



**CDCI ANNUAL USE OF CAPITAL SURVEY - 2017**

**NAME OF INSTITUTION**

(Include Holding Company Where Applicable)

Hope Federal Credit Union

Person to be contacted regarding this report:	Alex Lawson
UST Sequence Number:	1398
CPP/CDCI Funds Received:	4,520,000
CPP/CDCI Funds Repaid to Date:	0
Date Funded (first funding):	N/A
Date Repaid <sup>1</sup> :	N/A

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
Credit Union Charter Number: (For Credit Unions)	24829
City:	Jackson
State:	Mississippi

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Since August 2010, when the CDCI capital was first invested in HOPE, loans outstanding have increased from \$91.34 million to \$205 million. Since that time HOPE has closed 15,220 loans totaling \$301 million.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The investment of CDCI funds continued to support the growth in HOPE's residential mortgage loans including its affordable mortgage loans, its small business loans, community facilities loans, and retail loans.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	
<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Over the last seven years, the CDCI funds have been a critical component to HOPE's expansion in serving low- and moderate-income individuals and underserved communities throughout Arkansas, Louisiana, Mississippi, and Tennessee. As of Q4 2017, we have added Alabama to that list. These areas have long suffered from poverty - in fact, one third of the nations persistent poverty counties are in this region. Since the Great Recession, these communities have become more isolated from financial services as banks have decided to leave the area, exacerbating the difficulty many experience when trying to access responsible financial services.

Since HOPE received the CDCI funds in 2010, not only has HOPE originated 15,220 loans, primarily to low-income, minority and otherwise underserved individuals, but it has also increased its physical presence in communities that were either unbanked, or that have never adequately served by regulated financial institutions. In October 2017, HOPE merged with the former Tri-Rivers Federal Credit Union in Montgomery, Alabama. With this new branch location, we look to help more Alabamians become banked, own homes, start and grow businesses, and benefit from strengthen community infrastructure.

Much like the other states served by HOPE, Alabama is home to one of the highest poverty rates in the country. Additionally, 12.5% of the state's population receives no services from a financial institution. Given the potential for high impact, HOPE is expanding its operations in the state and cultivating relationships with programmatic, policy, and funding partners. In the coming years, we will focus on transforming the operations of the new branch location, bringing our full suite of retail products and services to HOPE's new members. This will include HOPE's deposit and wealth building accounts, consumer loans, mortgage loans, small business loans, financial education, online and mobile banking services, and other resources to support families in pursuing financial security.

Further, HOPE will grow the number of members served by the Montgomery location, launching a strategic marketing campaign that highlights our products and services and targets financially underserved families in the community. While we increase our membership in Montgomery, we will continue researching opportunities for additional HOPE locations across the state.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

HOPE understands that despite its physical expansion, it will not be able to directly serve all the communities that are currently underserved by a regulated financial institution. In order to maximize its impact in the region, HOPE has made investments in mobile and online technology so that these communities can be reached in a virtual way. In 2017, HOPE began developing and launching improvements to our digital and mobile banking platforms. These improvements include the integration of several online features into our mobile app as well as enhanced security features.

The mobile platform now features upgraded business functionality including the ability for primary business users to add additional users with optional privileges, originate ACH and wires, reconcile accounts, and use Bill Pay and Personal Finance Manager (PFM). Additionally, recent upgrades to our e-statements include the accessibility to tax documents and other account reports. These are now viewable from the mobile dashboard. In 2017, HOPE has increased the mobile adoption to 16,338 members.

In 2018, the HOPE team plans to add several features to our mobile platform including the ability to activate and deactivate cards from a mobile device and the addition of check and credit card rewards sites on the mobile app. Our members will also soon be able to see their loan information, mortgage loan application status, and account authorization holds from the mobile app. Additionally, we are enhancing our security features by providing an Android fingerprint authorization option.

On the administrative side, our team will soon see more features on their admin portal that include the ability to log in to a member's account, allowing our tellers to see exactly what the member views. This will greatly improve their ability to troubleshoot problems and explain solutions to the members.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.