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BALTIMORE BUSINESS LENDING LAUNCHES!

On March 28th, BCL was proud to announce the launch of [Baltimore Business Lending](#). From the initial discussions in 2016 to date, this initiative has been a collaborative effort bringing together banks and micro-lenders, technical assistance providers and academics, and small business advocates, local and national. The launch event was no different. On behalf of BCL and BBL, Bill Ariano welcomed Mayor Catherine Pugh, who announced the launch. Other speakers included Laura Gamble, Regional President, PNC Bank, David Garbarino, Baltimore Market President, BB&T, Janet Currie, Sr. VP and Baltimore Market Manager, Bank of America, Matthew Heckles, Director, Community Development Admin, DHCD, Mary Miller, JHU 21st Century City Initiatives, Paul Taylor, Director, Mayor's Office of Minority and Women Owned Businesses, George Koste, Executive Director, Maryland Capital Enterprises, Harold Pettigrew, Executive Director, Wacif, and Dr. Lindsay Thompson, our host at Johns Hopkins Carey Business School. (See the [BBL Launch slide show](#) on the BBL website.)



From left to right, William Ariano, Jr., President & CEO, BCL; Harold Pettigrew, Executive Director, Wacif; Mary Miller, JHU 21st Century City Initiatives; Paul Taylor, Director, Mayor's Office of Minority and Women Owned Businesses; George Koste, Executive Director, Maryland Capital Enterprises; and Matthew Heckles, Director, Community Development Admin, DHCD.

The Baltimore Business Lending initiative was created to address the two identified primary barriers to credit for Baltimore City entrepreneurs: (1) lack of collateral, required for almost all small business loans, and (2) lack of experience with business planning and financials. Baltimore Business Lending provides loans to Baltimore City entrepreneurs from \$5,000 to \$50,000 and, while borrowers must have a reasonable credit record, (1) collateral is not required; (2) technical assistance with business planning and financials is required as part of the program, as well as a thorough business plan.

Working in collaboration with established small business lenders and technical assistance providers, the BBL program provides years of experience to borrowers without creating undue competition among lenders. By focusing on production and cost efficiencies, and by providing capital for loan funding, BBL provides an opportunity for these small business lenders to help borrowers who would not qualify for their own loan programs.

Central to the consistency, efficiency and effectiveness of the program is a shared small business loan software platform. After extensive evaluation of a dozen or so programs, BBL chose LendingFront based on their comprehensive yet intuitive approach. From application to underwriting to closing to servicing, this end-to-end program is being provided to participating lenders without charge. (See the [short video LendingFront created](#) for the BBL Launch.)

Participating lender "Originators" include: [SBRC Baltimore](#), a program of the Mayor's Office of Small Minority and Women Businesses, [Maryland Capital Enterprises](#) (MCE), a private nonprofit small business lender, and [Wacif](#), the Washington Area Community Investment Fund. Baltimore City Entrepreneurs can inquire about a BBL loan through these Originators, or they may start the process on the BBL website. For additional information, contact the website: www.baltimorebusinesslending.org



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From left to right, William Ariano, Jr., President & CEO, BCL; Janet Curry, Sr. VP Baltimore Market Manager, Bank of America; Laura Gamble, Regional President, PNC Bank; David Garbarino, Baltimore Market President, BB&T.

BANKS STEP FORWARD TO PROVIDE CAPITAL TO BCL FOR BAAHBC

Over the past quarter, we received commitments for \$4 million in capital to provide a loan to the Baltimore African American Housing Developers Cooperative (BAAHBC). The organization is incorporated and has received its 501C3 approval. Associated Black Charities will act as the fiduciary in the early days of the new organization. BCL will provide a revolving loan to BAAHBC on a property by property basis. The approach is straightforward: acquire properties that were foreclosed in communities with, rehab them, sell them, and bring the profit, equity, back into Baltimore City. The equity will help to fund the BAAHBC organization providing funds for training, mentoring and equity for Baltimore City Community Development Corporations (CDCs) working in majority minority communities.

Bank of America is providing \$2 million, Wells Fargo and PNC Bank each provided \$1 million. These loans to BCL are being provided at very favorable rates for four or more years. We are in conversations with several banks to access the last \$1 million to complete to \$5 million fund.

The BAAHBC leadership led by Danise Jones-Dorsey and Diane Bell-McCoy is negotiating with a potential Director to run the organization while they complete their requests to a number of institutions for grants to cover the initial start-up operational costs.

The Committee has met with Director Mel Watt, Director of the Federal Housing Finance Agency and key members of his staff in Washington D.C. in January to

discuss access to properties that were foreclosed by FNMA, FHLMC. The one hour meeting ended with commitments by FHFA to continue to work with the new Baltimore initiative. This month the BAAHBC leadership is meeting in Baltimore with Governor Brainard of the Federal Reserve to reinforce the need for capital and partnership with local financial institutions. Al Pina, Executive Director of the Florida Minority Revitalization Corporation (FMRC) continues to provide his expertise and guidance to the organization as it moves forward.

We hope by the next quarter to be able to celebrate the start of this great new initiative. The ability to earn a profit in this activity for the benefit of Baltimore City CDCs without relying on City, State, or federal funds will provide a significant financial boost to many communities in the city as well as providing the ability to increase the intellectual bandwidth of Baltimore City CDC leadership.

SOUTHWEST PARTNERSHIP HOUSING FESTIVAL

Under the leadership of Michael Seipp, the Southwest Partnership, held their first "Southwest Housing Festival" on Sunday March 24 at 801 West Baltimore Street in the University of Maryland Bio-Park. Developed by the seven communities in Southwest Partnership Baltimore, the event included mortgage lenders, realtors, developers, and a housing counseling agencies. The mortgage lenders from PNC, Howard Bank, Hamilton Bank, Fulton Mortgage, and Academy Mortgage attended to explain their products and answer any questions. The Maryland DHCD joined to provide information about the Maryland Mortgage Program mortgage products which are provided through participating lenders throughout the State. The Maryland Mortgage Program also donated an I-Pad that was won by a University of Maryland employee who attended the event. Realtors listing properties in the area including from Keller Williams Realtors, and Ron Howard ReMax and Associates, held over 20 properties open for review by perspective home buyers to purchase in the community. A number of local property developers including Warhorse, Home Free USA, Ron Howard also had properties open for inspection. Home Free USA was also in attendance to provide home ownership counseling.



University of Maryland Baltimore strongly supported the effort to continue to strengthen the surrounding community through a greatly improved and substantially increased Live Near Your Work (LNYW) closing cost incentive program. Recognizing the value of supporting their employees as well as strengthening the surrounding neighborhoods, the University of Maryland has committed \$1.5 million in funds for this program. The LNYW is providing a \$16,000 grant to University of Maryland University employees to buy a home in the community. This is matched by an additional \$2,500 from the City. Coupled with Vacants to Value grants, MMP Down payment assistance, and other closing cost assistance incentives, this investment will go far in assisting University of Maryland employees relocating within walking distance to their jobs.

Thirty employees of the University of Maryland University participated in the informational session, and tour of the community.

BCL has assisted Southwest Partnership by acting as a convener of the organizations that participated and hosted the meetings planning for this event. It is anticipated that there will be another event in early May during the week for University employees and additional focus in June during the City wide Live! Baltimore Trolley tour.

Southwest Partnership is already planning another Festival for the Fall.



For more information, contact their website: www.southwestpartnershipbaltimore.org

LOAN CLOSINGS

In February, BCL was proud to close a loan in the amount of \$267,000 to Belair Edison Neighborhoods, Inc. for the acquisition of a new office and community facility located in the former Blue Water building located on Belair Road. This building is a certified LEED Platinum property. Belair Edison Neighborhoods is a strong community leader providing housing counseling, financial literacy, community organizing and leadership with several community development partners such as Healthy Neighborhoods.

Also in March we settled a loan with SG Complete Home Care Remodeling for a \$1 million Guidance Line of Credit. This developer is acquiring and rehabbing properties in several Baltimore neighborhoods to provide both affordable "for-sale" and rental properties.

We also closed a new loan with Chase Street Partners. We have had a number of loans with this accomplished developer who works primarily in East Baltimore, but this is a new guidance line of credit (GLOC) to allow him to continue his work strengthening the Baltimore communities.

During the Quarter we have approved the extension and/or refinance of \$1.5 million in funding for our existing customers. Presently we have commitments of over \$16 million in our Guidance Line of Credit which is used by small to mid-size developers.

LOAN APPROVALS

We approved \$1 million in a GLOC for Parris Construction Group an African-American, woman owned business. We expect that this loan will settle in the next 60 days. Tanya Harris, the owner, anticipates concentrating in the West Baltimore area.

After several months of discussion, we are pleased to announce our commitment to Druid Heights CDC for a total of \$2.3 million based on a projection of the construction and development of Bakers View II. The loan is restricted to a limit of \$ 775,000 from BCL at any one time in consideration of the project phasing. Anthony Pressley, Executive Director, and Johndre Jennings, Development Director for Druid Heights CDC are hopeful that construction can begin in the late summer. This is an important piece to the completion of the new home development west of Druid Hill Avenue and south of North Avenue.

BALTIMORE IS THE SITE FOR LAMDA ALPHA INTERNATIONAL SPRING CONFERENCE

Baltimore Community Lending is a platinum sponsor of the Baltimore Chapter Lambda Alpha International's Spring 2018 Land Economics Weekend April 26 to 28, 2018 in Baltimore MD. The purpose and mission of Lambda Alpha International is to advance the study and practice of land economics-the practice of designing, developing, valuing, and husbanding the use and maintenance of real property as a social good. As an honorary organization established to recognize and facilitate interaction among the leaders in all professions contributing to land economics, LAI strives to encourage shared knowledge among its members and to encourage them to create, support, and participate in educational and training activities aimed at promulgating sound land economic practices.

LAI seeks to foster highly ethical practices and encourage learning and exchange among its members through meetings, discussions, social interaction, and community activities organized at a local Chapter level and through international meetings and events. LAI provides opportunities for members to propose and test ideas in an atmosphere of support and honest dialogue. Hewing to the principles taught by Richard T. Ely, it is a place for the "winnowing and sifting of ideas" where diversity of opinion is welcomed. To achieve this goal, it provides a forum with access to key decision makers, as well as a chance to share ideas among the constituent professions of its members. LAI takes a wide view of its relationship to land-a wider view than any of LAI's constituent professions.

BCL believes that the LAI is one of the organizations whose scholarship, professional analysis, and activities to foster collaboration is critically important. We are pleased to support their activities and their decision to bring this conference to Baltimore City.

This event is open to the public. For more information contact their website at www.laibaltimore.org

Governor Lael Brainard Meets with BAAHBC

Dr. Lael Brainard, Governor of the Federal Reserve met with Al Pina, Director of the Florida Minority Community Reinvestment Coalition (FMCRC) and Diane Bell-McCoy President and CEO of Associated Black Charities (ABC) for a report on the racial wealth gap in Baltimore City and communities of color throughout the country.

The purpose was to underscore what efforts are being done in Baltimore and ask the Federal Reserve what they will be doing to respond to the challenges the African American community faces. The important discussion took place at Humanim headquarters in the rehabbed American Brewery in East Baltimore.



Leadership of the Baltimore African American Home Builders Cooperative (BAAHBC) were in attendance including Dr. Gary Rodwell from Coppin CDC and Andre Purnell. Presentations from various community leaders including Danise Jones-Dorsey, Director of Our Brothers Keeper, leader in the North East Housing Initiative (NEHI) and interim Chair of BAAHBC; and Wanda Best and Jules Howie representing the Upton Planning Council underscored the need and the disparities. Ms. Howie explained that her home on McCulloh Street was appraised as \$90,000 yet two blocks away the same size dwelling in the same condition in Bolton Hill is valued at \$400,000.

Ms. Bell-McCoy thanked Governor Brainard for her willingness to attend and listen to the firsthand accounts of issues including the fact that while minorities represent over 45% of the residents of all major cities, they contribute less than 5% of those cities GDP. Not dealing with that disparity threatens our progress, our economy, and the future of the country. She also provided an advance on a report that ABC will be providing in two weeks entitled "Analysis of Patterns of Employment by Race in Baltimore City and the Baltimore Metropolitan Area".

Mr. Pina provided an impassioned presentation underscoring that "racial economic inclusion is in the best interest of our country if we expect to remain a top global power."

Ms. Jones-Dorsey and Bill Ariano explained the structure of the relationship between BCL and BAAHBC briefly talking about the challenges as well as the investment that have been made by financial institutions and the State, and thanking them by name for their investment in the loan fund.

In the afternoon, the group was joined by Henry Posko, Chief Executive Officer; and Cindy Pruitt, Senior Vice-president and Chief Business Officer, from Humanim who explained their activities in serving over 5,000 clients, and their organization's aggressive and intentional focus internally and externally on racial inclusion as they serve their clients. Ms. Pruitt also recognized the efforts of BCL with the new Baltimore Business Lending (BBL) initiative.

Bill Ariano also suggested that the Richmond Federal Reserve should be looking at other models developed in the Kansas, San Francisco, and Boston offices of the Federal Reserve for programs that could be adopted and provided in the Richmond Office footprint.

Governor Brainard then concluded the meeting with a major announcement outlining the continued commitment to Baltimore by the Federal Reserve. She referenced the Federal Reserve of Richmond's Persistent Poverty Study, and the upcoming Reinventing our Communities conference which will be held in Baltimore in October along with Johns Hopkins University which will highlight effective models and emerging strategies for investing capital to foster economic growth.

Dr. Brainard announced that the Federal Reserve will be working together with the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to update the Community Reinvestment Act. Governor Brainard went on to outline five outcomes that they want to address in the rules that were last revised in 1995.



(From Left to right, Al Pina, Governor Brainerd, President Diane Bell-McKoy)

The following is a summary of her presentation.

"First, we should seek to modernize the definition of assessment areas in such a way that the core focus remains the credit needs of the local communities...."

Second, banks should be encouraged to seek opportunities in areas that are underserved....."

Third, revised regulation should be tailored, recognizing that banks vary widely in size and business strategies and serve communities with widely varying needs...."

Fourth, we should seek greater consistency in examinations and rating across agencies as within each agency....

Fifth and finally, revised regulations should support CRA's position as one of several mutually reinforcing laws designed to promote an inclusive financial services industry...."

The entire Press release can be found on the Richmond Office of the Federal Reserve's website under the title, "Community Development in Baltimore and a Few Observations on Community Reinvestment Act Modernization."

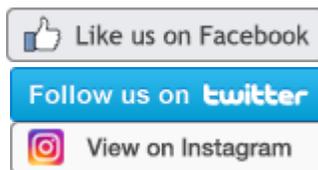
<https://facebook.com/baltimorecommunitylending>

ABOUT BCL

Baltimore Community Lending is a US Treasury certified nonprofit community development financial institution that supports the revitalization and strengthening of underserved Baltimore neighborhoods through innovative and flexible financial assistance designed to promote community development. We achieve this mission primarily through lending, an activity that has leveraged \$180 million to produce 4,025 affordable homes and 450,000 square feet of commercial and community facility space over BCL's 28 year history. To learn more about BCL, visit www.bclending.org.

ABOUT BBL

Baltimore Business Lending, LLC, a wholly owned subsidiary of Baltimore Community Lending, Inc., is a new small business lending program designed to provide capital to emerging and growing small businesses that are creditworthy, but lack the equity or collateral necessary to qualify for traditional lending resources. www.baltimorebusinesslending.org



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