



## QUARTERLY NEWSLETTER

Volume 13, Issue 2

WWW.FJC.ORG

July, 2008

### INSIDE FJC

#### FJC AWARDS TSUNAMI FUNDS

In December 2004, an Indian Ocean earthquake triggered devastating tsunamis along the coasts of most landmasses bordering the Indian Ocean, killing more than 224,000 people.

FJC established a Tsunami Recovery Fund and our donors contributed thousands of dollars toward helping the region. FJC, along with one of our donor advised funds, has awarded funds to the **World Wildlife Fund (WWF)** to facilitate change in the regional shrimp industry by creating a markets-based incentive program for the producers in Aceh. The incentive program is the only promising exit-strategy to date for programs targeting rural livelihoods restoration. Coordinating shrimp farm harvest with transport to processing facilities and post-harvest handling in Aceh is key to the development of this markets-based incentive program.

The focal processing plant in Langsa, Indonesia has committed to providing transparency in payment arrangements if the volume of product delivered is consistent and of high quality. This transparency will allow traders, producers, processors and the various other middle men to meet in an open setting to discuss price contracts. With additional funds being leveraged by the FJC grant, WWF will hire staff, provide training and implement demonstration exercises in transport methods and post-harvest product handling. A training manual for a sustainable and environmentally sensitive shrimp industry in Aceh will be produced.

### Charitable Giving Over \$300 Billion in 2007 Sum is Historic Number

The Giving USA Foundation issued its annual report on charitable giving last month. The total sum given (\$306.39 billion) is a 1 percent increase on an inflation-adjusted basis over the prior year.

FJC ended 2007 with over \$200 million in assets under management, an increase of 3% from 2006. Our growth was a result of contributions of: cash, hedge fund interests, common and restricted stock, mutual funds and even land contributed for conservation purposes, all of which FJC will accept after assuring the donation qualifies under applicable laws. **Take advantage of your Donor-Advised Fund and contribute now toward end-of-year giving!**

In fact, in a June 2008 report, the Internal Revenue Service found that taxpayers reported at least \$41.1 billion worth of non-cash gifts in 2005, the latest year for which data is available. Non-cash donations rose by ten percent, with stock gifts accounting for the largest share of non-cash contributions, totaling nearly \$20 billion at their fair market value. **There can be significant tax advantages to donors who use appreciated stock for contributions to their donor advised fund.**

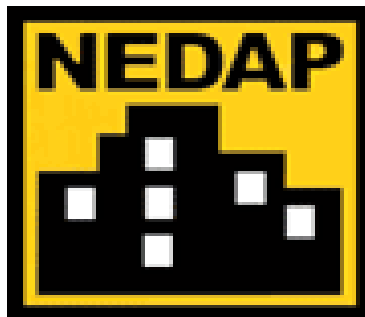
Individuals gave \$229 billion, accounting for roughly 75 percent of overall charitable giving, the foundation report said. Religious organizations continued to receive the largest share of charitable giving, receiving \$102.32 billion, or 33 percent of the total. Educational institutions received the second largest share, \$43.32 billion, or 14.1 percent of the overall amount given. Organizations that provide services to the needy received 9.2 percent of total

estimated giving, or about \$29.64 billion. Giving for international causes and organizations showed the biggest gains, rising 12.9 percent on an inflation-adjusted basis to \$13.22 billion.

### Businesses Use Donor Advised Funds

FJC has long supported corporate philanthropy. Recently, AnswerNet Network, “the world’s largest telemessaging firm and a provider of full service inbound, outbound and e-bound outsourced contact center services” launched a new charity initiative, “AnswerNet Cares.” Through an FJC donor advised fund, AnswerNet will donate \$250 to 20 charities recommended by its employees each year for at least the next ten years, reaching a total contribution of \$5,000 per year.

“AnswerNet Cares is an excellent way for the company to rally behind the causes that are important to our employees,” said Gary Pudles, president and CEO of AnswerNet Network. “We’re proud to establish this program and look forward to working with FJC as a partner in helping out communities around us.”



FJC is widely known for its nationally recognized donor advised fund. FJC's philanthropic mission includes other management of charitable dollars and giving. In response to the nation's housing crisis, the **Neighborhood Economic Development Advocacy Project (NEDAP)** received a grant to help low- and moderate-income homeowners facing foreclosure. **FJC's Earmarked Fund Account (EFA) program**, allows non-profits to deposit funds and earn greater money market interest than they might otherwise. The NEDAP EFA funds are part of a new initiative called "NYC Foreclosure Prevention Gap Loan Program." The funds will be used to make non-amortizing loans that are secured by liens on homeowners' properties. They are payable upon a borrower's death or resale of the home, and will be made as a last resort to homeowners at risk of foreclosure to ensure they can stay in their homes.

The entire new Loan Program, was initiated by an anonymous \$1 million donation to NEDAP. The donated funds will provide security against loan losses, and enable NEDAP to leverage the donated funds several times over in the form of direct loans to homeowners. NEDAP is launching the program in partnership with the **Lower East Side People's Federal Credit Union (LESPFCU)**, New York City's largest community development credit with more than 20 years' experience lending to low and moderate income New Yorkers.

The Program is designed to provide immediate assistance and to complement existing foreclosure prevention efforts in NYC, and will provide eligible homeowners with low- or no-cost financing where a small loan enables them to avert foreclosure. NEDAP and LESPFCU will work closely with mortgage counselors, foreclosure prevention attorneys, and community groups to identify qualified borrowers.

NEDAP and LESPFCU envisage the Program will serve as a national model. They seek additional funds to expand the loan loss reserve funds and lien pool, and for operational and related support.

#### Loan Purposes

Gap funds may be used, for example:

- To assist a senior citizen to qualify for a reverse mortgage;
- To provide a homeowner with an up-front payment needed to qualify for an affordable loan modification;
- To pay off a homeowner's arrears on a primary mortgage loan, where the borrower has the ability to afford the primary loan in the future, once arrears are paid; and
- To pay off a homeowner's real property tax or water/sewer arrears.

#### Loan Terms

Loan terms are flexible and will be determined based on each borrower's circumstances and capacity to repay. The Program will make loans up to \$25,000, with fixed interest rates from 3.5% to 5.5%. Loans will be partially- or fully-secured by NEDAP funds. There are no fees associated with the loans.

In limited cases where a homeowner cannot afford to make monthly payments on a Gap Loan, but where a small amount is needed to prevent foreclosure, NEDAP will consider making a non-amortizing loan, with no monthly payments, payable upon death or resale of the home.

#### Eligibility

Eligibility for loans will be based, for example, on the following criteria:

- Homeowner is low or moderate-income or has other demonstrated need.
- Homeowner can afford primary mortgage and Gap Loan payments.
- The home is applicant's primary residence.
- Homeowner has reliable and verifiable source(s) of income.
- Homeowner has consulted with/been referred by foreclosure prevention counselor and/or attorney.
- Homeowner's credit history, including non-traditional payment history.

For more information -- Call NEDAP at (212) 680-5100, and ask about the Loan Fund, or email NEDAP at [loanfund@nedap.org](mailto:loanfund@nedap.org).