

Reaching Out

A publication of Southern Good Faith Fund

Asset Builders

Business Development Center

Career Pathways

Public Policy

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Welcome!

Welcome to our spring edition of the Southern Good Faith Fund (SGFF) participant newsletter. Whether you are a participant in Asset Builders, Business Development Center, or Career Pathways this newsletter offers great information about the wealth of products and services offered at SGFF.

Don't miss the great articles below about the Arkansas attorney general ordering payday lenders to close and new rules at the FHA that will help homeowners avoid foreclosure. Make sure you read page 3 about our credit counselors and how they are helping people during these tough economic times, and on page 4 our article on soft skills that can help you get a job. And page 6 has a great article about recession proofing your business.

Arkansas Attorney General Orders Payday Lenders to Close

Arkansas Attorney General Dustin McDaniel on March 18, 2008, ordered payday lenders in Arkansas to stop making loans and to forgive all outstanding loans. This decisive action by our state's chief law enforcement officer is great news for Arkansas consumers, who typically pay 372 percent to 869 percent in annual interest to take out a two-week payday loan. The Arkansas Constitution limits interest on consumer loans to 17 percent a year.

The attorney general based his directive on two recent decisions by the

Arkansas Supreme Court that made it clear that a 1999 state law drafted by the payday lending industry is not a valid defense for violating the state's 17 percent interest rate cap. Southern Good Faith Fund has played a key role in helping educate consumers on this issue as a member of Arkansas Against Abusive Payday Lending (AAAPL), a coalition of 40 nonprofit, faith-based, and military-related organizations and individuals dedicated to ridding our state of abusive payday lending.

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FHA Says It Will Loosen Some Lending Rules

New rules may help some homeowners avoid foreclosure

The U.S. Federal Housing Administration says it's taking additional steps to help homeowners facing foreclosure stay in their homes. FHA Director Brian Montgomery has told Congress his agency is loosening some of its rules to head off what some see as a looming disaster.

Testifying before the House Committee on Financial Services, chaired by Rep. Barney Frank (D-MA), Montgomery said FHA will permit and encourage lenders to voluntarily write down some of the principal on home loans, to make it easier to refinance.

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Lending rules, continued from page 1

Frank and other Congressional Democrats have backed legislation that would allow bankruptcy judges to take that action, without consent from the lenders. In his appearance before Frank's committee, Montgomery said the FHA would also help homeowners with subprime loans transition to FHA loans, where possible.

"FHA will now back loans for borrowers who are financially capable, but who have a spotty credit record," Montgomery said. "To qualify for a standard 97 percent LTV loan, borrowers will still be eligible if they were late on two monthly mortgage payments, either consecutively or at two different times over the previous twelve months."

For borrowers who can't meet that standard, Montgomery said FHA will permit up to three months of delinquency. But in those cases, he said, FHA will limit the LTV ratio for these borrowers to 90 percent.

"We will permit and encourage lenders to voluntarily write down outstanding principal," he said. "Lenders will also be allowed to make other arrangements, including new subordinate liens, to fill the gap between an existing loan balance and the new loan amount, be it a 97 percent or a 90 percent LTV loan."

He also said the administration strongly opposes a proposed \$10 billion in loans and grants for the purchase and rehabilitation of vacant, foreclosed homes.

The plan was advanced as a way to prevent real estate values from falling further, but Montgomery maintains the principal beneficiaries of this type of plan would be private lenders, who are now the owners of the vacant or foreclosed properties.

From *ConsumerAffairs.com*, April 9, 2008.

Do you need help with your credit? Call one of Southern Good Faith Fund's credit counselors:

Frances Newsome
870.535.6233, ext. 23
Southern Good Faith Fund
2304 W. 29th Avenue

Vida Fielder
870.816.1126
502 Cherry Street
Helena-West Helena, Arkansas

Upcoming IDA Classes

Pine Bluff

Classes are held at 10 a.m. and 6 p.m. at Southern Good Faith Fund, 2304 W. 29th Ave.

*Free child care at the 6 p.m. class in Pine Bluff on Jan. 22, Feb. 12, Feb. 26, Mar. 18, April 8, and April 22.

May

- 6 Information Meeting
- 13* Money Management
- 20 Spending as a Habit—Saving as a Goal (10 a.m.)
- 27* Financial Services

June

- 3 Information Meeting
- 10 Credit Management (10 a.m.)
- 17* Renting, Leasing, Buying
- 24 AST-Education (10 a.m.)

July

- 1 Information Meeting
- 8* AST-Home Ownership
- 15 AST-Home Repair (10 a.m.)

August

- 5 Information Meeting
- 12 Money Management (10 a.m.)
- 19* Spending as a Habit—Saving as a Goal
- 26 Financial Services (10 a.m.)

Helena-West Helena

Classes during the week are held at 5:30 p.m. Saturday classes are from 10 a.m. - 2p.m. All classes are held at First Bank of the Delta, 502 Cherry St.

May

- 8 Information Meeting
- 15 Spending as a Habit—Saving as a Goal

- 17 Homebuyer Class
- 29 Financial Services

June

- 5 Credit Management
- 12 Information Meeting
- 19 Renting, Leasing, Buying
- 28 Homebuyer Class

July

- 8 AST-Education
- 17 Information Meeting
- 19 Homebuyer Class
- 29 AST-Home Repair

August

- 7 Information Meeting
- 12 Money Management

Mississippi

Classes are held at 6 p.m. at the Workforce Center, 510 Sunbelt Dr., Clarksdale. Information meetings are held at 5:30 p.m.

May

- 22 Information Meeting
- 22 Spending as a Habit—Saving as a Goal

June

- 26 Information Meeting
- 26 Financial Services

July

- 24 Information Meeting
- 24 Credit Management

August

- 21 Information Meeting
- 21 Renting, Leasing, Buying

(AST—Asset Specific Training)

Credit Counseling Provides Happy Ending

One of Asset Builders' credit counselors recently worked with clients to avoid foreclosure on their home.

After a member of the family died who didn't have life insurance, our clients fell behind on their mortgage payment. We helped them structure a repayment agreement for their fixed-rate mortgage and they made their loan payment online. However, because their payment took four days to process and post, their account became delinquent and was turned over to an attorney for foreclosure. The attorney contacted our

clients requiring approximately \$15,000 to avoid foreclosure.

To complicate matters, the loan was sold to another company during this time. Our clients contacted the new mortgage company but were told they had not yet received their file and told to call back in two weeks. We advised our clients to hold onto the money they had.

When our clients finally talked to the new mortgage company, they were told they would need to pay \$3000 by April 5 to reinstate the loan. Because our clients didn't have enough money and

could not get it, the mortgage company's loss mitigation department told them they would research the file and get back to them.

Loss mitigation contacted our clients with good news. The family only needed to pay \$2000 by April 15 to reinstate the loan and their next payment was reduced by \$500 and not due until June 1. We are continuing to work with the client on credit counseling and setting up a budget.

If you're having financial troubles, give us a call and let our credit counselors help.

Public Policy

Payday lenders, continued from page 1

Michael Rowett, research and communications manager for SGFF's Public Policy program, currently serves as chairman of AAAPL and was among the AAAPL coalition members who stood behind the attorney general at his March 18 news conference in Little Rock announcing his directive ordering payday lenders to close.

Many payday lenders have already complied with the attorney general's directive, while some likely will resist, obliging the attorney general to file lawsuits to shut them down. Still others have signaled that they will attempt to disguise their payday loans as products designed to evade the crackdown. Attorney General McDaniel has noted that because of this expected resistance, shutting down every payday lender in Arkansas likely will be a long-term process and he's not yet ready to declare victory.

Consumers throughout Arkansas can be thankful and optimistic, however, that after years of drowning borrowers

in a quicksand of debt, these businesses and their triple-digit interest rates will, in the near future, be consigned to the dustbin of history. SGFF's mission is to increase low-income families' incomes and assets, and the debt trap of payday lending certainly represents a tremendous barrier to asset- and income-building. Southern Good Faith Fund is proud to have played a role in AAAPL's ongoing campaign against abusive payday lending.

More information on Arkansans Against Abusive Payday Lending is available on the Web at www.StopPaydayPredators.org



Arkansas Attorney General Dustin McDaniel held a news conference on March 18, 2008, in which he announced he was ordering payday lenders in Arkansas to stop making loans and to forgive all outstanding loans. Participating in the news conference were, left to right, State Representative David Johnson, who sponsored legislation during the 2007 session to crack down on payday lenders; Matthew Hass of the Arkansas Trial Lawyers Association, Chairman of Arkansans Against Abusive Payday Lending (AAAPL)'s Policy Committee; Michael Rowett, Research and Communications Manager for Southern Good Faith Fund's Public Policy program and Chairman of AAAPL; McDaniel; Sam Sellers of AARP-Arkansas, Vice Chairman of AAAPL; Assistant Attorney General Charles Saunders; and Deputy Attorney General Jim DePriest.

What are Soft Skills?

By Kate Lorenz, CareerBuilder.com

Each company looks for a different mix of skills and experience depending on the business they're in. Yet it's no longer enough to be a functional expert. To complement these unique core competencies, there are certain "soft skills" every company looks for in a potential hire.

"Soft-skills" refer to a cluster of personal qualities, habits, attitudes, and social graces that make someone a good employee and a compatible co-worker. Companies value soft skills because research suggests and experience shows that they can be just as important an indicator of job performance as hard skills.

"Today's service economy and the ascendance of work teams in large organizations puts a new premium on people skills and relationship-building," Portland-based human resources expert Lori Kocon says. "And with business being done at an increasingly fast pace, employers also want people who are agile, adaptable, and creative at solving problems."

Kocon advises all job candidates—especially those who aspire to managerial positions—to get in touch with their soft side. Some of the most common soft skills employers are looking for and will be assessing you on include:

- **Strong Work Ethic:** Are you motivated and dedicated to getting the job done, no matter what? Will you be conscientious and do your best work?
- **Positive Attitude:** Are you optimistic and upbeat? Will you generate good energy and good will?
- **Good Communication Skills:** Are you both verbally articulate and a good listener? Can you make your case and express your needs in a way that builds bridges with colleagues, customers, and vendors?

- **Time Management Abilities:** Do you know how to prioritize tasks and work on a number of different projects at once? Will you use your time on the job wisely?
- **Problem-Solving Skills:** Are you resourceful and able to creatively solve problems that will inevitably arise? Will you take ownership of problems or leave them for someone else?
- **Acting as a Team Player:** Will you work well in groups and teams? Will you be cooperative and take a leadership role when appropriate?
- **Self-Confidence:** Do you truly believe you can do the job? Will you project a sense of calm and inspire confidence in others? Will you have the courage to ask questions that need to be asked and to freely contribute your ideas?
- **Ability to Accept and Learn From Criticism:** Will you be able to handle criticism? Are you coachable and open to learning and growing as a person and as a professional?
- **Flexibility/Adaptability:** Are you able to adapt to new situations and challenges?

Will you embrace change and be open to new ideas?

- **Working Well Under Pressure:** Can you handle the stress that accompanies deadlines and crises? Will you be able to do your best work and come through in a pinch?

When job-hunting, Kocon advises that you focus on the skills most likely to interest the prospective employer and learn to demonstrate these skills through your résumé, in an interview or in dealing with potential employers at career fairs or industry association gatherings.

For example, tell a story of how you successfully handled a crisis or challenge at your company. Mention honors you received or even bring along letters of thanks or commendation from an employer or customer.

Remember, whether you are applying for a service position or a technical job, it's your combination of core and soft skills that will set you apart from the crowd!

College Survival Tips

College life can be tough, stressful, and overwhelming at times. It is very important that college students lead a balanced life. Here are a few tips to help keep you balanced:

- Exercising regularly can help to relieve the daily stress of tests, exams, grades, relationships, etc.
- Getting an adequate amount of sleep in college is very important. Studying and retaining information can become more difficult with little or no sleep. Pulling "all nighters" is a common practice among many college students, but in fact this is not the most efficient way to study in college.
- Watch what you put into your body

because drugs, alcohol, smoking, unhealthy foods, and a lack of sleep can all have a negative effect on your health.

- While selling books back at the end of the semester may be a good way to make some extra money, don't sell back the books that provide information that is relevant to your major or future career. You can probably use these books for reference and guidance. Besides, the bookstore probably won't give you back nearly as much as you paid for it, so it may be more worthwhile to keep it.

Balance is all important; self-care and wise personal and academic choices all play into your opportunities at success.

Meet Temisha Washington

Temisha heard about the SGFF program through a former trainee and decided to take the Certified Nursing Assistants (CNA) class to see if nursing was the career field she wanted to pursue.

The training she received motivated her to further her education in the nursing field. Her outlook on the future was enlightened by the fact that she could work and actually enjoy her job.

This opportunity has positively impacted her life. Her income has increased from \$0 to \$2500 a month and because she has chosen the field of allied health, she has many options as to where she can work. For example, she currently works at an OB/GYN office and in the nursery at the local hospital.

“The hardest struggle I faced during the CNA program was the loss of my infant child, Austin. If it had not been for the program I would not have had what I needed to get up in the mornings. It gave me something to keep my mind busy and people to talk to that were my friends, and with that support group I was able to cope,” says Temisha. “In addition to that, SGFF



through the Career Pathways program, donated money to help with the cost of the funeral.”

Temisha’s plans are to go to college and earn her associate degree in nursing. “I have told everyone about SGFF and how great they are. My advice to people is not to settle for mediocre jobs. Take advantage of the opportunities that SGFF offers; obtain your education that will help you and your family have a better life” says Temisha. “Ultimately, if you love going to work everyday it’s not like really working at all.”

Saving Money For College

It is less expensive to save for college than to borrow. When you save, your money earns interest, while when you borrow, you’re paying interest. Even if college is just a year or two away, it is never too late to start saving. Open a 529 college savings plan for each of your children. This is one of the best college savings vehicles because of the tax advantages, the low impact on need-based financial aid, the flexibility, the high contribution limits, and because control over the account remains with the parent.

Through the Aspiring Scholars Matching Grant Program, SGFF is offering you the opportunity to open a 529 college savings plan and receive matching grants up to \$2500 over five years. Although the application deadline to receive matching grants for 2008 has passed, a new application period will begin in 2009. Don’t wait until then to start saving for your child’s education. By opening a 529 college savings plan today, you will not only begin to earn interest on your money, but you will also have a leg up on the Aspiring Scholars application process. Also, SGFF will be offering a \$100 incentive to help get your account started. Funding is limited, so this incentive will be offered on a first come, first serve basis.

Another way to save for your child’s education is the IDA program through Asset Builders. You will save \$667 and receive a match of \$2,000 that can be used for tuition, books, and fees. For more information about the Aspiring Scholars Matching Grant Program, call Blake Williams at 870.535.6233 ext 17. If you are interested in the IDA program in the Pine Bluff, Arkansas area call Enrique Castro at 870.535.6233 ext 16, or Mindy Maupin at 870.816.1104 in the Helena-West Helena, Arkansas area. (Information taken from <http://www.finaid.org/savings/>)

Hot Career: Nursing Field

Nursing is a career field with exploding demand. And becoming a certified nursing assistant is the first step down the pathway.

Southern Good Faith Fund offers an eight-week Certified Nursing Assistant (CNA) course approved by the Arkansas Office of Long Term Care and licensed by the State Board of Private and Career Education. CNAs work in every area of healthcare like hospitals, nursing homes, assisted living facilities, and doctors’ offices.

Check out our new 2008 class schedule let us help you discover a rewarding career in the nursing field. Begin down this exciting nursing career path at no cost if you meet certain guidelines. Call now and get details on registration.

Start Date	End Date
July 7	August 27
Sept 3	October 29
November 3	December 22

Contact:
Melissa Young, Nurse Instructor
870.535.6233 ext. 24 or
Lisa Ponder, Student Support
870.543.5999

Recession Proof Your Business

In this issue, the Business Development Center (BDC) staff continues to focus on how small business owners can survive and even grow in these challenging economic times. In an article titled "Retailing Chains Caught in a Wave of Bankruptcies," the *New York Times* details how the slump in consumer spending and tightening credit markets are triggering bankruptcies in the retail industry unlike any that have been seen in recent times.

According to the article, beddings and furniture giant Linens n' Things may declare bankruptcy. Additionally, stores like Foot Locker, Ann Taylor, and Zales will close many of their stores in an attempt to preserve cash. And retailers J. C. Penney, Lowe's, and Office Depot are scaling back expansion plans.

There is no predicting exactly how these changes will affect shopping malls and business districts, but the BDC thinks this could present an opportunity for business owners to meet the needs of customers, if they stay abreast of the changes and follow a few simple guidelines:

1. Stay informed: It's so easy to bury your head in the sand and not read about the poor economic times; after all, nobody wants to listen to tale after tale of negative news. However, smart business owners need to stay abreast of what's happening in their state or town. Sign up to receive e-mail updates from local papers like *Arkansas Business* (Arkansasbusiness.com) or the *New York Times* (www.nytimes.com), in order to stay abreast of economic trends in your industry. Visit SGFF's Web site at www.southernngff.org and sign up for our program newsletters.

2. Talk to your customers: Spend time listening to your customers and their

changing needs. How has the recession affected them, and how can you tailor your products and services to their needs? My child care provider is an excellent example of an entrepreneur who anticipates the needs of her customers, which ensures that she retains them as long as possible! Recently, she helped me research some good elementary schools for my son. She even knows that he will be able to catch the bus back to her center for after-school care! My son is only two years old so she is way ahead in helping us plan for the future! It was great to get that type of assistance.

3. Market your business: Times of economic downturn are also times of competition, as new businesses enter the market and offer lower prices than yours. Businesses with lower start-up costs are often the target of more eager entrepreneurs. Keep your business visible to existing and potential customers by updating your marketing materials. Visit the BDC to brainstorm some new marketing strategies

4. Manage your personal credit: It's no secret that the difficult economic times have made it harder for small businesses to borrow so guard your personal credit zealously as poor credit will make it even harder for you to borrow money for your business. Southern Good Faith Fund has two credit counselors available for clients of the Business Development Center. Frances Newsome (870.535.6233 ext. 23) serves Pine Bluff, Arkansas and the surrounding cities, while Vida Fielder (870.816.1126) serves Helena-West Helena, Arkansas and surrounding areas.

5. Manage cash flow: An economic downturn often leads to a reduced demand



Miriam Karanja is Director of the Business Development Center.

for certain materials and inventory items. Pay close attention to your supply chain and see whether you can negotiate a lower cost for your inventory. It's possible that you could improve your margins and increase your bottom line. Are there any unnecessary costs that you could eliminate? Review your projections as often as possible and see how your actual financials play out from week to week.

6. Savings: With tax season over, and a stimulus refund just round the corner, you may have cash coming to you. If possible, put aside some money in anticipation of the future. Consider reducing outstanding debt, or catching up on important liabilities that you may owe, such as sales or payroll taxes. Whatever your situation, now is the time to develop and implement a plan for your business. The Business Development Center offers many programs and resources geared to helping you start and grow your businesses. Existing businesses can work with a consultant for \$10 an hour. Visit us online at <http://www.southernngff.org/bdc.php> or call our offices to discuss your needs.

BDC is partially funded by the U.S. Small Business Administration's Office of Women's Business Ownership (OWBO) under Cooperative Agreement Number (SBAHQ-04-W-0032). The Office of Women's Business Ownership is established to help women become full partners in economic development through small business ownership. The Women's Business Ownership homepage is: www.wbconline.gov. BDC is a public-private partnership of the U.S. Small Business Administration and Southern Good Faith Fund, a non-profit affiliate of Southern Bancorp. SBA's cooperation does not constitute or imply its endorsement of any opinions, products, and/or services. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact Miriam Karanja, 2304 W. 29th Ave., Pine Bluff, AR 71603 or call 870.535.6233. All SBA programs provided on a nondiscriminatory basis.

Take Advantage of Affordable Health Insurance For Small Businesses

Over 3000 employees of small businesses are now receiving health insurance coverage through a new program for small businesses that is funded by a partnership between the federal and state government, and private businesses. Below is some information on the program:

What Companies Are Eligible?

- Based in Arkansas.
- Have two or more full-time employees.
- Have not provided group health benefits in the last 12 months.
- Agree to insure at least one person who meets the criteria for subsidies.
- Agree to insure 100% of all uninsured employees who qualify for the subsidy and 50% of those who do not.

Note: Non-citizens and/or non-residents are not required to buy the coverage, but can purchase coverage at the full price if desired.

Annual Benefits

- Seven inpatient hospital days per year.
- Two major outpatient services per year.
- Six physician office visits per year.
- Two prescriptions per month (see pharmacy benefits).
- Maximum annual benefit of \$100,000.
- Renewable each 12 months.

Pharmacy Benefits

- Two prescriptions per month.
- Subject to three-tier co-pay (but not deductible) as follows:
 - \$5 generic
 - \$10 brand formulary
 - \$30 brand non formulary
- Program administered by Express Scripts.
- Wide choice of pharmacies (no mail order).
- Additional benefits following exhaustion of base benefits.

To learn more about ARHealthNetworks for small businesses, call 1.800.540.7566 or 1.800.285.1131 TTY or visit www.arhealthnetworks.com

Upcoming Training At The Business Development Center

Get the complete schedule on our Web site at www.southernngff.org

Understanding Your Credit

June 10 in Pine Bluff

Computer Training

July 7 - July 28 in Pine Bluff

Child Care Licensing Requirements Workshop

July 17, September 18, November 20 in Pine Bluff
Wednesdays in Forrest City (Dates TBD)

NEW! Smart Technology for a Smarter Business™

July 28 - August 21 in West Memphis

Networking Breakfast

August 5 and November 6 in Pine Bluff

How to Start a Successful Small Business

September 16 - October 21 in Helena-West Helena

How to Market Your Business on eBay

October 21 in Pine Bluff

How to Obtain a Small Business Loan

November 13 in Pine Bluff

To learn more about these classes and others, give us a call at 870.535.6233 or visit our Web site at www.southernngff.org.

Ask About Our
Special Discounts
for IDA
Participants!

all business

Will You Spend or Save Your Stimulus Check?

Policymakers are hoping you'll go out and spend your rebate check to boost the ailing economy.

The checks will start hitting the mailboxes in May and the average individual will get a \$600 check, \$1200 for families, and an additional \$300 per child. Consider using the money to improve your position over the long-term.

- **Pay Down Debt.** Getting rid of unnecessary debt lowers your day-to-day bills.
- **Emergency Fund.** Having cash on hand is always good in bad economic times.
- **Cover the Essentials.** Take care of what's important first—housing, utilities, food and transportation are the most important things to maintain to get through bad times.

Offices

Pine Bluff

Asset Builders
Business Development Center
Career Pathways

2304 W. 29th Avenue
Pine Bluff, AR 71603
870.535.6233

Helena-West Helena

Asset Builders
502 Cherry Street
Helena-West Helena, AR 72342
870.816.1104

Business Development Center
502 Cherry Street
Helena-West Helena, AR 72342
870.816.1120

Career Pathways
P.O. Box 514
1000 Campus Dr., T & I Building
Helena-West Helena, AR 72342
870.338.3279

Little Rock

Public Policy
1400 W. Markham, Suite 400
Little Rock, AR 72201
501.661.0322

Web Site

For more information
please visit us at:
<http://www.southernngff.org>



2304 W. 29th Avenue
Pine Bluff, AR 71603

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