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PORTLAND OBSERVER

A Special Issue!

HOMES WANTED

First Interstate Bank Opens Community Lending Center

The Community Lending Center has been designed to:

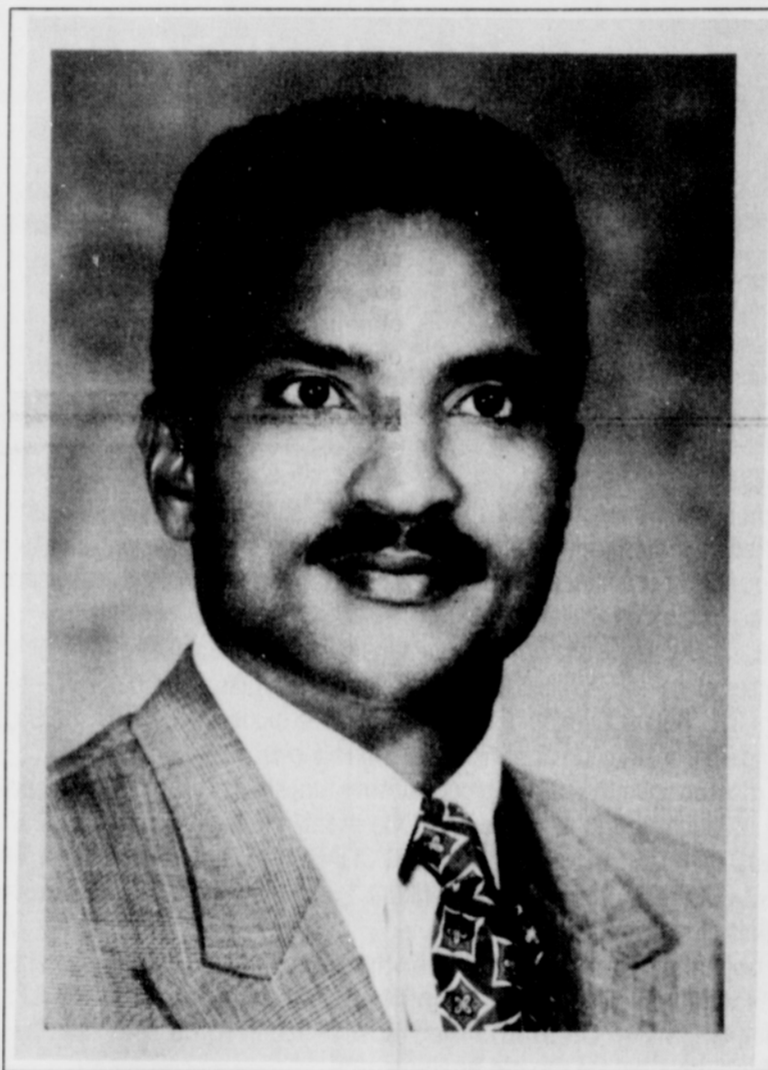
- Work closely with community leaders to identify home ownership needs in the community and address those needs through unique and innovative lending programs.
- Actively promote First Interstate Bank's HOME (Home Ownership Made Easy) Loan Program to targeted communities in Portland.
- Assist Oregonians with low and moderate incomes in achieving the goal of home ownership.
- Act as a focal point for the many specialized residential real estate loan programs offered through First Interstate.
- meeting certain household income requirements. Debt/income ratios and cash reserve requirements are eased for qualified borrowers.
- **State of Oregon home loan program.** From time to time the state makes funds available at lower interest rates for home loans to first-time home buyers with low to moderate incomes.
- **Conventional loans and standard FHA and VA programs.** The full array of First Interstate's real estate loan programs will be available to customers of the lending center.

The Community Lending Center Staff will:

- Assist low- and moderate-income families in qualifying for home loans in targeted areas.
- Help neighborhood residents evaluate their financial situations and counsel them on how to prepare to buy a house.
- Act as a referral source for all the special programs available through outside agencies, focusing on finding the loan package that best meets the needs of the borrower, even if it is not a loan from First Interstate.
- Offer home ownership seminars to neighborhood residents in cooperation with community organizations.

Interstate. During its first year of operation, the Community Lending Center will focus on lending in specific areas in North, Northeast and Southeast Portland. Loan programs available through the center include:

- **HOME (Home Ownership Made Easy) loan program.** An enhanced FHA program which eases down-payment requirements and debt/income ratios.
- **Home Affordability program.** Developed by the Portland Organizing Project, the Home Affordability program. Developed by the Portland Organizing Project, the Home Affordability Program provides mortgage funds to targeted geographic locations and borrowers



"We are grateful to the Portland Organizing Project and the Black United Front for helping us develop this valuable program," said Ralph Nickerson, manager of the Community Lending Center. "The HOME Loan Program will help us meet the needs of many first-time buyers. In addition, the Community Lending Center will offer other programs that we can tailor to fit the individual circumstances of people who want to own their own homes. And we'll continually work to develop innovative ways to increase the bank's lending in Portland neighborhoods."

A Joint Community Effort

First Interstate Bank officially opened its Community Lending Center in January. The lending center, located at the bank's walnut Park branch, 5730 NE Martin Luther King Jr. Blvd., was developed in partnership with the Portland Organizing Project and the Black United Front to respond to the needs of the neighborhoods these organizations represent.

Lending to first-time home buyers in inner-city, outer Northeast and outer Southeast neighborhoods is the focus of the new Community Lending Center, which is designed to help the bank continue to meet its ongoing commitment to assist home buyers across the economic spectrum, according to Robert Ames, president of First Interstate Bank of Oregon.

Ames said that First Interstate also plans to strengthen its commitment to low- and moderate-income home buyers by helping to fund and develop the newly-created Home Center in cooperation with other area banks, governmental agencies and community colleges. The Home Center, proposed last Fall by Portland City Commissioner Gretchen Kafoury, will offer informal counseling on how to buy and maintain a home, how to qualify for a loan and how to work through the complicated process of obtaining a mortgage. The Home Center recently began holding classes at the Vernon Presbyterian Church.

Through its Community Lending Center, First Interstate will also offer information, counseling, seminars and alternative loan programs, including a

new program called the HOME (Home Ownership Made Easy) Loan Program.

"The Portland Organizing Project is pleased with First Interstate Bank's aggressive approach to marketing the HOME Loan Program, including its opening of the Community Lending Center," said Paul Kelly of the Portland Organizing Project. "This is a positive step toward increasing home ownership among low- and moderate-income families in our city. We look forward optimistically to working with the bank on other important aspects of this program, such as rehabilitation of deteriorated but salvageable housing."

The HOME Loan Program, designed to help low- and moderate-income people buy their first homes, was developed with assistance from the Portland Organizing Project and the Black United Front. Major features of the HOME Loan Program include:

First Interstate Bank has donated funds to Oregon Community Foundation, an Oregon nonprofit corporation to provide a grant of 1% to be applied toward the down payment.

--Applicants can be qualified for house payments of up to 33% of their monthly incomes (instead of the usual 28%).

--Recurring monthly obligations such as rent and utility payments can be used as credit references.

--Minimum down payment.

--No extra fees for lower loan amounts.

--Mortgage Credit Certificate program availability.

Portland Lender To Launch Homebuyer Education Seminars

Commissioner Gretchen Kafoury today praised Portland's leading financial institutions as they announced plans to provide a series of free seminars that will help Portland-area renters learn how to become homebuyers.

"We need to reach out into the neighborhoods of Portland to help people learn what it takes to buy a home and then tell them about the opportunities available," she said. "The banks have been very responsive thus far in offering new loan programs, and I hope this effort will increase the number of eligible applicants. Home ownership is a key ingredient of community development, and I look forward to continued cooperation with the lenders in promoting access to mortgage financing."

The three-part educational series leads potential homebuyers through the process of determining how much home they can afford, selecting and making an offer on a home, and obtaining mortgage financing.

The seminars are sponsored by the

City of Portland Bureau of Community Development, Commissioner Kafoury, U.S. Bank, First Interstate Bank of Oregon, Security Pacific Bank of Oregon, Key Bank, Bank of America, the Oregon Bankers Association, the Oregon Mortgage Bankers Association, the Oregon League of Financial Institutions and other mortgage lenders.

"Based on our past experience with sponsoring homebuyer seminars, we're expecting a good turnout," said Karen Tolvstad, vice president and community reinvestment officer for U.S. Bank. "We hope to attract many participants, because there are several new financing programs available specifically for low- and moderate-income buyers, and we want to get the work out about those programs."

The seminars cover how to qualify for a mortgage loan, what to look for when selecting a home, and what to expect from a real estate agent, lender, appraiser and closing agent. They also highlight specific mortgage loan pro-

grams, some very new to the Portland market, that are available through a variety of lenders. Some of these new programs require that a homebuyer attend the seminar series to receive their benefits.

The first three-part seminar series is scheduled for Wednesday evenings, January 9th, 16th and 23rd, from 6:30 to 8:30 p.m. at Vernon Presbyterian Church, N.E. 27th and Killingsworth. A fourth, follow-up seminar will be scheduled for those who purchase a home in the near future. It will cover life as a homeowner.

The series will be repeated each month at a different location. February sessions are scheduled for the 13th, 20th and 27th at St. Peter's Catholic Church in southeast Portland.

Because space is limited, persons interested in attending the seminars are encouraged to reserve a place. Call the Oregon Bankers Association, 223-5875.

The Multnomah County Community Development Division has received a \$75,000 grant from the U.S. Department of Housing and Urban Development (HUD) to conduct education and outreach activities under the Fair Housing Initiatives Program. HUD establish this federal "Education and Outreach Initiatives" funding to support community-based programs which prevent or eliminate discriminating housing practices. HUD's other emphasis through the FHIP program is designated for "Enforcement Initiatives" under the federal civil rights law.

Clearly, there is a continuing need to educate the community on fair housing law. An estimated two-hundred reports of housing discrimination were made to government agencies in Oregon during 1989-90. Of this number, the State of Oregon's Civil Rights Division and HUD handled 105 formal complaints through their administration resolution process. In addition to these complaints, a number of private lawsuits were filed.

The "Fair Housing Education and Outreach" project will sponsor activi-

Multnomah County Fair Housing Initiatives Program Education and Outreach Project

ties which prevent or eliminate discriminatory housing practices. The project activities planned for 1991-1992 include workshop sessions for the community; training for realtors and property managers; specialized outreach to the disabled; a state-wide fair housing conference and production of fair housing educational materials.

"The project has been developed with an eye toward preventing housing discrimination problems in our community," says Chair Gladys McCoy. "This federal grant, one of only forty nation-wide, will make it possible to bring a comprehensive array of fair housing education services to our residents. People employed in the housing industry will receive information on their responsibilities under civil rights law. People seeking housing will become informed about civil rights protections."

Education and outreach on state and federal fair housing law addresses the housing discrimination issue in two ways. First, people employed in the housing industry receive training and materials designed to educate them about their responsibilities under civil rights

law. Second, people who are seeking housing learn about civil rights protections.

Multnomah County's Fair Housing Education and Outreach Project will contract with a number of non-profit agencies to conduct program activities. Those cooperating on the project, include: Multi-Family Housing Council Oregon; Multnomah County Legal Aid Service; Access Oregon; Urban League of Portland; the Portland Community Housing Office will also be working with the project. Project activities, which will be conducted in 1991-92, are summarized below:

Information Materials-Brochures on fair housing rights will be developed for people seeking housing in the rental market. These brochures will be produced in English, Spanish and the predominant Asian languages. Information directed toward special populations, i.e. families with children and the disabled, will also be developed.

Instructional Materials-Training packets on fair housing law and affirmative marketing will be developed for landlords and realtors.