



This tool helps EITC practitioners think through strategies for integrating credit building into the marketing and activities of an EITC campaign, including best practices for offering credit reports at VITA sites.

"Should I use my EITC refund for a down payment on a new car or to pay off my credit card debt?" Does this sound like your clients? For many EITC filers, the promise of soon-to-arrive cash means they get to make financial decisions that they usually don't have the luxury of making. Often by the time they arrive at the tax site they have already "spent" their entire credit. EITC campaigns and VITA sites offer a wonderful opportunity to touch thousands of low and moderate-income families and help them plan ahead and build credit. For many nonprofits, EITC campaigns are unique opportunities to expand their client base and also partner with many different types of partners in a community including banks, credit unions, credit counseling agencies and others. The EITC space can also be a teachable moment for credit builders.

Step 1: Plan ahead

Consider the many ways you can offer credit building opportunities during an EITC campaign. Evaluate your resources and be creative about what you and your partners can offer:

- Free credit report pulls along with tax preparation? If you can't afford to provide free credit reports, consider using a computer to assist customers to pull their annual free reports from www.annualcreditreport.com
- On-site credit counseling sessions?
- Credit information facts in hand-outs?
- Referrals or Vouchers for free credit reports and counseling to be used at partner agencies?
- Educational materials about credit?
- A map of locations where community members can receive credit education and counseling?

Step 2: Build partnerships

- **Can EITC partners help you provide free credit reports and credit counseling on-site?**
 - Is there a credit counseling or HUD-certified housing counseling agency that has a budget to pull free credit reports and provide credit review or coaching?
 - Can bank or credit union partners offer to subsidize or pull reports for EITC clients?
 - Can you raise grant funds to support this service?
- **Build new partnerships to bring in needed resources.**

Can you bring in new EITC credit building partners? Your community most likely includes an array of for-profit and non-profit organizations providing education and counseling about personal financial matters. Help these organizations understand the value of joining the EITC campaign efforts. Potential partners may include:

 - Credit counseling agencies: www.debtadvice.org/takethefirststep/locator.html
 - Community Development Financial Institutions: www.cdfifund.gov
 - Credit Unions: www.ncua.gov
 - Financial Institution partners
 - Microenterprise Development Organizations: www.microenterpriseworks.org
 - IDA (Individual Development Account) providers: www.acf.hhs.gov/assetbuilding/grantees or www.idanetwork.org
 - Other non-profits, church or civic organizations involved in asset-building
 - City Offices of City campaigns like AmericaSaves: www.americasaves.org or Bank on San Francisco

Step 3: Create implementation strategies

- Would it be helpful to have specialized volunteers?
- Do you have volunteers who would like to help out but do not want to prepare taxes?
- What training will be required for credit builder volunteers?
- What fund-raising or partner-building will be needed?

Step 4: Integrate into EITC marketing materials

- Are you using a website or posters on bus shelters to market the EITC campaign? Can messages about credit be integrated?
- Free credit reports can provide further incentive for community members to make use of your site.

Step 5: Offer credit building at your EITC/VITA site

- Ask clients on an intake form if they would like credit coaching. Provide on-site credit counseling, vouchers or referrals to those who express interest.
- Have volunteers engage people as they are waiting and encourage them to access the available credit building resources. Clients are generally more likely to add-on services while they are waiting; once their tax preparation is complete they are usually eager to go.
- Be sure all volunteers and staff at the sites know about the credit building opportunities being offered. Practitioners who have successfully offered credit building at VITA sites have cited that it is vital that all volunteers and staff are knowledgeable and buy into the credit building work.
 - Be sure they understand the credit reports' role in asset development for the clients.
 - Ask tax-preparation volunteers in encouraging clients to use the credit-building services.

During the 2006 tax preparation season, the Nehemiah Gateway Foundation of Wilmington, DE found EITC clients enthusiastic about receiving credit reports and counseling. They pulled free credit reports for 2,542 clients, 21% percent of those who came for tax preparation. This was a much higher opt-in rate than those who signed up for bank accounts, split refunds, or their IDA program.

Read more about how Nehemiah Gateway integrated credit building into their EITC offerings on the CBA website at www.creditbuildersalliance.org/toolkit.

Step 6: Evaluate the success of integrating credit

- Start small and build year by year. You may wish to begin by offering free credit reports to a small number of clients, perhaps the first 200 who are interested. This will give you information about your clients' enthusiasm for the service and issues encountered in providing it. Build on your lessons learned in coming years.
- Follow-up with clients who received on-site credit services as well as those who accepted vouchers or expressed interest in future credit building opportunities.