



OTS Minority Depository Institutions Advisory Committee
Public Meeting
July 7, 2009
Minutes

Minority Depository Institutions Advisory Committee Members:

Faith Bautista, Greenlining Institute; John Hamilton, Advance Bank; Paul Hudson, Broadway Federal Bank; Judith Kennedy, NAAHL¹; Kimberly Lee, Dryades Savings Bank, FSB; Saurabh Narain, NCIF²; Theodora Rand, Woodstock Institute; Denise Scott, LISC³; Norman Williams, Illinois Service Federal Savings and Loan Association; Deborah Wright, Carver Federal Savings Bank; Cassandra McConnell, Designated Federal Official.

Others:

Francis Baffour, OTS; John Bowman, OTS; Montrice Godard Yakimov, OTS; Donna Gambrell, CDFI Fund⁴; Timothy Herwig, OTS; Nicola Kelly, OTS; Patrick Klunk, OTS; Daniel McKee, OTS; Vidette Bullock Mixon⁵; Joel Palmer, OTS; Clarina Pio Roda, NAFAREP⁶.

I. Welcome and Opening Remarks

The meeting was called to order by Ms. Cassandra McConnell, Designated Federal Official, at 10:00am. Ms. McConnell noted that the meeting would be chaired by co-chairs Mr. John Hamilton, President and CEO of Advance Bank, and Mr. Paul Hudson, Chairman and CEO of Broadway Federal Bank. Mr. John Bowman, Acting Director, OTS, and Mr. Daniel McKee, Regional Director, OTS Central Region, made welcoming remarks. Ms. McConnell noted no public comments were received for this meeting.

II. Minority Depository Institutions and Socially Responsible Investing

Ms. Vidette Bullock Mixon, Director, Corporate Relations, General Board of Pension and Health Benefits of the United Methodist Church, a leading faith-based pension fund, made a presentation on socially responsible investing.

¹ National Association of Affordable Housing Lenders.

² National Community Investment Fund.

³ Local Initiatives Support Corporation.

⁴ Community Development Financial Institutions Fund.

⁵ General Board of Pensions and Health Benefits of the United Methodist Church.

⁶ National Association of Filipino-American Real Estate Professionals.

The committee agreed to seek additional opportunities to connect socially responsible investors with minority depository institutions. The committee discussed ways to link investors and MDIs to preserve and promote MDIs. The committee suggested inviting socially responsible investors to an upcoming MDIAC meeting.

III. Minority Depository Institutions and Community Development Financial Institutions Fund

Director Gambrell noted that in 2009 CDFI Fund staff is offering assistance with the application process to become certified as a Community Development Financial Institution (CDFI) and participate in a series of programs. For example, Director Gambrell noted that the CDFI Fund offers Bank Enterprise Awards⁷, monies designed to incent community and economic development activities, which are funded separately from the CDFI Fund. Ms. Gambrell also described the New Markets Tax Credit Program⁸ and the Capital Magnet Fund⁹, both are designed to facilitate the development and preservation of housing for low income individuals and economic development activities. Finally, Ms. Gambrell shared information about the \$2 million for the Financial Education Magnet Pilot Program targeted to Housing and Urban Development (HUD) certified providers to promote behavior change and advance financial education.

After hearing about the various programs, the committee agreed to the following goals:

- Promote partnerships between the CDFI Fund and MDIs;
- OTS and CDFI Fund should co-sponsor and organize a regional conference to encourage participation of MDIs in the 2010 application process.

IV. Minority Depository Institutions and Regulatory Restructuring Update

Mr. Bowman discussed the Administration's regulatory restructuring proposal and the potential impact on OTS and the institutions it regulates. Mr. Bowman shared that the enabling legislation is being prepared in a phased approach for Congress' consideration.

⁷ The Bank Enterprise Award (BEA) Program was created in 1994 to support FDIC-insured financial institutions around the country that are dedicated to financing and supporting community and economic development activities. The BEA Program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities.

⁸ The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.

⁹ Capital Magnet Fund, the CDFI Fund will carry out a competitive grant program for CDFIs and nonprofit organizations (if one of their principal purposes is the development or management of affordable housing) to attract private capital for and increase investment in the development, preservation, rehabilitation, and purchase of affordable housing for primarily extremely low-, very low-, and low-income families; and economic development activities or community service facilities (such as day care centers, workforce development centers, and health care clinics) which in conjunction with affordable housing activities will implement a concerted strategy to stabilize or revitalize a low-income area or underserved rural area.

V. Telling the Minority Depository Institution Story

The committee discussed the importance of sharing and publicizing the important role MDIs play in their communities. Mr. Saurabh Narain shared some examples of data collection used to demonstrate the impact of MDIs in various communities. Ms. Judy Kennedy strongly suggested including photographs to help present the MDI story.

The committee agreed to the following goals:

- Educate socially responsible investors about minority depository institutions;
- Conduct research on what information would be useful to socially responsible investors interested in potential partnerships with MDIs.

VI. Public Comments

No public comments were received.

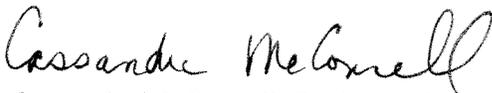
VII. Other

The committee agreed to form a banker subcommittee to address regulatory banking issues.

VIII. Closing Remarks

The next meeting is tentatively scheduled for November, 2009.

Respectfully Submitted,

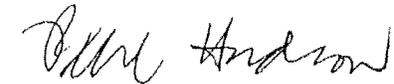


Cassandra McConnell, Designated Federal Official

We hereby certify these minutes for the July 7, 2009 OTS Minority Depository Institutions Advisory Committee meeting are true and correct to the best of our knowledge.



John Hamilton, Co-Chairman
Advance Bank



Paul Hudson, Co-Chairman
Broadway Federal Bank