

## MEETING SUMMARY

**Date:** *Thursday, September 3, 2009*  
**Hosted by:** *Federal Reserve Bank of Richmond & the Annie E. Casey Foundation*  
**Moderator:** *Karen Murrell – President, Higher Heights Consulting*  
**Welcome:** *Dave Beck – Senior Vice President & Branch Manager, Federal Reserve Bank of Richmond, Baltimore Office*  
**Keynote:** *Robert Carpenter – Lead Financial Economist, Federal Reserve Bank of Richmond*  
**Panelists:** *Carolyn Hayden, Kirsten Moy, John Van Alst*

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### INTRODUCTION

Karen Murrell opened the meeting and provided an overview of the day's agenda. When asked who was in the room by area of work, almost everyone stood when "Car Ownership" was indicated; 10 people represented "Consumer Protection"; 30 for "Policy"; 10 for "Education"; and 1 person was from the insurance industry.

### WELCOME

Dave Beck, Senior Vice President and Branch Manager  
Federal Reserve Bank of Richmond, Baltimore Office

Mr. Beck provided a brief history and overview of the Federal Reserve System. Congress established the Federal Reserve System in 1813, after recognizing the need for a stable central bank system. However, there was concern that the concentration of power would be limited to New York or DC as was the case with the previous two regulators...thus the 12 regional reserve banks. Describing it as a unique structure, Mr. Beck explained that the Federal Reserve has a public service mission yet reserve banks operate under private charters and are not a part of the federal government. The Board of Governors acts as the government agency providing oversight of the 12 reserve banks. The Federal Reserve is one of three main regulators of banks. Its structure is also unique, as the Board of Governors is a public institution, but the Federal Reserve banks are private.

The Federal Reserve covers three main areas *Monetary Policy, Supervision and Regulation of Banking Institutions, and Financial Services*. There are also additional areas within the system that support the main areas by focusing on outreach; Public Affairs – educates people about the Federal Reserve; Economic Education – provides financial literacy; and Community Affairs – works to ensure fair and impartial access to credit. Community Affairs also has a facilitation role in that they are able to get people to the table that would not normally get together on their own.

Mr. Beck acknowledged and introduced FRB Community Affairs staff members in attendance: Ellen Janes, Amanda Gibson, and Sarah Eckstein. These staff members and others like them partner with organizations to help make improvements to communities.

The Federal Reserve Bank of Richmond is interested in our issues because the FRB has two mandates for *Monetary Policy* 1) Price stability and 2) Maximum sustainable employment. Cars are an essential part of securing and sustaining employment, particularly in areas where there is no access to public transportation and in areas where transportation options are less than optimum. Each year, the Federal Reserve reports on what progress is made in these areas to Congress. The Fed is also interested in helping families balance their car payments with their mortgages.

## **OPENING SESSION: THE CHANGING (AND CHALLENGING) ECONOMIC LANDSCAPE**

Dr. Robert E. Carpenter, Lead Financial Economist  
Federal Reserve Bank of Richmond

Dr. Carpenter framed his discussion around three key themes:

1. How we got to where we are?
2. Where we might be headed
3. Economics – Cash for Clunkers

Dr. Carpenter stated that the views and opinions expressed in the presentation are his own and do not represent an official position of any part of the Federal Reserve System. He began his presentation with a discussion of what the primary suspects were in the subprime crisis:

- Technology facilitating the delivery of credit
- An "insufficiently prepared" regulatory and supervisory framework in regard to a big system shock (was the appetite for risk in the household sector affected by government-sponsored enterprises like Fannie Mae and Freddie Mac?)
- monetary policy that kept interest rates low after the 2001 recession
- The increased willingness of the household sector to lever up (use as much debt as possible) while saving less money. 1/3 of income was the standard at one time for savings
- Underwriting standards slipped steadily. By 2006, 40% of loans had a combined loan to value ratio greater than 95%.

Many homeowners are now "underwater" (have negative equity) on their mortgages, but mitigation policies are tough because being underwater does not necessary mean that a borrower will default, since a house is a long-term investment. When a borrower is trying to mitigate they will help both defaulters and non-defaulters, but lenders are really only interested

in helping the defaulters to protect their own investments. Florida and California have the highest rates of negative equity in the nation as of third quarter 2008.

Consequences when you raise the risk of housing markets:

- After the 2001 recession, FRB left the rate too low for too long. The rate is a stabilization tool.
- The rate started low, demand for houses increased, so housing prices went high
- The low rates then led investors to chase yields and increase the supply of capital to mortgage backed securities

At the same time, there was a global savings glut – people saved more while the Fed Funds Rate was falling. The savings increase can be tied back to increasing numbers of middle class consumers in countries like China and India. One or both of these could also be factors in the subprime crisis.

Dr. Carpenter explained the process of securitization. Mortgage backed securities (MBS) are bonds that are created from a pool of thousands of residential mortgages. When individuals make their mortgage payments, the money from these becomes the interest that is paid to bondholders. There are three levels of MBS - Senior Tranche (AAA rated), Mezzanine Tranche (BBB rated), and Junior Tranche (Below IG [Investment Grade]). The Senior Tranche is the least risky bond, but therefore has the lowest rate of return. The payments flow like a "cash waterfall" in order of priority - Senior Tranche bond interest is paid first, then the Mezzanine Tranche, and finally, the Junior Tranche if there is any money left. However, because of the high level of risk, the rate of return in the Junior Tranche is higher. Hedge funds often incorporate Junior Tranche level bonds within their portfolios. When people default on their mortgages, less cash goes into the top of the waterfall, so the Junior Tranche feels the loss first - and then the impact of loss trickles upward.

You can substitute car loan for mortgage and the Asset Backed Securities backed by automobile loans operate under the same principle.

As people began defaulting on mortgage payments, the people who owned securitized products suffered losses. Some of the people who experienced losses include banks (domestic and foreign - more than a half trillion dollars in losses). These banks also got some assets back (boomerang assets) on their balance sheets, which led to liquidity problems. Lack of liquidity was high, which indicates tightness in credit markets. The LIBOR-OIS [London Interbank Offer Rate-Overnight Indexed Swap] spread measures the tightness in credit markets (it is a measure of the health of banks because it reflects what banks believe is the risk of default associated with lending to other banks). An elevated spread means that money markets are under pressure. This is important because much of the U.S. adjustable rate debt is tied to LIBOR. The LIBOR-OIS spread has started to shrink steadily, so this is a good sign for the economy.

Dr. Carpenter then moved on to the "where are we headed next" portion of his presentation. He questioned whether we could be entering a commercial real estate cycle that mirrors the residential real estate sector's problems. This could be because smaller community and regional banks are big commercial lenders because they feel it is a comparative advantage that allows them to compete with big banks. He expects that commercial real estate loans may deteriorate with local housing markets and the declining macroeconomic conditions. The ratio measuring the amount of cash available for commercial entities to cover their debt (DSCR) has dropped from 1.7 to about 1.3. In addition, more than 80% of loans were Interest Only or partial Interest Only at peak, which was up from 15% in 2001. There was also a high rate of non-performing commercial real estate loans as of March 2009.

The good news is that there are signs of stabilization in the macro economy:

- The economy is contracting at a lower rate, despite the fact that this recession is long and fairly deep
- This recession, GDP declined by 3.8% - for perspective, it is not even close to the 27% decline during the Great Depression
- At the peak, we lost more than 700,000 jobs in non-farm industries. Service and manufacturing jobs took the biggest hit. However, the rate of loss seems to be slowing.

The good news in the auto industry: auto and light truck sales rates have stabilized over the past few months. New players in the automobile-backed Asset Backed Securities (ABS) had successful offerings, which market participants' view as a "return to normalcy." In addition, the annualized net loss rate on prime ABS is down, but that could be due to seasonal factors and better recovery values. However, 60 day delinquencies are high (it tends to run with high unemployment- if you lose your job, you are more likely to default on your car loan.)

Some statistics on Cash for Clunkers:

- Nearly 700,000 cars passed through Cash for Clunkers
- 84% of the vehicles traded were trucks, and 59% of vehicles purchased were cars
- The most popular cars purchased (in order) were: Toyota Corolla, Honda Civic, Toyota Camry, Ford Focus FWD, Hyundai Elantra
- The average MPG for the new vehicles was 24.9, the average MPG for the trades was 15.8, so there was a 58% improvement in MPG

The Cash for Clunkers incentive money was a demand side subsidy, and it increases purchases when consumers and dealers split the subsidy. (The dealer will do his best to maximize his share of that subsidy). Purchases also increased because some people probably delayed a car purchase after hearing about the implementation of Cash for Clunkers, and some probably purchased cars earlier than they would have in order to benefit from the program. Essentially, the demand curve shifted and incorporated some of yesterday's demand and some of

tomorrow's demand, resulting in the increased sales. Therefore, tomorrow's demand for cars may be decreased because of the present demand curve shift.

Economists consider various "normative criterion" to frame discussion of alternative social policies (such as better environmental outcomes). Some of these criteria include majority rule, efficiency, and Pareto improving (everyone benefits and nobody is worse off - a very tough criterion).

How much are we paying for better environmental outcomes? To calculate you can find out how much carbon offsets sell for on the world's cap and trade markets. Then, you estimate the fuel savings gained (in carbon equivalents) from the Cash for Clunkers program. You then divide by the cost of the program, and compare to the market price of carbon. Some of the environmental benefit from Cash for Clunkers could be offset by the fact that people tend to drive new cars more, so even if they are more fuel efficient, they may release, overall, more carbon emissions.

## AUDIENCE Q & A

**Q: Have you done any analysis of why energy prices spiked and how that affected mortgages, gas, food, electricity and how those things affect what is going on in the market?**

**A:** *Why energy prices spiked is still a matter of debate. There are really two stories. One story is the increase in demand from China and India. The other story is that speculators drove up the price for oil. I can tell you there are studies out there. I did not do one but what happened is ...energy prices spiked first, and then housing values fell next. Early on in this period, the only thing that people looked at were house prices falling faster the further you were away from city center...at the same time gas prices were going up. How all this happened?...it is hard to tell. It is not just one thing. Interest rates rose, underwriting standards fell and investors purchased a lot of housing, unemployment might have been the turning point.*

**Q: How does what we call in our business "predatory lending" work into the whole Federal Reserve system, particularly with cars?**

**A:** *All of the work that I am familiar with that goes into predatory lending is primarily focused in the home mortgage industry. From an economic theory standpoint, it is difficult to identify "predatory lending" terms. It's not fair but most features of a predatory loan you can also say are beneficial in some way when you consider that without it there is someone who might not necessarily otherwise get a loan. Because it is not clear whether it is predatory or if it is a term you enter into knowing that this is a way to restrict your behavior and in return you repay the loan. It is hard to figure out what is going on...that is the trouble we have. Therefore, the policy folks at the Fed fought about this*

*for a long time. If you restrict certain features of loans that are helpful to getting credit to a segment of the population that does not normally get it....and yes, you're reducing predatory behavior but you're also reducing the amount of loans available to that group of people.*

**Q: The problem is, how many of those loans default because borrowers cannot afford them in the first place?**

**A:** *Predatory loans default because of the hidden fees. If someone takes out a high interest loan because they have damaged credit...what can you do about it. One auto-backed security has an improving default rate. What does this mean? It could be that the overall default rate is lower, or that underwriting standards are now higher. AmeriCredit Financial Service monitors delinquency rates.*

**Q: How is Cash for Clunkers affecting used car dealers now that those traded cars are destroyed?**

**A:** *The used car market demand curve has not shifted but the product supply has, especially pick-up trucks & SUV's. Therefore, these prices will go up. Salvaged parts from destroyed cars, like transmissions, may rise in price since scrap dealers have fewer salvaged engines to sell and they still need to make a profit. Therefore, they may raise the price of what they do have to sell.*

There was a brief discussion amongst the participants about what actually happened to the parts from destroyed cars. Were they allowed to be salvaged (except engine) in some cases – there is some question as to where all the cars went and how they were actually handled.

## **SETTING THE CONTEXT: THE “STATE OF THE FIELD”**

Beadsie Woo, Senior Associate - Family Economic Success Unit  
The Annie E. Casey Foundation

AECF has been supporting this work for a few years now and focused on the following separate efforts: car ownership, car finance, and policy and consumer protection. This year we have been working on bringing those strands of work together to create a cohesive and strengthened car field. The question of how to best accomplish this is being explored by a working group, and progress thus far will be discussed by John Van Alst.

John Van Alst, Staff Attorney  
National Consumer Law Center

John comes from a legal services background and has seen the impacts that poor lending practices can have on poor families. However, not many people have been focusing on these issues. There is a large community working on other issues such as foreclosure, but the vision is to see the same large community focusing on cars. We want to bring the many folks and diverse interests together. While we all may have different goals, we share similar interests. Last year, we started a List Serve and we now have over 100 people signed up. We have conducted Webinars to discuss important issues – with over 100 people involved in those. Our team has been meeting to figure out how to structure this work. At the very least, we currently describe ourselves as a “network”, as we are discussing what our structure should be as we move forward.

We have worked on a mission statement: To ensure that working families are able to get, keep, and use a reliable car.”

What can the larger group do? We know it has to serve the interests of each one of you in some way – what can working together do for you? What we end up looking like and focusing on will depend largely on your input and discussions from the afternoon workgroups. This cross collaboration will help us break out of our silos and promote cross fertilization and collaboration on the issues. The charge is to think about what will this effort do for your organization – how will it help further your work?

**PANEL: KEY ISSUES AND THE IMPLICATIONS FOR OUR WORK IN CAR OWNERSHIP, FINANCE, CONSUMER PROTECTIONS, AND POLICY**

**Kirsten Moy: Car Financing**

The following are some numbers about the size of the car financing industry and how these numbers relate to our work:

- There are currently approximately one quarter of a million cars on the road and forty million sold each year.
- Of those, about three quarters (30 million) are financed.
- Out of these, conservative estimates are that eight million of those are used cars sold to low and moderate income purchasers annually.

This financing market is fragmented and largely unregulated. Until recently, estimates are that sixty percent (60%) of the thirty million mentioned above were financed by subprime lenders. There is always expansion and contraction in the finance industry, and as a reflection of the

current economic downturn, many of the Buy Here Pay Here lenders did not survive – so they may no longer be competitors in this marketplace. Banks have largely pulled back due to concern about delinquencies, etc. For the first time, in 2008 credit unions obtained a twenty percent (20%) share in the car finance market, which represents significant growth – up from around 10-12% previously. However, not all the growth occurred in the LMI category. Looking forward, there are several interesting market trends and opportunities:

- 80% of car purchasers used the internet to support research for the transaction; 40% actually bought a car through the internet. Internet lenders are less predatory, so you have a better chance of getting a better deal, but LMI buyers are probably less likely to have access to and/or use the internet .
- While there has been a recent resurgence in consumer banking, it will always be harder for banks to deliver car financing for nontraditional buyers. Banks have a different business model - heavily based on automated lending and e-based income. Banks have different cost structures, with different concerns about affordability. The average bank is larger with multiple branches, with a need to standardize across their branches – making it harder to do things like character lending.
- For credit unions, the per-customer fee income is \$250 per year, which is quite modest. For banks it is over \$1,000.
- Credit unions have an opportunity to rise above the current 5% market share. There needs to be a higher degree of education and more comfort about risk-based pricing, and they need to automate a lot of the aspects of character lending – use technology to do what has previously been very high touch lending.

## **John Van Alst: Consumer Protections**

In the past year, we have been able to make significant strides. We produced a report entitled “Fueling Fair Practices: designed to provide information on what states are doing to regulate the auto industry and ensure consumers are protected when buying and financing a car. We have engaged in significant effort to get the issues in front of policy makers – several of us have testified in front of the – testified before the Committee on Energy and Commerce as a strategy for getting recognition on the issues. We have been working in 12-13 states with advocates and others in various stages of trying to change public policy to ensure that car buyers get a fair deal. We are in a very good position to address some of these issues on a policy and legislative level. It is important to educate policy makers on a wide range of issues, and this is an opportunity to move together to try to accomplish our shared goals.

## **Carolyn Hayden: Car Ownership Programs “Opportunity Cars”**

Opportunity Cars is a national network of nonprofit organizations dedicated to making affordable and reliable cars available to hard working families. This year, we conducted a brief field scan and identified 128 operating programs in 35 states. Programs utilize three primary approaches:

(1) take in donated cars, repair them, and sell, lease, or give them away; (2) make low cost affordable loans; (3) help people save for a down payment or purchase through matched savings accounts (IDAs). There are also a few programs serving as a broker – negotiating between partners to get cars to families. All but one program provide used cars.

Fifty percent (50%) of our programs serve urban areas, twenty five percent (25%) rural, and the remaining serve a combination of both rural and urban. Programs serve a wide range of low wage working clients beginning with those with the most need up to those who have achieved some stability and can afford a new low cost car. All programs partner with other agencies of all kinds to provide a wide range of services critical to helping families through the process of purchasing, financing and retaining ownership of their car. In addition to program efforts, we work on state and federal policy issues – including efforts with the IRS to have the rules changed for donated cars; worked with the General Accountability Office to explore the issue of federal fleet donations.

There are several challenges facing the field, but among them there is also good news:

- While individual programs have experienced reductions in funding, many have broader opportunities. Individual programs are growing – by expanding their services to a wider range of clients, serving more clients, replicating by creating additional model, or expanding their geographic reach.
- Some agencies are expanding the types and range of services offered to meet the current demand and need.
- Some states are holding firm on their funding commitments to programs, and some states are expanding their funding. Others are institutionalizing their funding – making it more permanent.
- We have significant opportunities to expand our field by promoting collaboration and finding new ways to work on common issues.

## **MODERATOR – QUESTIONS TO THE PANELISTS**

**Q: Based on the presentation given by Dr. Carpenter, what are the challenges facing us that you are aware of?**

*A: We're not over the challenges yet; what will happen to job losses as commercial real estate slows? Retail job loss is high. The hardest thing is not knowing when it will end and how long the problem is.*

*A: Cars are different – we've not been able to get that message through. Challenges are low income people getting a loan, lack of conveying to the public how important cars are, climate change and cost to clients (energy costs). Maybe we should track mileage and tax people that way - this could help combat global warming.*

A: *Washington is the first state to track miles. It is not a matter of if they implement this bill in other states but more of when they implement.*

A: *The demand for cars with the car programs is the greatest demand (clients' finances are very tight). Donations to programs are down from individuals and foundations, and program funding is harder to get. State budgets are in turmoil, and oil and gas price increases are stressing family budgets. Unemployment is also high. Some agencies believe that Cash for Clunkers has ruined their programs, others don't think it makes a difference, while others still are waiting to see how it works out. Household expenses and budgets are damaged because there is less money in the household. Families rent but are being forced out because home owners are selling. According to Ways to Work, 92% of its clients are renters.*

**Q: What kind of reforms need to be implemented for families to get affordable, reliable transportation?**

A: *Loans need to be more fair - not so many interest-only loans; reductions in dealer mark-up. There should be a consumer protection agency for financial products (to see if financial products are safe for consumers). How about an FHA for cars?*

A: *Allow a front page deduction for car donations for everyone as opposed to for only those who itemize on their taxes. We need more disclosure and transparency in the overall industry, and we need fleet car donations from government fleets.*

A: *The Aspen Institute has something called [assetplatform.org](http://assetplatform.org). We would like to add a sub-section for car acquisition, lending, and insurance.*

## **AUDIENCE - QUESTIONS TO THE PANELISTS:**

**Q :** **Opportunity Cars works against predatory lending. However, regulations can make it more expensive for non-profits to lend (since for-profits can offset costs with higher interest rates. How about trying for a non-profit exemption? How can we all work together to help each other?**

A: *There is room for cross talk to be sure that one hand doesn't hurt the other – Some of the laws and policies that are implemented to protect consumers from predatory lending actually hurt car programs. We don't want to enact policy that will hurt programs. I think that's important that we both have the same mission.*

**Q: Have we lost programs, or is the field still growing?**

**A:** *We lost a net of 30 programs over the last several years, but we are growing in a different way. We see more expansion, multi-state programs, and growth within existing programs offering a wider range of services, expanding their partners, serving a wider range of the market. For example, the state of New York has increased their programs from 28 last year to 36 at present.*

**Q:** **I'm encouraged to hear that the regulatory climate may be changing. Is there something different going on with Washington State, since we were told by legislators that if businesses do not like a proposed change, it's not going to happen?**

**A:** *The recession has helped to highlight some of the issues. We have tax regulation increase, things have stabilized some. There is a better understanding among policy makers.*

**Q:** **In Maine, many dealerships have gone into "Buy Here Pay Here." Is this happening elsewhere?**

**A:** *It's very lucrative for dealers - it's always existed but now they are advertising it more; they realize that the credit crunch has opened a door for them since some customers are now "forced" into the BHPH option.*

**Q:** **We have struggled with having the marketing dollars to communicate that consumers don't have to go to BHPH lots. Is anything being done with marketing efforts through Opportunity Cars?**

**A:** *One of the things we are doing with our plans to integrate the three strands of our work is to prioritize some of these issues. We are exploring the possibility of a communications strategy, including marketing.*

## **STRATEGY SESSION 1: IDENTIFYING THE KEY ISSUES**

Meeting participants were asked to address the following questions:

1. With the issue areas presented by the panel in mind, what are the critical issues impacting your ability to create a new financing model for increasing scale, obtain research and data to support policy and practice, or create a policy agenda?
2. What are the other critical issues that you are seeing in your work that should be addressed?
3. Prioritize the e issues that can be addressed in the short term (6-9 months).

## Workshop A

### **CREATING A NEW FINANCING MODEL FOR INCREASING SCALE**

Bill Myers and Kirsten Moy presented a frame for a new way of thinking. Non-profit framing and terminology don't usually work with traditional banks. This session focused on developing strategies for making the business case between car ownership programs and banks – think of the whole market and educate lenders on how to make fair loans while still making a profit.

#### Key Strategies

1. Joint analysis of business model of CO programs
2. Opp Cars negotiate w/banks regionally/nationally
3. Influence private sector to offer loans broadly
4. FED - clarify CRA credits for car loans
5. FED - convene banks re car loans
6. Better communication among CO groups
7. Clarify (research) where high touch is need (for banks and for which clients)
8. TANF loan guarantees – work w/states to expand

## Workshop B

### **RESEARCH AND DATA COLLECTION TO SUPPORT PRACTICE AND POLICY**

Beadsie Woo and Carolyn Hayden indicated that there is a dearth of research and data available to support furthering practice and improving policy relating to the car ownership and finance fields. We need a common voice about how we help people and what we do, and we need research to do this. What are the research needs to elevate our issues more broadly and have data to support it? What is the data needed to persuade policy makers to hear us and make more changes? The goal of this strategy session is to brainstorm issues relating to the data collection and research needs of the field, and identify and prioritize the top three issues.

#### Top Three Priorities

1. Identify existing data (such as wages/income info, TANF benefits, and IRS deduction info) and determine how to access this data in each state
  - a. Determine what data states are currently mandated to collect (for performance measures from HHS)
2. Study the impact of car ownership on families as relates to:
  - a. income benefits
  - b. time saved
  - c. family activities
  - d. home ownership

3. Study the impact of car ownership on business/industry's decisions to enter a new market
  - a. how can car ownership fill the gap left by public transportation for potential employees?

## Workshop C

### **CREATING A POLICY AGENDA**

John Van Alst and Karen Murrell discussed the need to develop a policy agenda that would serve the needs of groups in all three areas of work and that they could galvanize around.

#### Organized by Principles

1. Increase opportunities for car ownership
2. Transparency & Fairness & Accountability
3. Funding
4. Ensure access to reliable cars
5. Consumer Education
6. Post purchase issues – insurance, maintenance, sustainability, protection from rising energy costs, rising property taxes
7. Increasing public support

#### Cross Cutting Issues

1. Operations Cost
2. Risk Sharing
3. Regulatory Issues (lending car donation)

#### Policy Ideas

1. Find a federal home for this work
2. Create a plain vanilla loan
3. End dealer markups
4. Promote and scale up models that serve the D-E market (unbanked)
5. Increased transparency, disclosures
6. Lemon Laws
7. Tax credit or other financing to attract credit unions to serve the unbanked
8. Tax credit for donation to non profits

#### Policy Issues

1. Address insurance issues
2. Address driver's license issues
3. End mandatory arbitration
4. Protect owners from high energy costs
5. Use savings from energy to finance cars (e.g. weatherization compact in Baltimore)
6. Climate change legislation – include money for domestic low income people

7. One page plain language document
8. No relationship between dealer/buyer
9. Ban BPH

## **STRATEGY SESSION 2: FURTHERING THE WORK**

In this session, each group was asked to address the following questions:

- If these are the most important issues that need to be addressed in the short term, what are some new or existing strategies that should be employed to make progress on each of them in the next 6-9 months?
- What are the action steps that we can take to work together on these issues?
- What can the Auto Working Group design to help move this work toward and support what you are doing?
- Who will take the lead on the action steps discussed today?
- Who else should be involved in this work?

### Workshop A

#### **CREATING A NEW FINANCING MODEL FOR INCREASING SCALE**

##### Specific Next Steps

1. Get Bill's model into primer for CO programs
2. Conduct more analysis on high touch
3. Ask Baltimore Fed staff for advice on approaching other regulators
4. Compile best practices on CO financing
5. Focus on states w/multiple CO programs
6. Working groups by state – PA, NY, MN, WI, New England

### Workshop B

#### **RESEARCH AND DATA COLLECTION TO SUPPORT PRACTICE AND POLICY**

##### Specific Nest Steps

1. Have each program ID available data (and number of customers) and how to get it - what supplemental data is needed?
2. Establish a control group to compare our impact vs. non-car recipients
3. Assess data and summarize what's available
4. Make a model of potential data output
5. Who else is interested in "HMDA for Cars" (which stakeholders to engage)
6. Review existing research on auto loans and other car ownership issues

The Research and Data Collection participants agreed to schedule a follow-up conference call six-weeks from the date of this meeting. If you did not attend this workshop and would like to participate, please contact Carolyn Hayden at [info@opportunitycars.com](mailto:info@opportunitycars.com).

## Workshop C

### **CREATING POLICY AGENDA**

#### Specific Next Steps

1. Survey the field to see what current policy issues are that they are working on (state vs. federal program issue areas, partners – current and desired, important public policies affecting your program)
2. Map relationships (Who people are already working w/ +desired partners, relationships & legislators)
3. Document today's discussion
4. Create forum > share information focused conversations > accessing funding streams
5. Engage human services advocates prior to setting a policy agenda
6. Create the policy agenda
7. Policy Leadership Development
8. Determine who else wants to work on this effort? (invited others in the room to join in effort of deciding what to put in survey)

**MODERATOR:** The commonality between all three groups appears to be research & surveys.

### **LARGE GROUP SESSION: ASSESSING THE OPPORTUNITIES AND NEXT STEPS**

- John Van Alst invited everyone to join the [CarChange List Serve](#) – instructions are posted on the Resource page
- Patrick Butler, the representative from the insurance industry, invited everyone to visit his website at [www.centspermileNOW.com](http://www.centspermileNOW.com) to learn more about Pay-Per-Mile Insurance...and other information regarding the adversity of insurance.
- This meeting will be followed by materials from the meeting and communication relating to next steps