



# Achieving Credit Strength: Programmatic Considerations for Supporting Returning Citizens

**CBA Webinar  
November 19, 2020**

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Attendees will remain in listen-only mode throughout the webinar.

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Questions? Type them into the Q&A box.



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# CBA's Training Institute



[www.cbatraininginstitute.org](http://www.cbatraininginstitute.org)



# Agenda

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## **Introduction**

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## **Cohort Presentations**

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## **Q&A**

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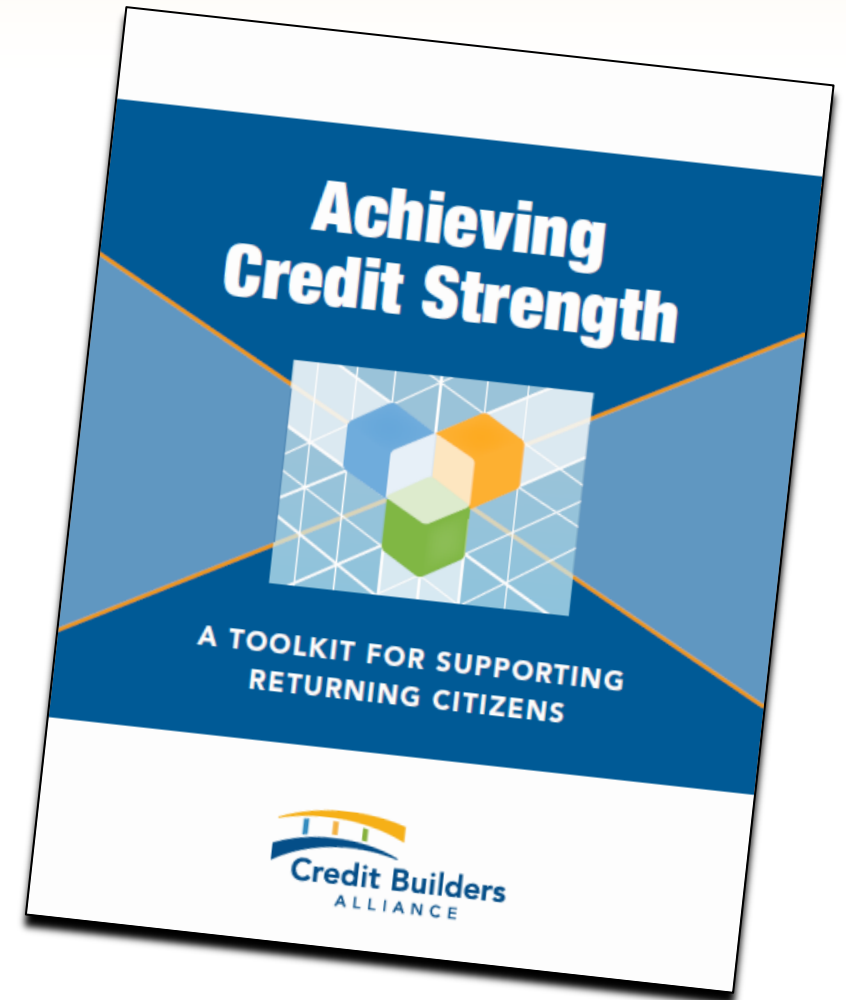
# A Special Thanks!

JPMORGAN CHASE & CO.



# Toolkit Preview

- **Designed to be used in financial capability, community development and reentry programming**
- **Offers CBA's Credit Strength Roadmap as a framework**
- **Incorporates call-outs, practitioner tips, program examples**
- **Provides credit building strategies and tools to enhance client outcomes**
- **Available for download at [bit.ly/RCTK\\_2020](https://bit.ly/RCTK_2020)**



# Meet the Cohort





# Achieving Credit Strength Webinar: Programmatic Strategies for Supporting Returning Citizens

Chad A. Sanders, Director of Economic Empowerment  
November 19, 2020

# Mission & Values

1. Who Are We?
2. What Do We Believe?
3. Who Do We Serve?
4. How Do We Work?
5. How Do we Define Success?



# Economic Empowerment Division



- Small Business Incubator
- Pay-it-Forward Communal Loan Fund
- Financial Security & Credit Building



# Program Overview: Pay it Forward Communal Loan Fund

## Loan Products

- Zero Interest
- Low Monthly Payments
- Flexible Repayment terms
- Forgivable Loans & Direct Services Grants
- Small Business Loans

## Financial Security & Credit Coaching

- *Change Machine*
- Financial Life Skills
- Volunteer Income Tax Assistance (VITA)
- Homebuyer Program Referral

# Economic Empowerment: Outcomes & Impact

- Over \$50,000 in loans given to reduce barriers to reentry and improve financial security
- Launched and/or scaled fifteen (15) small businesses
- Secured permanent housing for over 100 recently released individuals through our transitional housing program
- Partnered with local government and civic organizations to ensure returning citizens are eligible for first-time homebuyer incentives

# Overview of UCEDC



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## Loans up to \$250,000

Thanks to our Community Advantage 7a program.

Are you ready to apply?



### LOANS

Small business financing for start-up and growing businesses

### TRAINING

Entrepreneurial seminars and free business skills workshops

### GOV'T CONTRACTING

Free counseling, training and support to get you going and winning

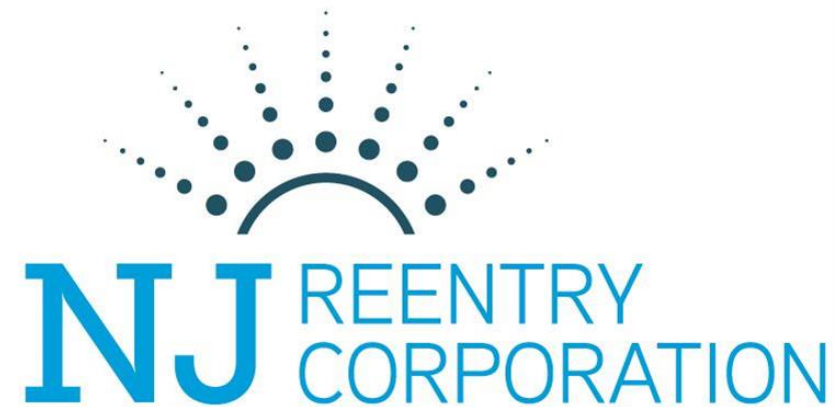


75 Chestnut Street, Cranford, NJ 07016

908-527-1166 [www.ucedc.com](http://www.ucedc.com)

# Credit Training for Returning Citizens

Collaborated with our partner NJ Reentry Corporation to introduce court-involved individuals to entrepreneurship and credit training.



# Entrepreneurship as a Second Chance Program



Entrepreneurship as a Second Chance is an intensive training program to provide a pathway to sustainability through business ownership.

# COVID-19 Loan Program

Specialized loan program for businesses affected by the COVID-19 pandemic

- Loans up to \$15,000
- 0% interest
- First 6 months paid under SBA relief program

145 loans for over \$2 million issued

Ellen McHenry – [emchenry@ucedc.com](mailto:emchenry@ucedc.com)  
Alejandro Cruz – [acruz@ucedc.com](mailto:acruz@ucedc.com)



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# Credit and Asset Building for Returning Citizens in Rural Maine

Jim Macomber and Chris Linder



# Partners

- **Penquis Community Action Agency (parent)** – affordable housing, case management providing social services wraparound services
- **MaineStream Finance (subsidiary)** – nonprofit CDFI working in homeownership and small business development (and also a member/user of CBA's credit reporting services)
- **Maine Prisoner Re-entry Network (MPRN)** – new coalition (2017) with seven (7) local chapters throughout Maine
  - consisting of nonprofits, religious organizations, concerned citizens, local and state government agencies working together to help those formerly incarcerated back into public life

# Needs of Re-entering Citizens in Maine

- Credit is typically destroyed – may experience fraud/identity theft while in prison
- Cannot open bank accounts prior – sometimes leave prison with \$30,000 from earned income
- Addiction is one of many issues. Partnerships are absolutely needed – cannot just focus on financial coaching/credit building and hope it works
- Maine has a demographic population of only 5-7% nonwhite while the prison population is more around 20% nonwhite, including African American, Native American, and Latino/Hispanic populations
- Often end-up away from family/support network in rural hubs/larger towns (for work and other services) once out of prison

# Basic Approach - What and How

## Leveraging a Network – Partnerships are key

MaineStream Financial Coaches support & train MPRN “re-entry coaches” and partners to provide front-line basic support to re-build credit, budgeting, etc.

- Can serve many more clients this way and earn trust more quickly – locally focused/peer focused
- Created 1-2 hour workshop modules for 6-8 week re-entry coach training
- Provide ‘snippets’ of new tools/topics 1-2x per month to the network during regular meetings (15-20 minutes)
- Using CBA Credit Building Toolkit and CFPB Your Money, Your Goals Module – both for Returning Citizens

# Basic Approach – Who

## Leveraging a Network – Partnerships are key

### Two-Tiered Approach

- **Inside Prison** – through Department of Corrections social worker staff and peers to provide credit building and financial coaching and workshops– typically for those who have 6 months or less left in time served. *(in design phase right now – planned for early 2021)*
  - *Working with Maine Department of Corrections to help the incarcerated receive their credit reports while still in prison (addresses are an issue)*
- **Outside Prison** – through MPRN Re-Entry Coaches who cover other needs, such as housing, addiction recovery, finding work, etc. Many are volunteers and peers who have served prison sentences and are recovering from opioid addiction. *(in implementation phase)*

# Impacts of COVID-19

## Positives

- Initially providing support to just two towns in Maine – now can extend state-wide with all MPRN chapters with virtual training and support
- Opening of channels within the prison system – no need for logistics issue of having people allowed in and moved around.

## Negatives

- Addiction services and supports have greatly reduced – transitions are much harder/reversion has happened
- Re-focus on basic human needs, such as housing, food, work
- Employment opportunities are down - can only give so much financial coaching but without income – it means very little

# Possible Future Steps

- Help create new checking account product or process with local banks/credit unions to open bank accounts while still in prison – exploring with local credit unions and community banks
- Provide entrepreneurship training to those wanting to start a business
- Roll out credit building coaching to other prisons (7-8) throughout Maine – women's prison after initial pilot

To Find Out More:

[www.mainestreamfinance.org](http://www.mainestreamfinance.org)

[www.penquis.org](http://www.penquis.org)

<http://re-entrymaine.org>

Jim Macomber, Financial Coach, MaineStream Finance, [jamcomber@penquis.org](mailto:jamcomber@penquis.org)

Chris Linder, CEO, MaineStream Finance, [clinder@penquis.org](mailto:clinder@penquis.org)



# CBA Webinar Achieving Credit Strength: Programmatic Strategies for Supporting Returning Citizens

Ryan Flanders  
Capital Manager  
[ryan@rmmfi.org](mailto:ryan@rmmfi.org)



# RMMFI North Star + Guiding Philosophies

People are **unstoppable forces**.

**Life circumstances** are **real and sometimes overwhelming**, yet they should not determine **what we can do in the present or be in the future**.

We believe everyone should be **free to make choices to activate the possible**.

RMMFI creates the space for **communities and people of all backgrounds** to realize their **unique potential through the power of entrepreneurship**.

The Whole Entrepreneur - Capital Meets Capacity - Transition to  
Independence - Community Centric Approach

# RMMFI Overview - What We Do

- 501(c)3 and certified CDFI based in Denver, CO, founded in 2008
- Supported the launch or growth of 275+ businesses over 33 cohorts of our Business Launch Bootcamps in Denver and Aurora, CO.
- Distributed more than \$715K over 251 loans at ~94% repayment rate.



# Our Lending

- 10+ years of lending exclusively to under-resourced entrepreneurs facing a variety of barriers and whose incomes were under 80% of AMI at program intake
- “Capital Meets Capacity” philosophy: character and relationship-based lending model rooted in the entrepreneur’s journey through our programs. Also: building capacity through lending experience.
- 4 loan products (\$200 to \$75,000) with pre-qualification requirements tied to progression through our program phases
- Seed, Launch, Thrive, and Growth Loans. Credit Reporting through CBA on all loans (Seed loan optional)
- Patient, proactive, and relationship-based collections system

# Our Work with Returning Citizens: Transforming Safety and REBILT

- Pre-2019 work
- Transforming Safety Program 2019 and 2020
- REBILT initiative starting 2020/2021 (delayed due to COVID, but restarting)
- 2020 CBA Cohort Member - testing the Achieving Credit Strength Toolkit for Supporting Returning Citizens

# Achieving Credit Strength Toolkit for Supporting Returning Citizens

## How we we used the toolkit this year

- Quick wins:
  - Leveling up credit reporting
  - Begin credit pulling through TransUnion via CBA Access
  - Bring basic credit education + coaching in-house (FICO Open Access for C&FC)
  - Impact evaluation framework
- Looking to the future:
  - Inspiration for potential new credit building loan products
  - Decide how deep to go with credit coaching internally vs referral partners
- CBA community very helpful with navigating credit reporting during COVID

# Q&A



# Upcoming Events

|                                | Topic                                                                               | Registration                                                                                    |
|--------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <b>12/1</b><br><b>2 pm ET</b>  | <b>Building CDFI Staff Capacity:<br/>The Economic Mobility Corps<br/>Initiative</b> | <a href="https://cbatraininginstitute.org/events/">https://cbatraininginstitute.org/events/</a> |
| <b>12/10</b><br><b>2 pm ET</b> | <b>Credit and Ethics</b>                                                            |                                                                                                 |



# Thank You!

[webinars@creditbuildersalliance.org](mailto:webinars@creditbuildersalliance.org)

