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Capitalization

On Demand

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Our Mission

Bridging the gap between equity-focused nonprofits and credit bureaus to unlock credit as an asset for all

Our Philosophy

Good Credit is an Asset

Mission-driven nonprofits and other entities are uniquely positioned to help the households they serve build credit as an asset – often the **foundational** asset.



CBA Fund

CBA Fund is Credit Builders Alliance's Community Development Financial Institution (CDFI) intermediary.

We help nonprofit leaders start or grow a small dollar consumer loan program to provide safe and affordable alternatives to predatory loans in their communities.

We employ a three-pronged approach of support:

1. Loan capital
2. Capacity-building grants
3. Technical assistance



The Small Dollar Consumer Lender Boot Camp

This course is part of the SDCL boot camp

Loan
Product
Design

Policies and
Procedures

Capitalization

Underwriting

Staff
Capacity

Marketing

Learning Objectives



Learn the key elements and inputs of an SDCL capitalization plan



Consider the benefits and risks associated with different funding sources for an SDCL program



Understand the role that your loan fund's risk tolerance and goals play in your capitalization plan

Definitions



For the purposes of this training:

Small Dollar Consumer Loan (SDCL) are loans that are used for personal stability uses and household purposes. They are usually \$2,500 or less.

Course Expectations

This course will cover

- The importance and structure of a capitalization plan
- Different types of funding that loan funds may include in their capitalization plans
- An overview of models for a Loan Loss Reserve
- Data that is relevant to your capitalization plan

This course will NOT cover

- The total capital needed for a SDCL program
- A decision on whether or not to pursue particular types of funding
- Guidance on applying for specific funding opportunities

Activity



Throughout this course, you'll be asked to review different course materials, including an SDCL Workbook. You may also wish to fill out these resources as you watch the videos.

Course Structure

This course contains six modules:

1. Introduction
2. Creating a Capitalization Plan
3. Common SDCL Funding Sources
4. Loan Loss Reserves
5. Leveraging Your Capitalization Plan
6. Course Recap