

Changing Lives

A publication of Southern Good Faith Fund

SGFF Wins National Award and Grant

Southern Good Faith Fund (SGFF) is very pleased to announce the receipt of a prestigious national award and a \$500,000 grant from the Annie E. Casey Foundation (AECF), a Baltimore-based private foundation dedicated to building better futures for disadvantaged children and families.

SGFF is one of four organizations nation-wide to receive a 2007 grant from AECF's Families Count National Honors Program. Awards were granted during National Family Week, November 15 – 25, to emphasize the important role organizations play in strengthening families and communities.



According to SGFF President Angela Duran, "the funds are unrestricted and can be used in whatever way best will support SGFF's goals. SGFF is honored and excited to be chosen by AECF for this very substantial grant. We are carefully considering ways to use this unexpected and most welcome gift."

"We may decide to launch an endowment with the funds," Duran continues. "AECF's grant will help us to help many Arkansans achieve their own American Dream, and building an endowment may be one of the best ways for us to be good stewards of such generous grants, our important mission, and the people we're honored to serve."

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New Local Partnership Announced

SGFF is proud to introduce you to our newest local community-service partner, The Links, Incorporated. Eva McGee, community leader and program coordinator of the Pine Bluff chapter of The Links, announced the partnership on November 2 of this year at a press conference that received prominent coverage in the local paper, the Pine Bluff Commercial.

The Links is a service organization dedicated to catalyzing positive change for under-served groups in the community, focusing on issues related to education, economic development, health, and the arts in the Pine Bluff area.

This African American women's civic organization has been active in the Pine Bluff community for 35 years, sponsoring programs and activities that have had a positive impact on the local community and its citizens. Their most recent work has focused on area health and wellness. Last year, their work with other valuable community partners impacted more than 1600 individuals and families by influencing the development of the first childhood obesity clinic in the city.

The Links' national organization was founded 60 years ago in Philadelphia, Pennsylvania, and there are now more than 10,000 members nation-wide providing valuable community services.

SGFF President Angela Duran says, "it is such an honor for the Links to seek us

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Participants Daniëlle Jackson, Allyson Hay, Oscar Bullard, Latisha Bullard, Cherrie Bradley, and Abraham Moore learn how to realize their entrepreneurial dreams at SGFF's Business Development Center in Pine Bluff.

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out for a partnership. Their members are professional women and leaders in our community. I see their partnership as a vote of confidence in our work.”

“Raising the Bar” describes The Links’ strategic vision for the years ahead. “Our research indicated that more than 500 local people are on the Transitional Employment Assistance, or TEA, program, and that Jefferson County has a 6.5 percent unemployment rate. Our goal is to help 150 people become less dependent on public assistance by focusing on workforce preparedness,” McGee says.

Research indicates more than 500 local people are on TEA and Jefferson County has a 6.5% unemployment rate. The goal of the Links and SGFF partnership is to help 150 people become less dependent on public assistance by focusing on workforce preparedness.

“We chose Southern Good Faith Fund,” McGee says, “because they are one of the best resources in Pine Bluff.”

“The Links are going to be a great resource to SGFF,” Duran says. “They can provide mentoring and counseling to the entrepreneurs and students in our programs, they can advocate for our policy agenda, and they can help us to spread the word about our good work to the community.”

National Award, continued from page 1

Since 1988, SGFF has been helping low-income people in rural Arkansas and Mississippi Delta communities learn economic skills and buy their first home and other assets using matched savings from Individual Development Accounts (IDAs), go to school and qualify for and connect to job opportunities, and start or expand businesses.

AECF Senior Vice President Ralph Smith states, “these organizations

inspire us with their determination to ensure all families can succeed in the economy, in their communities, and with their children. To learn more about the Annie E. Casey Foundation, SGFF and the other 2007 award recipients, and former honorees of their Families Count award, please visit their Web site at www.aecf.org/familiescount/.



Thomas and Tisha Arnold and their daughters Aiyana and Tahlia stand in front of their new home, which they purchased with the help of their SGFF Asset Builders IDA matched savings account.

Our Mission

Southern Good Faith Fund, a 501(c)(3) non-profit organization and an affiliate of Southern Bancorp, is committed to increasing incomes and assets of low-income and low-skilled residents in rural communities.

SGFF Works with Coalition to Stop Abusive Payday Lending

How much is too much for Arkansas consumers to pay in interest on a loan? According to the Arkansas Constitution, the limit is 17 percent a year.

Yet customers of so-called payday lenders are routinely charged 300 percent, 400 percent, 500 percent, 600 percent, 700 percent, 800 percent and even higher in annual interest—thanks to a 1999 law designed to circumvent the Arkansas Constitution’s protections against high-rate interest loans.

Southern Good Faith Fund is a member of Arkansans Against Abusive Payday Lending (AAAPL), a coalition working to remove abusive payday lending from our state. The coalition’s message has been resonating with the public, and state regulators have taken some steps toward better regulation and oversight. But much more remains to be done.

Payday loans are small loans, usually \$100 to \$500, made for an average of 14 days. A 14-day payday loan, if made



Center for Responsible Lending, the average payday borrower pays \$800 to borrow \$325. Research shows that payday lenders are disproportionately located near military bases and disproportionately target customers who are minority or low-income.

The Arkansas Legislature in its upcoming session that convenes January 8, 2007, will have an opportunity to take real steps to protect Arkansas consumers from these high-interest loans.

AAAPL believes that no payday lender should be allowed to make consumer loans with interest rates of more than 17 percent annually. Payday lenders in Arkansas shouldn’t be allowed to partner with out-of-state banks or other companies to evade the 17 percent limit. These

payday lenders also shouldn’t be allowed to disguise their payday loans as other types of transactions to evade the 17 percent limit.

In 1885, President Grover Cleveland refused to support a bill because he believed it was unconstitutional. Timothy J. Campbell, a Congressman and leader of New York’s infamous Tammany Hall political machine, reportedly told President Cleveland: "What’s the Constitution between friends?"

As 2007 approaches, Arkansans deserve to have their state’s Constitution taken much more seriously than that. Arkansas is the only state in the nation with a constitutional prohibition against high interest rates on loans. Arkansas consumers should be charged no more than 17 percent in annual interest for payday loans—with no ifs, ands, or buts.

SGFF is a member of the coalition that is working to stop predatory payday lenders.

in compliance with the Check Cashers Act of 1999, costs Arkansas borrowers 372 percent to 869 percent annually in interest. Article 19, Section 13 of the Arkansas Constitution limits interest on consumer loans to a maximum of 17 percent annually—and provides that any loan with a higher interest rate “shall be void” for both principal and interest.

How much do these high-interest rates cost payday borrowers? According to the

Payday Loans Don’t Pay

Various types of credit and the cost

Type of Credit	Annual Interest Rate	Borrowing Period	Cost of Borrowing \$1,000 for one year
Home Mortgage	5.43%	30 years	\$56
Home Equity Loan	6.98%	5 years	\$72
Car Loan	6.24%	4 years	\$64
Personal Loan	12.51%	5 years	\$133
Credit Card	18.00%	3 years	\$196
“Payday” Loan	521.42%	14 days	\$5,200

Source: United States Department of Agriculture, University of Arkansas, and County Governments Cooperating
For more information go to <http://www.stoppaydaypredators.org>

Annual Fund

If you're going to make a charitable contribution this year, why not help a family save, dream, and build a future—and get a 50% tax credit at the same time.

We are very grateful to everyone who continues to contribute to our Annual Fund, whether by mail, during special events, or by using our online form at www.southerngoodfaithfund.org.

We also have exciting news for those who contribute to our Asset Builders IDA program. As you know, any donation to SGFF is tax deductible. When you designate that your donation is to our IDA program, you will additionally qualify to apply for an Arkansas tax credit of up to 50 percent of your total

donation. Remember, a maximum amount of \$100,000 is available for this per calendar year, so be sure to apply early. Please contact us for more information.

And again, please accept our heartfelt thanks if you have already contributed. Your support is very important to the work that we do and all of the people and families we serve.

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