

# JEWISH FREE LOAN PROGRAM

## Application Information



The Jewish Free Loan Program (JFLP) provides interest-free loans to residents of the Jewish community of the greater Twin Cities Minnesota area. Loans will be granted based on demonstrated need and will be paid back within a specified time. Loans are made for legal purposes only. Applicants will be treated with dignity and fairness. All loans require one or two co-signers depending upon the size of the loan, to guarantee the loan. Information supplied by the applicants and co-signers is strictly confidential. The following situational criteria will be applied when granting a loan:

- ◆ The loan together with other resources and programs will enable the recipient to bridge or repair a situation which disrupts a person's economic self-sufficiency.
- ◆ The recipient will be able to repay the loan within the specified repayment period.
- ◆ A clear plan for regaining self-sufficiency will be in place prior to the loan approval.

### **General Procedures and Requirements:**

- Applicants in the western Metro areas should apply with Jewish Family and Children's Service of Minneapolis.
- Applicants in the eastern Metro areas should apply with Jewish Family Service of St. Paul.
- ◆ A uniform application, co-signer application form, release of information and promissory note will be used for all loans.
- ◆ Applicants must fill out and sign the application, obtain the needed co-signer(s) who meet the qualifications below, sign the Promissory Note, and agree to the re-payment plan as determined.
- ◆ Co-signers accept the financial and legal obligation to repay the loan in full, if the loan recipient is unable to pay for any reason.
- ◆ Co-signer application forms have a standard clause authorizing credit searches and reports on the signatories. All co-signers' credit will be checked by JFLP staff as to credit worthiness, which is defined by income, assets, and liabilities. No Beacon credit score under 650 will be accepted. Preference will be given to credit scores over 700. The \$25 cost of credit checks will be added to the loan amount.
- ◆ Co-signers also sign the Promissory Note which states that each co-signer is "jointly" and "severally" liable if the applicant is unable for any reason to repay the loan. Each co-signer is legally liable for the full amount of the loan.

- ◆ The applicant will discuss a complete plan of usage of the loan money. A plan to regain self-sufficiency will be determined with JFLP staff before the loan is approved.
- ◆ Applications are available by calling the agency closest to the applicant residence.

### **Applicant responsibilities and Information:**

Applicants must:

- ◆ Complete and sign the application. All loan applications should be signed by the applicant and spouse/partner unless special circumstances exist.
- ◆ Obtain one or two co-signers to secure the loan, who meets all the financial requirements. A co-signer may be the parent of the applicant. However, only one parent may serve as a co-signer.
- ◆ Sign the Promissory Note, along with the co-signer(s).
- ◆ Be Jewish or members of the Jewish community.
- ◆ Reside in the greater Twin Cities Metropolitan area.
- ◆ Have a history of steady income exceeding his/her monthly expenses.
- ◆ Be at least 21 years old or have a co-signer who is 21 or older.
- ◆ Be a United States citizen, refugee or immigrant.
- ◆ Attend an interview with JFLP staff. Every effort will be made to provide an interpreter if this is needed.
- ◆ May be an employee of a Jewish Communal agency, organization or synagogue.

### **Co-Signer Responsibilities and Information:**

Co-signers must accept financial and legal responsibilities for the loan.

- Complete and sign the Co-signer application.
- Complete and sign the Co-signer Release of information enabling JFLP to check your credit.
- Complete and sign the Promissory note, which is the legal agreement between the applicant, the guarantor of the loan, and JFLP, the lender.
- If the applicant is unable to repay the loan for any reason, the co-signer understands and accepts the responsibility to repay the loan.
- A co-signer may not be removed from the loan until it has been repaid in full.

Co-signers must have the following qualifications:

- Demonstrate financial means and capability of repaying the loan amount, demonstrated by the credit check performed, with a minimum credit score of 650.
- Sign the Co-signer application, Release of Information and Promissory note.
- Have lived in the Greater Twin Cities area for a minimum of 1 year.
- Be 21 years old or older.
- Be a United States citizen, refugee or immigrant.
- May be one parent of the applicant.
- Two people who share their income cannot both be co-signers.

You may not co-sign if you are:

- A borrower of any other currently open JFLP loan.
- A rabbi or other Jewish community professional.
- In the active military service.
- A co-signer on another current JFLP loan.
- A current recipient of FAIR grants and assistance.

### **Application Review and Approval Process:**

- After the loan applications, all necessary forms and the credit check have been completed, the application will be submitted for approval following program guidelines
- If approved, a check will be issued to the applicant within 7 to 10 business days.
- The applicant and co-signers will be notified by mail.
- At any time, you may contact the JFLP staff regarding the status of your loan application, billing or any other question you may have.
- The first payment due date will be included in the notification letter. For loans issued after the 15<sup>th</sup> day of the month, the first payment will be due not the next month, but the following month.

### **Collection and Billing Procedures and Responsibility:**

- It is the responsibility of the loan recipient to make timely and regular payments.
- Collection of loan payments will be processed by Jewish Family and Children's Service of Minneapolis, the Jewish Free Loan Program's fiscal agent and loan processor.
- Payments can be made by personal check, debit card, credit card or cash.
- Bills will be mailed to the loan recipient on the 1<sup>st</sup> or 2<sup>nd</sup> day of the month.
- Payment is due upon receipt.
- If payment is received after the 20<sup>th</sup> of the month, a late fee of \$20 will be charged to the loan.
- If there has been no communication regarding the overdue account, the co-signer(s) will be notified that the loan is due.
- If the loan recipient is unable to make a regular payment, it is his or her responsibility to contact the JFLP staff immediately.
- If a payment is remitted and returned for non-sufficient funds, a \$20.00 delinquency fee will be charged.
- Accelerated payments can be arranged at any time.
- The loan recipient and co-signer(s) will be acknowledged for completing payment of his/her loan and invited to become a supporter of the JFLP.