

Consumer Resources

Credit Report

You are entitled to receive one free credit report every twelve months from each of the three nationwide consumer reporting companies: *Experian, Equifax and TransUnion.*

To request your free report go to
www.annualcreditreport.com
or call 877-322-8228

My Money.gov

The U.S. government's website dedicated to teaching the basics about financial education with a multitude of resources including monthly budget sheets and online calculators.

www.mymoney.gov

Consumer Financial Protection Bureau

Comprehensive site with links to consumer resources on matters such as home ownership, foreclosure, credit cards, debt collection, seniors and more.

www.consumerfinance.gov

Virginia Poverty Law Center

Provides public education and advocacy to address the civil legal needs of Virginia's low-income population.

www.vplc.org
804-782-9430

The United Methodist Credit Union

A full service financial cooperative serving United Methodists.

www.tumcu.org
804-672-0200



Federally insured by the National
Credit Union Administration



Jubilee Assistance Fund



Alternative Short Term Program To Assist Those In Financial Crisis

About JAF

How JAF Works

The **Jubilee Assistance Fund (JAF)** was established as a sensible alternative to predatory lending. JAF is a collaborative loan program where a local church establishes an account at The United Methodist Credit Union to provide collateralized small, short term loans with very low interest rates for individuals who would not qualify for loans otherwise.

What Is Predatory Lending?

The marketplace is home to multiple forms of high-cost, high risk credit that compromises the financial security of low and moderate income consumers. Car title loans and payday lending are common examples of this predatory lending.

The interest rates associated with car title loans can be as high as 264% APR, causing a borrower with a \$500 loan to incur finance charges of \$953 for a 12 month loan. Should the borrower become unable to repay, the lender can repossess the vehicle, jeopardizing the borrower's ability to obtain and maintain employment.

Loan Comparison Example

<u>JAF Loan</u>	<u>Car Title Loan</u>
Term- 1 year	Term- 1 year
\$500 Principal	\$500 Principal
6% ARR*	264% APR**
\$16 Interest Charges	\$953 Interest Charges

Escaping this cycle of debt becomes increasingly difficult for consumers who fall victim to predatory lenders. JAF provides a better means for obtaining a short term loan.

*TUMCU JAF Loan Rate is 6 % plus the share rate
** Current rate car title lenders can charge in Virginia. 1/2011

Borrower Information

Borrower's Responsibilities

To qualify for the **Jubilee Assistance Fund**, the church member covenants with the church and agrees to receive financial counseling, loan monitoring and payroll deduction. *JAF loans help persons in crisis with rent, mortgages, medicine, utilities and food. JAF loans can also be used to refinance a predatory lender loan and help escape the crushing interest rates associated with those loans.*

Financial Counseling

The JAF program is designed to not only assist with the immediate financial crisis at hand, but to provide the financial management tools necessary for preventing another crisis.

The Financial Counseling Covers The Basics Of Personal Financial Management:

- *Establishing A Monthly Budget*
- *How Credit Works*
- *How To Save*
- *Understanding Credit Reports*

The educational, financial and budgeting counseling is a cooperative effort between the credit union, the pastor and the borrower. It is a necessary component to help the borrower acquire new money management habits and have the discipline to not only pay off the loan, but establish a habit of saving for the future.

JAF Contact: _____

Phone: _____