

Five Rivers Loan Fund, Inc.
Emergency Loan Program (ELP)

September 2021

Basic GUIDELINES of the ELP program:

- 1) Borrower must be employed by their current employer for a minimum of one year continuously to be eligible. Those on seasonal work may only borrow based on their ability to repay during the seasonal guaranteed work period.
- 2) Application is required along with ID, two most recent paycheck stubs, and bank details.
- 3) Borrower's employer will be contacted to verify continuous employment, date of hire, and if the employer is willing to take payroll withdrawals from their employee's paycheck for repayment of the loan.
- 4) Payroll deduction is required. The Payroll department will be provided a copy of the payroll deduction agreement. Borrower cannot make changes to the payroll deduction agreement. Borrower also acknowledges that the repayment is his-or-her own responsibility, not the payroll departments. In the event of a job layoff or of quitting, the borrower must continue to make the required payments to pay off the loan.
- 5) Initial Loan maximum is \$1000. This may be increased up to a \$2,500 maximum after twelve months of on-time payment history and based on credit and other payment obligations. If borrower has other loans requiring employer payroll deductions, maximum may be limited based on borrower's available take-home pay.
- 6) Credit report may be obtained. Credit is not the only deciding factor on the loan, but excessive obligations, collections or judgments may lower the maximum loan amount or preclude the borrower from program eligibility.
- 7) The credit report will help the borrower and 5RLF with issues on the report that can be addressed to help the borrower improve future credit. Borrower will be counseled on use of credit, credit scoring and the amount of paycheck withdrawal and purposes for borrowing money. 5RLF may require debts to be paid off with the loan.
- 8) Initial setup fee is \$40. Interest rate is 15%. The fee includes the cost of the credit report and will be deducted from the proceeds to the borrower. Future modifications will include a \$40 fee for *each* advance. Biweekly repayment amounts (corresponding to the borrower's pay schedule) will be structured to pay the loan off in 13 pay periods (6 months) or less, rounded up to the next \$5.
- 9) Payroll deduction amounts adjust according to the loan size. Example: for a \$1000 loan each payroll deduction will be \$85; for a \$2500 loan, deductions would be \$200 each.

Disbursement of a loan is contingent on approval by 5RLF Board of Directors, a "Verification of Employment" by the Applicant's Employer, and the signed agreement by the employee authorizing the employer to take automatic payroll deductions until the loan is paid in full.

Future loan modifications will each incur a \$40 process fee and possible changes in payroll deduction amounts.