

# Housing Stability Loan Cheat Sheet

	CBA Member Practices
<b>Purpose</b>	Loans to help low-income renters achieve housing stability
<b>Restrictions on use of funds</b>	Loans can cover the costs a) associated with moving (security deposit, first and last month's rent, moving truck, etc.) b) eviction prevention (catching up on large bills, paying past landlord debt, etc.)
<b>Loan amount range</b>	\$1,000 to \$3,000 (average: \$961)
<b>Loan terms</b>	6 to 36 months
<b>Interest rate</b>	0% to 30% (average: 11%)
<b>Application Fee</b>	\$0 to \$30
<b>Origination Fee</b>	\$0 to \$100* * For three of the lenders, the fee depends on the size of the loan
<b>Late Fee</b>	\$0 to \$30
<b>Non-sufficient funds fee</b>	\$0 to \$35
<b>Charge-off rate</b>	1% to 21% (average: 11%)
<b>Loan loss reserve</b>	5% to 15% (average 11%)
<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>■ Some measure of stability besides housing stability (ie employment, income, etc.)</li> </ul>

# Housing Stability Loan Cheat Sheet *continued*

## CBA Member Practices

<b>Security/Collateral</b>	<ul style="list-style-type: none"> <li>■ Consider adding a forced savings component or asking for co-signers in applicable situations</li> </ul>
<b>Loan servicing and payments</b>	<ul style="list-style-type: none"> <li>■ Monthly payment reminders</li> <li>■ Flexible payment options (i.e. online, in-person, via mail)</li> </ul>
<b>Collection procedures</b>	<ul style="list-style-type: none"> <li>■ Notices at 10, 30, 60, and 90 days late</li> <li>■ Options for loan modifications</li> <li>■ Send to collections and charge-off at 120 days</li> </ul>
<b>Borrower support/ Financial education</b>	<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>
<b>Credit Reporting</b>	<ul style="list-style-type: none"> <li>■ Report to all three major credit bureaus</li> </ul>
<b>Measuring success</b>	<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>■ Access to housing</li> <li>■ Housing stability</li> <li>■ Borrower’s program satisfaction</li> </ul>