



Credit4Work!

The Path to Better Credit



Helping employees build credit through a
voluntary financial wellness program

www.credit4work.com



A Benefit to Build Financial Health

Credit4Work is a voluntary benefit providing access to the keys to build better credit through *affordable loans and financial wellness education*:

- **Quick Relief! Loans:** Providing an immediate, low-cost exit from the payday loan debt trap while simultaneously building credit
- **Financial Education:** Offering employees engaging, customized programs to responsibly build good credit
- **Flexible Lifeline! Loans:** Simple installment credit to establish or build credit, cover unexpected expenses, and consolidate debts



Why Financial Wellness?

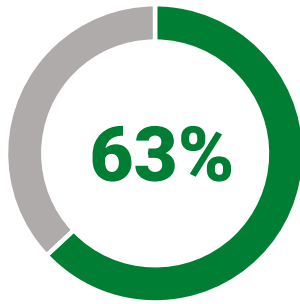
- ✓ Financial health directly contributes to physical and mental health
- ✓ Good people with good jobs have poor credit and no savings
- ✓ COVID-19 and the current inflationary environment has strained household incomes even further
- ✓ Employees struggling with financial issues are less effective, impacting performance and employee turnover
- ✓ Many employees turn to payday lenders in an emergency—a \$46B industry that doesn't help people

**Now more than ever,
employers need a
socially responsible way
to support employee
financial health**



Financial Wellness By the Numbers

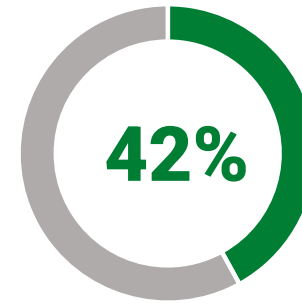
Employees are struggling every day with financial burdens and did so even before COVID-19.



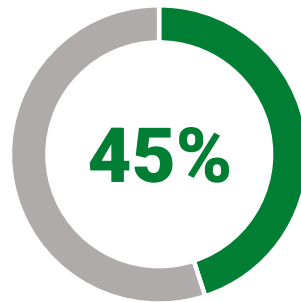
**Live paycheck to
paycheck**



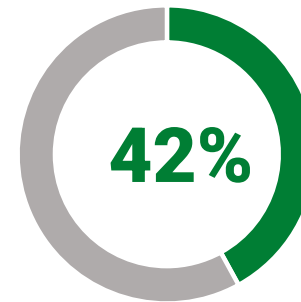
**Have no credit
scores**



**Have credit scores
below 700**



**Have personal
financial stress**



**Lack access to
affordable credit**

Coping With Costs: Big Data on Expense Volatility and Medical Payments. JP Morgan Chase & Co. Institute.
<https://www.jpmorganchase.com/corporate/institute/report-coping-with-costs.htm>

How Do Families Cope With Financial Shocks? The role of emergency savings in family financial security, The Pew Charitable Trust,
<http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2015/10/the-role-of-emergency-savings-in-family-financial-security-how-do-families>

Broward County Workforce

Workforce

- Government employees have significant financial stress
- Inflation and recovery from the pandemic stresses employees of all incomes
- Recessions typically bring reduced access to consumer credit, making the need even greater

- Based on our experience, 20% or more of your workforce will participate in Credit4work program. These 1,140 families will be profoundly impacted by the lifeline provided by our easy access credit products
- The community will benefit from the social and economic impact resulting from helping so many families
- A benefit that will contribute to employee engagement, loyalty and financial stability
- Customized financial education programs will remind and confirm that good financial habits benefit all

**Our loan programs are designed with your employees in mind,
and employees who participate love our program!**

How *Credit+4Work!* Works for Employees

- Opportunity to **build credit** without using savings
- Help cover **unexpected expenses** when savings aren't enough
- Help pay for out-of-pocket medical bills
- Pay off high-cost debt
- **Small payments** do not strain household budgets
- Stop paying late and overdraft fees
- Gain access to **financial education** resources
- Improve personal financial management
- **Average credit score increase of 64 points!**
- Give employees the dignity and peace of mind they deserve



Our program works: improving credit scores

- Participating employees have experienced a cumulative increase in their credit score of 64 points on average
- 72% of participating employees enter the program with subprime scores and have seen an increase in their credit score of 60 points
 - The cost savings of a 35 point increase in credit score is estimated at \$684 annually*
- The average credit score of participating employees increases 18 points each quarter
- These impressive results indicate real value to participants



*Source: <https://www.gobankingrates.com/saving-money/savings-advice/the-hidden-cost-of-paying-bills-creeps-higher-for-many-americans/>

Simple Fixed-Rate Installment Loans Offer Real Value to Employees

QuickRelief! Loans:

- \$500 loan amount
- 0% interest, 5-month term, \$25 origination fee
- 11 Bi-weekly payments of \$48 each
- No late fees or prepayment penalties ever

Flexible LifeLine Loans:

- Loan amounts from \$500-\$5,000 with terms of up to 2 years
- 18.99% fixed, simple interest rate, 0 origination fee*
- No late fees or prepayment penalties ever

*The annual percentage rate will vary depending on the amount of the loan, the term of the loan, the number of loan payments and the frequency of payments: for example, a \$3,000 loan with a \$25 fee that is repaid through 52 bi-weekly payments of \$740.13 over 2 years will have an APR of 19.86%.

At the County's Option, We May Offer Lower Rate Loan Products for Employees with Better Credit

Better Credit Loans:

\$2,500 - \$20,000 loan amounts

9.99% - 18.99% simple interest rates

\$25 - \$200 origination fee

Terms from 1-3 years

No prepayment or late fees ever

- Applicant must agree to credit bureau inquiry at time of application
- Credit history is taken into account
- Rates and fees vary by credit risk
- If applicant does not qualify, alternative products for which they qualify will be offered
- Offers ability to consolidate and pay off other debt in specified time periods through simple payroll deductions
- Offers real savings to those with very good or excellent credit

**The annual percentage rate will vary depending on the amount of the loan, the credit history, the term of the loan, the number of loan payments and the frequency of payments: for example, a \$10,000 loan with a 96.99% interest rate and a \$150 fee that is repaid through 52 bi-weekly payments of \$215.71 over 2 years will have an APR of 11.49%.

Customized Financial Education

On-Line:

- FDIC Money Smart Program: Gold Standard in financial education with 14 modules of up to 3 hours each
- HandsOnBanking, a public service supported by Wells Fargo Bank
- Free Personal Financial Assessment (CFPB)
- Link to reputable debt settlement consultant

In Person:

- Customizable programs with topics for the County to choose from
- 45 Minute interactive sessions covering broad range of financial topics
- Available in Lunch'N'Learn or seminar formats
- Frequency and cadence at the County's request
- Available in both English and Spanish

Building Sound Money Management Skills

Getting Started With *Credit+4Work!*

Universal Eligibility Requirements:

- At least one year on the job
- At least 18 years of age
- No open bankruptcy
- Full-time, benefits-eligible employee
- **Optional Credit Check**

Enrollment is done online, in just five easy steps:

1

**Go to
website**

2

**Select I'm an
employee**

3

**Select
Register**

4

**Use Employer
code**

5

**Select apply
now**

Approval, Funding and Payments



- ✓ Loans are approved based on income, tenure and employment
- ✓ Fraud prevention processes are mandatory for all loans
- ✓ Loans will be conditionally approved, subject to the County's confirmation of the applicant and validity of the application
- ✓ Loan documents are e-signed online
- ✓ Funds may be received through direct deposit or a paper check, typically the following business day
- ✓ Loan payments are payroll-deducted while the employee is employed
- ✓ All payments are reported to major credit bureaus, and on-time payments help employees build credit

Specific Fraud Prevention Procedures

Our system flags identification information that is duplicative, unusual and/or amiss such as social security numbers, bank account numbers, telephone numbers and addresses

For example, we use the bank account verification product provided by EquiDax/DataX to confirm the validity of a bank account number provided to us

In the event that an application is submitted with a duplicate bank account number from our customer base, the application is flagged by our system and manually reviewed.

Additional documentation and research is performed to verify the validity of the data in these cases

Credit4Work! Data Security is a Priority



How do we safeguard Personal Identifiable Information?

Data Encryption

128-bit master keys and Advanced Encryption Standard (AES) algorithm restrict other users from seeing custom text fields.

Permission Sets

User roles and license types within Salesforce set profiles limit data access to various levels, allowing restrictive access to PII

Credit4Work! Works for Employers



- Improve the overall health of your workforce
- Reduce absenteeism and employee turnover
- Improve employee engagement and productivity
- Demonstrate a commitment to your employees' satisfaction and happiness at no cost to you; and be rewarded with loyalty
- Create positive social and economic impact in your community

49%

of employees believe their employer cares about their financial well-being

25%

of employees report that issues with personal finances have been a distraction at work

70%

of HR professionals say personal financial challenges impact job performance

*2018 PwC Employee Financial Wellness Survey <https://www.pwc.com/us/en/private-company-services/publications/assets/pwc-2018-employee-wellness-survey.pdf>

How We Will Work with Broward County

- ✓ Income and employment are verified through an automated process
- ✓ You confirm each application with the employee prior to funding
- ✓ You process payroll deductions seamlessly – we create the file for you in your format to work with your payroll process
- ✓ We retain signed payroll deduction authorization forms from each participant, and can send them to you, at your option
- ✓ You will pre-approve all employee communication materials and methods
- ✓ We will customize the process to fit your needs

Operationally, here's how it works:



1. **CreditWorks** customizes all technology interface and automates all processes for you to provide census files and process payroll deductions
2. Each pay period, **CreditWorks** provides a deduction file that can be automatically processed through your payroll system
3. After processing, you send us a receipt file and remit successful deduction proceeds to us

Why Employers Choose *Credit4Work!*

- We focus on our mission to help working Americans improve their personal financial situation by ***building credit***, opening up doors and reducing high cost credit.
- Our programs are ***financially inclusive*** by design
- Our ***dedicated service team*** consistently provides prompt, courteous and individual service to both the administration and the participating employees
- ***Security*** is a top priority for us and any data received will be safeguarded at all times
- We are a certified ***women-owned business*** with a reputation for integrity
- Participating employees are given a ***benefit they need, with service they'll love!***

Credit4Work is a great way to show employees that you care, helping build loyalty and drive employee engagement.



Why *Credit4Work!*



The world will be a better place when more people achieve financial capability, which improves with financial education and access to safe and affordable financial products – we provide both!

- Short-term liquidity builds long-term stability
- Our products and services are simple and straightforward
- We treat your employees with dignity and respect
- Participating employees will be grateful
- Our program benefits your community both socially and economically
- *Join us in the movement against predatory lending*



THANK YOU
Your employees
will thank you too

Credit4Work!

What our customers say about us:

"This is a great program and I'm glad my organization works with you all."

"I love your program and it's helped me a lot."

"It's the perfect system for honest hard working employees with a little less than perfect credit."

"absolutely great service, awesome employees."