



COVID-19: Credit Reporting & Borrower Support

Lender Roundtable Series
April 2, 2020

© 2020 Credit Builders Alliance, Inc. Some rights reserved. CREDIT BUILDERS ALLIANCE and the accompanying Logo are trademarks of Credit Builders Alliance, Inc. This document is licensed under a Creative Commons Attribution-Noncommercial-Share Alike License (US/v.3.0).

Noncommercial uses are permitted on the condition that you include an attribution to Credit Builders Alliance. If you alter, transform, or build upon this work, you may distribute the resulting work only under the same or similar license to this one. More information regarding the license is at: <http://creativecommons.org/licenses/by-nc-sa/3.0/>. Requests for permissions beyond the scope of the license should be directed to Credit Builders Alliance, Inc., at www.creditbuildersalliance.org/. Credit Builders Alliance ("CBA"), a not-for-profit organization, makes this information available for informational purposes only. This information is not intended as legal, financial, or other advice, and you and your clients should consult qualified advisors before making any decisions. CBA does not represent that any of the information will produce results.

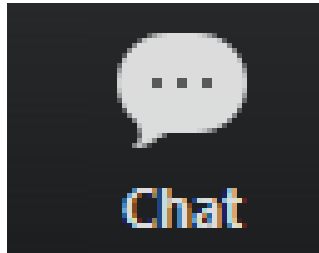
CBA's Training Institute



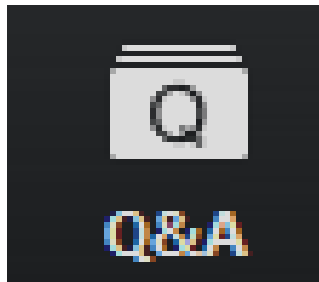
www.cbatraininginstitute.org



Reminder!



Tech questions? Chat the panelist. If you choose to raise your hand, please still chat the panelist.



Questions for the presenter? Type them into the Q&A box. These will be answered at the end.



Today's Agenda

- **Darlene Goins, Wells Fargo: Resilience Lending**
Mary Jo Halder, CBA: Credit Reporting
- **Emerson Sekins, Northwest Access Fund: Remote Lending**
- **Ryan Flanders, Rocky Mountain MicroFinance Institute: Communicating with Borrowers**
- **Q&A**



CBA Fund Response: Resilience Lending

Thanks to generous support from:



CBA Fund is providing loan capital, resilience grants and technical assistance to nonprofit lenders to offer Resilience Loans.

Resilience Loans cover gaps in income during periods of furlough or unemployment to help consumers maintain housing stability, and meet other emergency needs.



Resilience Loan Terms

- **Term: 12-18+ months**
- **Interest rate: 0%**
- **Origination fee: \$0**
- **Late payment fee: \$0**
- **Size: \$500-\$3000 (estimated average: \$1500)**
- **Flexible repayment terms:**
 - **deferred for the first three to six months**
 - **lender is required to be flexible with repayment terms based on the borrowers' circumstance after three months**
 - **no prepayment penalty**



Disclaimer

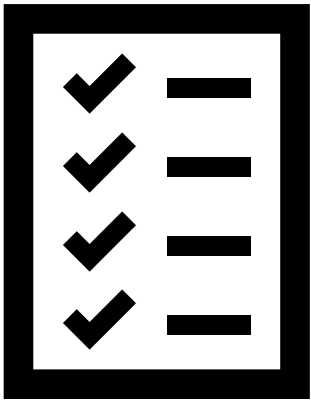
This information is not intended to be legal advice and may not be used as legal advice.

Every effort has been made to assure this information is up-to-date. It is not intended to be a full and exhaustive explanation of the law in any area, nor should it be used to replace the advice of your own legal counsel.



Q: Do We Have to Report During a Disaster?

A: Yes, you need to keep reporting



- Bureau contracts state you'll send monthly data
- Software may advance delinquencies or cause unintentional errors when you restart reporting
- Borrowers stalled as of last reporting, including delinquent borrowers who may have caught up or restructured in interim
- Potential for increased disputes



Q: How Do We Set Our Policies around Reporting?

A: Creditor-by-creditor business decision

- How long are you offering assistance?
- Will you offer blanket or case-by-case assistance?
- What options are available if the disaster stretches on?
- How will you communicate with clients?

Talk to your legal resources!



Q: What Options Do Reporters Have?

A: Consult guidance from the Consumer Data Industry Association and Credit Reporting Resource Guide

- 1. Special Comment Code AW**
- 2. Deferment + Special Comment Code: AW**
- 3. Forbearance – Special Comment Code: CP**

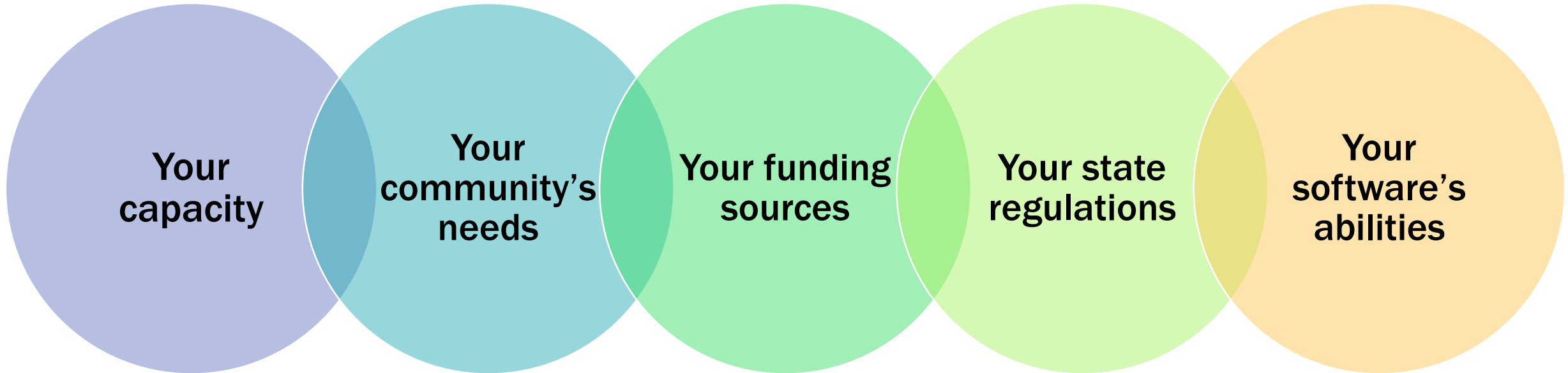
Credit Impact:

Neutral impact on credit score for all above options.



Q: What's the Best Option?

A: Creditor-by-Creditor Business Decision



Talk to your legal resources!



Q: What if Our Software Isn't Programmed for These Disaster Options?

A: Be as accurate as possible

- Report as many fields as accurately as possible, following CRRG guidance
- Reach out to your software provider and copy in the CBA Bureau Services Team at help@creditbuildersalliance.org
- Keep in mind: Most software require updating each account individually, rather than in bulk



Q: What if Our Normal Business Operations are Interrupted or Have Changed?

A: Consult with your team and legal resources

- **Create and check your policies**
- **Consider what is necessary for you to operate**
- **How will your authorizations need to adapt?**
- **Keep data security in mind**

**Talk to your IT support and
legal resources!**



New: Reporting Office Hours

What we can assist with:

Overview of options

Fields to pay attention to in software

General software options/limits

General reporting and dispute questions

If you have additional COVID-19 questions, use this link to set up a 30-minute call: <http://bit.ly/CBAOfficeHours>





Northwest**Access**Fund

Independence is priceless. We make it affordable.

Emerson Sekins, MPA

Executive Director

Supporting Borrowers Remotely

- Operational Logistics now that employees are working from home
 - Phones
 - VOIP (Internet phone system)
 - Limit personal cell phone use depending on line of business
 - Voicemail protocol
 - Texting
 - Faxes
 - eFax system
 - Mail
 - Forwarding
 - P.O. Box
 - Staff coordination
 - Physical File Security and Tracking

Supporting Borrowers Remotely

- ▣ Operational Logistics - employees working from home
 - ▣ Internet security measures
 - ▣ Secure home-based internet
 - ▣ Password Management
 - ▣ 2-factor Authentication
 - ▣ Anti-virus software
 - ▣ Data storage policies
 - ▣ Cloud-based software
 - ▣ Database/loan-pipeline
 - ▣ Loan Management Software
 - ▣ Financial Management Software

Supporting Borrowers Remotely

- ▣ Management considerations
 - ▣ Team communication
 - ▣ Chat
 - ▣ Slack
 - ▣ Zoom
 - ▣ Remote management
 - ▣ Insurance policies
 - ▣ Financial policies
 - ▣ Dual Authorizations
 - ▣ Transitioning to Bill Pay



CBA COVID-19 Webinar

Payment Flexibility and Borrower Communications

Ryan Flanders
Capital Manager
ryan@rmmfi.org

Theresa Rinne-Meyers
Director Impact
theresa@rmmfi.org



RMMFI Overview

RMMFI is a community creating economic and social mobility through entrepreneurship. We help curious people transform into serious entrepreneurs through personal, business, and financial investments.



Our Values

Put Entrepreneurs **First**.

Think **BIG**.

Do **Great** Work.

Build **Genuine** Relationships.

Be **Relevant**.

Be thankful and **celebrate!**



Payment Flexibility Options: What to Consider

- Portfolio Size - \$ and # of loans
- Lending staff capacity and technical infrastructure
- Your target market, borrower profile, and underwriting philosophy
- Your financial self-sufficiency model, risk profile, and loan funds
- Your mission, vision, and values
- Other support you plan to offer

What We Did: 3 month payment holiday

- Loan payments not required for March, April, May.
 - Changed next payment due dates to 6/15/2020 so delinquency does not advance
- Refunds available for March payments already made
- Stopped accruing interest from 3/18/2020 through 6/1/2020
- Voluntary payments made will go to principal as extra payments
- AW Special comment code on all loans


Outreach and Communication

- Payment holiday
 - Letter emailed BCC to all borrowers outlining the payment holiday
 - Direct email or text to all who didn't reply to email within 2 days
 - Compile and process refund requests, send new billing statements
- Outreach to all program entrepreneurs - calls, texts emails
 - Ongoing follow up, workshops, roundtables, mentor connections

Evaluating Impact

- Improvements in personal stability
 - Stoplight approach (red/yellow/green depending on need)
- Businesses milestones: open or relaunched, business pivot, rehiring staff
- Loan repayments: repayment rate, repayment amount, and credit score
- Satisfaction with personal and business status

Additional COVID-19 Resources



CBA support during the COVID-19 crisis

COVID-19 has created a challenging reality for many households and businesses. CBA is working hard to support our members as they continue to serve their communities in this moment of uncertainty.

[Find resources here](https://cbatraininginstitute.org/covid/)

<https://cbatraininginstitute.org/covid/>



Save the Date!

CBA Members-Exclusive Webinar

**FUNDING OPPORTUNITY:
Accessing Revolving Loan Funds and
Support for Disaster Recovery**

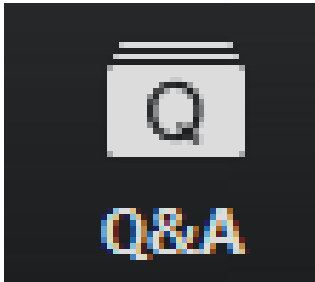
4/23/20, 2 pm ET

Register @

bit.ly/CBA_events



Q&A



**Type your questions into
the Q&A box!**



Thank You!

webinars@creditbuildersalliance.org

