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Helping Nonprofits
 Build Stronger Credit
 in their Communities



CBA @ OFN!

CBA will be in Minneapolis, MN November 14 – 17 for the OFN conference as a Community Partner Sponsor *and* a Content Sponsor for OFN's first ever consumer lending track!

CBA is involved in the following sessions:

Pre-Conference: Time for CDFIs to Report Business Credit. *Mon, Nov. 14, 4:15-5:45 pm*

Credit Coaching for Native CDFIs: Build and Rebuilding Credit. *Tues, Nov. 15, 7:15-8:15 am*

Acing Consumer Finance Regulation—Regulation 101 for Loan Funds Doing Consumer Finance. *Tues, Nov. 15, 4:00-5:30pm*

Financial Capability: How Small Consumer Loans Can Lead to Big Change. *Wed, Nov. 16, 2:15-3:45 pm*

CBA Fall Member Meeting
Thurs, Nov. 17, 7:30-8:30 am
 Network with credit building peers and learn about upcoming CBA projects and new funding for small dollar loans. [RSVP here!](#)

[Meet a CBA Ambassador!](#) Ask a CBA member with a button why they CBA!

Exhibit Booth: Stop by to say hi, and share a new credit building practice with us! Or sign up for free TA consultation!

CDFIs and Consumer Finance

Opportunity Finance Network is offering a **Consumer Finance Track** for the first time at its 2011 Conference this month in Minneapolis. CBA is excited to be recognized as a **Content Sponsor** along with the Center for Financial Services Innovation. Collaboratively, we created a **Consumer Finance Track** with a sequence of sessions to encourage CDFI loan funds, banks, and credit unions to discuss the need, demand, risks, and opportunities for CDFIs to offer consumer loans. We hope this track will move forward an important debate on the role of CDFIs to help consumers in underserved communities build assets, not debt, by offering alternatives to the fringe and the predatory consumer products depleting the wealth in our communities. The track is designed to offer a great introduction for CDFIs, as well as a platform to discuss more advanced strategies with CDFIs engaged in consumer finance activities.

The Consumer Finance Track begins with **Underbanked 101**: an overview of the financing needs of consumers to help us define who the underbanked are, what they need, and how they need it. This is followed by **Regulation 101** with examples of CDFI loan funds who are learning to ace consumer finance regulation. Next up is a session on new sources of **financing** for consumer finance. The final two sessions highlight CDFIs that are successfully offering consumer financial products. The **Financial Capability** session introduces CDFIs that are offering small dollar loans that lead to big change. These models emphasize how strategies, like credit building and financial coaching, turn the delivery of consumer debt into a savings and asset building activity worthy of CDFIs. Each approach also demonstrates opportunity for scale and replication. The **Partnership** session will focus on national platforms that are helping CDFIs deliver diverse consumer financial products in their offices.

We hope you will join the discussion at OFN and beyond as CDFIs innovate ways to deliver consumer financial products that build wealth for our communities in this new economy! At the end of the day, we hope you will see how CDFI consumer finance can be a "better mousetrap" and not another debt trap!

CDFIs and Small Businesses

Small business credit has taken a hard hit in this economy. One of the most frustrating consequences of the Great Recession has been the squeeze on small business credit. As equity in real estate disappeared, the day-to-day cash flow operations of small businesses were strangled. Conventional lenders continue to eschew manually underwriting loans under \$250k and favor using more profit-maximizing consumer credit to automate underwriting. At the same time, more CDFIs are expanding their expertise to underwrite small businesses -- this starts with consumer credit, but leads to need for business credit. As we work with CDFIs, we want to be forward-thinking toward solutions that can help businesses leverage business credit. We want to change the world and make it a better place for our businesses to succeed! We believe that better flow of small business data to credit bureaus that can aggregate and automate small business underwriting can help make business lending more cost-effective. Experian Business Information Group has made a commitment to small business reporting, and CBA is excited to launch **Business Reporter** at OFN. It is time for CDFIs to business report, and CBA can make it cost-effective and easy to get your data to two business databases. Together, we can help create a world where you can provide the seed funding today, and small businesses can access affordable conventional capital tomorrow.

Frank Discussions

...with CBA Executive Director



Dear Colleague,

2011 has been an exciting year of expansion for CBA. Our theory of change **Credit is an Asset** continues to resonate with diverse nonprofit audiences. Invited as a plenary speaker at the Habitat New Orleans regional conference, the luncheon broke into applause for the single affiliate that reported mortgages as a service to their families. The room concurred that *not* reporting mortgages is a *disservice* to the vast majority of families that pay on-time. In prompt follow-up, the Habitat affiliate in Monroe County convened a coalition and asked CBA to “mentor” them to lift their county’s average credit score out of the bottom 4 (per Experian’s country comparison) over the next 12 months. We are not just stopping at homeowners. CBA is working to understand how Experian’s RentBureau will enable renters the same credit building opportunities as their homeowner neighbors – to make monthly housing payments count toward establishing traditional credit.

All this leads to more **Innovative Change\$ at CBA**. That’s right, our most recent addition is Sarah Chenven, formerly founding director of Innovative Change\$, and now CBA’s Innovations Director. With Sarah, the CBA team of 9 is bigger, brighter and more innovative than we’ve ever been to serve our members and the field.

CBA: Credit Card

We introduced CBA Credit Card Condoms in 2010 as a credit building tool for our members! Click the photo to see Vikki showing the Chicago Credit Building Coalition how to use them.



Business Reporter Member Spotlight: WEV

Women’s Economic Ventures (WEV), a micro-loan fund and self-employment training program out of Santa Barbara, California helped CBA work through the kinks to pilot CBA Business Reporter. They began submitting data to Experian Business Information Solutions in December 2010 and to Duns&Bradstreet in 2011. WEV is helping 75 micro-businesses begin to build a business credit profile with loans from \$1,000 to \$50,000.

“Clients are excited to hear that they’re establishing business credit,” said Devon, Business Development and Loan Officer, “Business credit helps show banks that the business is well established. For a lot of small business loans, banks will look for business credit ... it’s definitely good for clients with large businesses that are seeking loans in the future.”



Aureliano Lopez opened the restaurant, Tacos El Tizon, with his brother, Gelacio with the help of WEV. (Source: www.wevonline.org/)

Business Reporter Member Spotlight: UCEDC



Union County Economic Development County (UCEDC) is a CDFI and a US SBA microloan intermediary that offers small business loans up to \$150,000 throughout New Jersey.

One of CBA’s earliest members, UCEDC stepped up again to help pilot test CBA’s new Business Reporter service. For just the \$200 annual add-on, UCEDC began building business credit for the 300 business loans in their portfolio starting in February 2011.

“We wanted to be able to assist our business owners have business credit histories as well as personal credit histories. It is also an opportunity to build credit for nonprofit organizations that borrow from us which was not possible prior to Business Reporter” said Senior Director of Financial Programs Ellen McHenry.

Christopher Dutka received a loan from UCEDC and is now the proud owner and head chef of Christopher’s Kitchen in NJ. (Source: <http://www.cateringservicenj.com/>)

Are you working on your CDFI Fund Application?

Credit building and outcome tracking are powerful tools for any CDFI loan fund working with low-income homebuyers, entrepreneurs, and consumers. The cost of credit reports, reporting software, reporting service fees, building training workshops, and staff time to integrate and implement credit building strategies and tools to serve your community can all be eligible uses of CDFI Fund TA and FA dollars. If you are applying for TA, make sure credit building needs are justified and clear in the TAP, the budget, AND the narrative. If you are applying for FA, build credit reporting, reports, and education into your Comprehensive Business Plan as strategies to strengthen your development services, portfolio quality, and lending activities. Help underserved entrepreneurs and consumers improve their financial lives and your community!

CDFI Fund applications are due January 11, 2011! Don’t miss this opportunity to work credit building into your CDFI business plan and budget!

CBA is your one-stop shop for technical assistance and services around credit building and credit reporting. *Have questions or need more information?* Contact the CBA team at info@creditbuildersalliance.org or 202-730-9390.

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

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