

Financial Products for All Clients

July 18, 2017



***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.



MEET



RESPECT



BUILD

© MAF 2017

THE SHADOWS

INVISIBLE



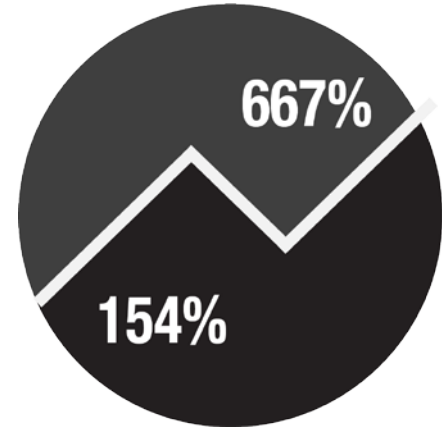
45 million people without access to affordable credit

STUCK



Wages are flat & cost of living is up

STRAPPED



Interest rates for payday lenders range from 154 to 677%

OUR SOLUTION

RECOGNIZE



Participants are innovative & financially savvy

TRANSFORM



Create programs to transform savings & credit building

SCALE



Leverage technology to build a nationwide network

SOCIAL LENDING



It's a global practice





People come together

To lend & save money



LENDING CIRCLES



JANUARY		\$ 1,000
FEBRUARY		\$ 1,000
MARCH		\$ 1,000
APRIL		\$ 1,000



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.



Download the guide:
bit.ly/prepmyfam



1 Protect your money



2 Protect your belongings



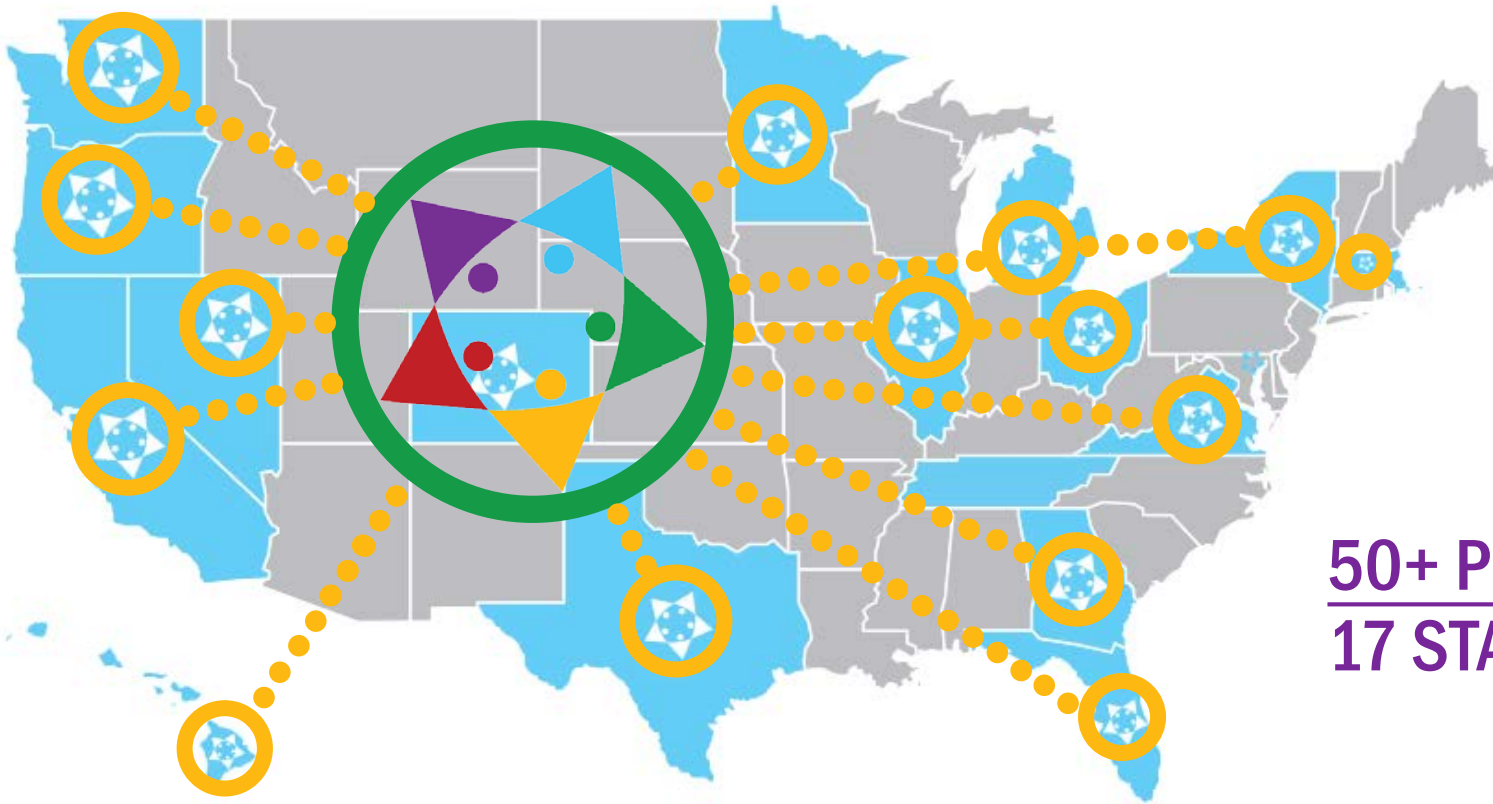
3 Prepare for an emergency



4 Create an Action Plan



NETWORK APPROACH



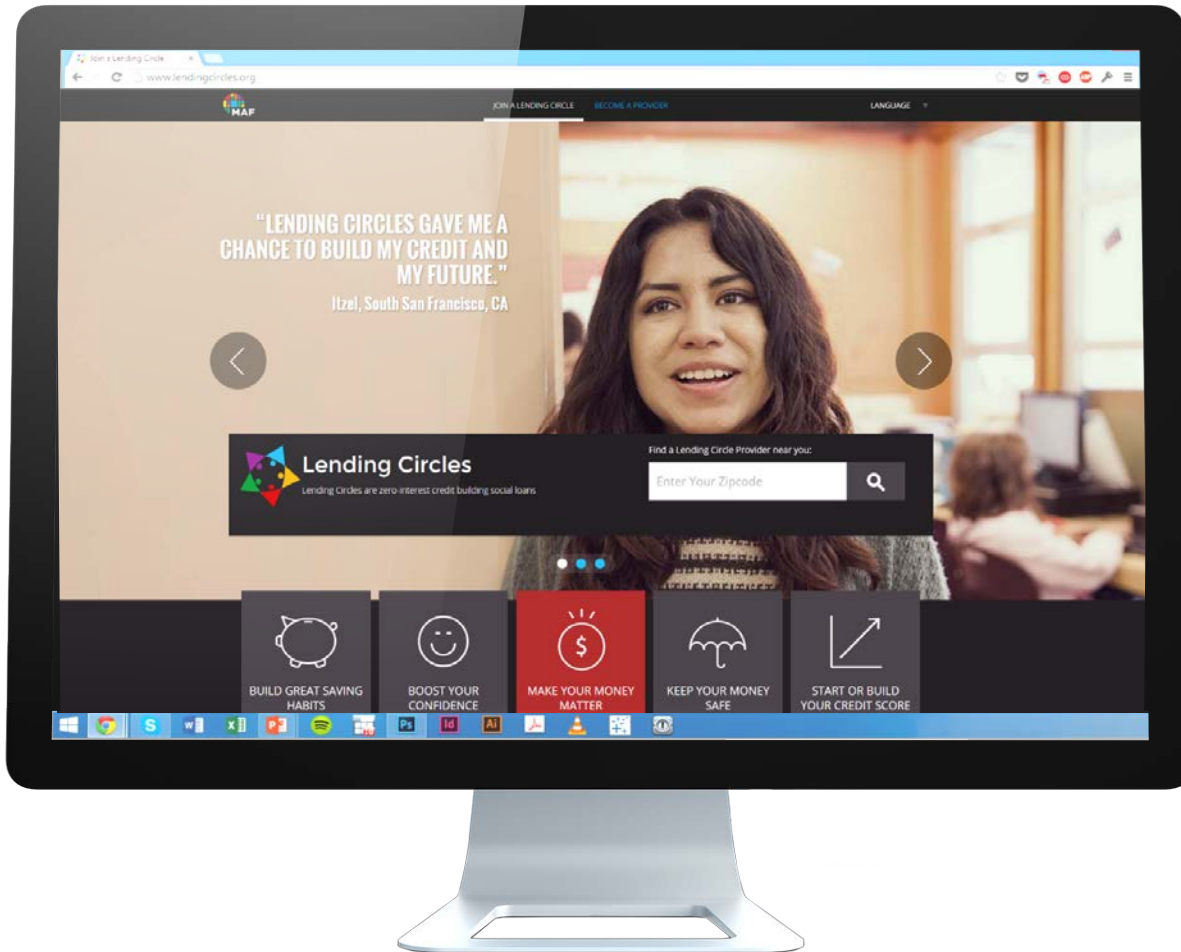
50+ PROVIDERS
17 STATES + DC

FINANCIAL EDUCATION



ONLINE | **MOBILE**
BILINGUAL | **INTERACTIVE**
20 MODULES | **+27 POINTS**

LENDINGCIRCLES.ORG



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

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Justine PETERSEN

Building Assets. Changing Lives.

Our mission is to connect low- and moderate-income families with institutional resources in order to build financial assets and create enduring change



Justine PETERSEN Core Products

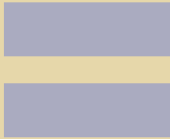


Credit Building & Financial Education

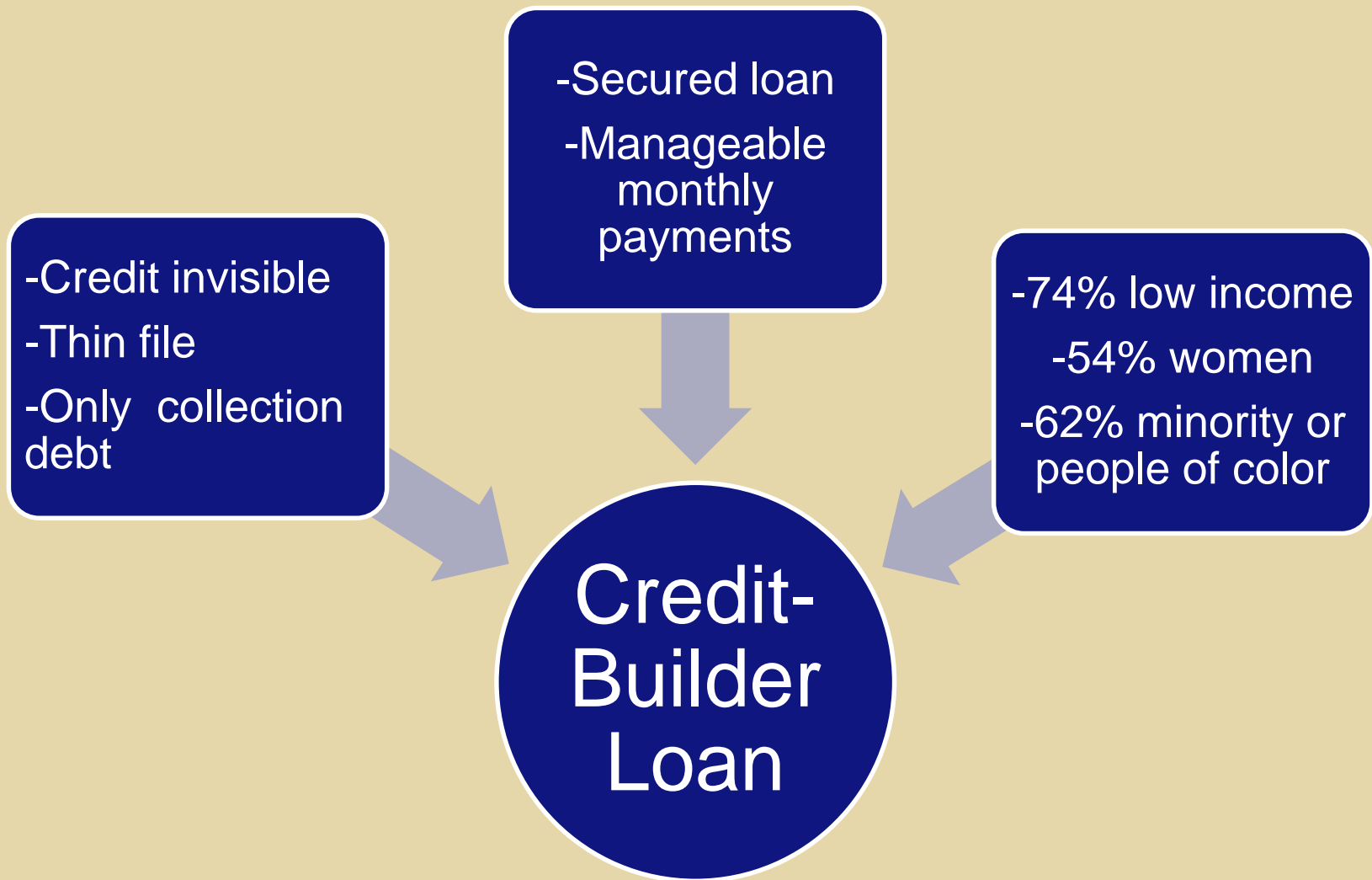
Microenterprise Lending

Homeownership Preparation & Retention

Our Passion...



“Typical” Client Profile



Our Experience & Evolution

2006 CB
integrated into
JP's services

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

2009 Citi
Banamex & 2011
Aspen Inst. Asset
Building Through
Credit Prog.

- 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



CREDIT BUILDING NATION

National partnership to couple JP financial products with financial coaching/counseling provided by nonprofit partners.

CREDIT BUILDING NATION

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



The screenshot shows the JP Training Center website. The header features the JP logo and the text 'training CENTER' in a dark teal bar. Below the header is a navigation menu with links for HOME, ABOUT THE CENTER, TRAINING, RESOURCES, and MY ACCOUNT. A dark teal button labeled 'Administration' is located in the top right corner. The main content area has a light beige background with a 'Back' button on the left. The primary heading is 'Your Training Starts Here!' followed by a paragraph: 'Select a module from the Training Sets below to begin. Module 1 is the most basic. The modules get more detailed and complex as you progress through to the final module.' There are two sections for training sets. The first is 'Assessing Client Readiness Level 1' with a list of options: 'Level 1.1: Smith', 'Level 1.2: Jones', 'Level 1.3: Lee', and 'Take the Test'. The second is 'Assessing Client Readiness Level 2' with a list of options: 'Level 2.1: Williams', 'Level 2.2: Baker', 'Level 2.3: White', 'Level 2.4: Gonzalez', and 'Take the Test'.

JP training CENTER justinepetersen.org

HOME ABOUT THE CENTER TRAINING RESOURCES MY ACCOUNT

Back Administration

Your Training Starts Here!

Select a module from the Training Sets below to begin. Module 1 is the most basic. The modules get more detailed and complex as you progress through to the final module.

Assessing Client Readiness Level 1

- ✓ Level 1.1: Smith
- ✓ Level 1.2: Jones
- ✓ Level 1.3: Lee
- ✓ Take the Test

Assessing Client Readiness Level 2

- ✓ Level 2.1: Williams
- ✓ Level 2.2: Baker
- ✓ Level 2.3: White
- ✓ Level 2.4: Gonzalez
- ✓ Take the Test

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

Budget:

Rent	\$650
Gas	\$100
Electric	\$75
Cell Phone	\$65
Groceries	\$225
Transportation	\$120
Eating Out/ Recreation	\$75
Beauty Salon	\$40
Savings	\$25
TOTAL	\$1,375

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

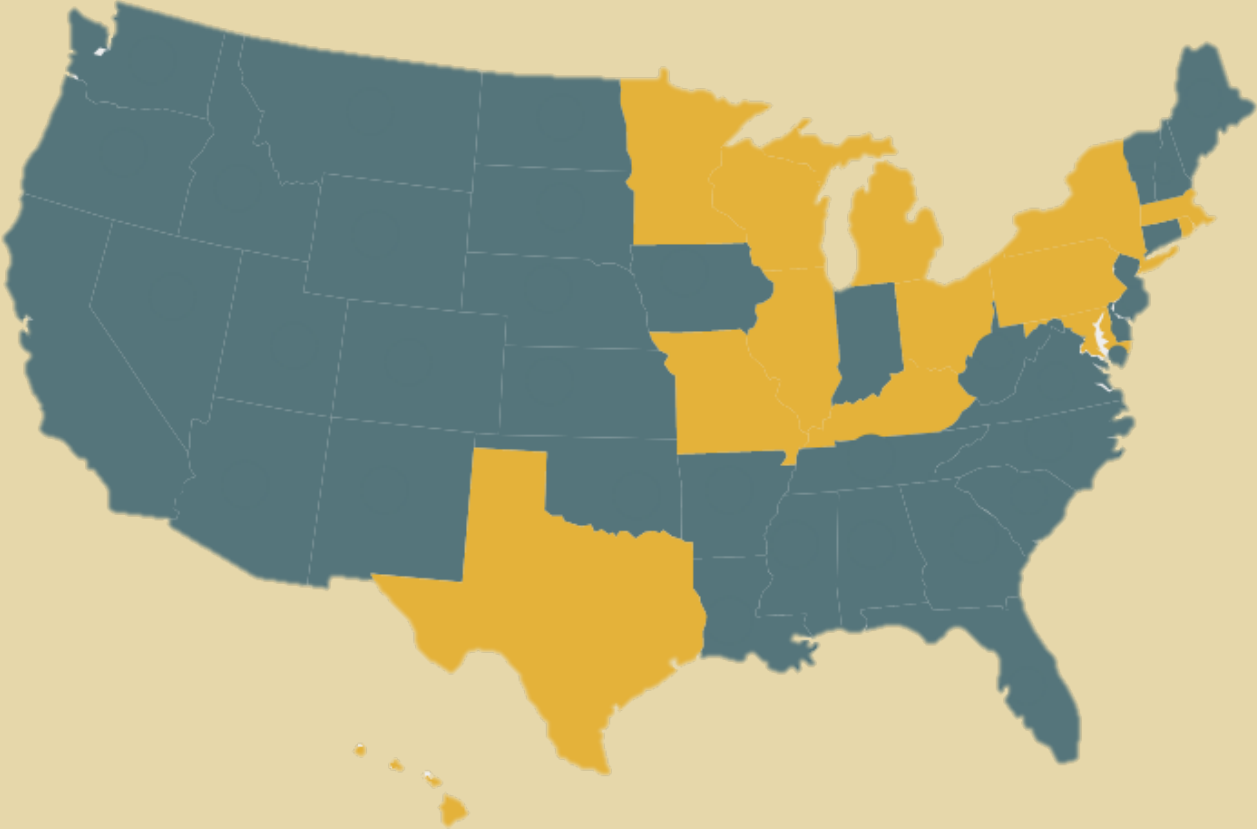


LISC Twin Account Outcomes

- 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

**In-person training also available*

Pricing:

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



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IRC's Center for Economic Opportunity (CEO)

Mission-based lending integrated into core
service programs

LIVE UNITED

**United
Way**



Early Financial Lives of Refugees

Working Families

Low Income

Volatile Income

No Credit Score

In Debt



CEO Borrower Demographics

Average Annual Income

\$22,653

Median Family Size

3

Unique Countries of Origin

26 (including U.S.!)*

% w/o any credit score

55%

% on public assistance

70%

Financial Capability for New Americans

Highlights of IRC's Approach

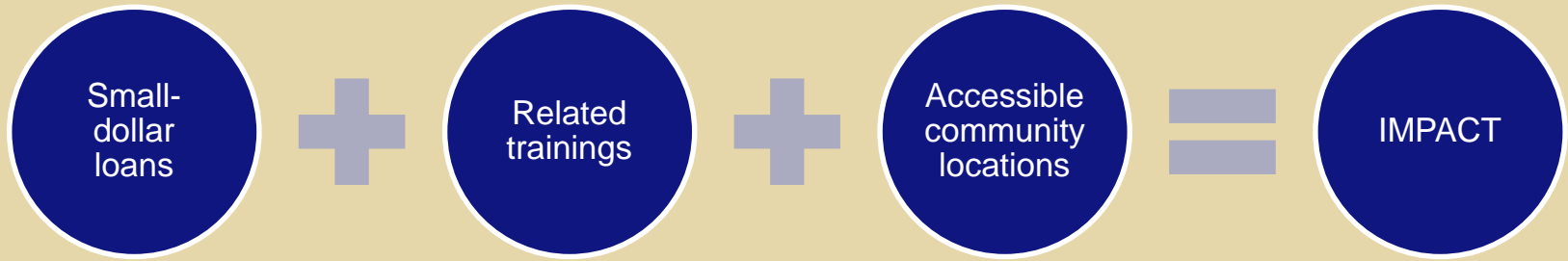
- ❖ Bundled Services
- ❖ Financial Education & Coaching
- ❖ Integrated Financial Products



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

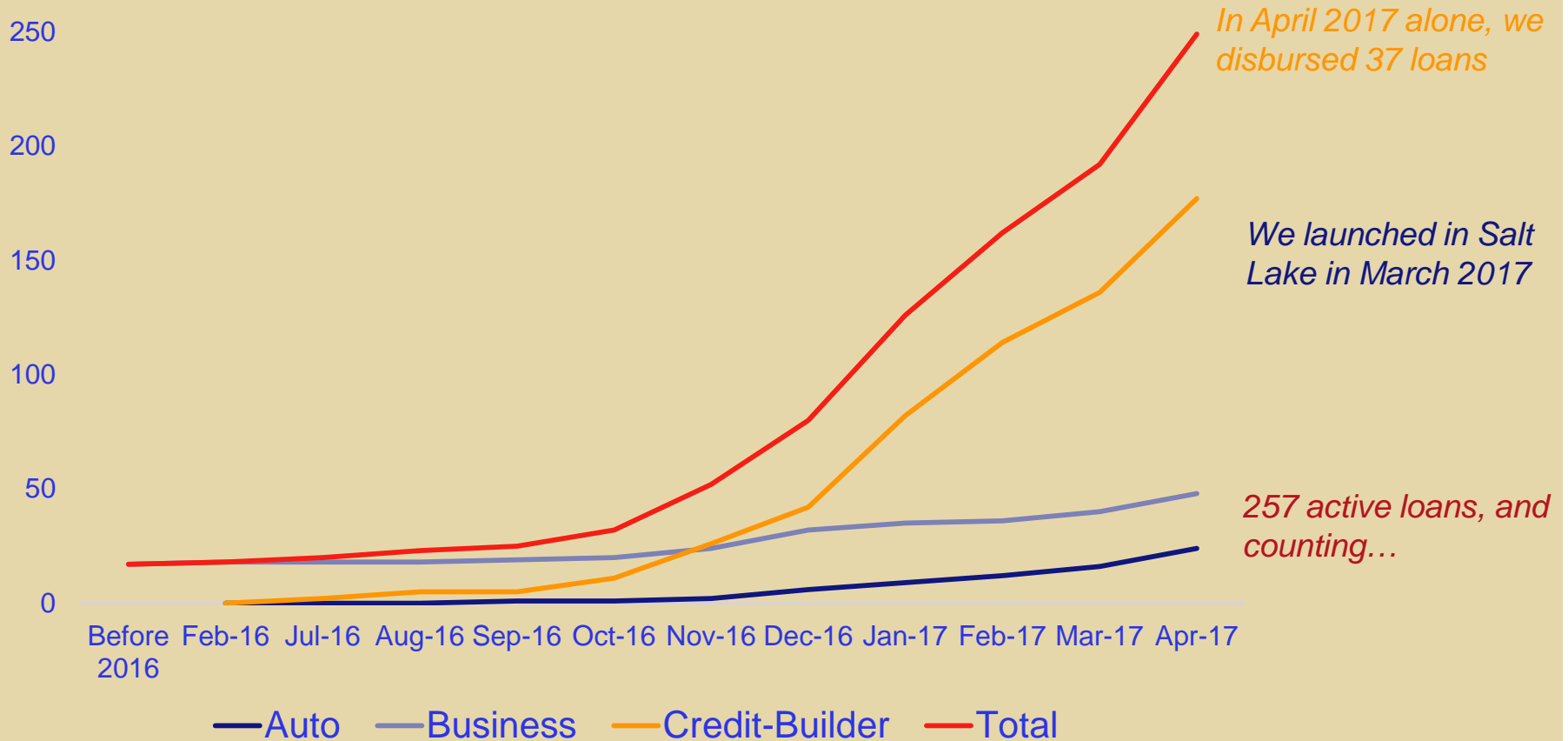
Loan Product	Related Program	Impact
Credit-Builder	Financial Education, Coaching & Counseling (Financial Capability) <ul style="list-style-type: none"> • Financial Education Training • 1:1 Financial Coaching • Budgeting & Goal-setting 	Avg. credit score established is 635; Experiential education on how credit works in the U.S.
Business	Microenterprise <ul style="list-style-type: none"> • Business plan development • Intensive 1:1 technical assistance • Marketing support 	Affordable capital to low-income community members; job creation; enhanced local tax revenues; enriched local communities
Auto	Workforce Development <ul style="list-style-type: none"> • Soft & hard skills training • 1:1 Job development • Job placement 	Expanded geographic scope for job search; enhanced job retention; can potentially work more hours

Rates & Terms

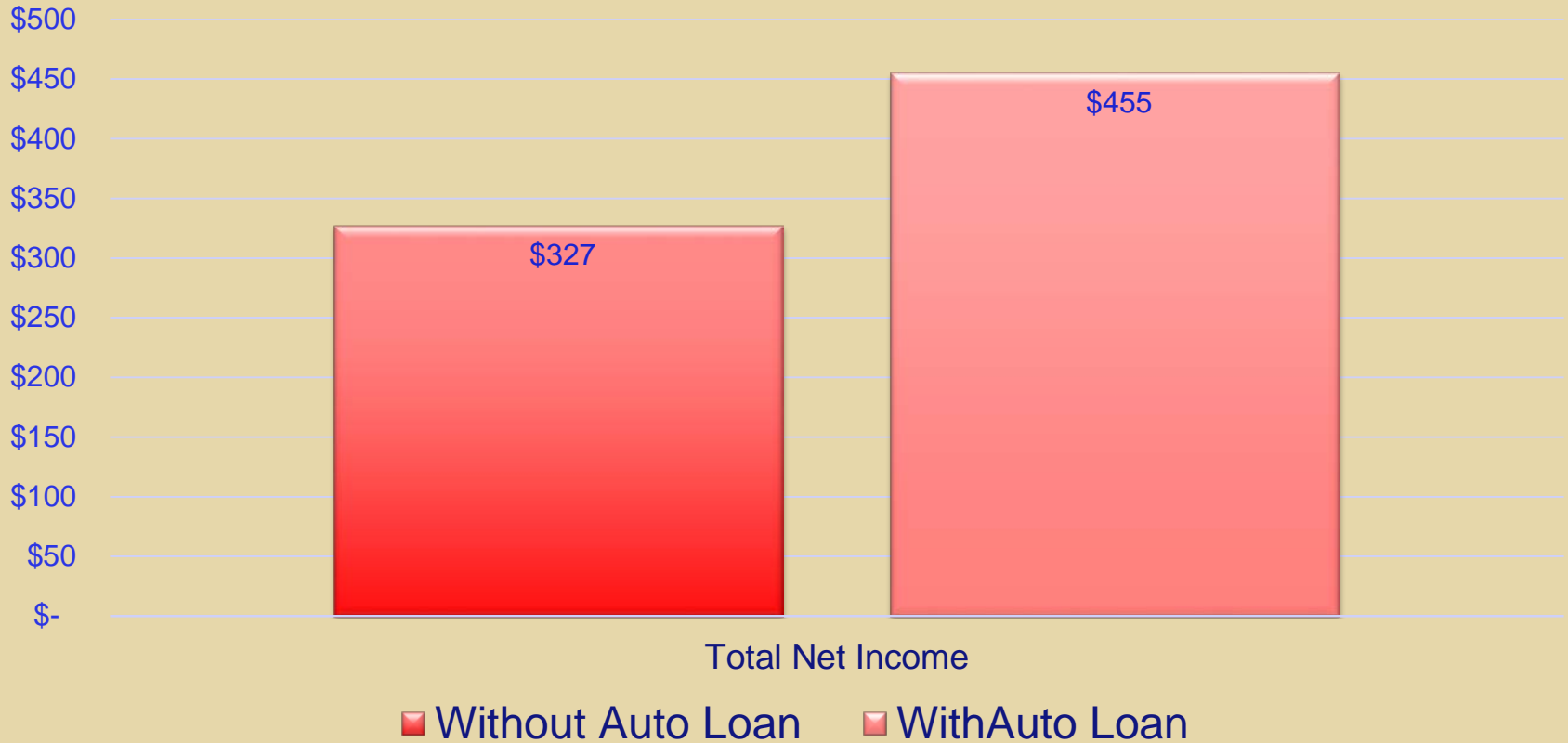
Loan Product	\$\$ Range	Interest Rate	Closing Fee	Terms
Credit-Builder	\$100 - \$300	0%	\$5	5-12 Months
Business	\$300 - \$50,000	8% - 10%	2%	12 - 72 Months
Auto	\$500 - \$8,000	8% - 10%	2%	12 - 48 Months



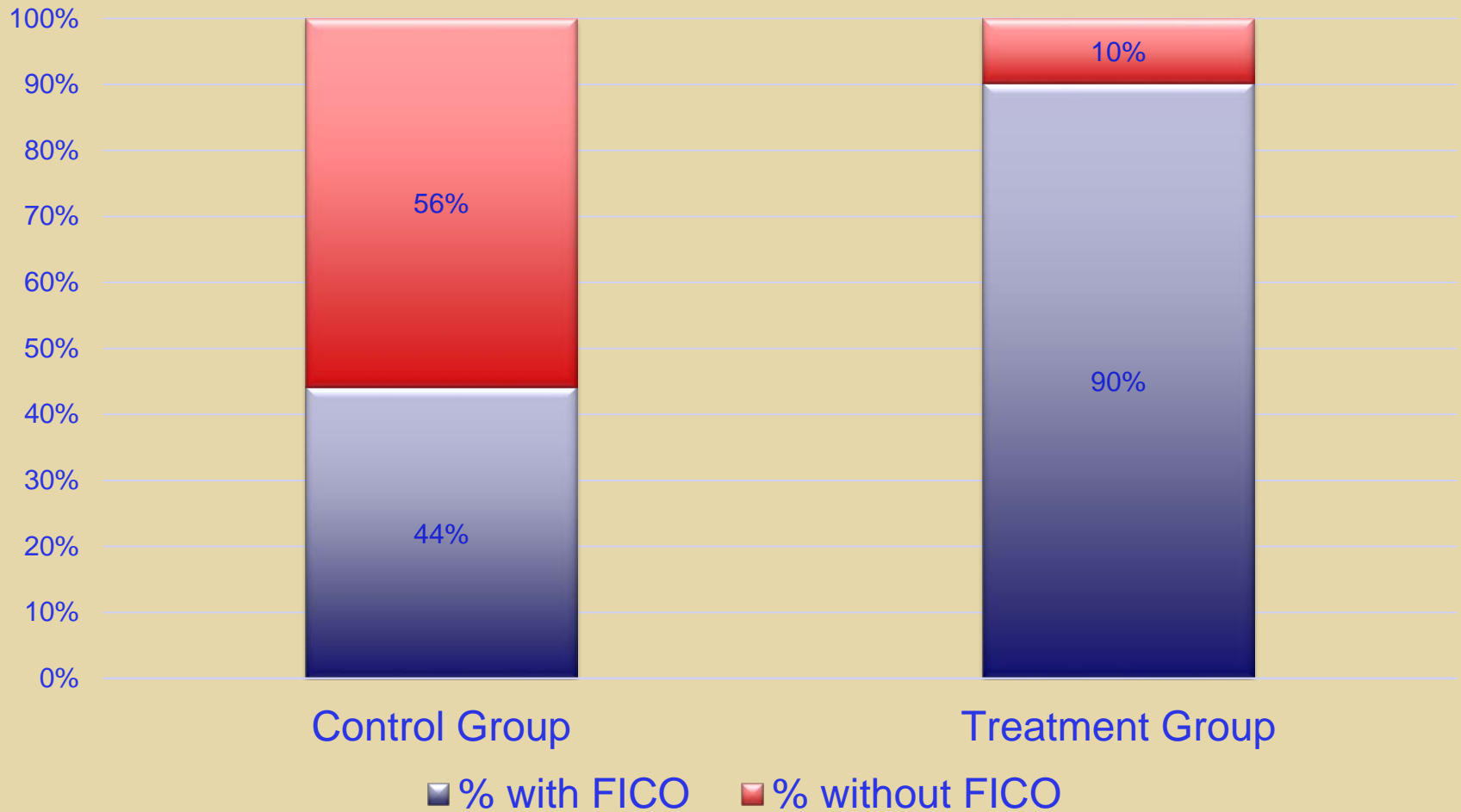
Aggregate Disbursements (Number of Loans)



Integrated Products: Auto Loans and Net Income

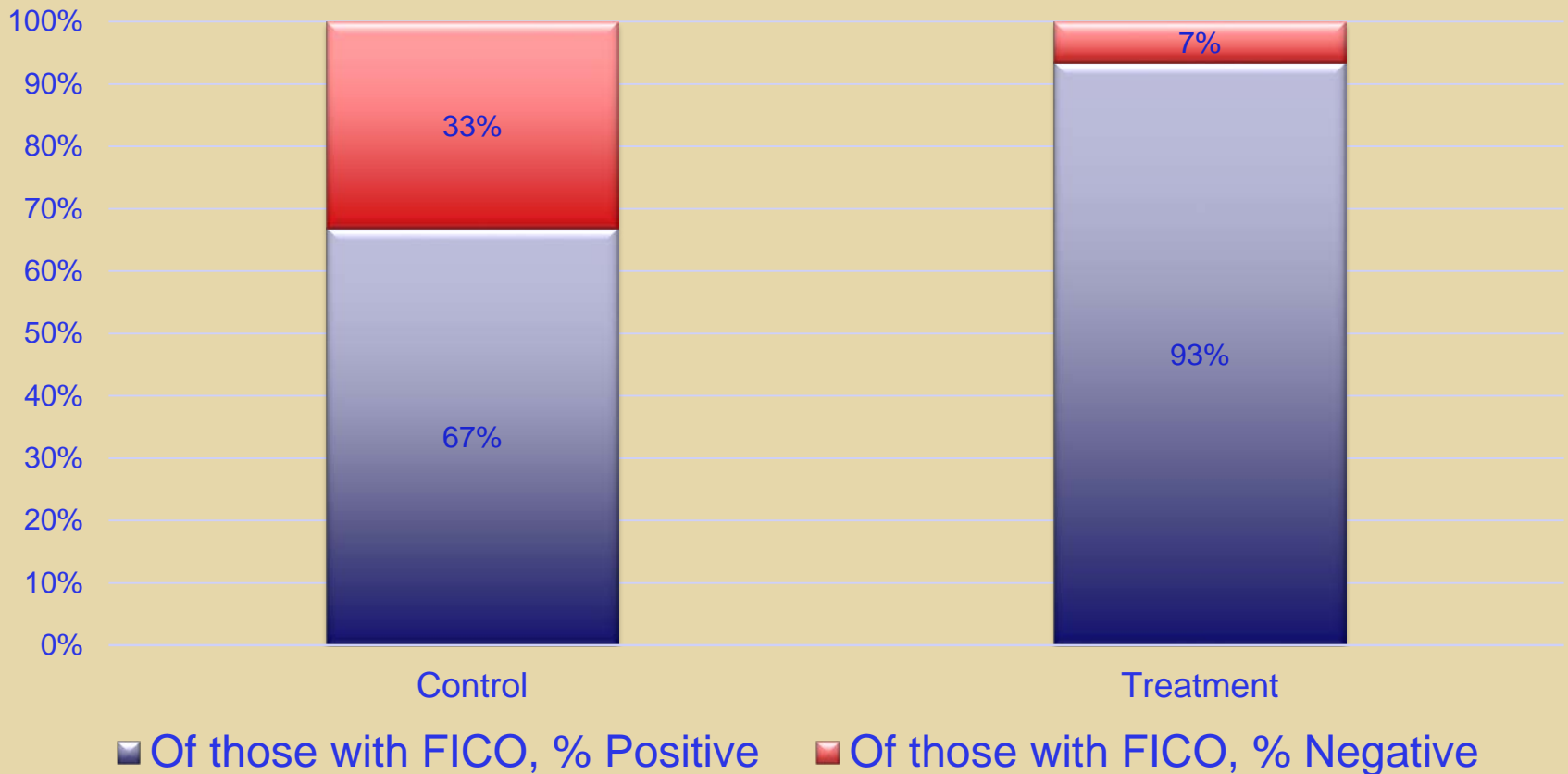


Establishing a FICO score



Financial Capability for New Americans

Credit Quality within FICO group



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

Kasra Movahedi

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Thank you

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LIVE UNITED

**United
Way**

