



**MAG Quarterly Meeting
July 5, 2017**

Overview

Hope Enterprise Corporation

- Not-for Profit 501 (c) 3
- Loan Fund
- Policy Institute
- Community Development Intermediary
- CDFI & CDE



Primary sponsor

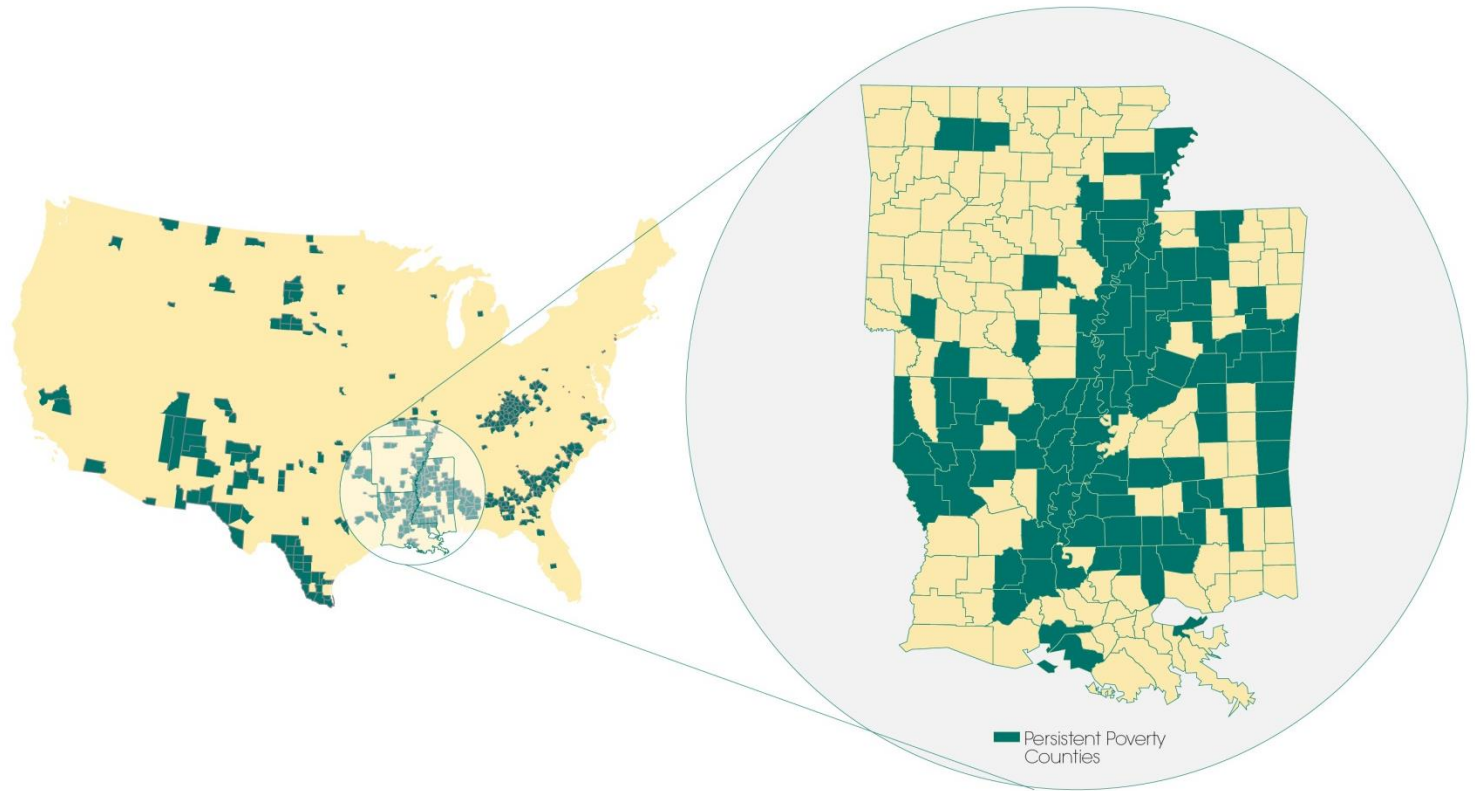


Hope Credit Union

- Federally Chartered, Insured CU
- CDFI & CDE
- Member-owned

Mission: Strengthen communities, build assets and improve lives in economically distressed areas in the Mid South by providing access to affordable, high-quality financial products and related services.

Campaign to Tackle Persistent Poverty- 20% poverty rate for past three decades



Creating opportunity where it is needed most. Arkansas Louisiana Mississippi Tennessee



HOPE Loan

- \$400,000 request from North Midtown CDC to purchase 41 parcels in North Midtown; 40 residential rental homes and one commercial building from an estate.
- North Midtown CDC would act as the land bank for the transaction, releasing properties to JHA as needed and agreed on in operating agreement
- 3 year non-recourse loan to NMCDC
 - Faster and cheaper transaction
 - Easier to move properties out as needed

HOPE Loan

- \$400,000 deposit at HOPE to secure the 3 year loan
- \$386,000 to purchase property
- \$10,000 working capital to keep lawns mowed, etc.
- \$2,000 fee to HOPE
- \$2,000 closing costs to attorney
- Fixed rate of 5%
- 2.5% interest return paid to investors

Why do it this way?

- JHA had applied for funds and knew they were coming but didn't have them at the time the properties were for sale.
- Other investors were looking at this portfolio with a price of approximately \$7,000 per unit with tenants plus commercial space worth approximately \$100,000 with tenants. Other investors wouldn't likely be making the investment that JHA intended.
- JHA needed the land bank to maintain properties during the holding period and relocate tenants as needed.

What we got for our investment

- Strengthen communities, build assets and improve lives- our Mission Statement
- 40 homes in disrepair replaced with beautiful, energy efficient homes
- Commercial strip rehabbed with some new tenants
 - Unicorp Health Services moved around the corner and into the building
 - Barber shop got new space

Looking Ahead



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Since JHA development

- In 2013, North Midtown CDC co-developed 31 new and rehabbed affordable homes. Total Project Cost \$7.6 MM. \$1.7 MM permanent loan by HOPE
- In 2014 the first charter school in MS opened in Midtown- Midtown Public Charter School.
- In 2016, HOPE made a loan to Mississippi Cold Drip Coffee and Tea Company located in Midtown.

Contact

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