

# **City of Philadelphia Office of the City Treasurer**



## **Authorized Depository Compliance Reporting: Philadelphia City Code Chapter 19-200 City Funds--Deposits, Investments, & Disbursements**

### **Annual Request for Information Questionnaire For Calendar Year 2018**

## D. COMMUNITY REINVESTMENT GOALS

***Financial institution's annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.***

**Provide an overview of the financial institution's annual Community Reinvestment Goals.**

United Bank of Philadelphia is a mission driven Bank committed to providing access to affordable financial products and services since opening in 1992. Currently the Bank has two branch offices and an ATM network strategically located throughout low to moderate income areas in the City of Philadelphia. The Bank's deposit products and services include checking, savings and money market accounts for both individuals and businesses.

In addition, the Bank remains focused on its niche, providing small businesses in the region with financial products and services that are relevant to the growth of their business and aiding in job retention and creation. The Bank has a more intentional focus on businesses owned by people of color, women and immigrants. We expect to see growth in this sector with a more dynamic relationship with the Philadelphia Industrial Development Corporation (PIDC) which has a mission of ensuring that the groups identified have access to affordable products and services to ensure not only growth but sustainability in the region.

The Bank continues to extend its reach to persons beyond its traditional branch network through its technological platform. The Bank offers online banking services which allow customers to make payments, transfer balances and pay bills. Customers also have access to the Bank's services through its 24-hour telephone banking services.

**Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.**

Type	2018 Goals	2018 Results	2019 Goals
Small Business Loans	12	11	12
Home Mortgages	0	0	0
Home Improvement Loans	0	0	0
Community Development Investments	0	0	0

**If applicable, explain why previous year results did not meet the stated goal.**

As represented by the numbers above, the Bank fell slightly short of its projected goal. Approximate 70% of the Bank's loans were originated in the Philadelphia region. The Bank remains committed to its strategy of ensuring small businesses have access to credit and affordable financial services.

**Provide the actual number and dollar amounts of small business loans, residential mortgages, home improvement loans, community development investments, consumer loans, and other commercial loans made in neighborhoods within the City of Philadelphia.**

**Calendar Year 2018**

*Number of Loans by Income*

<b>Type</b>	<b>Low</b>	<b>Mod</b>	<b>Mid</b>	<b>Upp</b>	<b>Total</b>
Residential Mortgage	0	0	0	0	0
Home Improvement	0	0	0	0	0
Small Business Loans	2	2	3	3	10
Community Development	0	0	0	0	0
Consumer Loans	0	0	0	0	0
Other Commercial Loans	0	0	0	0	0
<b>Total:</b>	2	2	3	3	10
How many business loans were originated?	2	2	3	3	10

*Value of Loans (\$) by Income*

<b>Type</b>	<b>Low</b>	<b>Mod</b>	<b>Mid</b>	<b>Upp</b>	<b>Total</b>
Residential Mortgage	0	0	0	0	0
Home Improvement	0	0	0	0	0
Small Business Loans	\$791,500.00	\$1,121,000.00	\$2,920,000.00	\$1,198,750.00	\$6,031,250.00
Community Development	0	0	0	0	0
Consumer Loans	0	0	0	0	0
Other Commercial Loans	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total:</b>	<b>\$791,500.00</b>	<b>\$1,121,000.00</b>	<b>2,920,000.00</b>	<b>1,198,750.00</b>	<b>6,031,250.00</b>
% of Consumer Loans made through Credit Cards	NA	NA	NA	NA	NA

**Provide information on other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development).**

United Bank of Philadelphia has maintained longstanding partnerships with organizations around the City of Philadelphia helping them to advance their mission of technical support and advocacy for small businesses. The Bank is actively engaged with the African American Chamber of Commerce, the local Small Business Development Centers and has strengthened its relationship with PIDC to ensure minority owned businesses have access to affordable financial services.

**5. Briefly describe any lending outreach programs geared toward minorities, low-income persons, immigrants, or women. This description should include the targeted community, the type of product (i.e. commercial, home lending, unsecured consumer) and any program outcomes.**

Refer to appendix II



## APPENDIX II-LONG TERM STRATEGIC PLAN

The overarching objective of Mayor Kenney's Administration in the City of Philadelphia is to improve the economic prosperity of the residents of the City and reduce poverty. In order to be successful in making progress in achieving this goal, a primary objective will include increasing the number of quality jobs. Unless focused attention is placed in this area, a domino effect can cascade for example: a person, who loses a job, loses the ability to buy goods and services, impacting businesses as sales tax revenue. Thus, the loss of revenue for a business may in turn mean that businesses will be forced to reduce its labor force and the downward spiral continues.

The Bank's business strategy is a solid compliment to the City's job creation goal. Therefore, management's commitment of providing affordable loans to small businesses through the Small Business Administration (SBA) 7a loan program creates a unique partnership with the City for job creation. In addition, it has been noted that small businesses are taking the lead in creating and retaining jobs which foster sustainability in growth sectors yielding long standing career tracks.

With a four-year track-record of underwriting SBA 7a loans, the team feels confident that increased loan opportunities will arise. The multi-sector partnership being led by the Commerce Department whereby this Department's focus is to work with businesses as well as economic development partners and business technical assistance providers to retain, grow and attract businesses to Philadelphia neighborhoods. The City further commits to supporting the small business community in gaining access to small business programs and capital. The Bank's alignment with this City priority provides great synergy for the Bank to provide financing to business clients in neighborhoods particularly those businesses operating in the growth sectors.

Approximately one-third of jobs in Philadelphia are located in Educational and Health services, or "Eds and Meds," which includes the City's renowned large universities and hospitals. These institutions provide significant stability to the City's economy as well as a broad variety of jobs. In addition, this sector is also a hotbed for business opportunities for the small businesses looking to grow their enterprises. The other sectors that are attractive to the Bank include Hospitality, Professional Services, and Light Manufacturing.

As a minority-owned and controlled bank, ensuring that minority groups have access to affordable loans to support their businesses is at the heart of the Bank's Mission. Philadelphia's population remains extremely diverse. Therefore, a creative collaborative has been put in place between the Bank and the Philadelphia Development Corporation (PIDC) to provide more focused attention to businesses owned by people of color, women and immigrants. The goal is to ensure that these businesses have access to appropriate capital to grow and sustain their operations. In addition, this relationship will provide enhanced services to include various workshops, peer mentoring, and one on one support.

## **SMALL BUSINESS LENDING STRATEGY/EXECUTION**

The Bank will continue to execute its strategy of penetrating the City of neighborhoods to reach small business owners seeking to expand and / or sustain their businesses. In addition, two additional areas in the Greater Philadelphia Region have been targeted for this strategy which includes Camden County, New Jersey and Chester, Pennsylvania. These areas have similar demographics as Philadelphia and access to capital is a priority need for small businesses.

While the neighborhood strategy continues to make sense, the Bank will be more targeted in its outreach to businesses during 2018 to ensure increased lending activity yielding closed loans. To ensure enhanced momentum in lending to small businesses, the Bank has become familiar with the business priorities the City of Philadelphia has outlined that will be carried out primarily by the Department of Commerce. The Bank knows the importance of working collaboratively with multi-sector partnerships that have similar goals. As was noted previously in this Plan, the Bank will set its sights on primarily five sectors that are described as growth areas in the region. In addition, with the Commerce Department having made a commitment of intentionally focusing on growth in the business corridors throughout the City, this focus gives the Bank assurance that the small businesses will have increased support to include technical support and other business amenities that will heighten their success and allows them to become a stronger business client for the Bank.

The commercial lending staff will continue to take the lead in developing a loan pipeline of clients that operate in the following sectors: education, hospitality, professional services, retail and light manufacturing. These sectors are the primary focus; however, other areas may be considered that meet the Bank's SBA lending criteria. Clients will continue to be sourced through the area's Small Business Development Centers, SBA Economic Development Centers, Business Brokers and Realtors in the targeted areas. An important partner to the commercial team is the Community Banking Staff. These Branch Managers will compliment the lenders to source clients in their respective communities and will conduct the initial assessment to ensure more activity moves to the pipeline and through the process and ultimately closed loans.