



▶ **HOPE Inside Board Report**

National - Q2, 2020

HOPE AT A GLANCE

Total Global Services (YTD)

139,521

Percent to Goal (YTD)

190%

FICO Score Increase

+31 pts

Quarter 2, 2020 in Review

Financial Coaching in the Era of COVID-19

For the last three months, HOPE's efforts have been targeted on helping clients financially prepare and recover from the COVID-19 pandemic. This includes helping clients negotiate with creditors, increasing client credit scores so they're eligible for loans and aide, increasing savings so they are able to survive the months ahead, and improving clients' overall financial health through better banking practices, budgeting, and financial planning. Throughout Q2, HOPE's credit, small business, and homeownership coaches delivered over 70,000 resilience and recovery COVID-19 services.

70,589
COVID-19 Services

\$1.5 Million
PPP Loans Secured by HOPE Clients

During COVID-19, many small-business clients reached out to HOPE for assistance in navigating the federal aid recovery programs available to them. HOPE coaches were successful in helping 428 clients apply for Economic Injury Disaster (EIDL) and Paycheck Protection Program (PPP) loans. These applications totaled more than \$1.5 million in recovery aide, of which a majority went to minority (82%) and female business owners (58%).

Building Wealth for HOPE Clients

Studies show that financial wealth accumulates first by way of homeownership and later through business interests (Urban Institute, 2017). To help clients build wealth, HOPE's coaches assist clients in becoming loan-ready and provide entrepreneurial training.

In tandem with its efforts around helping existing small-business owners survive COVID-19 closures, HOPE also stimulated the communities it serves this quarter by helping 185 clients start new small businesses, a majority of which were started by women (67%) and minorities (69%). To-date, HOPE has helped 2,137 clients start new small businesses.

In conjunction with the Closing Assistance Program, HOPE helped:

- 363 New Homeowners
- Clients Obtain \$51 Million in Mortgage Loans
- 820 Homeownership Education and Counseling Services



COVID-19 Services Delivered

Small Business Recovery / SBA Loan Assistance	61%
Small Business Technical Assistance Counseling	59%
Mortgage Delinquency / Foreclosure Prevention	26%
Consumer Credit / Debt Deferment	47%
Financial Recovery Planning	65%
Credit and Money Management Counseling	54%
Referrals to Other Recovery Services (e.g. ARC)	33%
Bank Referrals	25%

NOTE: Can add to more than 100% as many clients receive multiple services.

Access to Capital

	YTD
Mortgage Loan Applications	825
Mortgage Loan Applications in \$	124,164,207
Mortgage Loans Funded	662
Mortgage Loan Funded in \$	121,388,143
Small Business Loan Applications	47
Small Business Loan Application in \$	811,500
Small Business Loans Funded	1
Small Business Loans Funded in \$	10,000
New Businesses Created	407



The Impact of HOPE

Financial Improvements After Counseling

HOPE evaluates clients pre- and post-service, measuring improvements across a host of financial variables. From a sample of more than 19,000 HOPE demonstrates a positive financial impact on participants' financial lives.

+31 Points
Avg. FICO Score Increase

Among the clients who saw an improvement to their FICO score, the average improvement was 67 points with 30% of clients reaching above prime FICO scores of 660 or higher. These improvements are 2-3x the rate of their nonprofit peers (see Urban Institute, 2015; PERC University of Arizona Report, 2005; Experian Report, 2016).

-\$2,458
Avg. Decrease in
Total Debt

+508
Avg. Increase in
Liquid Savings

Similarly to FICO scores, HOPE is successful at reducing client debt and increasing client savings. To date, HOPE has successfully helped clients reduce over \$156 million dollars in debt and increase savings totaling more than \$9 million.

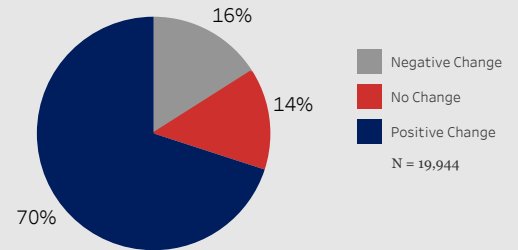
3 out of 4
Clients Are Less
Financially Stressed

Finally, HOPE is successful at reducing the financial stress of its clients. Via HOPE's financial well-being survey that is administered at-entry and post service interactions, HOPE finds that via coaching, clients are more confident in their abilities to manage their finances which subsequently reduces their financial stress.

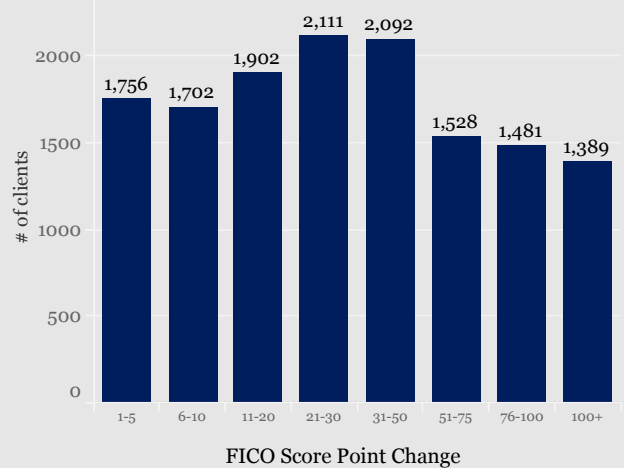
Increased Engagement Matters

HOPE's data also show that increased client-coach interaction (what HOPE refers to as services), drastically increases financial-health outcomes. For example, among all counseling clients, those who engaged with HOPE for only one counseling service saw an average credit score improvement of 13 points while those who engaged in more than 20 counseling services saw an average credit score improvement of 84 points. Results are similar for all financial health metrics including increased savings, decreased debt, and financial stress. As engagement with HOPE increases so too does the financial wellbeing of clients.

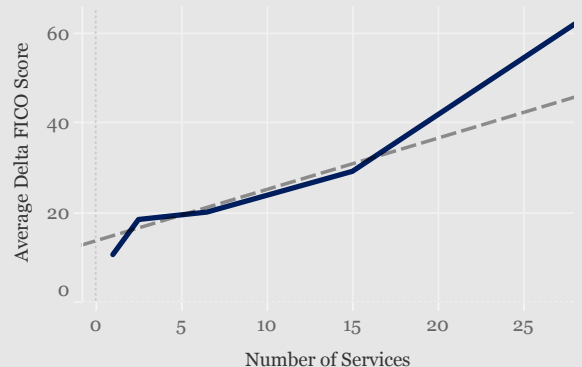
Change to FICO Score



Distribution of Positive FICO Score Change



FICO Change by Number of HOPE Services





HOPE Inside

HOPE Inside Overview

Number of HOPE Insides	153
President of Operations	Lance Triggs
Programs	Credit, Small Business, Homeownership, Disaster, Youth

HOPE Client Profile

The average HOPE client served this quarter was a black, non-hispanic, female, with an average household income of \$36,909. At entry to HOPE services, the client had an average FICO score of 567, average total debt of \$37,432 and an average savings of \$474.



Avg. Household Income

\$36,909



% Clients Low-to-Moderate Income

83.88%



Hispanic / Non Hispanic

12% / 54%



Female / Male

67% / 32%



Black / White / Other

60% / 27% / 13%

HOPE Growth

Since its inception in 1992 HOPE has delivered over 4.6 million financial empowerment and disaster recovery services to individuals, families, youth, and small businesses. Since January, HOPE has delivered over 139,000 services to 26,018 individuals and is currently actively counseling 18,333 clients. With 153 HOPE Inside locations (servicing individuals from 46 states and Puerto Rico) currently open across the country, HOPE has seen a 81% growth in number of services rendered from the second quarter in 2019 to the second quarter in 2020. Impacting the lives of its clients everyday through financial counseling, HOPE is assisting individuals across the country with financial services including disaster preparedness and recovery during the COVID-19 pandemic.

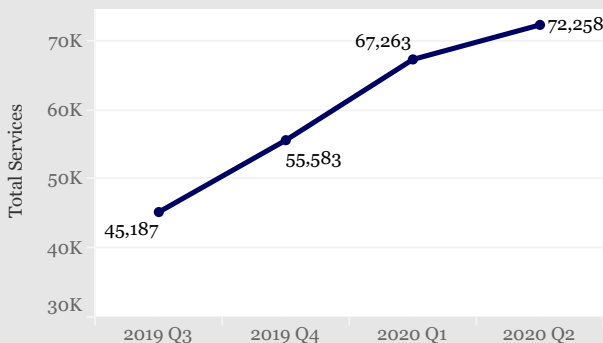
Global Services

Production Metrics	YTD	PTD
Total Global Services	139,521	4,636,147
HOPE Inside Adult Services	104,351	2,166,443
HOPE Inside Disaster Services	32,833	1,401,594
HOPE Inside Youth Services	2,337	1,068,110

HOPE Inside Service Details

	YTD	PTD
Financial Group Education Participants	34,468	896,668
One-one-One Counseling Sessions	60,458	562,919
Bank Referrals	8,756	33,679
Call Center Calls	669	240,205
Cyber Café Membership & Usage	0	425,630
South Africa Adults	0	7,342
Disaster Workshops and Counseling Services	19,888	1,388,649
COVID-19 Disaster Assistance and Referrals	12,945	12,945
Banking on Our Future (USA and SA)	2,088	1,055,772
HOPE Business In A Box (USA and SA)	249	12,338
HOPE Corps Volunteers	67	27,799
No. of Start-Up Grants Awarded (USD)	1,500	123,676
No. of Youth Businesses Created	0	405

HOPE Financial Services Over Time



A Story of HOPE

"I am the owner of God's Creative Enrichment Center - a daycare center for children. I have been in business for 18 years. I first met my HOPE coach, Deborah, last September while dealing with some financial issues, the highs, and the lows of owning a business. I needed her support to establish stable credit. I am now at a credit score of 675, in comparison to 598, when I first met her. Deborah walked along beside me and advised what was best for me. When COVID-19 hit, I knew I was going to need HOPE again. I have been affected by the pandemic.

Although I have not closed my Center, other childcare providers have closed their doors for good. This is due to the fact of the unknown that comes with the pandemic and not wanting to deal with the additional processes and issues to stay open. I receive emails from the CDC and Department of Health on a daily basis. With the COVID-19 pandemic, I went from having 46 kids in the Center down to 8 kids. Parents were skeptical about bringing their kids in fear of what could happen to them.

I couldn't close the Center because many essential workers were still going to their jobs and needed a place to leave their kids, so closing was not an option. I couldn't risk losing my 46 kids in case they went to other centers because they were open, and we were not. Those were huge challenges. I had to downsize staff. Those who stayed were faithful in terms of walking along my side, even in the unknown. I am grateful for them.

At the Center, we had to take significant precautions. During his time, I went to my bank to try and get information on how to apply for the PPP; I wasn't given much help. I asked and asked for assistance in putting together the paperwork to apply, but was not met with the support I needed. It was so frustrating. I ended up missing the first deadline. I then picked up the phone, called Deborah, and she told me to stay positive, to step back, to strategize and that we would achieve what we needed to together. She helped me with my mortgage and helped me obtain a payment deferment. She then helped me with my PPP application. She helped me get approved. I was able to get the loan!

This past Tuesday, I received the deposit, and I am sustaining. I am digging myself out of a two and a half month hole. I am now not drowning. My staff was able to get more hours, and we are moving forward. I am so grateful. I'm grateful for Deborah. We are managing, and I know I could not have done it without Deborah and Operation HOPE."

-Beverly Holland, Credit and Disaster (COVID-19) HOPE Client, Knoxville, TN



Partner Report Definitions

Total Global Services: The sum of HOPE Inside adult services, HOPE Inside youth services, and HOPE Inside disaster services.

HOPE Inside Adult Services: The sum of financial workshop participants, one-on-one counseling sessions, bank referrals, call center calls served, cyber cafe membership & usage, and South Africa adults served.

HOPE Inside Youth Services: The sum of Banking in Our Future (USA and SA) students educated and HOPE Business In A Box (USA and SA) students educated.

HOPE Inside Disaster: The sum of disaster workshop and counseling services and, as of March 15, 2020, COVID-19 disaster assistance and referrals.

Financial Group Education Services: Count of clients who participate in a group education class(es) inclusive of credit, small business, homeownership and foreclosure programs. Note: if a client attends more than one workshop, the client is counted more than once.

One-on-One counseling sessions: The sum of counseling enrollments and subsequent follow-up counseling sessions. Inclusive of participants who enrolled in the credit, small business, homeownership and foreclosure counseling programs.

Bank Referrals: Outbound client referrals to banking and credit union partners for banking products such as bank accounts, credit cards and loans.

Call Center Calls: The number of incoming calls served by HOPE coaches and provided counseling or general guidance and assistance.

Cyber Cafe Membership & Usage: Count of Cyber Cafe Members and transactional visits to the Cyber Cafe to utilize computers and attend computer literacy courses. The Cyber Cafe program is currently inactive.

Disaster Workshop and Counseling Services: Inclusive of services delivered to clients through disaster preparedness workshops, disaster recovery workshops, and one-on-one disaster recovery counseling.

Banking on Our Future (USA and SA): The count of youth educated through the Banking on Our Future financial literacy and empowerment program in both the U.S. and South Africa.

HOPE Business In A Box (USA and SA): The count of youth educated through the HBIABA entrepreneurial development program in both the U.S. and South Africa.

HOPE Corps Volunteers: The count of HOPE Corps volunteers trained for any HOPE program (youth, adult, disaster).

No. of Start-Up Grants Awarded (USD): The amount of youth entrepreneur start-up awards granted via the HBIABA program.

No. of Youth Businesses Created: The number of youth that graduated the HBIABA program and launched their small business.