

### OPTUS BANK OF SOUTH CAROLINA

#### THE YEAR 2020

has been a unique time in the history of the United States. The intertwined combination of a worldwide pandemic and a national reckoning with systemic racism have profoundly affected many Americans and American institutions.

One of those clearly touched by the social and economic effects of Covid-19, as well as the recent surge in the Black Lives Matter movement, has been Optus Bank of South Carolina. **OPTUS** was founded almost a century ago to serve the needs of all, not just those born under the “right circumstances.” Based in Columbia, **OPTUS** is



Mjartan, the CEO and president of the bank since 2017. “I hate to admit it, but it’s been a very painful but wonderfully effective eye opener. We are at a very unique moment and time for our bank. **The work we’ve been doing for 100 years is suddenly visible and being appreciated.** We’re not just a little bank for poor Black folk, as some in our community have previously described us. **Now, the entire community is starting to understand the value of relationship banking with community accountability.**”

**OPTUS** has gone from less than \$50 million in assets as a result of the Great Recession to now \$115 million in assets. Mjartan said that with renewed energy and drive the bank is raising capital and recently started growing capital. “We’re not quite where we want to be in terms of financial stability and health,” he said, “but we are

**“WE WANT TO PROVIDE A MOMENT FOR PEOPLE TO ENGAGE. YOU GOT YOUR CARDBOARD SIGN, YOU MARCHED IN FRONT OF OUR BANKS, BUT WHERE DOES YOUR MONEY SPEND THE NIGHT?”**

*Dominik Mjartan*



the only African American-owned bank in South Carolina and just one of 19 in the country.

“The pandemic has highlighted the systematic inequities **OPTUS BANK** has been working on for close to 100 years,” said Dominik

profitable and viable and can withstand any shocks in the economy - unless they persist for many years.”

During the past few months, **OPTUS** has been concentrating on helping small business owners with loans from the federal Paycheck Protection Program (PPP) that was created because of the pandemic. Mjartan said it is harder for Black-owned businesses to get loan approval because often their credit scores are lower or their net worth is lower; moreover, the Black community has to deal with higher, disproportionate rates of unemployment, housing instability and more debt.

Mjartan also noted that small business owners are disadvantaged because of systemic issues. “They were literally at the back of the bus when it came to access to credit, in addition to 400 years of other systemic disadvantages.” A recent New York Times report showed that while the number of White-owned businesses that stopped working from February to April of this year in-creased by 17 percent, that number for Black-owned businesses was 41 percent. In addition, the report said, only 12 percent of Black and Hispanic businesses received all of what they requested from federal stimulus programs.

The second round of PPP loans, Mjartan said, has been even more difficult because the loans are smaller and the applications more complicated. “Our borrowers don’t have fancy accountants and lawyers,” he said. “Some don’t have access to email or even a fax machine. We are essentially doing two to three times the amount of work for a \$500 loan, compared to a \$100,000 loan. We’re getting really overwhelmed; we’re not serving people the way we would like to serve them.”



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# HOUSING SOLUTIONS OF NORTHERN ARIZONA

## THINK OF ARIZONA,

and you probably think of heat. But the city of Flagstaff, located at an elevation of 7,000 feet and 80 miles southeast of the Grand Canyon, is altogether different. It is surrounded by one of the largest pine forests on Earth and is a wildly popular tourism destination.

"It's a great place to have a second home," said Devonna McLaughlin, the CEO of [HOUSING SOLUTIONS OF NORTHERN ARIZONA](#).

"It's 20 degrees cooler than a lot of places in Arizona, so it's a great place to come to when it's 115° in Phoenix. We are very fortunate, but with that comes demand."

McLaughlin notes that Flagstaff is the most expensive place in Arizona to live. It's cost-of-living is 16 percent higher than the national average and a median home price is about \$380,000 (compared to \$249,000 for the rest of the state). Combine that with workers in the tourism trade having lower wages and the fact that Flagstaff cannot build out because it's surrounded by trees - and you have a very stressful housing situation. "We found that folks are one event away from crisis, like an illness or even needing new tires," McLaughlin said.

## [HOUSING SOLUTIONS OF NORTHERN ARIZONA](#), now celebrating its 30th anniversary, was created as a grassroots organization to build sustained housing opportunities for those who need help financially. ***It has helped more than 400 families in Northern Arizona with down payment assistance to open the door to homeownership.***

Thousands of households have benefitted from pre-purchase guidance, foreclosure mitigation, financial literacy, rental counseling and down payment assistance.

A couple years ago, [HSNA](#) tried to become a Community Development Financial Institution, but they couldn't because the majority of what they do would have to be lending, and they also operate several housing units. So, McLaughlin said, her organization created a wholly owned subsidiary called *Lending Solutions of Northern Arizona*. Lending Solutions operates the Community Loan Center - based on a very similar one in Texas - that offers small dollar unsecured loans. (RCIF also lends to the Texas fund).

Many people in Northern Arizona who need help with unexpected expenses fell prey to payday lenders and title loan lenders who charge exorbitant interest fees. Payday lenders have largely

**"THEY COME TO US IN AN EFFORT TO GET THEIR LIVES ON TRACK AND GET A PLAN FOR THE FUTURE"**

*Devonna McLaughlin*

**LENDING SOLUTIONS**  
OF NORTHERN ARIZONA



Devonna McLaughlin, CEO

been outlawed in Arizona, but now there are auto title loans that secure loans against their vehicles. "So now they can lose their homes and their cars," McLaughlin said. "Unfortunately, there's a market for high cost loans because people need money and when you're desperate you're willing to pay anything."

The Community Loan Center not only offers loans at significantly lower interest rates, but does so in a non-traditional manner. Instead of recruiting borrowers, [HSNA](#) recruits employers, who can offer the Community Loan Center loans as a benefit to their employees. ***Employees can apply online and get funds deposited into their accounts.*** They can then repay the loan through payroll deductions. Loans are up to \$1,000 over 12 months, so bi-weekly payments are about \$46. "With payroll deductions there are no late fees and no missed payments; a little comes out each paycheck, and for us it reduces the default rate," said McLaughlin.

With \$150,000 from RCIF to help capitalize their loan fund, [HOUSING SOLUTIONS OF NORTHERN ARIZONA](#)

was able to secure funding through November and recruit four employers for the Community Loan Center. They're working now to add a fifth, Coconino County, where Flagstaff is located. "Unfortunately", McLaughlin said, "the Covid-19 pandemic has 'put a hitch in our get-a-long' and signing up employers has been delayed. It has not gone easily, not gone quickly, but once it gets going, I think people will be excited."

McLaughlin said she is deeply appreciative of RCIF's enthusiastic support. "Many endorsed what we are doing, but they wouldn't pony up the money to get it started. For RCIF to say we believe in you is amazing. I am awed and amazed that RCIF has said this is vital and given us this opportunity to succeed."

# OPTUS *continued*

RCIF has played a part in the resurgence of **OPTUS BANK**, providing the bank with a \$75,000 no risk deposit that Mjartan said helped fill some credit gaps. He said that RCIF is perfectly mission aligned and that “they live their values.” As an advocate, RCIF has inspired other social impact investors to get involved with **OPTUS**, he added.

Mjartan emphasized that RCIF’s involvement and support comes at a critical time. “Finally some White folks are realizing this is not the country of equal access and opportunity we thought we were in,” said Mjartan, who is White and grew up in Czechoslovakia. “We’ve known this all along, but now it’s becoming known and more publicly accepted as a problem. What is changing is that folks are starting to realize why institutions like us and RCIF need to exist.”



PHOTOS: ©OPTUS



## ONE OF THE FOUNDING MEMBERS OF RCIF!

Religious of the Sacred Heart of Mary Gathering  
Montebello, California November, 2019

## THE BOARD OF RCIF

is pleased to announce the appointment of Sarah Geisler as the next Executive Director of RCIF. Sarah is a well-respected leader in the community development finance network. She understands both the lending and fund raising aspects and is committed to RCIF’s mission.

For the past 20 years Sarah has worked with Homewise in Santa Fe, NM in a variety of positions, the most recent being on the finance team as the manager of Investor Relations. She is committed to the Gospel values that form the basis of RCIF’s ministry.

WELCOME SARAH!



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