

COMMUNITY FINANCIAL RESOURCES

November 2015

MISSION

RESEARCH, DEVELOP, AND PROMOTE CONSUMER FRIENDLY FINANCIAL TOOLS FOR LOW TO MODERATE INCOME HOUSEHOLDS;
BUILD THE CAPACITY OF SOCIAL BENEFIT ORGANIZATIONS TO INCREASE THE FINANCIAL CAPABILITIES OF THEIR CONSTITUENTS;
ESTABLISH BEST PRACTICE STANDARDS FOR FINANCIAL SERVICE PROVIDERS.

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—WE ARE GRATEFUL FOR YOUR SUPPORT!

Please support our efforts to provide safe and affordable financial services promoting an inclusive economy and shared prosperity.

2015 in Review

Despite being the center of Global Finance, when Gotham City needed a prepaid debit card for low-income residents, CFR came to the rescue. After a rigorous proposal process, the CFR card became the only prepaid debit card approved by the **New York City Office of Financial Empowerment**.

Over **\$21 million** were safely direct deposited on more than 6,000 CFR prepaid debit/payroll cards this past year.

Employees of **Revolution Foods, San Francisco Unified School District, & Goodwill Silicon Valley** receive payroll direct deposit on the CFR prepaid pay card.

“When I wake up on Thursday morning I don’t have to worry about getting my paycheck cashed or getting access to my money. It is already there and ready to go. The paycard is cool!”

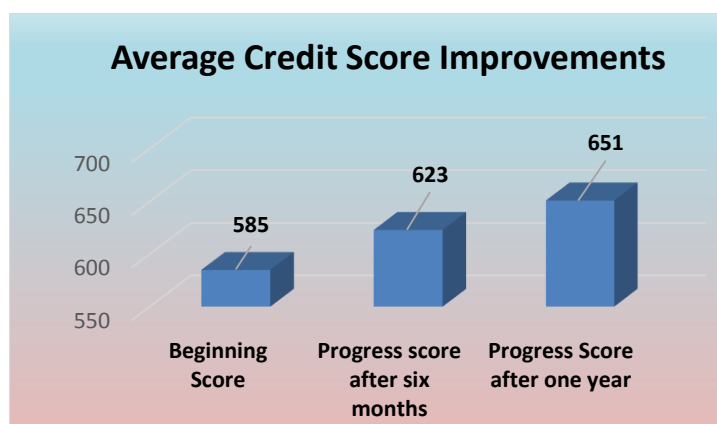
--Henry Carcamo, **Revolution Foods**

Achieving the Dream: Community Colleges are one of the few remaining economic mobility pathways for low-income Americans. However, one financial emergency often de-rails credential completion. Through the support of the **Annie E. Casey, Met Life, and Lumina** foundations, CFR is working to improve the financial stability and graduation rates of students at 16 community colleges in four states through product-based financial education. At SparkPoint at Skyline College (San Mateo County) students are building their credit skills with the CFR secured credit-builder card.

CFR and the **San Francisco Office of Financial Empowerment** are automating payments mechanisms and providing financial counseling to reduce evictions from public housing. This work is made possible through a **U.S. Treasury Innovation Fund** competitive grant.

Kickstarting Credit

The path to building credit can be low-cost and painless



Access to affordable capital creates economic opportunity. CFR’s secured Visa credit-builder card program -- **Save for Tomorrow, Build Credit Today** -- is demonstrating remarkable results.

In a little over two years, we have established a credit-builder card portfolio of 300 cardholders with less than 4% of participants dropping out of the program.

Continued on page 2 Kickstarting Credit

Total past due amounts comprise less than 2% of portfolio value. (Low by industry standards)

Small business entrepreneurs, particularly immigrants, with no previous credit history are using the CFR Visa credit builder card as a **line of working capital**. Individual Taxpayer ID Number (ITIN) acceptance is a key feature. Young people and students find the card is a smart and responsible way to learn to use credit.

Where funding is available, CFR provides a **Mini-match program** to help with the initial security deposit. Low-income cardholders that can save up the first \$100 and agree to credit coaching earn a \$100 match to establish a credit card with an initial \$200 credit line.

In tight housing markets, like the SF Bay Area, landlords require good FICO scores. Entering the CFR credit building program helps clients to **qualify for housing**.

Perhaps most significantly, **people are using this product as designed: to create a positive credit history through recurrent on-time monthly payments reported to the credit bureaus.**

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What distinguishes CFR's credit-builder card from other secured credit cards currently available?

- ☞ An on-line enrollment process that can be executed by any community organization without requiring clients to go to a credit union branch.
- ☞ No Annual Fee
- ☞ No FICO Score Requirement
- ☞ Flexible ID Requirements
- ☞ A low 10.25% APR
- ☞ As little as \$200 security deposit in a savings Account
- ☞ Credit Coaching

Without a good credit score, people may pay an extra \$200,000 or more over a lifetime for financial products and services.

A good credit score means:

- ☞ Lower cost loans and insurance
- ☞ More affordable mortgages
- ☞ No hefty security deposits to set-up utilities
- ☞ Passing Rental Application and Job Screening Criteria



The CFR Visa credit-builder card demonstrates that financial institutions can sustainably offer a safe, affordable and effective banking tool for building assets through saving and credit.