



Credit Building Loan Product Application Test

1. Financial Institution and/or Lender Name

Full name of your bank or credit union

2. Product Name

Please enter the anticipated product name as it would appear on consumer-facing materials

3. Primary Contact

First Name

Last Name

Title

Email

Phone

4. Product Specific URL

If a product specific webpage is not available, please provide your main website URL

http://_____

5. Reports to all three major credit bureau companies

- a. Yes
- b. No

6. This loan product/account can be opened online

- a. Yes
- b. No

7. Term of the loan is at least twelve (12) months long

- a. Yes
- b. No
- c. Term of the loan, if not at least twelve (12) months long is _____

8. Prepayment penalty

Financial institution/lender allows early payoff without penalty. The consumer may pay off the loan early in whole or in part with no extra or pre-computed fees or charges

- a. Yes
- b. No

9. Summarize the terms of the loan product: loan sizes available, terms for each loan size, annual percentage rate (APR), interest rates, and any fees or other charges

(Insert Text Box Here)

Please upload Consumer-Facing Product Description)

(Insert Upload Button Here)

Accepted file type: pdf

10. There are fees or add-on products other than late fees

- a. Yes. If yes, list fees and amounts:

Annual Fee	\$_____	Application Fee	\$_____
Processing Fee	\$_____	Participation Fee	\$_____
Credit Insurance	\$_____		

Other fees or add-on products: (Insert Text Box Here)

- b. No, there are no such fees or add-on products

11. The annual percentage rate, calculated using the requirements under the Military Lending Act, is eighteen (18%) percent or below

- a. Yes
- b. No
- c. APR is _____%

12. There is flexibility to choose the size of the loan

- a. Yes*
- b. No

* Please upload applications' "flexibility" materials, if any, related to the account
(Insert Upload Button Here)

Accepted file type: pdf

13. Collection in Event of Default

- a. In the event of default, the financial institution/lender will collect the unpaid balance from the security but will not employ a third-party debt collector, sell the debt to a debt buyer, or initiate legal action against the borrower
 - i. Yes
 - ii. No

14. Affordability (NCLC does not require/review supporting documents)

- a. The lender considers the borrower’s ability to repay the loan on its terms in accordance with applicable laws, regulations and guidances. (See, e.g., **NCLC memo** on potentially applicable laws, regulations and guidances.)
 - i. Yes*
 - ii. No

Please choose one or both of the following

- b. The financial institution/lender utilizes an Income vs Expense and/or Budget
 - i. Yes*
 - ii. No

- c. The monthly payment is under fifty (\$50) dollars per month
 - i. Yes
 - ii. No

* Please upload applications’ “affordability” materials, if any, related to the account
(Insert Upload Button Here)

Accepted file type: pdf

15. Upload Terms and Conditions

Please upload product terms and conditions, consumer disclosures, including any Truth-in-Lending disclosures, as well as any consumer-facing marketing materials, if any, related to the account

(Insert Upload Button Here)

Accepted file type: pdf

16. Privacy Policy

- a. The financial institution/lender uses the CFPB’s [model privacy form](#)
 - i. Yes
 - ii. No

(Insert Upload Button Here)

Accepted file type: pdf

17. Who is your banking core processor?

18. Please Enter the total number of U.S. branches

19. Footprint

Please select all of the U.S. States where your branches are located.

Please note: You must press and hold the Ctrl key when selecting.

(Insert Drop/Pull Down of All USA States)

20. When do you anticipate this product will be publicly available?

If the account is already live, please select today's date. If the product is still in development, please note the anticipated launch date.

(Insert Calendar Choice Box)

21. Bank On Boston Builds Credit Data Reporting

The United Way of Massachusetts Bay and Merrimack Valley partners with the Boston Mayor's Office of Financial Empowerment to collect and report data on certified Bank On Boston Builds Credit products. In order to assess the efficacy of financial education and to see if individuals are transitioning to additional credit building products, we are requesting that financial institutions share quantitative aggregate client level data regarding usage of credit building loans. Reports are published in aggregate keeping anonymous each financial institution's individual data. Please provide a contact for us to reach out to with more information on this voluntary initiative.

First Name

Last Name

Email

Phone

22. Please share any additional information that might be useful

(Insert Text Box Here)

(NCLC) STOP HERE

Highly Recommended Features:

1.	<input type="checkbox"/>	There is a potential for graduation.	The client should have the ability to graduate to an unsecured loan, secured credit card, a subsequent credit builder loan, or to another loan product (vehicle loan or personal loan) with a lower interest rate after successfully completing the credit builder product.
2.	<input type="checkbox"/>	The ability to adjust payment deadline dates.	For some participants, it may be easier to make loan payments if they can set the day of the month that their payment is due, or evenly split the payment into two smaller, biweekly payments (or semi-monthly, or weekly payments if that is how they get paid). If payments are due more than once a month, a late fee should only be charged once a month, or any late fees should be reduced proportionally.
3.	<input type="checkbox"/>	The loan does not get closed before the participant goes 30 days late.	A credit building loan's purpose is to help a consumer build credit. A 30-day late payment can drop a credit score by 100+ points. If a payment is not made, ideally, the loan would be closed before it is reported 30-days late. Financial institutions should adopt procedures to monitor their credit building loans to make sure that the loans do not go 30+ days late.
4.	<input type="checkbox"/>	A low credit score or negative ChexSystems Score will not disqualify/reject the client's application. Consider alternative underwriting considerations, like employment and/or financial education .	The financial institution should offer the credit building product to the client regardless of collections and previous late payments on the credit report. A ChexSystems denial should only occur if the participant owes that particular financial institution.

5.	<input type="checkbox"/>	Trained staff	Financial institutions shall make reasonable, affirmative efforts to train staff regarding the availability and features of credit building products.
6.	<input type="checkbox"/>	Partner with a local non-profit community based organization that offers credit building, financial coaching, and is trained and/or vetted by the United Way of Massachusetts Bay and Merrimack Valley, or other self paced opportunities for financial education to consumers with credit building loans.	Research has shown that financial coaching can lead to participants having decreased late payments and increased credit scores. Financial coaching has also shown to reduce financial stress levels.
7.	<input type="checkbox"/>	The financial institution offers the credit building loan themselves, remotely, or through vetted, participating counseling organizations.	Applications and credit builder loans should be accessible to the public through participating organizations vetted and/or trained by the United Way of Massachusetts Bay and Merrimack Valley (<i>see #6 above</i>). Both the loan's application and closing documents must be easily accessible online through the financial institution's website or would be transmitted between the financial institution and the counseling organization through secure email.

8.		The standards for product approval are provided	<p>Financial institution/lender staffers and/or consumers must know/be made aware of the minimum standards to be approved for the financial product.</p> <p>The monthly income vs. monthly expenses ratio is clear.</p> <p>There is a minimum debt-to-income (DTI) ratio required.</p> <p>Public records do not automatically disqualify an application.</p> <p>The maximum collection debt load to consider is outlined for the client.</p> <p>A bank account is not required.</p> <p>Your staff are made aware of these policies to guide customers and ideally information is posted on its website for consumers.</p>
9.		Soft Pull vs. Hard Pull	<p>Hard pulls can affect someone's credit score by up to ten points. If the credit (report) is not going to be used for underwriting purposes, but for verification and/or tracking it should be a soft pull, and not a hard pull.</p>
10.		Outcome Tracking and Data sharing	<p>In order to assess the efficacy of financial education and to see if individuals are transitioning to additional credit building products, we are requesting that financial institutions share quantitative aggregate client level data regarding usage of credit building loans.</p>