

IN THE COMMUNITY

Community Development Newsletter



Susan's Place, Bronx, New York

Susan's Place

Helping Homeless Women Rebuild Their Lives

With the help and financial support of Chase, homeless single women will soon have a safe haven in the Bronx. Susan's Place, which was financed by a \$9.7 million construction loan from Chase, will provide transitional housing and support services to mentally ill and medically frail homeless women, one of the most rapidly expanding segments of homeless populations.



The project was developed and will be managed by Care for the Homeless, a not-for-profit organization in New York City that supports the health and well-being of homeless men, women and children. Susan's Place was named in memory of Susan L. Neibacher, the late founding Executive Director of Care for the Homeless.

The funding that Chase provided helped finance the rehabilitation of a vacant one-story building on Jerome Avenue in the Bronx, into 180 beds of transitional housing and a clinic with primary care, dentistry, podiatry, and a psychiatrist. This new transitional center will help the women transition from homelessness to long-term housing by providing a safe environment along with training, counseling and health services.

Chase's support of this project is a response to the significant need to improve services for homeless women. A recent census revealed that there are more than 2,000 homeless women in NYC who are alone, with no family and who suffer disproportionately from drug/alcohol abuse, mental illness, physical health problems along with debilitating poverty and are often victims of domestic abuse.

Chase's Community Development banker Susan Hyman and underwriter Sharmi Sobhan worked closely with Care for the Homeless and the NYC Department of Homeless Services over several years, helping to structure the deal, close the transaction, and make the facility a reality.

IN THIS ISSUE:

Cover Story

Helping Homeless Women Rebuild Their Lives..... 1

Message from Bill Daley.....2

Feature Story

*Preserving Homeownership.....*3

Leadership Profile

*Martin Cox.....*4

Transaction Stories

*Chase Finances Energy Efficient Living Community in Milwaukee....*4

*New Market Tax Credits help Phoenix Boys and Girls Clubs.....*5

*Chase supports Greystone Initiative in Chicago.....*5

*Building Housing for Seniors.....*6

Chase Competition.....6

Chase and Education.....7

Commitment Results.....8

Contact Information.....8



A Message from Bill Daley – Head of Corporate Responsibility, JPMorgan Chase

Responding to Community Needs

Welcome to the inaugural electronic version of *In the Community*. This e-newsletter highlights some of JPMorgan Chase's¹ (Chase) community development initiatives and related events across the communities we serve. It is one of the many communication tools we are planning to use throughout the year to help keep you informed. And, in keeping with our firm's commitment to the environment, we have opted to "go green" by publishing an electronic-only version.

At Chase, responding to community needs is at the core of our Corporate Responsibility strategy. We are committed to building vibrant communities, preserving the environment, and promoting sound public policies and regulations that benefit the firm's customers, employees, shareholders, neighbors and future generations. As the Head of Corporate Responsibility, a key part of my role is to work with all of the firm's lines of business to ensure that all programs, investments, and initiatives are coordinated and have a meaningful and sustainable impact on the communities where we have a significant presence.

Community development, of course, is an important component of our Corporate Responsibility strategy. It is an integral part of the way we conduct business and is executed with a strong sense of commitment and shared responsibility across the firm's many lines of business. The firm's businesses are committed to enhancing the quality of the local communities we serve by providing loans, investments, grants, and community development services as well as leadership, guidance, and expertise.

In this edition of *In the Community*, you'll see glimpses of how we are working with our community-based partners to build vibrant communities and respond to the local community development needs. For example, in support of Neighborhood Housing Services of Chicago, we sponsored neighborhood revitalization efforts in North Lawndale as part of the Chicago Greystone Historic Initiative. In Milwaukee, Wisconsin, we helped finance affordable energy-efficient housing for seniors. In the Bronx, New York, we financed Susan's Place, a safe haven for single homeless women. In Phoenix, Arizona, we partnered with Local Initiatives Support Corporation (LISC) to provide below-market financing to Boys and Girls Clubs of Metropolitan Phoenix for the construction of three new clubhouses for disadvantaged youth. In response to the sub-prime mortgage crisis, Chase's Homeownership Preservation Office has been at the forefront of foreclosure prevention efforts, both at the local and national levels. And in neighborhoods all across our bank footprint, Chase is partnering with community-based organizations to develop and support programs aimed at improving the educational opportunities for youth and adults.

These are just some of the examples of what we are doing to make a positive impact. We hope you find the information in this e-newsletter informative and interesting, and a useful and convenient way to learn about how we are working with our community-based partners around the country and investing in innovative programs and initiatives to respond to the needs of our local communities.

¹JPMorgan Chase refers to JPMorgan Chase & Co. and any of its subsidiaries or affiliates.

FEATURE STORY

Preserving Homeownership

Chase takes leadership role in foreclosure prevention initiatives

Chase recognizes that no one benefits when families lose their homes. Our mission is to help customers both achieve and sustain homeownership. As one of the nation's largest servicers and originators of mortgages, the firm is committed to helping its customers thrive in communities across the country.

Homeownership Preservation Office

Chase's Homeownership Preservation Office (HPO), under the direction of Donna Sheline, is dedicated to assisting customers who may be at risk of losing their homes to foreclosure. The mission of the HPO is to ensure that Chase helps families sustain homeownership, by working with community leaders, housing advocates, public officials, investors and others to develop policies, practices and solutions aimed at homeownership preservation.

The HPO has been at the forefront of many foreclosure prevention initiatives and offers many solutions and options to support homeownership sustaining efforts, including:

Toll-Free Hotline: The HPO supports a dedicated toll-free hotline for housing counseling agencies. In 2007, the hotline received more than 7,670 calls from non-profit housing counselors working with Chase mortgage customers.

Training for Counselors: Through collaborative initiatives with partners, the HPO has facilitated more than 79 foreclosure prevention training sessions for non-profit agencies counselors, housing advocates and public officials, and trained more than 2,780 non-profit counselors in 22 cities, helping to sustain the dream of homeownership for hundreds of people and their families.

Strategic Partnerships: Recent involvement in partnerships includes participation in the following:

- **National "Nothing is Worse than Doing Nothing" Campaign:** a joint foreclosure prevention effort with Neighbor Works of America, the Homeownership Preservation Foundation and the Ad Council. The HPO has represented Chase on the steering committee since the inception of the campaign.
- **HOPE Now Alliance:** a national alliance that works to bring together leading mortgage servicers, counselors, investors and other mortgage market participants to build on existing individual efforts, creating a unified, coordinated plan to reach and help as many at-risk homeowners as possible. The HPO has been an active participant of the Alliance since its inception, participating on the Working Group and Co-Chairing the Operating Efficiency Subgroup.
- **Local Partnerships:** The HPO participates in a number of foreclosure prevention taskforces which bring together key community partners, lenders and local government. The HPO has been actively participating in the following markets: Atlanta, Chicago, Detroit, Dallas, Houston, Indianapolis, St. Louis and New York City, as well as statewide in Colorado and Ohio.

REO Gifting Program: As appropriate opportunities arise, the HPO works with non-profits to donate or sell Chase-owned Real Estate Owned (REO) properties in LMI neighborhoods to non-profits. In 2007, the firm donated nine properties, including properties in Bridgeport (CT), Buffalo, Cincinnati, Cleveland, Dallas, Detroit, Elyria (OH), Indianapolis, and New Orleans.

The support, initiatives and leadership of the HPO demonstrate some of the ways Chase is working to help sustain homeownership and maintain the stability and vibrancy of our local communities.



HOMEOWNERSHIP
PREVENTION FOUNDATION'S
NATIONAL HOTLINE:

888-995-HOPE

The hotline is available 24/7 with HUD approved counselors who are trained to provide free advice and education to homeowners.



Meet Martin Cox

Community Development Banking Executive

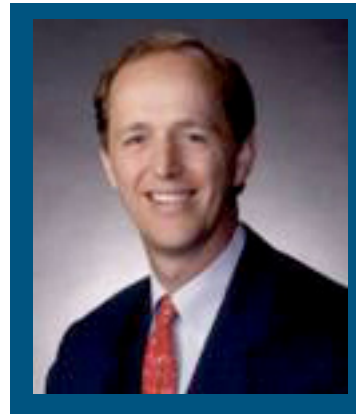
Martin Cox is the executive in charge of Community Development Banking (CDB) which includes community development lending and investing activities throughout the firm's markets. Martin manages CDB in addition to his responsibilities as head of Chase Equipment Leasing.

According to Martin, "The opportunity in front of CDB today is to maintain Chase's reputation as a leader in the area of community development. CDB remains committed to meeting the needs of the community and to providing customers with access to the full range of resources and expertise of the bank."

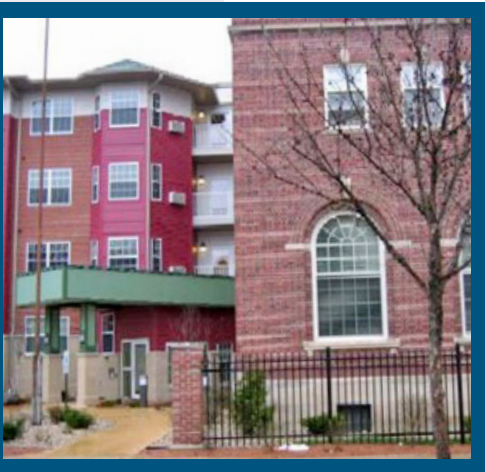
Martin began his career with Texas Commerce Bank (now Chase) in 1980 in Houston. He moved to New York in 1982 where he managed the bank's Loan Production Office, then relocated to Texas in 1985 to lead the Dallas Corporate Banking business. In 1993, Martin moved to Commercial Banking, and served as Dallas Market President from 1997 to 2004. Since the JPMorgan Chase/Bank One merger in 2004, Martin has headed Chase's National Equipment finance business.

Martin received his B.S. in Anthropology and Economics from Southern Methodist University (SMU) in 1975 and in 1978 earned his MBA from SMU.

Martin has been actively involved in the community for a number of years. Currently, he serves on the Board of Trustees of the Dallas Museum of Art, the Board of Directors for the Southern Methodist University Tate Lecture Series, and the Finance Committee of the Susan G. Komen Foundation.



Chase Finances Energy Efficient Living Community in Milwaukee



Dr. Wesley Scott Senior Living Community

There is much to celebrate about the Dr. Wesley Scott Senior Living Community in Milwaukee, Wisconsin, a new housing development for Milwaukee senior citizens. Not only does the facility provide 80 units of attractive, affordable rental housing, but it also boasts the use of renewable energy resources, including solar powered heating and electric systems. Community Development Banking, with the assistance and leadership of Chase bankers Michael Rhodes and Ben Glispie, provided \$8.4 million in financing for the development of the facility.

The development sponsors, Gorman & Company and the Milwaukee Urban League, worked with Focus on Energy to incorporate renewable energy into the living center. Ralph Hollmon, president of the Milwaukee Urban League, is a member of the JPMorgan Chase Community Advisory Board. The three-story former headquarters of the Milwaukee Urban League was renovated along with new construction of an adjacent four story building. Amenities include underground parking, a community room, craft room, and chapel. The property, named after Dr. Wesley Scott, longtime executive director of the Milwaukee Urban League, is located in the Metcalf Park area on the northwest side of Milwaukee.

New Market Tax Credits help Phoenix Boys and Girls Clubs



Thousands more children will be served by the Boys and Girls Clubs of Metropolitan Phoenix, thanks to the addition of three new clubhouses, financed by Chase and the Local Initiatives Support Corporation. Financing for the new clubhouses was made possible under the New Markets Tax Credits Program, a highly competitive federal tax credit allocation program that allows lenders, such as Chase, to provide low-cost capital directly to high-impact projects in low-income communities that otherwise could not be done. Chase bankers Matt Reilein, Jennifer Lawson and Patty Feeney worked closely with LISC and the Boys and Girls Clubs to help make financing for this project a reality. The New Markets Tax Credit program was created in 2000 to encourage private capital to invest into commercial enterprises in low-income communities.

Since the program's inception, Chase has been awarded \$185 million in new markets tax credits, including a recent \$60 million award in 2007. Chase also partners with other allocatees of the New Markets Tax Credits, such as the Local Initiatives Support Corporation, to provide below-market financing, as it did with this project in Phoenix.

By taking advantage of New Market Tax Credit financing, the Boys and Girls Clubs were able to begin construction fairly promptly and did not have to delay the project while waiting on the collection of pledges from the capital campaign. And with construction underway sooner rather than later, the Boys and Girls Clubs of Metropolitan Phoenix was able to more quickly focus its attention on what it does best: improving the lives of children and families in the Phoenix area.



Construction underway at the Glendale Boys & Girls Clubs in Phoenix

Chase Supports Greystone Initiative in Chicago

Thanks to a \$145,000 grant from Chase to Neighborhood Housing Services (NHS) of Chicago in support of Chicago's Historic Greystone Initiative, North Lawndale homeowners could afford to rehabilitate and preserve their homes. The Greystone Initiative aims to preserve, restore and modernize Chicago's greystones. The rehabilitation of the limestone-clad homes will help build neighborhood pride and encourage local residents to invest in their community and spur further investments in the neighborhood.

With Chase's support, NHS was able to provide twenty grants of \$5,000 each to greystone owners in K-Town, an area in North Lawndale with one of the highest concentrations of these historic buildings in Chicago. The Chase grants were for exterior improvements made to porches, façade cleaning, tuckpointing, masonry repairs, and repairs or replacements of windows and/or decorative cornices. NHS was also able to help the owners select reputable contractors.

"Chase is proud to make this brick-and-mortar commitment to make visible improvements to Lawndale," said Bill Daley, head of Corporate Responsibility. "When one homeowner improves his or her home, the folks up and down the block notice and think about doing the same."

The support provided by Chase, along with the City of Department of Housing and other partners has helped to strengthen and preserve the historic community in Chicago.



Bill Daley, Head of Corporate Responsibility, tours North Lawndale.

Building Housing for Seniors



*Annunciation Inn,
New Orleans, Louisiana*

In December 2007, Chase provided \$15.8 million in construction loan financing for the acquisition and rehabilitation of The Nazareth Inn I (150 units), Nazareth Inn II (120 units), and Annunciation Inn Apartments (106 units), which represent three of six existing senior housing properties located in New Orleans, Louisiana that are being acquired and redeveloped by Providence Community Housing. Providence is a post-Hurricane Katrina initiative of community-based organizations that have come together to help address the need for affordable and supportive housing in Southern Louisiana. Chase bankers Pauline Allen and Gary Hollier worked closely with Providence Housing to secure the financing for this project.

All six properties which are being acquired and redeveloped are currently vacant and non-operational due to damages sustained during hurricane Katrina in August 2005. The projects will provide a total of 716 replacement housing units restricted to seniors at or below 50% of the area median income.

The closing of these construction loans and the beginning of the rehabilitation of the properties are considered a significant victory to Providence as it commences its efforts to bring hundreds of displaced seniors home. These projects are the first of several projects the organization plans to acquire and rehabilitate.



*Linda McMahon, Community
Development Banking Southwest
Regional Manager, at ground breaking
ceremony for Annunciation Inn.*

Chase Competition Supports Rebuilding Efforts in New Orleans



Chase's John Kallenborn (fifth from left) with the winning team from the Massachusetts Institute of Technology and Washington University in St. Louis.

University students who devised a detailed plan to restore a historic New Orleans building and turn it into a business incubator have earned the top prize in the 2008 Chase Community Development Competition. Students from the Massachusetts Institute of Technology and Washington University in St. Louis partnered with the Good Work Network of New Orleans on a strategy to restore the Franz Building at 2016 O.C. Haley Boulevard. The project is designed to provide support services for 500 local businesses each year, as well as provide storefront space for local entrepreneurs.

"This project not only will help transform O.C. Haley into a vibrant arts, cultural, and retail district, it will also make business incubation a permanent asset in the neighborhood," said Phyllis Cassidy, executive director of Good Work Network, which receives the \$25,000 prize to help fund the development.

College and graduate students partnered with local non-profits to develop real estate plans that are buildable and sustainable and that meet a prevalent community need in low-and moderate-income areas. There were nine university-non profit teams, each with a different project and different neighborhood within New Orleans.

The second prize of \$15,000 was awarded to Volunteers of America Greater New Orleans, based on its project design with the New School (New York). The third prize of \$10,000 was awarded to the Pontilly Development Association on its senior living facility project with Tulane University. Other competing schools were Harvard University, Loyola of Louisiana, DePaul University, the University of New Orleans, the University of Minnesota and Hunter College.

Chase and Education



At Chase, Corporate Responsibility encompasses how we operate as a business and how we help our neighborhoods thrive. Through Global Philanthropy, Chase invests in programs that support education, arts and culture, community development, economic self sufficiency and the environment so that individuals and communities can achieve their full potential.

As one of the world's largest financial institutions, we recognize that improving education opportunities for youth and adults is critical to maintaining vibrant communities and ensuring the long-term viability of their economies. Through arts and culture, science and math, and technology education partnership programs, we are working to improve student performance and open new doors of opportunity.

Most importantly, we understand that increasing financial literacy can help break cycles of poverty. Chase sponsors financial literacy programs such as that of Operation HOPE to help individuals understand how to manage their finances and build assets. Chase helps consumers understand their choices and make good decisions on everything from a savings account and financing a college education to buying a home and saving for retirement.

Our commitment to education is based on four principles:

- 1) directing our resources and expertise to partnerships that further opportunities for learning
- 2) early childhood literacy and school readiness
- 3) building capacity in schools
- 4) and providing access to college and career options to under-served student populations in the communities where we have a presence.

Chase programs that promote education and build capacity in schools include the following:

- Through New York City's PENCIL (Public Education Needs Civic Involvement in Learning), we are helping to transform schools by partnering with principals and teachers to inspire innovation in the classroom. Our senior executives and managers share expertise with educators in practices that help improve the classroom.
- In partnership with Syracuse University, we are creating a financial service technology curriculum and training program, which will include collaborative research and development activities. Through distance learning opportunities and other classroom and research exercises, students from colleges and universities across New York State will be able to access the program. The partnership aims to extend its science, math and technology training into the local school district and school system for students K-12. We anticipate that hundreds of new technology-based jobs will be created in the region as part of this partnership.
- Through Bank on College, we are piloting an innovative incentive-driven college scholarship program in three Chicago high schools that will provide low-income students and their families the opportunity to earn money for college by participating in a variety of academic and parent engagement activities. Students are awarded scholarship dollars each semester based on academic performance, staying academically "on track", and participating in academic support and college access programs.

For more information about the firm's education and philanthropy programs go to www.chase.com/giving.

"Through arts and culture, science and math, and technology education partnership programs, we are working to improve student performance and open new doors of opportunity."



\$800 Billion Public Commitment Results

January 2004-December 2007

In 2004, expanding its proud traditions of civic leadership and support, Chase committed to investing \$800 billion in communities across the country over the next 10 years. The pledge focused on three areas crucial to American families and cities: mortgages, small business lending, and community development lending.

In the first three years of its 10-year, \$800 billion public commitment, Chase has invested \$339 billion (42% of the 10-year goal) in low- and moderate-income families, neighborhoods, and small businesses across the country. Specifically:

- Mortgage Lending is at \$259 billion (38% of goal)
- Small Business Lending is at \$63 billion (70% of goal); the firm also ranked #2 in number of SBA loans nationally for fiscal year '07, and #1 in a number of district offices including Arizona, Illinois, Louisiana, Michigan, and New York as well as Dallas and Houston
- Community Development Lending and Investing results are at \$17 billion (49% of goal)

	10 Year Goal	2004 Results	2005 Results	2006 Results	2007 Results	Commitment Results to date	% of 10 Year Goal
	\$B	\$B	\$B	\$B	\$B	\$B	%
Mortgages¹	675	55	68	66	70	259	38
Small Business Loans²	90	11	12	17	23	63	70
CD Loans & Investments	35	4	4	4	5	17	49
Total	800	70	84	88	98	339	42

¹Mortgages in low- and moderate-income neighborhoods and to lower income and minority borrowers

²Small Businesses <= \$1 MM in revenues

Contact Information

Community Relations Regional Managers:

Midwest

Jeff Lyttle
614.248.9079
jeffrey.r.lyttle@chase.com

Illinois

Francee Harrington
312.732.8190
francia.harrington@jpmorgan.com

Mid-Atlantic / South

Helen Stewart
302.634.1099
helen.m.stewart@chase.com

Northeast

Kim Jasmin
212.270.4889
kim.l.jasmin@chase.com

Southwest / West

Lydia Lee
602.221.2230
lydia.a.lee@chase.com

In the Community is published by JPMorgan Chase CRA Management.
Comments can be directed to Genny.Chow@chase.com