

Credit Building Loans		
Requirements	Busey	CARROLLTON BANK
Program Name	Credit Builder Program	Credit Builder Loan
Type of I.D.	Photo ID + ITIN	
Loan Amount	up to \$1,000	\$500 – \$2,000
Loan term limit	12 o 24 months	12 – 18 months
APR % *	5 - 5.9% fixed	2.0 – 2.5% fixed
Type of bank account	Savings account	CD (Certificate of Deposit)
Processing fee	\$50	\$0
Late payment fee	No – if making automatic payments	
DTI *	40%	41%
Proof of Income	<ul style="list-style-type: none"> Two months of pay stubs, or Two years of income tax returns 	
Contact	Eric Herrera, Español, (314) 797-6811, eherrera@4thebank.com	René Vences, Español, (314) 623-2272, renevences@carrolltonbanking.com

What is a credit building loan? In order to establish and increase credit scores and promote saving money habits. An installment loan in the amount you have requested is deposited either individually or jointly in an account provided by the bank, making monthly fixed payments until the end of the loan term, you can collect the funds deposited from the account minus the interest. Reports to the three credit bureaus. No restrictions on the use of the loan. Yes, alternative credit is considered--such as electricity, telephone, rent. Must not have any collections or outstanding debts.

* **DTI%: Debt-to-Income Ratio**, is how lenders measure the ability of clients to make their monthly payments. DTI is calculated by adding up all monthly payments and dividing them by the gross monthly income, or earned money before taxes and other deductions.

* **APR%: Annual Percentage Rate**, is the cost you pay each year for borrowing money, including interest rate and fees, expressed as a percentage. The higher the APR, the more you will pay during the life of the loan. **Variable**, means that the APR would change over time, based on the principal loan rate.

Reasons to apply for credit:

- It could help lower future interest rates and for loans to be more affordable
- Checking credit scores has become standard when applying for an apartment, telephone services, car loans, employment and insurance

The ideal credit score is between 600-800; It is recommended that the score be between 660-680 before requesting other lines of credit.

Important notice! Always keep in touch with your lender to solve problems before they start to prevent from making late payments and meeting obligations.

Warning! Please be advised that Bank of America and U.S. Bank have requested for information regarding the immigration status of their customers

Secured Credit Cards				
Requirements	Bank of America — MasterCard	U.S. Bank – Visa	Carrollton Bank – Visa	Busey Bank – Visa
Type of I.D.	Photo ID + ITIN			
Credit and deposit amount	\$300 – \$4,900	\$300 – \$5,000	\$300 – \$5,000	\$300 – \$5,000
APR variable *	25.24%	21.24%	Around 20%	23.24%
Annual Fee	\$0	\$29	\$35	\$35
Late payment fee	Up to \$39	Up to \$38	Up to \$75	
DTI *	Generally, the capacity to make monthly payments is determined by the total income divided by total expenses			
How to apply?	In person	Online or in person	In person	Online or in person

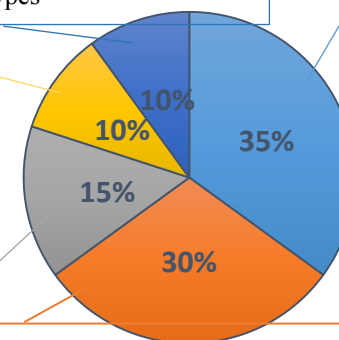
What is a secured credit card? Type of revolving credit where you are allowed to obtain guaranteed credit after paying a security deposit. For example, requesting a line of credit of \$500, the user should deposit \$500 for at least six months to one year. **Pay your credit on time by making automatic payments and do not exceed the limit.** After 6-12 months, the bank will return the security deposit and keep on using the credit card. **Please completely read** your credit card agreement for important information.

Learn how to take advantage of a secured credit card:

Type of credit 10%: Fixed term loans and brand name credit. For example, Visa, MasterCard, AmEx, Discover, will benefit your credit compared to other credit types


New Credit 10%: Applying for too much credit in a short amount of time will negatively affect credit

How long you have had credit 15%: The more time you have established using credit, the better you can take advantage of the benefits



Payment history 35%: Establish good credit history by responsibly using credit and paying monthly payments. Use of your name, address, date of birth, ITIN, social security to keep track of credit score. It is important to maintain constant identity stability over

Credit Utilization Rate 30%: The relationship between the amount of credit you have and the amount of credit you have used. Follow the 30% rule: keep your credit balance at 30% of credit limit, make small purchases and pay in full every month to avoid paying interest

Informal Credit Building Products 	
Las Tandas – informal lending circles <u>Eligibility</u> <ul style="list-style-type: none"> Be a Kingdom House member Attend a financial education class Attend a financial coaching session No income or identification requirements 	<ul style="list-style-type: none"> Between 50-60 people enrolled each lending period Each Tanda requires 12 participants 12 month long programs Two groups that make \$100 or \$200 monthly payments Tanda payments of \$1,200 and \$2,400 One participant is chosen at random each month from each group to collect loan No interest paid Informs one credit agency – TransUnion Credit checks before and after La Tanda program No restrictions about the use or purpose of La Tanda
Micro loans – small amount loans \$500 <u>Eligibility</u> <ul style="list-style-type: none"> Be a Kingdom House member Attend a financial education class Attend a financial coaching session No income or identification requirements 	<ul style="list-style-type: none"> Provided by the National Coalition of Jewish Woman (NCJW) As long as it is not an immediate need or an emergency Must demonstrate financial capacity to easily repay and with strict adherence to Debt-to-Income ratio Informs the three credit bureau agencies Credit checks before and after the loan term ends No restrictions about the use or purpose of the loan Upon successful completion of loan program, \$25 Walmart gift card awarded
Contact	Kapria Lipscomb, (314) 384-8225, klipscomb@lifewisestl.org; Mayda Paredes, (314) 260-6379, mparedes@lifewisestl.org

Other Resources

The Consumer Financial Protection Bureau (CFPB) obtain answers to frequently asked questions about financial products and services and credit cards.
<https://www.consumerfinance.gov/ask-cfpb/>

File a complaint or claims with the CFPB about reports and credit ratings and other consumer financial products and services. Call (855) 411-2372 or online:
<https://www.consumerfinance.gov/complaint/>

Obtain a free copy of your credit report every year: Review the data in your credit report and dispute any errors you find in them.
<https://www.annualcreditreport.com/>

[Current as of February 2020]

Consumer Guide: Credit Products and Services

[Immigrant Housing Coalition]



Contact: IHP.stlouis@gmail.com

Access the resource map:

<https://littlesis.org/maps/3728-mainstream-financial-integration-of-stl-immigrants>