

# Senior Crimestoppers Program

Offers security for nursing homes and CRA credit for banks

**T**he Senior Housing Crime Prevention Foundation (SHCPF) was established in December of 2000 with guidance and direction from the Office of the Comptroller of the Currency (OCC). It is a Tennessee nonprofit corporation also qualified under Section 501(c)(3) of the Internal Revenue Code of 1986.

The Foundation was established as a way for banks to secure qualified Community Reinvestment Act (CRA) credits in all categories of mandatory regulatory performance tests — the lending test, investment test and service test.

The structure of the SHCPF opens a new segment of society to service by banks — the residents of nursing homes and senior HUD housing venues. These groups have been designated by the OCC as low-to-moderate income, thus allowing banks to receive qualified CRA credit for supporting the nationally renowned Senior Crimestoppers program in nursing homes or senior HUD housing projects in their direct assessment areas through participation in the Foundation. The sole focus and objective of the SHCPF is to reduce all aspects of crime in the nation's nursing homes and to provide ongoing, effective crime prevention programs ensuring a safe, secure, quality of life environment for the residents of these facilities.

An important adjunct to Foundation participation is that banks gain access to the affluent 50+ age group from their sponsorship. It is this age group that has parents, grandparents, aunts and uncles in nursing home settings. From a retail banking perspective, this is the group that controls 77 percent of bank deposits, are more likely to ask a bank officer for investment

advice and are in the peak investment years.

"We did not become involved in this project solely for CRA credit," said Tim Englert, president and CEO of First Community Bank, a Foundation participant in Florida. "The primary reason we're involved is because it's a good business decision. If this age group sees you doing something positive for their parents or grandparents, they are going to want to do business with you."

## How does the financing work?

Banks may elect simply to make a donation to the Foundation or to invest or lend funds to the SHCPF. Either way qualifies a bank to receive CRA credit.

All dollars invested in or lent to the Foundation are fully collateralized with investment grade bonds. These bonds are selected with the bank's input according to the degree of risk a bank is willing to undertake. Most banks opt to virtually eliminate any risk and select US Treasuries or Agencies. However, other banks have selected corporate bonds such as GMAC or Goldman-Sachs to further enhance the yield on the transaction.

Banks investing or lending funds to the Foundation are guaranteed a return of the coupon value of the bond, less a moderate basis points spread the Foundation requires to fund the Senior Crimestoppers program for a nursing home in the bank's direct assessment area. The bank, however, receives dollar for dollar credit for the full amount invested or lent. In

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Tim Englert, President and CEO, First Community Bank

**“The Senior Crimestoppers program offers enhanced security and peace of mind for everyone in a facility. After the program is put into place, more people are willing to provide information about crimes. However, experience has shown that there is simply less crime to report. In addition to helping solve crimes, the program works extremely well as a crime deterrent — much like a neighborhood watch program. The rate of reported incidents in Foundation-sponsored facilities, as of October 31, 2002, has decreased by 89.22 percent.”**

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other words, if a bank invests \$1 million, it will receive \$1 million in CRA credit each year for five years, the commitment period banks undertake. At the end of the initial commitment period, the bank may elect to renew its sponsorship or the full amount invested or lent is returned.

Thus, the bank gets qualified CRA credit with minimal credit risk, plus it foregoes any work, administrative burden, or overhead associated with participation.

### **How does the program work?**

The Senior Crimestoppers program umbrella extends across a member facility's campus, fostering a vigilant, pro-active, security-conscious environment. Whether the crime involves property of the facility, staff, resident, or visitor, or other matters of a more serious nature, action is taken and a reward posted. The program on behalf of the facility pays all rewards.

When a crime or incident does occur within a member facility or on its campus, the contact person calls a special 800-number to file a confidential report. Specially trained counselors record all pertinent details, establish an “on the spot” cash reward of up to \$1,000 and fax a reward poster to the facility. Anyone with knowledge of the incident can call the 800-number anonymously to offer information. Each caller is assigned a five-digit code number for identification purposes.

Although it does not require an arrest for payment of a reward, the facility administrator must be satisfied the incident has been resolved or a future incident prevented because of the anonymous information that has been provided. After resolution of the incident, the administrator notifies the Crimestoppers call center and arranges for payment of the reward through participating financial institutions using the caller's identification code.

Another aspect of the Senior Crimestoppers program, in addition to the tips line and cash rewards, is the provision of personal lock boxes. This helps alleviate the number one problem associated with nursing homes — the theft, loss, or misplacement of residents' personal items.

### **What are some of the benefits?**

The Senior Crimestoppers program offers enhanced security and peace of mind for everyone in a facility. After the program is put into place, more people are willing to provide information about crimes. However, experience has shown that there is simply less crime to report. In addition to helping solve crimes, the program works extremely well as a crime deterrent — much like a neighborhood watch program. The rate of reported incidents in Foundation-sponsored facilities, as of October 31, 2002, has decreased by 89.22 percent.

The program lowers the cost of risk in the areas of liability, medical malpractice and workers' compensation; insulates staff, management and directors from liability; enhances staff morale; lowers turnover and associated costs; helps facilities meet many state and federal regulatory requirements; and generates positive media exposure in the community.

The benefits to participating banks are also noteworthy:

- Banks receive CRA credit in their direct assessment area(s);
- They are identified in SHCPF statewide advertising for their contribution to this effort;
- They are identified in branch material and statement stuffers;
- They are closely linked with the powerful and prestigious AARP chapters across the State and gain access to the affluent 50+ age group;
- Bank names appear on programs and charter membership plaques provided to every sponsored facility; and
- Get a “foot in the door” to provide Bank at Work programs for the employees, residents, family members, visitors and volunteers of the facilities being sponsored. A great way to drive the overall yield on a CRA transaction to well over five percent.

For more information about Senior Crimestoppers or to enroll in the program, contact Terry Rooker at the Senior Housing Crime Prevention Foundation at 877-232-0859.

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# A Florida banker's perspective: Tim Englert

*president and CEO of First Community Bank*



Tim Englert, president and CEO of First Community Bank (left), presents an official membership charter in Senior Crimestoppers to Woodland Towers Senior Housing Facility representatives Mary Egerer and David Hunt. First Community Bank is the first bank in the state of Florida to invest in the Senior Housing Crime Prevention Foundation to support crime prevention in area nursing homes. Through a \$1.5 million loan by First Community Bank, more than 1,000 senior housing residents in west Volusia County will be able to participate in the Senior Crimestoppers Program.

I have been personally involved in the retirement/nursing home business professionally and personally for the past 20 years. My professional relationship started by sending from our bank, a Customer Service Representative (CSR) to assist residents of a facility with their banking needs on a weekly basis, this relationship developed into an ATM instillation, then into the development of a full banking facility. Twenty years later that office (a current competitor) is still in operation with deposits of more than \$15 million.

My present bank, First Community Bank located in Debarry, Fla., currently operates in two retirement facilities with one employee per location Monday through Friday from 9 a.m. to 4 p.m. With deposits of more than \$13 million, we have, as a result of the Foundation, contracted to open our third retirement location in November 2002. I know from the initial reception we have received from the residents of this facility that

this will as well, be a win-win for the facility, the residents and the bank.

On the personal side, my parents spent their active years living around the world, and their final years in a nursing facility. I was able to make daily visits to their facilities and watch for their care, and never encountered any problems with their treatment, but often thought about the people who did not have family members keeping a watchful eye out ... sometimes bad things happen.

The FOUNDATION is the conduit for the bank and my personal concerns in meeting the needs of our senior citizens. I recommend that every bank in Florida contact the Foundation in Memphis and get details as to how you can help the people who were the "foundation" of your business community, the people who worked hard and now can enjoy their retirement with piece of mind in knowing someone else is watching out for them. ¶