



### 1. Define Organizational Mission

When designing a new credit builder product, think first about the mission and goals of your organization as well as the need of your community. Non-profit lenders are able to offer loans that are tied to their wealth building and economic development mission. What is your organization's motivation or interest for offering a credit builder product? Ensuring that the product you choose clearly fits your mission-related work will help you get buy in from you board and colleagues and also stay true to your non-profit status.

### 2. Define Target Audience

Once you know how the product will meet your mission, the next step is to define the specific target market for the product.

- Is there a credit builder product that can help you serve your current client base better?
- Will a credit builder loan help you to attract new community members to your offices?
- Is there a well-documented existing need for a credit builder product in your community?
- Do you need to conduct a needs assessment to help you define community need and demand?

### 3. Assess Need of Target Audience

Once you have defined your target audience, take some time to think more specifically of their need and demand. Do you wish to offer a product to your IDA savers? Entrepreneurs? Students? Workforce development clients? Homebuyers? Help community members get out of debt?

### 4. Define Product that Meets Need

What kind of credit builder product does your target market need and demand?

- Do homebuyers need a very small loan to help them build credit without debt? Will they need this loan to be active for more than 6 months? Will this product be a transition to a secured credit card?
- Do entrepreneurs need a \$2,500 loan to help build business capital or pay off personal debt while building credit towards a larger loan?
- Do consumers need \$3,000 to pay off payday lenders and other high cost credit and free themselves of a spiraling debt trap?
- Do IDA savers want a product that helps them build savings and credit?

### 5. Evaluate Capacity and Partnerships

***Are you an organization that can offer small loans directly to your clients?***

- What credit limits and underwriting policies does your organization currently use?
- How would a credit builder product require you to update and re-evaluate your current lending?
- What additional requirements or criteria can help you ensure that both your clients and your organization benefit for a new product?

***Do you have a partnership with a bank or credit union who can offer a special product to your clients?***

- What credit builder products do local banks or credit unions offer?
- What are their requirements for underwriting these products? Can you work with your partner to create a streamlined underwriting - or even an online process to offer products to all your clients.
- Is it possible to create secured lines of credit against your clients IDA or savings account?
- Can you offer an unsecured credit card based on established alternative credit history?
- Remember, helping your bank partners build a credit relationship with new customers is a win-win situation.

***What other community partners can help you build credit in the community?***

Are there local employers who would appreciate referring clients to a credit builder loan than offering a salary advance? Could homeownership counseling centers extend credit building services to microentrepreneurs or IDA clients more generally?