



Helping Nonprofits  
Build Stronger Credit  
in their Communities



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### CBA @ CFED

The CFED Assets Learning Conference is next week in DC!

CBA looks forward to re-connecting with our members, creating new strategic partnerships and being part of the **ASSET MOVEMENT AT ITS MOMENT**.

Where can you find CBA?

[CFED Innovation Idea Table](#) – come to answer our **Burning Questions**

[Bronze Sponsor Exhibit](#) – come learn why **It's Not Cool to be Thin**

Session: [“Credit Building is Asset Building: CDFI Small Dollar Loans in Practice”](#)

Session: [“Non-Credit Data and Credit Files: Ideas around Medical Debt and Alternative Credit”](#)



**Frank Discussions**

...with CBA  
Executive  
Director

Dear Colleague,

Preparing for CFED, I realize my very first presentation as Executive Director of CBA was at the 2006 CFED Conference. In Arizona, I first announced the launch of CBA and our mission to help people build assets by building credit.

### Asset Builders as Credit Builders

Since CBA first announced its mission at the 2006 CFED Conference in Arizona, we have grown our membership along with our knowledge—learning from hundreds of you and your clients about the critical connection between good credit and savings:

- A homeless graduate of a workforce development program is now a financial coach. He says it was not re-joining the workforce, or moving out of his car into an apartment, but getting a credit card when he felt part of society again.
- The North Carolina State FCU director calls their payday loan alternative product an "IDA on Steroids," saving North Carolinians \$3.5 million monthly.

#### A credit card? A small-dollar loan? As savings?!

We were hit over the head with a new theory of change: **Credit is an Asset**. With CBA Reporter and CBA Access, CBA is enabling nonprofits to report small loans and access credit reports with the major credit bureaus.

**Did you know CBA is also helping nonprofits build new small loan products through sharing best practices, training and consulting?** As of February, more than 50 of our 160 members told us they had created a new small-dollar loan product. These small loans are diverse—helping community members avoid payday loans and rent-to-own centers, become "green," build credit, build savings, reduce debt and more. For all these reasons, CBA likes to call small-dollar loans Opportunity Loans!

CBA is thrilled to be at the CFED Conference in 2010 as an Innovative Idea Champion and Bronze Sponsor with our mission—"Build Credit. Build Assets."—at the heart of the Assets Movement. This is certainly our moment!

It is also your moment! Asset-building nonprofits are taking the lead in innovating new financial services for their communities. Did you imagine four years ago that credit cards could be a win-win-win strategy to help low-income, underserved consumers build financial capability to maintain mainstream financial relationships?

Below, learn about four CBA Members and their new INNOVATIVE small-dollar loan products created to build savings and credit. Each member worked in collaboration with CBA—we offered them training, consulting, CBA Reporter and CBA Access to deliver these innovative credit products to their clients and the asset-building field.

Within months, I connected with dozens of new friends and colleagues letting me know how much the concept of **Credit is an Asset** resonated with their work in communities across the U.S. with refugees, Native Americans, domestic violence survivors, ex-offenders, job-seekers, students, homebuyers, car buyers, renters and entrepreneurs. The list continues to grow.

This week, as we celebrate the "Assets Movement at its Moment"—we will celebrate Innovations like **Credit is an Asset** demonstrating a broader understanding of savings and assets. Assets cannot only be defined by the money in a bank account or the equity in a home—but in human capital like education, good credit-worthiness and financial capability.

And, unlike in 2006, I will not be representing **Credit is an Asset** solo this week! I will be joined by colleagues and members in the field, as well as CBA's team:

- **Chasity Savage**, Financial Capability Manager
- **Vanessa Carter**, Relationship Manager
- **Patrick Hain**, Relationship Associate
- **Syeda Younus**, Relationship Associate

Please let us know about your innovations to help your clients in today's economy—and how we can help you build credit to build assets!

Best,  
Vikki Frank  
Executive Director

## CBA Member Innovations: Credit-Builder IDAs

### Innovation: Matching Monthly Credit AND Savings



The [Twin Accounts](#) program is not just double, but triple, the fun!

1. The Twin Account turns the IDA savings agreement into a promissory note—the saver agrees to save \$500 (NorthSide FCDCU places \$500 in an interest-earning account). The saver makes 12 regular monthly payments, reported to the major credit bureaus. (This savings account is *a-ok* by AFI!)
2. LISC matches successful savers—but only for *on-time* payments. If your monthly payment is late, you don't earn a match that month. (This match structure is *a-ok* by AFI!)
3. LISC encourages successful savers to use savings to secure a credit card and keep building credit and savings.

### Innovation: Solving Life's Little Emergencies

[KDVA's Credit-Builder Microloan](#) gives IDA savers a small loan secured by their IDA savings account. IDA savers with emergencies keep their IDA and keep saving while also paying back an affordable loan and building credit (loans are reported through CBA). This loan keeps savers away from predatory payday loans in a state where there are more payday lenders than McD's!



### Innovation: Turning Liabilities into Assets

[Citizen Potawatomi CDC](#) has a Credit Builder IDA that helps Native entrepreneurs with a matched savings initiative to pay back debt on their path toward business ownership.



### Innovation: Peer Pressure

Is it peer lending or a savings circle? Either way, [Mission Asset Funds' Cestas Populares](#) also helps participants build credit! Peers in groups give each other rotating loans over a 12-month cycle, while each participant's monthly payment is reported to the major credit bureaus.



## Highlighted Tool: Financial Action Plans

Turn a traditional IDA saver plan into a Financial Capability Action Plan!  
[Access 3 Action Plan tools to get into action!](#)

Credit Builders Alliance (CBA) creates innovative solutions for asset building organizations that help low and moderate income individuals build stronger credit and financial access to grow their businesses and/or personal assets.

Credit Builders Alliance  
Tel: 202-730-9390  
Email: [info@creditbuildersalliance.org](mailto:info@creditbuildersalliance.org)  
[www.creditbuildersalliance.org](http://www.creditbuildersalliance.org)