

# Immigration Loan Cheat Sheet

	CBA Member Practices
<b>Purpose</b>	Loans to cover costs associated with gaining a legal residency status
<b>Restrictions on use of funds</b>	Some nonprofit lenders just cover filing fees, other cover indirect costs of legalization including legal fees, transportation costs, missed wages, etc.
<b>Loan amount range</b>	\$725 to \$20,000 (average: \$1,796)
<b>Loan terms</b>	6 months to no cap
<b>Interest rate</b>	0%-21%
<b>Application Fee</b>	\$0-\$35
<b>Origination Fee</b>	\$0
<b>Late Fee</b>	\$15 (or 5% of late payment) to \$30 (or up to 10% of late payment)
<b>Non-sufficient funds fee</b>	\$0-\$35
<b>Charge-off rate</b>	0%-2.8% (average 0.7%)
<b>Loan loss reserve</b>	0%-12% (3 out of 4 organization did not have a specific LLR)
<b>Key Underwriting Considerations</b>	<ul style="list-style-type: none"> <li>■ Ability to pay</li> <li>■ Some attention to borrower’s credit score, history, and debt-to-income ratio; distinguish between consumer debt and medical debt</li> <li>■ Allow for different forms of identification and documentation</li> <li>■ Ensure that applicant has received sound legal advice and applying for the appropriate type of residency, and is prepared to meet the non-financial application requirements</li> </ul>

# Immigration Loan Cheat Sheet *continued*

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Security/Collateral	<ul style="list-style-type: none"> <li>■ Not common</li> </ul>
Loan servicing and payments	<ul style="list-style-type: none"> <li>■ Monthly payment reminders</li> <li>■ Flexible payment options (i.e. online, in-person, via mail)</li> </ul>
Collection procedures	<ul style="list-style-type: none"> <li>■ Notices at 10, 30, 60, and 90 days late</li> <li>■ Options for loan modifications</li> <li>■ Contact references to ensure borrower is not sick or hospitalized</li> <li>■ Send to collections and charge-off at 120 days</li> </ul>
Borrower support/ Financial education	<ul style="list-style-type: none"> <li>■ Review budget and credit report during the application process</li> <li>■ Offer ongoing financial development opportunities throughout the course of the loan</li> <li>■ Offer a graduation product once loan has been paid-off</li> </ul>
Credit Reporting	<ul style="list-style-type: none"> <li>■ Report to all three major credit bureaus</li> </ul>
Measuring success	<p>Collect information on:</p> <ul style="list-style-type: none"> <li>■ Financial wellbeing</li> <li>■ Credit strength</li> <li>■ Asset building</li> <li>■ Success with repayment</li> <li>■ Changes in residency status</li> <li>■ Loan's impact on borrower's quality of life</li> <li>■ Borrower's program satisfaction</li> </ul>