Financial Products for All Clients
Special thanks to Bank of America for supporting this webinar series.
Agenda

Showcase

• Mission Asset Fund
• Justine Petersen
• International Rescue Committee
We are a nonprofit organization on a mission to create a fair financial marketplace for hardworking families.
THE SHADOWS

INVISIBLE
45 million people without access to affordable credit

STUCK
Wages are flat & cost of living is up

STRAPPED
Interest rates for payday lenders range from 154 to 677%
Participants are innovative & financially savvy

Create programs to transform savings & credit building

Leverage technology to build a nationwide network
SOCIAL LENDING

It’s a global practice

People come together

To lend & save money
LENDING CIRCLES

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<table>
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<tbody>
<tr>
<td><strong>JANUARY</strong></td>
<td>$1,000</td>
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<td><strong>FEBRUARY</strong></td>
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<td>$1,000</td>
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<td><strong>MARCH</strong></td>
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<td>$1,000</td>
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<td><strong>APRIL</strong></td>
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<td>$1,000</td>
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Experian

TransUnion

Equifax

United Way
SOCIAL LOAN PROGRAMS

WANT AN AFFORDABLE WAY TO BUILD CREDIT FOR YOUR BUSINESS?

WANT TO APPLY FOR DEFERRED ACTION & NEED $495 FOR THE FEE?

WANT TO APPLY FOR CITIZENSHIP & NEED $725 FOR THE FEE?
FINANCIAL EMERGENCY ACTION PLAN

Prepare yourself and your family for immigration emergencies. Protect your money. Plan ahead.

1. **Protect** your money
2. **Protect** your belongings
3. **Prepare** for an emergency
4. **Create** an Action Plan
NETWORK APPROACH

50+ PROVIDERS
17 STATES + DC
FINANCIAL EDUCATION

ONLINE
BILINGUAL
20 MODULES
+27 POINTS
IMPACT

- **$7.25** In Lending Circles Loans
- **99%** Repayment Rate
- **659** Average Final Credit Score
- **7,000+** Social Loans
- **168** Average Increase in Credit Score
- **$1,051** Average Decrease in High-Cost Debt
UPCOMING WEBINARS

BECOMING A LENDING CIRCLES PROVIDER

Mark your calendar: 8/8/2017 at 11 AM PT
Register today: bit.ly/lc-webinar-aug-8
STAY IN TOUCH

MOHAN KANUNGO,
Director of Programs & Engagement

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MissionAssetFund.org
@MAFpajarito
@MissionAssetFund.org
@MissionAssetFund
Our mission is to connect low- and moderate-income families with institutional resources in order to build financial assets and create enduring change.
Our Passion…

Financial Products + Financial Counseling = Build Strong Credit
“Typical” Client Profile

Credit Builder Loan

- Secured loan
- Manageable monthly payments

- Credit invisible
- Thin file
- Only collection debt

-74% low income
-54% women
-62% minority or people of color
Our Experience & Evolution

2006 CB integrated into JP’s services

- 1-1 Credit Building w/ >25,000
- >1,500 Credit Builder Loans


- 33 Partners
- 650 Secured Card Applications, 93% approval rate
- 71% improved credit
- 42% moved from subprime to prime

2012 LISC Partnership Launched

- Counselors from >80 Financial Opportunity Centers trained
- 14 LISC markets
- >1,000 credit builder loans opened through partners
National partnership to couple JP financial products with financial coaching/counseling provided by nonprofit partners.
Credit-Building as Asset-Building Training

Credit-Building Financial Products
Training/TA for Financial Counselors:

- Coaching clients using a “Credit Building as Asset Building” approach
- Assessing client readiness/product fit
Topics Covered

• How to identify active lines of credit
• How to identify collection accounts
• Defining a thin file
• Importance of good active lines of credit
• Pre-paid debit card vs. secured credit card
• ChexSystems
• And more…
Level 1.1: Smith

Due to the housing market crash, Ms. Smith, a seasoned realtor, lost her job and decided to change career paths. During her change of careers, she visited a local financial counseling center for assistance. Now that Ms. Smith has five months on the job and is feeling secure, she wants to work more closely with her financial coach so that she can build her credit and potentially purchase a home.

Monthly wages (after taxes and deductions): $1666
Amount in savings accounts: $250

<table>
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<tr>
<th>Budget:</th>
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<tbody>
<tr>
<td>Rent</td>
<td>$650</td>
</tr>
<tr>
<td>Gas</td>
<td>$100</td>
</tr>
<tr>
<td>Electric</td>
<td>$75</td>
</tr>
<tr>
<td>Cell Phone</td>
<td>$65</td>
</tr>
<tr>
<td>Groceries</td>
<td>$225</td>
</tr>
<tr>
<td>Transportation</td>
<td>$120</td>
</tr>
<tr>
<td>Eating Out/</td>
<td>$75</td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
</tr>
<tr>
<td>Beauty Salon</td>
<td>$40</td>
</tr>
<tr>
<td>Savings</td>
<td>$25</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,375</td>
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Includes:

- Brief intro about client
- Budget with income and expenses
- Credit Report
- 5-10 credit building questions
- Success story regarding client

Open Ms. Smith's credit report to answer questions:
Credit-Builder Loans

- Low-risk credit-building product
- Develop on-time payment behavior

$300 credit-builder loan
$300 into locked savings account
Client makes monthly loan payments
Score increases as monthly payments reported
Clients receives $300 at end, can be used for secured card or other credit-building activities
Credit-Builder Loan Eligibility

- Participated in at least 1 financial counseling session with partner organization.
- Sufficient monthly net income to cover the monthly loan payment.
- No 30+ day delinquency or foreclosure incident during the past 3 months.
- Ideally, utilization ratio below 30% on revolving lines of credit.
- 18+ years old.
Credit-Building Impact

- 82% of applications accepted
- 96% of account holders making monthly on-time payments
LISC Twin Account Outcomes

• 2x higher credit score gains
  • Twin Accounts- 35 point score increase
  • Non-borrowers- 10 point score increase
• 2x as likely to gain a score and keep it
• Borrowers- higher 6 & 12 month employment retention rates
Current Partners
Join Us!

Training & TA:

- Live webinar training* to get your organization grounded in “Credit Building as Asset Building” counseling & prepped to offer credit-building accounts
- Self-paced online training through JP Training Center
- Technical assistance to help you open your first credit-building account

Pricing:

- $100 per participating coach/counselor
- $750 Webinar and TA fee

*In-person training also available
Tamra Thetford
Chief Program Officer
Justine PETERSEN
1023 N. Grand Blvd.
Saint Louis, MO 63106
www.creditbuildingnation.org
tthetford@justinepetersen.org
314-533-2411 x 105
IRC’s Center for Economic Opportunity (CEO)
Mission-based lending integrated into core service programs
Early Financial Lives of Refugees

- Working Families
- Low Income
- Volatile Income
- No Credit Score
- In Debt
<table>
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<tr>
<th>CEO Borrower Demographics</th>
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<tbody>
<tr>
<td>Average Annual Income</td>
<td>$22,653</td>
</tr>
<tr>
<td>Median Family Size</td>
<td>3</td>
</tr>
<tr>
<td>Unique Countries of Origin</td>
<td>26 (including U.S.!)*</td>
</tr>
<tr>
<td>% w/o any credit score</td>
<td>55%</td>
</tr>
<tr>
<td>% on public assistance</td>
<td>70%</td>
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Financial Capability for New Americans

Highlights of IRC’s Approach

- Bundled Services
- Financial Education & Coaching
- Integrated Financial Products
What is CEO?

CEO is a national, non-profit financial institution that offers small-dollar, affordable financial products to low-income refugees and immigrants.
## CEO Products

<table>
<thead>
<tr>
<th>Loan Product</th>
<th>Related Program</th>
<th>Impact</th>
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<tbody>
<tr>
<td>Credit-Builder</td>
<td>Financial Education, Coaching &amp; Counseling (Financial Capability)</td>
<td>Avg. credit score established is 635; Experiential education on how credit works in the U.S.</td>
</tr>
<tr>
<td></td>
<td>• Financial Education Training</td>
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<td></td>
<td>• 1:1 Financial Coaching</td>
<td></td>
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<tr>
<td></td>
<td>• Budgeting &amp; Goal-setting</td>
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<tr>
<td>Business</td>
<td>Microenterprise</td>
<td>Affordable capital to low-income community members; job creation; enhanced local tax revenues; enriched local communities</td>
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<tr>
<td></td>
<td>• Business plan development</td>
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<tr>
<td></td>
<td>• Intensive 1:1 technical assistance</td>
<td></td>
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<td></td>
<td>• Marketing support</td>
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<tr>
<td>Auto</td>
<td>Workforce Development</td>
<td>Expanded geographic scope for job search; enhanced job retention; can potentially work more hours</td>
</tr>
<tr>
<td></td>
<td>• Soft &amp; hard skills training</td>
<td></td>
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<tr>
<td></td>
<td>• 1:1 Job development</td>
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<tr>
<td></td>
<td>• Job placement</td>
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### Rates & Terms

<table>
<thead>
<tr>
<th>Loan Product</th>
<th>$$ Range</th>
<th>Interest Rate</th>
<th>Closing Fee</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit-Builder</td>
<td>$100 - $300</td>
<td>0%</td>
<td>$5</td>
<td>5-12 Months</td>
</tr>
<tr>
<td>Business</td>
<td>$300 - $50,000</td>
<td>8% - 10%</td>
<td>2%</td>
<td>12 - 72 Months</td>
</tr>
<tr>
<td>Auto</td>
<td>$500 - $8,000</td>
<td>8% - 10%</td>
<td>2%</td>
<td>12 - 48 Months</td>
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In April 2017 alone, we disbursed 37 loans.

We launched in Salt Lake in March 2017.

257 active loans, and counting…
Integrated Products: Auto Loans and Net Income

Total Net Income

- Without Auto Loan
- With Auto Loan

$327

$455
Establishing a FICO score

Control Group

- 44% with FICO
- 56% without FICO

Treatment Group

- 90% with FICO
- 10% without FICO
Financial Capability for New Americans

Credit Quality within FICO group

- **Control**
  - Of those with FICO, % Positive: 67%
  - Of those with FICO, % Negative: 33%

- **Treatment**
  - Of those with FICO, % Positive: 93%
  - Of those with FICO, % Negative: 7%
Portfolio Quality

IRC previously made over 3,000 loans totaling over $3M, and has maintained a....

93.6% Historical Repayment Rate

CEO to scale throughout IRC’s network of 30 locations… and to other community-based organizations
LOCATIONS

• Licensed to lend in: CA, AZ, UT
• Expanding to TX, GA, MD
• Open to exploring tailored products & partnership
  • Vocational Education
  • Immigration
  • Line of Credit
Thank you