Financial Institution Partnerships for IDA Programs
Tuesday, March 13, 2012

Johanna: Hello everyone, and welcome to the webinar **Financial Institution Partnerships for IDA Programs.** This webinar is the ninth in a series of "Tools for Success" webinars designed for Assets for Independence grantees. My name is Johanna Barrero, and I'd like to welcome you to our conversation today.

Before we start today's presentation, I'd like to begin with a few housekeeping items.

If you're having trouble dialing in you can listen through your computer using speakers or connecting a headset to your computer.

If you're having technical difficulties such as trouble connecting to the visual portion of the webinar, send us an e-mail and we'll send you the Power Point file as an attachment so that you can follow along. The e-mail address is webinars@cfed.org.

Today's webinar is being recorded, so you will be able to review it on demand. You will receive a follow up email in about a week with details on how to access the recording. We will also send you a copy of the PowerPoint presentation that is being used today.

We have a number of participants registered today, so your phone lines have been muted to ensure sound quality.

We encourage you to send questions at any time during this presentation by using the Questions box in your GoToWebinar Control Panel. We will try to answer as many of your questions as we can during the presentation.

For those of you who are not familiar, the Assets for Independence Program, or AFI for short, is the largest source of funding for IDA programs nationally. We realize that some of you on this call may not be AFI grantees, so we want to provide you with information about the program.

To learn more about AFI, including how to apply, visit www.idaresources.org

There is an upcoming Orientation conference call that may be of interest to you:

> **The AFI Question and Answers Conference Call for Prospective Grantees:**
> Will take place on Tuesday, March 20, 2:00 – 3:30 p.m. EDT
> You can register at www.idaresources.org

Now that we've gotten those housekeeping items out of the way, I'd like to hand it over to Amy Shir, our moderator today, to introduce our guest speakers for today's webinar.

Amy: Welcome everybody. We have a fabulous set of panelists today. I'm hoping that you find this call really informative and helpful and that you ask some fabulous questions. Our first guest speaker today is Janet Hamer. She's the senior community development manager at the Federal Reserve Bank of Atlanta. Could you tell us a little bit about what you do?

Janet: Thank you, Amy. I am part of the community and economic development division at the Federal Reserve Bank. We promote fair lending and access to credit through work with financial institutions, non-profits and local governments on community and economic development, asset building and affordable housing strategies.

Amy: Our second speaker is Lynette Bell. She is the first vice president of community development at SunTrust Bank. Could you tell us about what you do in the office of community development?

Lynette: Good afternoon. I am Lynette Bell and I am the first vice president of community development. I get to manage our corporate risk area of the company and have responsibilities for Community Reinvestment Act (CRA) as well as other related regulations. Sun Trust bank is headquartered in Atlanta and we have over 1,600 retail branches and 2,900 ATMs spanning up the eastern seaboard of the United States.

Amy: Thank you Lynette. Our third guest speaker is Brendan Wilbur, the IDA coordinator at Alternatives Federal Credit Union. Brendan, tell us a little bit about yourself.

Brendan: Thanks, my name is Brendan Wilbur and I am the IDA coordinator, financial counselor and financial educator here at Alternatives Federal Credit Union in Ithaca, New York. We are a community development credit union and we are very excited to share information on IDAs and financial institutions today.

Amy: These folks are really dedicated to their work and their presentations are rich. I am Amy Shir and I'll be moderating today's webinar. I am a regional consultant with the Asset Initiative Project, which is a collaboration across the Administration for Children and Families Program to bring asset building tools and practice to ACF grantees and families served in their programs. Today we're going to cover a variety of topics. The first will be an overview of the Community Reinvestment ACT (CRA). You will learn a lot about it and this will help you talk to bankers about the good reasons they should partner with you, also how to tailor your "ask" to the financial institution partner and what to include in a Memorandum of Understanding (MOU) with a financial institution partner. We will cover account features that are needed or desirable for IDA programs. There are internal processes that must be developed in a financial institution that offers IDAs and we'll talk about those. Brendan will share a case study of Alternatives Federal Credit Union, a Community Development Financial Institution that runs an IDA project and really has been a leader in our field since the 90s. We'll encourage an open dialogue at the end.
What makes a strong partnership? First and foremost, you want to have a very clear Memorandum of Understanding (MOU) and that should detail what you will be doing as a grantee or sub grantee organization and what your financial institution partner is doing. And we have information at the Ida resources website about having a good MOU with a financial institution. Also, a strong partnership is a partnership that extends beyond the accounts themselves. Very strong partnerships include volunteers for your financial education classes or your homeownership classes. Maybe your financial institution has folks that sit on your advisory

board or that review small business plans. Also many financial institutions provide the nonfederal match, or a part of it, for grantees across the country as well as workshops and sponsorships. A lot is possible and it's fruitful for both partners, the financial institution and the grantee.

It's really important to get timely accurate provision of the IDA data itself. People will be depositing monthly into savings account and ideally your financial institution partner sends you that data every month so you can keep track of savings behaviors and if someone misses a deposit you can stay on top of what's going on in their lives so they are successful in the program. Also custodial accounts are required by AFI. Those are jointly owned by the IDA saver as well as your organization and sometimes that requires some tweaks in the system from your financial institution partner. It helps to have a financial institution partner that has trained their personnel. If you work with one or a few branches it helps that bank personnel understand what the IDA program is and who the participants are so people feel welcome at the financial institution and are successful in their savings goals. Now I'd like to turn it over to Janet Hamer to give us an overview of the Community Reinvestment ACT (CRA).

Janet: Thank you Amy. I'm going to talk about understanding the CRA and how it can benefit your organization. Let's start with what CRA is. Some of you may be familiar with it, some of you may not. Forty five years ago Congress enacted the Community Reinvestment Act to prevent redlining and encourage financial institutions to meet credit needs of all segments of their communities. For those of you who may not know what redlining is, essentially prior to CRA, many financial institutions were reluctant to invest in lower income communities that they served. The CRA requires and encourages them to invest in these neighborhoods. Basically any community that a financial institution takes deposits from, the financial institution is now required to invest and serve that community in an applicable manner. There are 3 federal regulators that oversee the CRA; the Federal Reserve System and we regulate state member banks, the FDIC, which regulates non Federal Reserve members like chartered banks and the Office of the Comptroller of the Currency, which regulates banks with a national charter.

Banks are evaluated based on their asset size using specific criteria. The CRA exam is based on the size of the financial institution and we'll talk about exam criteria. Small banks are banks with assets under $280 million, or specifically your community banks and smaller banks with fewer branches and are usually in one or more communities. Then there are intermediate small banks, which are often regional banks (and that's $280 million to $1.22 billion), and then large banks which are the large national banks that serve a major portion of the country.

What is the CRA? Banks are evaluated based on their asset size. We have the small intermediate and large bank we also have wholesale and limited purpose banks, like credit card banks. The other bank is a bank with an approved CRA strategic plan. We'll talk about CRA as it relates to small, intermediate and large banks for the purposes of today.

Each bank is evaluated on how well it serves the assessment area. Assessment areas are defined as the geographic areas where a bank takes deposits. In other words, an area where they have a branch, ATM or other service. We talk a lot about performance context when we talk about evaluating banks for CRA. Performance context tells the story of that community so that the examiner (the regulatory staff) will be able to understand the needs of that community. We look at demographic data, income levels, distribution of household income, the nature of housing stocks (new, old, and deteriorating) we look at housing costs and other data. We look at lending, investing and service opportunities. We will not require a bank to do lending, investment and service opportunities if the opportunity is not available in that area. We also look at product offerings, business strategies and capacities of banks. You do need to keep in mind, when looking for a banking partner is their business strategy. If you look at a bank that is primarily a small business lender, you may not want to approach them about doing your first time homebuyer mortgage saving program. There's also a public file and written comments about the performance of a bank which anyone can access, at the end of this presentation you'll see the links for that and any other relevant information that would explain the assessment area and helps us understand the conditions and demographics of the area we're looking at.

We're looking at low to moderate income. Just to point out, the definition varies for various programs. For CRA purposes, low income is deified as less than 50% of median income; moderate income is 50-80% of median income. For purposes of the AFI program, you're looking at individuals that are 200% or less of poverty level. That fits in nicely. Your programs will be part of the low-moderate income demographics.

Small business and small farm loans are also CRA eligible activities. If you look at small business loans they are for businesses worth less than $1 million and small farm loans are also less than $1 million. For the purposes of the AFI grant, one of the eligible activities is small business. Small business is an eligible CRA. When you're thinking of strategies with a banking partner look at those small business loans and they would be eligible for CRA credit.

Here are some more important definitions. These are eligible as CRA activities: affordable housing for low income individuals, mortgages for IDA recipients, community services targeted to low and moderate income individuals, activities that help community development by financing small businesses and farms, area revitalization and stabilization in low and moderate income geographies. And just recently, within the last couple of years, in response to the large disasters we've had, activities in designated disaster areas can also qualify for CRA credits. And the stressed non metropolitan middle income geographies and underserved non metropolitan middle income geographies.

Let's talk about qualified investments. We'll talk about the various tests that financial institutions are assessed on. One of those is qualified investments. As an example of this, for AFI purposes, would be, for a financial institution to provide that match that's required for the IDA program. Again, here are some of the key definitions. Financial intermediaries that serve low and moderate income areas or individuals, for AFI purposes, we are talking about mortgages for first time homebuyers, organizations that promote economic development by financing small businesses. If your IDA program works with entrepreneurs that want to start a small business, this would be something you could approach your financial institution partner about being part of, as well as facilities that promote economic development in low and moderate income areas and projects that are eligible for low income tax credits.

There are basically three types of CRA examinations. The first type is for small banks, second is intermediate small banks then one for large banks. The complexities of the exams are based on the size of the bank. The small banks with assets of less than $280 million; their CRA exam is limited and is not that complex. It's basically a lending test which would be lending inside and outside of their assessment area, distribution of loans by geography, income and revenue. Think of it this way, we talked about that the reason for the CRA is that we want financial institutions to invest in the communities that they take deposits from. So the small bank test would look at lending based on demographics of the entire assessment area to see if lending in low and moderate income areas is commensurate with lending in high income areas. The other exam is a little more complex and is with the intermediate small banks, those with assets between 280 million and 1.1 billion dollars. They have 3 exam tests: the lending test, the investment test and the service test. You can think about that in the context of the AFI program and how you could partner with financial institution. If you think about the lending test you could partner with financial institutions to provide those in-loans for IDA recipients, to provide mortgages for first time home buyers, and provide small business loans for IDA recipients planning on starting a business. If you look at the investment test, you could partner with a financial institution to provide that match that's required. Then for the service test, for the AFI program, would be maintaining the bank accounts for the IDA recipient, the financial education, we always encourage the banks to assist with financial education. They might not want to do the financial education for your nonprofit but they might attend the classes so that your IDA clients could see someone from a financial institution and be more comfortable with visiting a bank. The other thing they can do is offer bank accounts to other individuals (that's part of the service test), anything that helps low moderate income individuals.

One of the commonly misunderstood things about CRA is that a nonprofit will go to a financial institution and say: would you sponsor a lunch for me? We're having a community development fair. By itself, that is not an eligible CRA activity. They may want to do that but that's not an eligible CRA activity. Any funding for a CRA activity has to be part of financial services. In other words , if you ask them to do that and the community fair, if you also ask them to help you pull credit reports and counsel people on how to repair their credit then that would have a financial services aspect. Anything that is eligible for CRA credit must have a financial services component.

Essentially, CRA rating is the banks record of meeting its community needs. That's important to financial institutions because that's always reviewed anytime there's a bank merger, acquisition or a request to open a branch. Anytime that happens and that request is made to the regulatory agency, the CRA file is looked at to make sure that that financial institution is doing an adequate job of meeting community needs. If we go back to performance context, that means looking at overall demographics and looking up those communities. CRA ratings can be, there's 4, outstanding, which means they've been innovative, meet community needs; satisfactory, which can be high or low; needs to improve and substantial noncompliance. So if you have a needs to improve or substantial noncompliance in a financial institution that will be an area of concern when they ask for a merger acquisition or a branch activity.

When you are choosing a bank partner, this are some of the things they will be looking at in a partner. They will look at capacity. They want to know that what you're asking for, you're going to be able to deliver in terms of staff, longevity as a nonprofit. Proven performance: they want to see that you have undertaken these kinds of projects before and been successful. Sustainability: they want to know that you can continue to do this. Assessment and responsiveness: innovation, this is very important to financial institutions. Target market penetration, they want you to serve their target market because obviously that's important to them. Also, that there is adequate record keeping and accountability. As regulators we will ask them for those records, they have to prove to us that they have served low and moderate income individuals. Financial institutions tell me to please convey to the nonprofits that they want the nonprofits to come to them very early in the process so they can react to ideas and provide some advice and tell them if it will be a good fit, instead of coming to them when the project is further along.

That's my presentation. These are the resources that are available. My contact info is available. I know we have individuals from all over the country but I'm happy to answer questions and to refer you to the regulatory agency in your area and the person you need to talk to because every regulatory agency has a community development person on their staff. I'm happy to put them in touch with you. Thank you.

Amy: Thank you Janet. Remember when they have the lower two reviews those are really good targets for you to go in and say "I have a solution for your CRA problem," "I can help you with something you need to improve on." That could be a win-win both for the financial institution and your organization. Now, Lynette Bell has done terrific work at SunTrust in Atlanta. Lynette.

Lynette: Good afternoon, Janet did a fantastic job explaining the CRA. As a large bank reporting to the Federal Reserve, she happens to be our examiner. We try to comply with this law. The CRA was enacted in 1977 in response to allegations that banks weren't lending where they took deposits. I thought it was interesting when Chairman Bernanke was talking about CRA in 2007 and indicated that this particular legislation, and there's tons of laws banks have to comply with because we work directly with consumers, but this particular law will continue to change and evolve as the economy changes and evolves, as well as the financial markets, so I think that's a poignant statement. This law continues to morph and change over the last 30 years so it's really key and vital that banks believe that they have to invest in their community including low and moderate income neighborhoods. That's essentially what CRA is. CRA is not a giveaway or entitlement program. It's a law that helps us identify where to provide services, products and loans for our community.

Banks receive credit for IDA products. There are two functions, the three tests Janet talked about, lending, services and investment. For SunTrust, as we are an IDA partner with several nonprofit organizations in metro Atlanta and deep Georgia, the way we get credit for CRA falls under the service and investment test. Because of the complexity of the products we offer, we provide structure for the nonprofits to provide a no fee account for IDA savers, that typical fee structures, as you know in this economy the banks are charging for depository accounts again, the fact that IDA participants won't get a charge and can save for a home or business is really key to helping them reach their goals. We get our credit under services and investments. If a bank will match the funds you need to provide those participants. The critical piece is when coming into their system, come to the bank when the idea happens and see it if it fits. What typically happens is the bank has to go in and reconstruct operational procedures so the client doesn't feel any stress or charges as they come in to save for the future.

How do you build a bridge between a partner and a private sector partner? When we were first asked to participate in IDA programs, one of the components is to secure that financial institution partnership with a bank or credit union. This is the key that creates success for your program.

How do you build that bridge? The first one I split up into community partners. I know that when the refugee resettlement organization with Catholic Charities was looking for a banking partner for their IDA program, they were referred to SunTrust by the United Way. So another community partner has the link to the bank to provide the service for IDA accounts. Another potential identifier, is go to your current bank and see if they have the capacity or interest in being the financial provider for IDA accounts. So your current relationship, whether with a bank or a credit union might be an ideal option. The third one, to build a bridge internally, is with your federal regulator. When the Department of Human Services in GA were looking for a banking partner to house IDA accounts for kids in the foster care system, they wanted to know which bank in GA had the most branches. So our federal regulator, through the Department of Community Affairs said “you know that in the rural areas, SunTrust has the most branches” so our regulator referred SunTrust to that particular state agency so they could see if 1) we would have an interest to participate in the IDA program and 2) If we had the capacity to help their clients save for their assets. Secondly, would we as a providing bank be able to provide financial education. Would we actually provide financial education classes and teach about budgeting and credit. Our regulator was the other bridge to help the provider get a banking partner.

Finally, community affairs manager at a bank are the likely place to start the conversation because that is your advocate inside the organization. If the bank is already participating in a program but yours is more unique and adds something different, that’s the person who will advocate on your behalf so that the branch staff or operations team provides the right reporting to you as a provider. Those are the key bridge builders between you and participants inside the organization.

What makes a good partnership for IDA? Who do we look at as clients? Our target clients would be nonprofits, community based organizations or government entities that have a community impact. We look at longevity; how long you’ve been on the market place. If you are not the sole organization, we look at who’s your parent organization. We look at what is going to be the impact in the community? What is your reputation in the community? We also look at your board, how connected you are in the community. Will you use our branch network and to what degree? Do you need 10% of the branches, how many accounts do you plan to open? How will the program grow over the next 2 to 3 years? We are looking for longevity in partnerships. And then, do you value the services and the relationship? How do we build that relationship?

The IDA client demographic can range from students to adults. Clients must meet your program guidelines and we have to look at your guidelines and agree with it. Clients must comply with Us Patriot Act and the active savings accounts at the banks must meet the standards detailed in the MOU. That’s what we look for with in a partnership with IDA providers.

So what’s the framework to build a partner between provider and bank? You want a clear definition of the scope of services the bank will provide and hash that out because based on your reporting requirements to the federal government you want to be sure the bank will provide you with reports in a timely manner, establish accounts according to your agreement and make sure we will get you the information you need. You need to identify one or more branch locations for program participants. If you have a program that says I have 3000 potential participants and a bank says I can only offer 2 branches that might not be the partnership you want. You need to have at least 50 branches able to open accounts for these IDAs. Train the branch personnel and provide qualified instructors as guest speakers. The partner will provide and recruit program participants so the bank needs to see what you will provide as well.

What defines success for a bank? What defines success for you as a partner? The most critical component of the partnership is hashing out the Memorandum of Understanding (MOU). Clearly define the scope of services you need from the bank so you can meet your reporting requirements and so that participants have access to the statement. Also, offering a no fee or reduced fee account is critical because your clients are saving for an asset. It is important that the provider work seamlessly with the bank to fix operational issues. You need a central point of contact at the bank that handles operational issues. This should help the client's life. We want to retain that client and expand the level of services we can provide to them. We want to retain at least 95% of them. That's part of the agreement with the provider, so it's a win for everyone: the client, the sponsor and the bank.

Amy: Thank you so much. Now let's turn it over to Brendan Wilbur about Alternatives Federal Credit Union's IDA Program.

Brendan: I want to say, Lynette and Janet, you did a great job outlining what partners should think about when trying to forge a relationship with a financial institution. Know your market, know the scope of your program and if you haven't done it before get some background form other organizations that have been through the process and use their experience as a benchmark. So I'm coming from the perspective of being an AFI grantee and a financial institution. We've been running these programs for a while now. Alternatives Federal Credit Union has a credit path model. We are a pretty small credit union, we have about $60 million in assets, 9,000 members and we are located in Ithaca NY with one branch. We have developed this credit path and we use this to help determine exactly how we design new products and services for our members and also to make sure that we are following our mission and adhering to our goal as a credit union.

Our mission is to build wealth and create economic opportunity for underserved people in our community. We do it by offering really great financial products. We discovered in 1998 that the IDA program was one of those programs that we wanted to see move forward. We care about it because we have a special designation as a low income credit union. It's one of the biggest emerging markets in the financial industry. Low income households, immigrants and youth are the largest emerging markets. These are folks that aren't being targeted by other financial institution and are kind of being pushed aside by some of the mainstream financial institutions.

Credit path: there are four different stages, this is not linear. I want to point out there are shortcuts and detours along this path. One shortcut is the IDA program. IDAs and education are things that move members along this path quicker. Through education, asset education, whether it's for buying a home, starting a business or going to school, we'll have special education for that asset and for every IDA client, which we run in house. You'll notice all of our products line up on this credit path to make sure they're designed for who our target market is.

This quote was the turning point for us as an organization in realizing the importance of IDAs. These aren't tools that are still being figured out. They are in practice; they are working, hundreds of organizations show they work.

History of IDA at Alternatives; we started in 1998 with the American Dream demonstration we were one of 13 project demonstration sites. Halfway through we decided we wanted to pursue it further so we became an AFI demonstration project. We are on our 4th AFI grant now. We are finalizing an application now. These are programs we run in house, we do most of the account management, recruitment, we are running everything in house. The first home club is a special IDA program done through our Federal Home Loan Bank in NY and it's a partnership we've been able to form through being an IDA participant. We wanted to branch out and offer our own programs; we loved them so much that we started thinking how we could make them even more special and make them specific to what our community needs. We developed our microenterprise development IDA program. We linked with the town of Dryden to create a microenterprise IDA program specifically for their residents funded by that town itself.

I have a picture of one of our IDA graduates. Before I was the IDA coordinator I participated in the program. My wife and I bought a house through the program. This is Holly Adams who designs and constructs theater equipment. She used her IDA to get this started. This allowed her to get her business up and running. This started with a dream, simply saving $1,000 and coming up with a business plan and examining how she was going to make this work, she was able to take that $3,000 and get her business up and running. She was a graduate in 2004 and she is still up and running and her business is doing great. She still has a relationship with the credit union. This is a great plus of having an IDA program and something you should be selling to the financial institution. They get member or customers for a long time. There's something special about that IDA bond, it empowers people. If you're working with a financial institution to create members that want to do business with them. It has fostered us to seek out partnership in the community we normally wouldn't have like Tompkins Community Action, Workforce Tompkins, Challenge Industries, Catholic Charities, I could go on and on. These are relationships that started because we had this IDA program and their clientele were the same people. It made sense for us to work together to make sure people knew about these programs

I highlighted some different programs but we've gone through 11 different IDA programs since 1998. We are a place to show how they work. We have had 310 graduates come through our program. I currently have 145 open accounts with over $3 million in savings and match over the past 1 year. Over 90 homes purchased as well in the last 12 years and with an average home price around $100,000, that's $9 million leveraged through the IDA program.

Challenges for our program: Paying for it. This is a challenge for any entity that's out there but what we realized is that the program is going to lose some money, but it allows us to brand ourselves and the program appropriately. It gives us members for life. It allows us to bring in new members, to promote good will in the community, to promote ourselves as a one stop shop for financial needs. We give mortgages, small business loans and have members who love us. The way our accounts are set up, is an account they can use for everything. I open their IDA as a special certificate (it acts pretty much like a CD at a bank) but it has a better interest rate and it keeps them from being able to withdraw off of it. This allows me to monitor the accounts without the need for custodial or trust status. I have it all in house. It allows me to be that intermediary. If someone has issues with fees I'm here to talk to them about it.

The last think I wanted to bring up is how to connect to banks. Janet pointed out that financial institutions want to see your past experience. If you don't have past experience, don't let that be a deterrent. Talk to other IDA providers, most are happy to share because they see how these programs work and they don't want you to reinvent the wheel. Here is my contact information, I'd love to help you in any way I can.

Amy: Thanks so much. Now we would like to open the floor to questions from the audience.

Johanna: Thank you all. We have a few questions on CRA. Can regulators use CRA ratings to prevent banks from expanding?

Janet: If you remember the slide that I had talking about when the CRA rating is important it's during mergers, acquisitions and branching. So yes if they want to expand the CRA rating, their past CRA performance would be important.

Johanna: What are the consequences if a bank receives a less than satisfactory rating? Janet you did point that out in your slides but maybe you can go over it again.

Janet: Again if they want to merge with another financial institution that will be problematic. If they want to acquire another financial institution that would be problematic so any kind of expansion or change in their services would cause that to be problematic. I do want to point out that the majority, almost all financial institutions in this country, receive either a satisfactory or an outstanding.

Johanna: Thank you Janet. How much weight does the banks CRA rating hold in this process, when they apply for mergers, acquisitions, etc.?

Janet: That depends on the regulatory agency. It depends on a lot of factors. Unless they have a need to improve an unsatisfactory rating then it's probably not going to be problematic when they apply for expansion or change. They look at the entire picture of their CRA performance.

Johanna: Are credit unions regulated by CRA?

Janet: No. Credit unions are non-profit member owned financial institutions and they are not covered by CRA. Having said that, I work with a lot of credit unions even though I'm part of the regulatory structure and they are excellent partners for working in low and moderate income communities. They are member driven and they're non-profits, so they really understand the kinds of programs that AFI recipients are going to have. I recommend credit unions and banks; both can be excellent partners, even though there isn't a regulatory component of CRA on credit unions. They are not bound by the CRA.

Johanna: And how about CDFIs?

Janet: CDFIs also are not bound by the CRA but by nature of their charter that's what they are supposed to be doing, serving low income communities.

Johanna: Lynette, can you talk about the Patriot Act requirements?

Lynette: Basically clients have to have certain identification. Knowing your customer, having proper ID. Having said that, we do provide IDA accounts for refugee resettlement programs. It's just some provisions apply under that law for money laundering and offshore accounts.

Janet: I want people to understand that even if an individual does not have a social security number, many financial institutions will take alternative forms of identification so that's important to point out.

Johanna: Can they open an IDA account?

Lynette: Yes, with other forms of proper identification. We have a refugee resettlement IDA program for people who don't have traditional identification.

Johanna: Brendan, how does your credit union cover administrative costs for your IDA program?

Brendan: We have our regular financial institution side and our community programs. We know these won't make money but we look for outside grants and subsidize community programs with our financial institutions activities. So money we make off transactions, mortgages and small business loans, we reinvest that into some of our programs. We also look for CDFI grants and other grants that are out there. We are a HUD home counseling organization. We look for outside funding sources to go on top of the fees we generate. We try to charge very low fees to our members.

Johanna: What are your strategies for recruitment?

Brendan: This was hard when we launched the program. A lot of people thought it was too good to be true. We built a reputation in our town. Ithaca, NY only has about 40,000 residents and half are college students so what we've learned is that the participants who have graduated are the best marketers. Also I go and speak to our partner's staff and clients and we really go out of our way to recruit for these programs. I have about 45 people on my assets waiting list and I continually get applications for first time homebuyer accounts.

Johanna: Which credit union department or office is the most appropriate to reach out to when looking to partner with a credit union?

Brendan: It depends on the structure. Here at Alternatives, we have a separate community programs department. If you're not dealing with a credit union that doesn't have a separate department, go to the COO. Also, CEOs are great for credit unions. They look at the bigger picture and IDAs fit into the bigger picture.

Johanna: Lynette, what kind of internal processes do banks have to go through to open IDAs?

Lynette: Aside from establishing the MOUs, the bank needs proper operational controls. If it's going to be a no fee account, make sure the controls have been put in place, no debit card will be issued and that you prove an authorization letter to give you access to the clients information. That's part of the internal controls we've set up.

Johanna: Brendan, how much staff capacity is needed to run your IDA program?

Brendan: I am staff of one. I have a supervisor who helps manage the matching funds. So we have a chain of command on that so I don't have access to all of the participants' matching funds. But I've got close to 150 people enrolled and I run our financial counseling program as well. The 6 years of experience have allowed me to take on more. I don't think you need a lot of people. You just need someone with passion and will work with individuals to help them realize their goals.

Thank you all. It looks like this is all the time we have for questions.

Please keep your eyes open for upcoming webinars in this "Tools for Success" series. The next one will be: **Joining Forces: Creating Successful IDA Networks** and will be held next week on March 21. You can register by following the link on your screen or by visiting the Upcoming Events section on the idaresources.org website at www.idaresources.org

We've reached the end of our time today. I'd like to thank our moderator Amy Shir, our guest speakers Lynette Bell, Janet Hamer and Brendan Wilbur, and all of you for joining us for this webinar today.

Here is our speakers' contact information, should you want to contact any of them.

And, finally, we have an "instapoll" evaluation question we'd like to ask you to respond to. It will only take a few seconds and it will help us assess the quality of this webinar. We'll put the instapoll up on the screen in just a moment. Before you sign off, please take a moment to submit your feedback.

Here's the question you will see on the screen:

Please rate this webinar's overall quality in terms of its helpfulness and relevance to your work.

Answer Key:
Very high
High
Moderate
Low
Very low

If your question didn't get answered and you'd like to follow up, please contact us by email at johanna.barrero@idaresources.org or at webinars@cfed.org

Thank you very much, everyone and have a great rest of the day.