



Janet Hamer

Senior community development specialist, Jacksonville

Seven years of service

Janet Hamer has a meeting in a couple of days that she knows could be unpleasant.

A community development financial institution with an excellent track record is nonetheless having trouble maintaining its funding. The institution's mission is to pool capital from numerous sources and make loans for affordable housing and other community development projects. For more than a decade, it has performed well—earning returns, improving communities, and helping banks comply with the Community Reinvestment Act.

In 2008, however, some deals soured. Thus, banks are reluctant to continue funding the community lender. Community development lending is never straightforward, and so it may be one of the programs financial institutions look to scale back in a difficult economy. "And that's what they're doing," Hamer says.

As a community development specialist, Hamer convenes various players—commercial bankers,

government officials, officials of nonprofits—to form partnerships, and she promotes financial literacy focusing on the importance of being "banked" throughout north and central Florida.

In prior years the groups with which Hamer works prospered. "It really was easier," she says. "And it was very gratifying that a lot of nonprofits I work with were buying land and doing their deals."

Then came a foreclosure crisis, financial turmoil, and recession.

So rather than introducing potential partners in community development investments, during a typical late 2008 day, Hamer trades ideas with colleagues about helping people whose homes are in foreclosure. She meets with a Jacksonville group that helps lower-income people join the economic mainstream.

During and after that meeting, the talk is of a weak job market and, on a happier note, of new grant funding. Community groups in larger cities, Hamer explains, are far better funded than those in smaller cities and rural areas, particularly in a sagging economy.

The poor economy and foreclosure crisis have not only reoriented Hamer's work toward what she calls asset preservation and away from the traditional mission of asset building, but these developments have also stalled new initiatives.

Take, for example, the Atlanta Fed's plans to encourage lenders to finance energy-efficient building. The "green lending" concept is so new it lacks some essential elements. Yet for builders, financial institutions, and the Fed, work on green lending has been delayed by more urgent financial concerns.

Still, for all the havoc the recession and foreclosure crisis have wrought, positives could emerge. Hamer believes that many subprime borrowers could have qualified for more favorable traditional mortgages had they been more informed and therefore not enticed by often misleading advertising.

"If anything ever said we need financial education in this country," she says, "this says it."