

The St. Vincent de Paul MicroLoan Process for Fairfield County

SVdP visit teams or local agencies may submit Micro Loan forms for consideration. All forms must be submitted to: FSVDP.microloan@gmail.com

Step 1

A local agency or a St Vincent de Paul home visit team refers a loan applicant to the MicroLoan Board using Form 1 (Request for MicroLoan Engagement)

Step 2

A second visit is made by a St Vincent de Paul representative and financial mentor. The team completes MicroLoan Form 2. (Request for MicroLoan Consideration) the reason for the loan, current salaries, debts, payment due dates, and relevant data.

Step 3

The MicroLoan Board reviews Form 2 to determine if the loan applicant qualifies for the loan.

Step 4

The successful candidate completes Form 3 (MicroLoan consent form) agreeing to repay the loan, and a review of credit and payment history during the life of the loan.

Step 5

The applicant completes Form 4 (SVdP MicroLoan Application Agreement) agreeing to refrain from predatory loans (Payday or Title Loans) and accept financial mentoring during the life of the loan.

Step 6

A MicroLoan Board member accompanies the applicant to the CME Credit Union (our partner in Fairfield County Ohio) to open an account and complete the loan process and payment schedule.



A MicroLoan from SVdP is a better alternative to a predatory loan

Illustrative Example:

Store Front or Title Loan borrower's medium loan is (\$350.00) and payment fees of \$10-\$30 per \$100 borrowed during a 14-day period. (\$15.00 is the medium charged for \$100 borrowed).

In 14 days, the loan is due (with \$350.00 borrowed plus \$52.50 = \$402.50). The loan company often accepts a postdated check for payment or debits the checking account.

When the borrower's account is low on funds, he/she may have to pay additional bank fees. Then the individual must renegotiate the loan for yet another \$52.50 for an additional 14 days.

The average borrower does this five times for each loan! Not counting banking overdrafts, the cost of a \$350.00 loan is:

$$\begin{array}{r} 52.50 \times 5 = \$262.50 \\ + \$350.00 \\ \hline \mathbf{\$612.50} \end{array}$$

Source:
December 2016 Consumer Financial Protection Bureau (CFPB) Your Money, Your Goals

You don't have to fall prey to Ohio's Predatory Loans



**The Fairfield County Ohio
St. Vincent de Paul (SVdP)
MicroLoan Program**
www.svdplancasteroh.com

Our MicroLoan Program provides loans up to \$500 at 3% APR, based on availability of funds. MicroLoans are originated as 3-party checks payable to the loan recipient and a reputable business providing service. Applicants must reside in Fairfield County Ohio and demonstrate ability to make loan payments

EXPENSES ELIGIBLE FOR CONSIDERATION

Automobile repair, education expenses (e.g. tuition or licenses), major home repairs (when dwelling is uninhabitable) or medical expenses.

EXPENSES NOT ELIGIBLE

Normal living expenses such as rent and utilities.
All loan applications will be submitted based on the 6-step process in this brochure.

Interest Rates in Ohio

Based on \$300 Loans via Store-Front or Online

PAYDAY LENDER	STOREFRONT	ONLINE
ADVANCE AMERICA	228% APR	683% APR
CASH AMERICA	244% APR	683% APR
COMMUNITY CHOICE FINANCIAL	387% APR	683% APR
ACE CASH EXPRESS	718% APR	763% APR



Source
The Buckeye Burden: An analysis of payday and Car Title lending in Ohio, by the Center for Responsible Lending. November 2015.

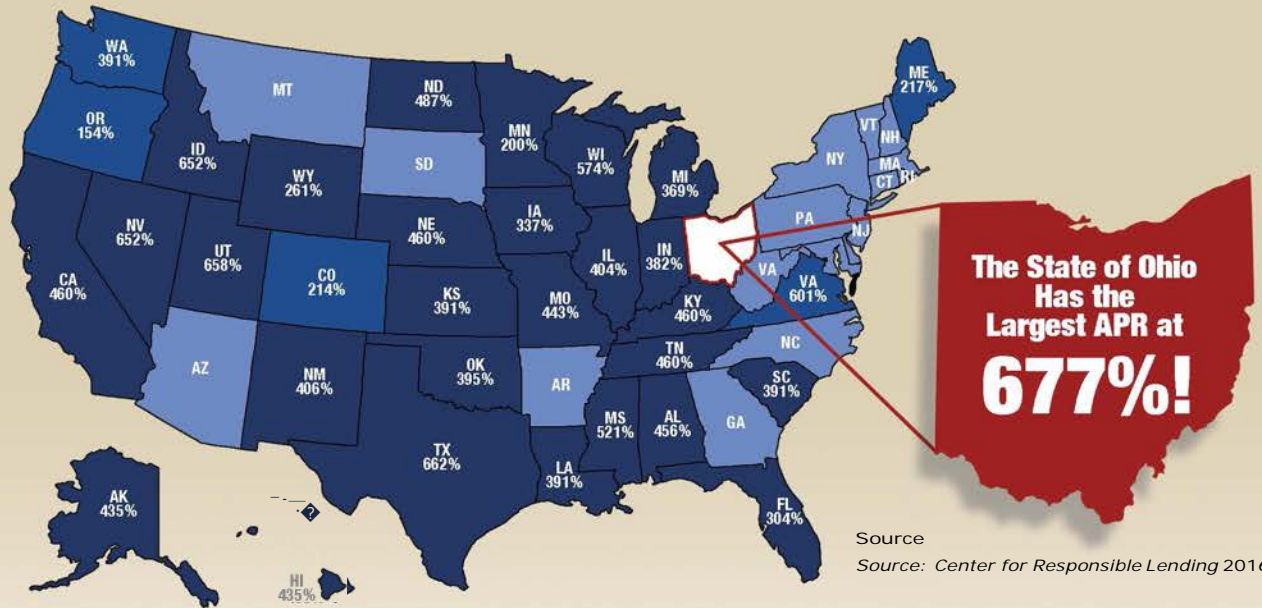
Don't be victim of Ohio Debt Traps

Currently, the St. Vincent de Paul MicroLoan program does not cover predatory loans but is a viable and available means for consumers to avoid becoming victims of the predatory loan debt trap.

The Fairfield County St. Vincent de Paul MicroLoan program continues to seek ways to offer compassionate and affordable loans to serve clients in need who can demonstrate ability to repay.

U.S. PAYDAY INTEREST RATES

Calculated on a typical APR based on an average rate for a \$300 14-day loan advertised by the largest Payday chain.



Source
Source: Center for Responsible Lending 2016.

- DARK BLUE** States have a serious Payday Loan Debt Trap.
- MEDIUM BLUE** States offer applicants some protection.
- LIGHT BLUE** States have rate caps established to stop the Payday Loan Debt Trap.



Contact St. Vincent de Paul at www.svdplancasteroh.com or Fairfield Co. Help Line at 211 (if outside the 740 area code) dial 740-687-0500