



## Secured Credit Card Product Application Test

**1. Financial Institution and/or Lender Name**

Full name of your bank or credit union:

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**2. Product Name**

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

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**3. Primary Contact**

First Name

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Last Name

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Title

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Email

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Phone

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**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. The product can be opened online**

- a. Yes
- b. No

- 7. Summarize the terms of the product: credit limits available, all fees, interest and other finance charges, annual percentage rate, and how the minimum payment is calculated**  
(Insert Text Box Here)

Please upload Consumer-Facing Product Description  
(Insert Upload Button Here)

Accepted file type: pdf


- 8. There are fees or add-on products other than late fees, transfer fees, and cash advance fees**

- a. Yes. If yes, list fees or add-on products and their 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

- 9. The annual percentage rate (APR), calculated using the requirements for the Military Lending Act, is (eighteen) 18% or below**

- a. Yes  
b. No  
c. APR is \_\_\_\_\_%

**10. Affordability**

The financial institution/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.)

- a. Yes\*  
b. No

Please choose one or both of the following

- a. The application process utilizes an Income vs Expense Worksheet and/or Budget
- i. Yes\*
  - ii. No
- b. The maximum minimum payment, if the account is current, is under fifty (\$50) dollars per month
- i. Yes\*
  - ii. No

\* Please upload “affordability” materials, if any, related to the product  
(Insert Upload Button Here)

Accepted file type: pdf

**11. There is flexibility to choose the size of the credit line of the secured credit card**

- a. Yes
- b. No

**12. The credit line will be increased only with the consumer's consent and in accordance with a review of the borrower's ability to repay**

- a. Yes
- b. No

**13. Collection in Event of Default**

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

- a. Yes
- b. No

**14. Upload Terms and Conditions**

Please upload product terms and conditions, consumer disclosures (including any table, i.e. "[Schumer box](#)"), as well as any consumer-facing marketing materials, if any, related to the account

(Insert Upload Button Here)

Accepted file type: pdf

**15. Privacy Policy**

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

**16. Who is your banking core processor?**

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**17. Please Enter the total number of U.S. branches**

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**18. 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 US States)

**19. 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)

**20. 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

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Last Name

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Email

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Phone

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**21. Please share any additional information that might be useful**

(Insert Text Box Here)

**(NCLC) STOP HERE**

**Highly Recommended Features:**

#	Y/ N	Secured Credit Card Core Features	Rationale
1.	<input type="checkbox"/>	There is a graduation strategy	A secured credit card should be viewed as a vehicle for building a positive credit history that will qualify the consumer for unsecured credit. Ideally, the secured credit card company has a graduation strategy in place that requires the company to review the customer's credit report regularly (recommended: soft pull every 6 months) to see if the security can be released.
2.	<input type="checkbox"/>	The institution partners 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 products	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.
3.	<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, any late fees should be reduced proportionally.

4.	<input type="checkbox"/>	The secured card gets closed before the participant goes 30 days late	A credit building product'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 product would be closed before it is reported 30-days late. Financial institutions should adopt procedures to monitor their credit building products to make sure that the customers do not go 30+ days late.
5.	<input type="checkbox"/>	Soft Pull vs. Hard Pull Credit report pulls that are for verification or tracking purposes only are done by soft, not hard, pulls.	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.
6.		Bank staff are knowledgeable about the standards for product approval.	<p>Bank staff should know and be able to answer consumer questions about the minimum standards necessary to be approved for the financial product:</p> <p>What is the monthly income vs. monthly expenses ratio?</p> <p>Is there a minimum debt-to-income (DTI) ratio required?</p> <p>Will public records automatically disqualify an application?</p> <p>Is there a maximum collection debt load to consider?</p> <p>Is a bank account required?</p> <p>Your staff should be made aware of these policies to guide customers.</p> <p>Ideally, all information is posted on websites for consumers.</p>