay back and would need to refinance, generating more fee income for brokers and mortgage companies. Now, bankrupt mortgage lenders and Wall Street investment banks put large fees ahead of prudence, and instead of demanding sound lending practices, chose to look the other way."

The answer is better lending practices – not cutting off access to credit in underserved communities. Homeownership still represents the best way for low and moderate income families to build wealth – we shouldn't abandon that goal because of lenders' bad decisions.

Special thanks to Chris Kukla, Senior Counsel for Government Affairs and Susan Lutpton, Senior Policy Associate for contributing this article.

Latino

COMMUNITY CREDIT UNION OPENS 6TH BRANCH IN WINSTON SALEM

Latino Community Credit Union (LCCU) celebrated the grand opening of its new branch in Winston-Salem (Forsyth County), North Carolina on Monday, August 4, 2008. LCCU invited the public to join the celebration at its sixth branch office located at 658 Waughtown Street. Guest speakers included Senator Linda Garrou, Winston-Salem, Mayor Allen Joines and Representative Larry Womble, National Federation of CDCUs President/CEO, Cliff Rosenthal and The Support Center President, Paula McCoy.



In North Carolina, Forsyth County has the third largest Hispanic population in the state. The credit union's presence will provide the much needed financial and educational services that have been sorely missing for Latinos. "This is another step to help unbanked

communities help themselves by having access to affordable financial services & products," says LCCU board chairman John Herrera. In addition to the full range of services Latino offers, the branch will assist members with applying for their ITIN and extend its financial education services to the larger community as well.

Latino received support for its Winston-Salem branch from several organizations. These organizations include the Winston-Salem Foundation, the Z. Smith Reynolds Foundation, the Wachovia Next Awards, the North Carolina Minority Support Center, and the State of North Carolina. ■

GREATER KINSTON PREPARES...

CONT'D FROM FRONT PAGE

"We have been so happy to see our children take an interest in saving," says Jennifer Howard, Greater Kinston President. "I feel so proud when I see them arrive for their meetings and later share what they learn with others. We're planning to expand our financial literacy program to include everyone in the community to encourage others to establish good financial practices."



In September, The Budgeting Bratz invited young people from the community to a cookout at the credit union to expose them to the benefits of club membership. Attendees were treated to music, games, and prizes which included McDonald's gift cards and t-shirts. By the day's end, the club gained 24 more members.

According Christopher Newman, Greater Kinston's branch manager, the credit union is collaborating with Kinston Charter Academy and Southeast Elementary School. "Our plans are to implement a financial literacy program in our local schools using the NEFE curriculum," explained Newman. "Our goal is to teach the students sustainable money management practices to help them become financially responsible adults. We hope to replicate the same enthusiasm that we've seen with The Budgeting Bratz."

The Support Center has created a newsletter for the club and has plans to assist other affiliate credit unions to establish their own youth savings clubs. Plans include developing branding and marketing materials, program incentives, and introducing a club website. ■

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