

AGAPE FINANCIAL LOAN PROGRAM

8/13/2013

APPLICANT CRITERIA:

- 1 Household income = less than 200% of federal poverty threshold for their county of residence, adjusted for household size.
- 2 Able to demonstrate residency in Antrim, Benzie, Grand Traverse, Kalkaska or Leelanau County for at least the previous 12 months.
- 3 Referred to Agape by a social services agency or program, mentoring program or professional counselor.
- 4 Willingness to participate in financial counseling and finance classes provided free through Agape or referred sources.
- 5 Expected to have an account in a bank or credit union that will allow loan payments to be made through the banking system.
- 6 Funding of \$1,000 or less will serve stated need, with possible matching funds from applicant.
- 7 Ability to present household budget (with assistance from Agape volunteers as needed) that demonstrates ability to repay loan.
- 8 Willingness to continue payments after loan is repaid for a like amount of time to build emergency fund.
- 9 Loan purpose meets loan program parameters, i.e. to move individual toward achieving financial stability and away from recurring financial crisis.

ACCEPTABLE LOAN PURPOSES:

For Expenses that allow client to:

- Continue to work
 - Improve work situation or status
 - Begin a new job situation
 - Take needed action to improve/eliminate existing obstacles to financial stability
- Above may fall into two potential categories: Time sensitive bridge loans (6 month repayment or less) or Planned Investments.
Examples: business startup, job requirements (tools, dress, education)
May require matched funds by applicant, either upfront, possibly in conjunction with loan repayment or both; may also require continued "payments" to emergency fund equal to monthly loan payment amount once loan is paid off

UNACCEPTABLE LOAN PURPOSES:

Crisis such as power shut off, rent or other social service-type needs that are better served through other agency resources.

LOAN APPROVAL/DISBURSEMENT PROCESSES:

- 1 Referring agency contacts Agape Administrator with potential candidate; if loan request fits above criteria, client is to complete Loan Application with Proposed Household Budget (based on Agape format provided to applicant)
- 2 Administrator distributes application and budget to Loan Committee
- 3 Committee member or Administrator meets with applicant to review, possibly with designated Budget Support Coordinator (could be via phone)
- 4 Loan Committee discusses application (in person, by phone or email) & determines loan decision recommendation, including purpose, amount, payments, payment schedule, other requirements (mentoring process, funds matching, and/or other)
- 5 Board votes on decision (possibly remotely/by email)
- 6 Administrator prepares loan document or responds to loan applicant of denial or withdrawn status
- 7 Loan Committee Member or Administrator meets with Client to execute loan documents; Budget Support Coordinator to be part of process & to set meeting schedule.
- 8 Administrator or Treasurer disburses funds directly to need provider (any exception requires Board approval)
- 9 Administrator/Budget Support Coordinator tracks loan payment timeliness - see Collection process guidelines