



▶ HOPE Inside Board Report

National - Q3, 2020

HOPE AT A GLANCE

Total Global Services (YTD)

194,792

Percent to Goal (YTD)

291%

Avg. FICO Score Change

+20 pts



A Story of HOPE

Mark Smith enrolled in the small business counseling program on May 21, 2020 after being referred by another HOPE client. Mr. Smith expressed his need for business services, including an EIDL loan application, which had been declined by the SBA. Upon thorough review and discussion, HOPE financial coach, Cynthia Harrison, recommended specific strategic responses to the decline letter and instructed Mr. Smith to resubmit the application with all required supporting documentation. Mr. Smith was approved and awarded a \$13,400 EIDL in July 2020. In addition to the counseling services, Mr. Smith also attended a credit and money management workshop, a small business workshop, and joined the entrepreneurial training program (ETP). Mr. Smith graduated from the ETP program on September 3, 2020 and provided the following testimonial:



"I am the founder of Home Smith Management. My real estate investment and management company is located in Washington, D.C. Since 2017, we've provided safe, affordable, and exquisitely maintained housing for our residents. Our goal is to add to our portfolio with the addition of offering investment property intended for buyers interested in owner-occupied homes. Due to the rapidly evolving COVID-19 pandemic, some of our residents were laid off from their employer and were unable to pay their rent. As the owner, my expenses were unchanged. Utilities, maintenance, and the replacement of major appliances still needed to be provided. The loss in revenue due to the COVID-19 pandemic had a severe impact causing me to use my personal savings to maintain the mortgage payments and associated costs. I applied for the Small Business Administration's Disaster loan, but I was denied for assistance. A friend referred me to Operation HOPE. There, I met Cynthia, who reviewed my application and offered some recommendations for an appeal. I was able to submit a successful appeal and was awarded \$13,400. I was so impressed with the assistance provided, I signed up for Operation HOPE's entrepreneurship training program. Mrs. Harrison has a wealth of business knowledge, and I feel fortunate to gain training and expertise. I appreciate Operation HOPE's dedication to the community and commitment to producing the next generation of leaders and entrepreneurs. Thank you for everything you've done, the help for the loan and developing my business has been truly beneficial."



-Mark Smith, ETP Graduate, HOPE Inside Truist Bank, Washington, D.C.



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 \$35,838. At entry to HOPE services, the client had an average FICO score of 583, average total debt of \$11,455 and an average savings of \$559.

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. With 153 HOPE Inside locations (servicing individuals from 46 states and Puerto Rico) currently open across the country, HOPE has seen an 18% growth in number of services rendered from the third quarter in 2019 to the third 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.

 Avg. Household Income
\$35,838

 % Clients Low-to-Moderate Income
83%

 Hispanic / Non Hispanic
12% / 88%

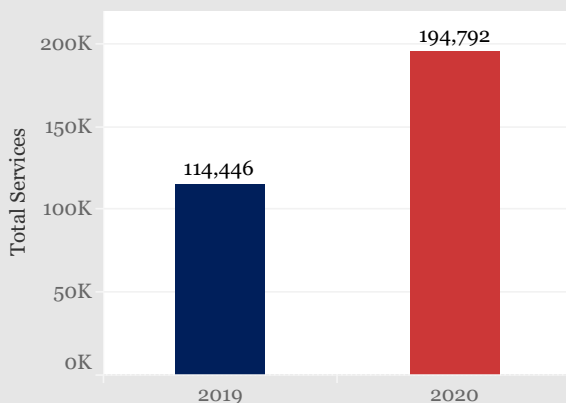
 Female / Male
67% / 33%

 Black / White / Other
50% / 16% / 34%

Global Services

Production Metrics	YTD	PTD
Total Global Services	194,792	4,691,418
HOPE Inside Adult Services	143,332	2,205,424
HOPE Inside Disaster	48,245	1,417,006
HOPE Inside Youth Services	3,215	1,068,988

Total Services Delivered Q1 - Q3



HOPE Inside Service Details

	YTD	PTD
Financial Group Education Participants	46,943	909,143
One-one-One Counseling Sessions	79,789	582,250
Bank Referrals	12,825	37,748
Call Center Calls	3,775	243,311
Cyber Café Membership & Usage	0	425,630
South Africa Adults	0	7,342
Disaster Workshops and Counseling Services	28,213	1,396,974
COVID-19 Disaster Assistance and Referrals	20,032	20,032
Banking on Our Future (USA and SA)	2,966	1,056,650
HOPE Business In A Box (USA and SA)	249	12,338
HOPE Corps Volunteers	156	27,888
No. of Start-Up Grants Awarded (USD)	0	122,176
No. of Youth Businesses Created	1,500	1,905



Quarter 3, 2020 in Review

Financial Coaching in the Era of COVID-19

For the last six months, HOPE's efforts have been targeted on helping clients financially prepare for and recover from the COVID-19 pandemic. This includes helping clients negotiate with creditors; increase credit scores; access credit; connect with social services; increase their savings; create financial budgets so they are able to survive the months ahead, and improve clients' overall financial health to make them financially resilient. Since March 15, HOPE's credit, small business, and homeownership coaches have delivered over 125,000 virtual resilience and recovery COVID-19 services.

125,860
COVID-19 Services

\$1.9 Million
Small Business Recovery Loans
Secured by HOPE Clients

During COVID-19, and given the social climate across the country, HOPE focused many efforts in Q3 on small-business creation and resilience. Launching 1MBB recently, and building upon the assistance HOPE has given small businesses for years, HOPE is committed to helping people of color and black small-business owners. To date, HOPE has helped over 500 entities apply for Economic Injury Disaster (EIDL) and Paycheck Protection Program (PPP) loans. These applications totaled more than \$2.1 million in recovery aide, of which a majority went to minority (89%) and female business owners (55%).

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 and small-business owners survive COVID-19, HOPE also stimulated the communities it serves this quarter by helping 210 clients start new small businesses, a majority of which were started by women (65%) and minorities (72%). To-date, HOPE has helped 2,347 clients start new businesses.

On the homeownership side, in conjunction with the Closing Cost Assistance Program, in Q3, HOPE helped:

- 400 New Homeowners
- Clients Obtain \$73 Million in Mortgage Loans
- Deliver 1,040 Homeownership Education and Counseling Services



COVID-19 Services Delivered*

Small Business Recovery / SBA Loan Assistance	41%
Small Business Technical Assistance Counseling	39%
Mortgage Delinquency / Foreclosure Prevention	8%
Consumer Credit / Debt Deferment	27%
Financial Recovery Planning	37%
Credit and Money Management Counseling	54%
Bank Referrals	15%

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

Access to Capital

	YTD
Mortgage Loan Applications	1,366
Mortgage Loan Applications in \$	41,839,971
Mortgage Loans Funded	1,177
Mortgage Loan Funded in \$	211,570,213
Small Business Loan Applications	668
Small Business Loan Application in \$	5,313,379
Small Business Loans Funded	159
Small Business Loans Funded in \$	2,119,629
New Businesses Created	626

▶ The Impact of HOPE

Financial Improvements After Counseling

HOPE's post-service evaluation tracks client improvements across a host of financial variables. During Q3, the negative financial effect of COVID-19 on clients was more profoundly witnessed by HOPE Coaches. However, although HOPE's standard impacts were mitigated by the pandemic, HOPE is happy to report that the outcomes, for a sample of more than 20,000 clients, demonstrate that HOPE is making a positive financial impact in all measured categories of financial health.

Among the clients who saw an improvement to their FICO score, the average improvement was 56 points with 29% of clients reaching above prime FICO scores of 660 or higher. Among the entire sample of clients the average FICO score improvement was +20 points. These improvements are 2-3x the rate of their nonprofit peers (see Urban Institute, 2015; PERC University of Arizona Report, 2005; Experian Report, 2016).

+56 Points
Avg. FICO Score Increase
Among Clients Who Saw An Improvement

Similarly to FICO scores, HOPE is successful at increasing client savings and reducing client debt. To date, HOPE has successfully helped clients reduce over \$160 million dollars in debt and increase savings totaling more than \$9.5 million.

-\$1,363
Avg. Decrease in Total Debt
Among All Clients

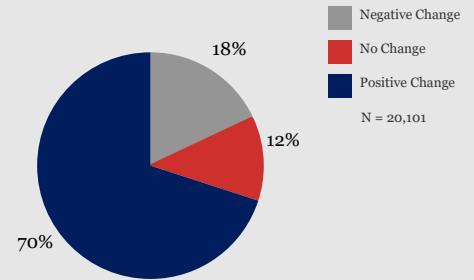
+\$230
Avg. Increase in Liquid
Savings Among All Clients

3 out of 4
Clients Are Less
Financially Stressed

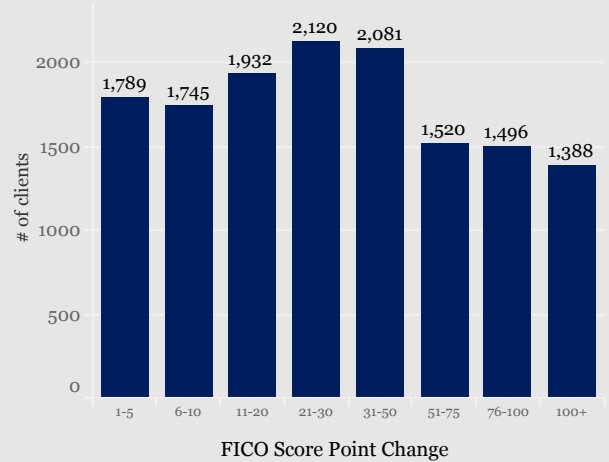
Increased Engagement Matters

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 12 points while those who engaged in more than 20 counseling services saw an average credit score improvement of 64 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.

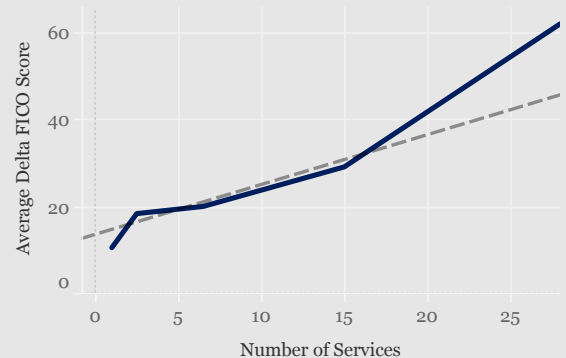
Change to FICO Score



Distribution of Positive FICO Score Change



FICO Change by Number of HOPE Services





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.