

National nonprofits expand partnerships to help low-income families increase financial opportunity

LISC and MAF partner to add zero-interest, credit-building loans to suite of education, employment, and financial services

NEW YORK (May 8, 2017)— The Local Initiatives Support Corporation (LISC) is teaming up with Mission Asset Fund (MAF) and JPMorgan Chase to provide zero-interest loans through its Lending Circles program to help low-income people establish and improve credit scores, increase savings, and lay the groundwork for stable and prosperous futures.

LISC is incorporating MAF's successful Lending Circles program into some of its 80 Financial Opportunity Centers (FOCs) around the country. FOCs work with more than 20,000 people each year to bridge educational gaps, train for and find good-paying jobs, manage their money, and save for the future.

In the Lending Circles model, small groups come together to lend, borrow, and save money collectively. For example, a group of 10 people might agree on a plan to each borrow \$1,000. Each participant pays \$100 per month for 10 months to fund the loans. MAF reports participants' monthly payments to credit agencies and secures the loans in the event that one member misses a payment; remarkably, MAF has maintained a repayment rate of more than 99 percent.

People all over the world use informal social lending practices when bank loans aren't an option. Lending Circles, by reporting payments directly to credit bureaus, transforms these practices into a proven way to establish credit and become integrated into the financial mainstream.

"Too often, low-income people are invisible to traditional financial providers," explains José A. Quiñonez, MAF's founder and CEO. "Sixty-four million people in this country don't have credit scores. Another 17 million people don't have access to a bank account. Our goal is to help them overcome those barriers so that they, their families, and their communities can flourish."

The majority of Lending Circles participants enroll in the program with the primary goal of establishing or increasing their credit scores. But they use their loans for a range of goals: to pay off expensive debt, establish emergency savings, put a down payment on an apartment, or start their own business.

JPMorgan Chase, a longtime financial supporter of both LISC and MAF, is funding this expansion, which includes the addition of two new Lending Circles programs at Financial Opportunity Centers in the Greater Cincinnati area. The experience to date is promising: five Financial Opportunity Centers are now official Lending Circles providers. Collectively, they have provided over \$300,000 to nearly 500 participants. Since 2013, JPMorgan Chase has invested close to \$3 million in Lending Circles efforts with partners across the country.

"Improving the financial health of households leads to stronger, more resilient communities and economies," explained Colleen Briggs, executive director of community innovation, JPMorgan Chase. "JPMorgan Chase is excited to help expand the proven MAF Lending Circles

model to LISC clients throughout the country. By establishing and improving credit, this partnership will help more Americans improve their financial security and achieve their long-term goals.”

“Poverty should not be a life sentence,” said Maurice Jones, LISC president and CEO. “As a country, we need to open new doors for the millions of Americans who haven’t been able to share in the opportunities and wealth our economy creates. That means connecting them to the tools they need to earn more, save more, and find a more secure financial footing.”

Brighton Center, located in Newport, Ky., is of the newest Lending Circles partners. Last month, Brighton Center brought together eight people to form the organization’s first circle. The Lending Circles process begins with the Formation, when participants meet for the first time and decide upon the amount to contribute monthly, the order in which they’ll receive their loans, and a name for their group. (Brighton Center’s eight-member circle proudly named themselves, “Sens8tional”).

Brighton Center staff are confident that the Lending Circles program will be a valuable resource for clients who already have a relationship with the organization and are involved in its other programs ranging from job training to childcare.

“The families we work with every day want to build a better future for themselves and their children,” said Stephanie Stiene, director of financial services with Brighton Center. “But sometimes they don’t know where to begin. By giving them a tool they can use to access affordable loans and build credit, families move toward self-sufficiency and financial independence.”

Another recent addition to the network is Santa Maria Community Services, located in Cincinnati’s Greater Price Hill neighborhood. The Lending Circles program fits naturally among the organization’s existing services, which are geared toward raising incomes, improving education, boosting health, and supporting youth and families.

The seven participants in Santa Maria’s first group, dubbed “The A-Team”, were thrilled to have access to such a valuable, “win-win” financial service. Santa Maria staff members report that many other clients are eager to take advantage of the program and intend to enroll in the coming months.

“By connecting neighbors through shared financial goals, we have the chance not only to help individuals improve their quality of life, but also to fuel economic opportunities that benefit our community as a whole” said Santa Maria’s CEO H.A. Musser.

“Santa Maria is a catalyst and advocate for Greater Price Hill families to attain their educational, financial, and health goals. The lack of credit-building opportunities in our region keep people from establishing and maintaining financial security. Lending Circles allow families to unlock their full economic potential,” he said.

About LISC

LISC equips struggling communities with the capital, program strategy and know-how to become places where people can thrive. It combines corporate, government and philanthropic resources. Since 1980, LISC has invested \$17.3 billion to build or rehab 366,000 affordable homes and apartments and develop 61 million square feet of retail,

community and educational space. For more, visit www.lisc.org

About MAF

Mission Asset Fund (MAF) builds pathways to prosperity through zero-interest, credit-building loans. Over 7,000 people across the country have used MAF's award-winning Lending Circles programs to increase credit scores, pay down debt, and save for important goals like becoming a homeowner, a student, or a U.S. citizen. MAF currently manages a national network of over 50 Lending Circles providers in 17 states and Washington, D.C.

About JPMorgan Chase

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