

## **Credit Builder Loan Information**

Our credit builder loan product is a unique and innovative way for Community LendingWorks (CLW) to help people who need to rebuild credit or establish credit. This product is very different than a standard loan, and even differs from most other 'credit builder' products available on the market today. Before completing the application, please read below for more information on this loan product.

### **How does the loan work?**

The credit builder loans work a lot like a savings account/loan hybrid. Essentially, a borrower makes small monthly payments for 12 months to Community LendingWorks. Each month that an on-time payment is received, CLW reports this to two of the three major credit bureaus. Once the 12 payments have been completed, CLW then returns the principal balance of the loan to the customer.

For Example:

John Smith submits a credit builder loan application to CLW, requesting a loan amount of \$300. Once his application is approved, he comes into the CLW office and signs his loan paperwork, agreeing to make 12 monthly payments towards the loan. CLW does not require him to secure the loan with \$300 in cash (as most credit builder loans/credit cards do). Instead, CLW secures the loan with our own money in order to remove this barrier for our customer. John makes his 12 monthly payments on time and CLW reports this to the credit bureaus. Once the 12 months have passed, CLW closes John's account and reports that the loan has been paid as agreed, then sends John a check back for \$300.

### **What are the terms?**

Each credit builder loan is written for 12 months at 6% fixed interest. The minimum loan amount is \$300 and the maximum is \$600. You have the option to pay the loan early if you'd like, with no early payoff penalties. If you encounter a problem with being able to continue payments on a credit builder loan at any time, we are happy to work with you to close the loan early.



### Community LendingWorks Credit Builder Loan

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Cell Number: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security Number: \_\_\_\_ - \_\_\_\_ - \_\_\_\_

Birth Date: \_\_\_\_\_

Employer: \_\_\_\_\_ Work Number \_\_\_\_\_

Income: \_\_\_\_\_ Other Monthly Income: \_\_\_\_\_

Source(s) of other monthly income: \_\_\_\_\_

Monthly Rent/House Payment: \$ \_\_\_\_\_

Requested Loan Amount (Maximum \$600.00): \$ \_\_\_\_\_

Due Date Requested: \_\_\_\_\_

How did you hear about us?  Event/Expo  Professional Referral \_\_\_\_\_

NEDCO/Sprout!  Referred by friend/family \_\_\_\_\_  Other \_\_\_\_\_

*I authorize NEDCO/CLW to obtain credit reports and verify any information in connection with this loan application and for any updates, renewal or extension of the credit received.*

Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

<b><u>CLW use only</u></b>	
Approved / Denied	
Loan Officer _____	Date _____
Credit Committee: _____	
Notes:	



The following information is used for grant purposes only and will have no bearing on your credit application. If you prefer to not provide this information, please check this box

<b>Total Number of people in your household?</b>		<b>Which Gender do you identify with?</b> <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Other	
<b>Family Status</b>  <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed  <input type="checkbox"/> Male head of household <input type="checkbox"/> Female head of household		<b>Do you identify as LGBTQ?</b>  <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Please select both Ethnicity and Race: (select as many as apply)</b>			<b>Ethnicity: (select only one)</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
<b>Single Race:</b> <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	<b>Multi-Race:</b> <input type="checkbox"/> American Indian/Alaskan Native and White <input type="checkbox"/> Asian and white <input type="checkbox"/> Black or African American and white <input type="checkbox"/> Other multiple races		
<b>Are you a U.S. Citizen?</b>	<b>Are you a permanent resident?</b>	<b>Are you a U.S. veteran?</b>	