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## Banking on New Role

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Three decades ago, banker David Rockefeller founded a not-for-profit group that has gone on to help provide more than 30,000 homes for middle-income New Yorkers.

Now that not-for-profit, the Housing Partnership, is moving into the banking business, too.



*Natalie Keyssar for The Wall Street Journal*

***Loan officer Noemi Vega works in the new bank built inside the offices of the Housing Partnership.***

It has opened a for-profit bank mortgage office to write loans and expand the availability of credit, especially for mortgages in affordable housing developments. The move comes as the banking industry has adopted stricter credit standards after the housing collapse.

Dan Martin, the president of the partnership and a former banker, said that some rejected buyers may now get a second chance, particularly if they have been turned away by credit standards tighter than those required by federal mortgage entities.

The partnership said it was putting to use its special expertise in housing to write mortgages for both first-time home buyers and current owners in complicated subsidized projects. At the same, Mr. Martin said, other home buyers looking for competitive mortgages won't be turned away.

Mr. Martin said that going into a "new line of business" was the "next logical step" for the housing group at a time when its traditional role of helping build housing has been shrinking along with funding for government housing programs. The goal for the first year is a modest one, writing about 200 mortgages.

**“We certainly need as much expertise and attention to the affordable housing sector as we can get” *Kathryn Wylde, the Partnership for New York City***

Putting a foot in the for-profit world is a complicated move for a group like the partnership. To meet Internal Revenue Service rules, a small office space for the bank separated by glass walls was constructed inside the partnership's own modest offices on West 36th Street.

The new bank technically is a representative office of Evolve Bank & Trust, based in Memphis, Tenn., which has several dozen mortgage-production offices across the country.

Partnership employees such as Shelia Martin, the head of the new bank venture, must go through a locked door into the new office space to work on bank business.

Even before the paint was dry on the new office, Ms. Martin said the bank approved its first mortgage—for an apartment in the Shelton, a limited-income co-op in the Bedford-Stuyvesant section of Brooklyn.

Mr. Rockefeller, 96 years old, is the former chairman of Chase Manhattan Bank, now part of J.P. Morgan Chase. He formed the Housing Partnership in 1982 to work with public agencies and private developers on middle-income housing, mostly on surplus city-owned land.

But as the supply of city land shrank, the Housing Partnership turned its focus to mostly provided technical assistance to developers.

Kathryn Wylde, who ran the Housing Partnership for many years and now heads the Partnership for New York City, the city's main business group, said the Housing Partnership was "going entrepreneurial," but that it wasn't likely to be a direct mortgage competitor with major banks.

"We certainly need as much expertise and attention to the affordable housing sector as we can get," she said.

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