



Introduction & Overview

The Solution: Community Loan Center

- **Alternative: Market-Based Approach**
 - Fairly priced small-dollar loans with reasonable terms
 - Direct competition to high costs lenders
 - Employer based loan to workers
- **Sustainable and Scalable**
 - Need a program that can outgrow the need for subsidy and generate revenues
 - Program designed to be replicated across state and beyond

The Solution (cont.)

- Employer-Based
 - Payroll deduction
 - No storefront reduces costs of operations
 - No cost to employers/marketed as Benefit
- Improved Efficiencies
 - Online proprietary interface for loan origination
 - Outsource loan processing
 - Outsource loan servicing
- Nonprofit driven
 - Grants, Program Related Investments, low cost debt financing
 - Community Reinvestment Act credits for Bank Investors

Community Loan Center Terms

- \$1,000 loan maximum
 - Or up to half of borrower's monthly gross pay
 - One Year Loan term
- 18% interest (21.83% APR)
- \$20 origination fee
- Relaxed underwriting
- No collateral
- No prepayment penalties
- Reports to credit bureaus
- Repayments \$23.38/week or \$94/month

Small Dollar Loans Comparison

	Affordable Small Dollar Loan	Payday Loans
Loan Amount	\$1,000	\$1,000
Administrative Fee	\$20	\$0
Term	12 months	14 to 30 days
Interest Rate	18%	n/a
Financial Fee	n/a	\$300 * / \$600**
Total Interest/Fees	\$122.16	\$900
Annual Percentage Rate	21.8321%	782.14%
Monthly Payment	\$93.51	\$1,300 due in 14 days

*1st 14 day fee is \$300, if renewed an additional \$300 fee is required.

**If loan is extended (as indicated by research) two times.

Who We Are

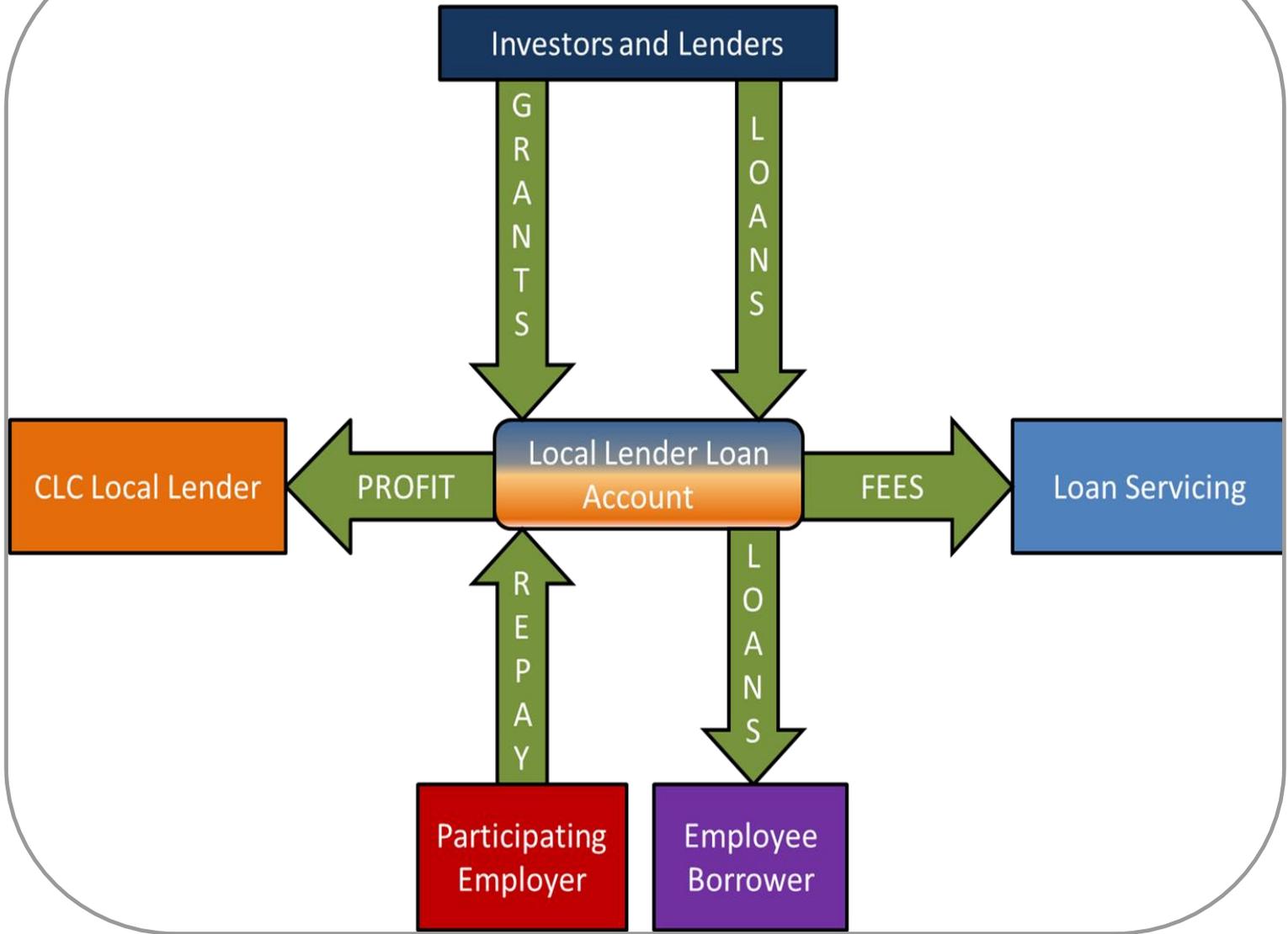


Texas Community Capital

What We Do

- Rio Grande Valley CLC
 - Contracted to Originate and Service All Loans
 - Developing Software and Intellectual Property
- Texas Community Capital
 - Sublicenses Software and IP to Local CLC Lenders
 - Recruit New Local Lenders Into CLC Program
 - Create Intellectual Property, including Marketing Materials, Co-Branding, and Program Guidelines
 - Also a Licensed Lender in Balance of State Areas
- Local CLC Lenders
 - Recruit Employers to Participate in Program
 - Raise Loan Capital to Fund the Loans
 - Become a Licensed Lender via Texas OCCC

SMALL DOLLAR LOANS: FOLLOWING THE MONEY



CLC Program Success

- 792 loans in first year of operation in Brownsville
 - Over 10,600 loans to date
 - Dallas, Houston, Laredo, Austin, Waco, Brazos Valley and two Indiana markets
 - Next: San Antonio, El Paso, Your State
- Active at 94 employers covering over 39,000 employees
- Loaned \$8.9 million in affordable loans
- Less than 4% loan default rate
- Saved borrowers over \$7 million

Statewide Expansion

To date, we have CLC partners in the following areas:

- Rio Grande Valley
- Laredo
- Houston
- Austin
- Dallas
- Brazos Valley
- Waco
- Discussions with El Paso, Lubbock and San Antonio



System Structure

- Online Application
- Employer Portal
- Financial Partner Admin Portal
- Administrative Portal
- Jobs and Processes Automated for Efficiency

WELCOME TO THE COMMUNITY LOAN CENTER

[español](#)

We will walk you through the application process. The application will take approximately 10 to 15 minutes to complete. You will need the following information:

- Social Security Number
- Driver's License or Other Identification
- Employment Information
- Bank Information
- References

Most loans are approved and funded within 2 business days!

Click-wrap License Agreement

These Terms and Conditions are a legal contract between you (either an individual or a single business entity) and Community Loan Center Corporation, a Texas corporation ("CLC"), for the use and operation of technology and software for the online origination and servicing of loans made in connection with the Affordable Small Dollar Loans Program, which includes computer software and, as applicable, associated media, printed materials, and "online" or electronic documentation (collectively, the "Service").
BY CLICKING THE ICON BELOW, OR BY REGISTERING FOR USE OF THE

Supported Web Browsers

-  Microsoft Internet Explorer, Version 7.0 or higher
-  Google Chrome, Version 30 or higher.
-  Firefox, Version 4.0 or higher.
-  Safari, Version 5.0 or higher

You will also need  Adobe PDF Reader to View Your Loan Documents.

I Agree with the Terms and Conditions

[Start My Application](#)

PERSONAL INFORMATION

[español](#)

Tell us about yourself. The application is a secure form and your personal information is encrypted for your protection.

First Name	<input type="text"/>
Middle Name *	<input type="text"/>
Last Name	<input type="text"/>
Address	<input type="text"/>
City, State, Zip	<input type="text"/> TX <input type="text"/>
Email Address *	<input type="text"/>
Home Telephone	<input type="text"/>
Mobile Telephone *	<input type="text"/>
Social Security Number	<input type="text"/>
Date of Birth	<input type="text" value="mm/dd/yyyy"/>
Identification / Number	Driver's License <input type="text"/>
Dependants / Ages *	0 <input type="text"/>
Immigration Status	United States Citizen
For Housing, I	Rent an Apartment or Home
I've Lived Here Since	January of 2015

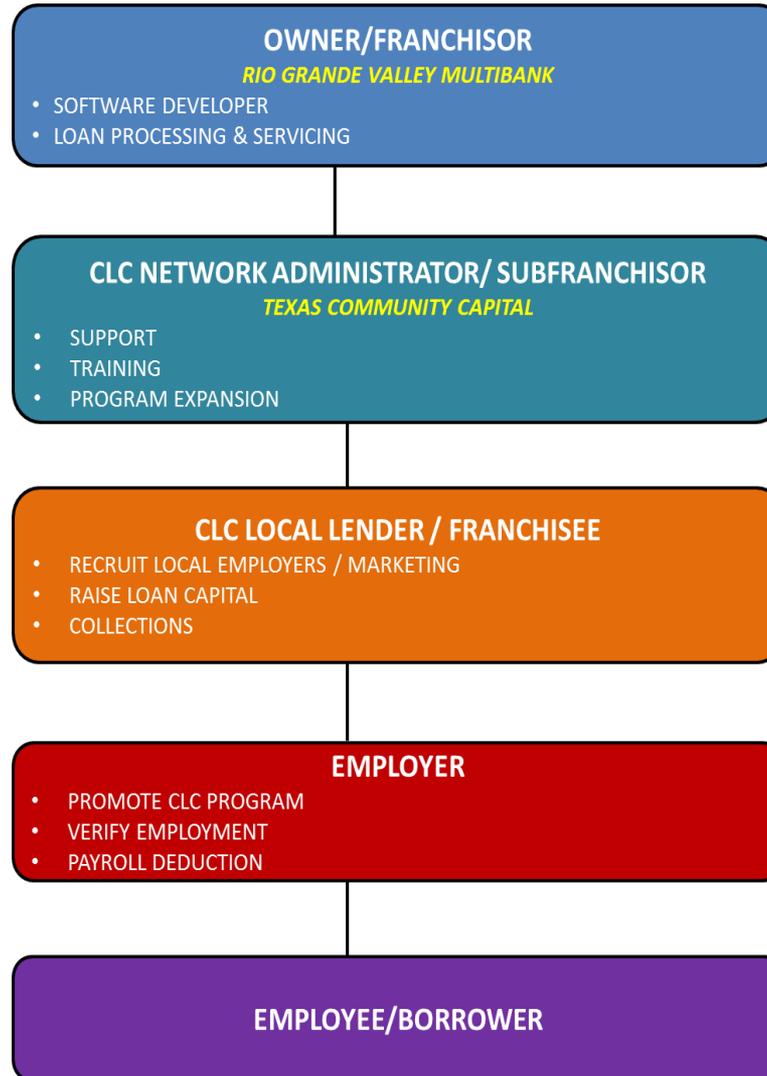
* *Optional*

Continue

Program Goals and Impacts

- Short Term: Create successful program that has real impact in workers lives.
 - 10 Licensed CLC Lenders in next 24 months
 - 10,000 loans in next 24 months
- Long Term: Build a sustainable social enterprise for nonprofits that is scalable both locally and nationally.
- If we only serve 7,000 clients and save each only \$400 (\$778 Avg.), we give \$2.8 million back to borrowers

Organizational Chart



Bringing the CLC to Your City

- Need local lender
 - Local lender to be state licensed lender
- Goal to raise \$1,000,000 in loan capital
 - Administrative Support for 1 FTE
- Recruit employers (public and private)
 - 3,500 employee initial goal year one
- Main funding will come from banks, foundations, public sources, and other institutional investors.
- Partnerships to recruit employers

CLC Revenue

- 18% interest on \$1,000 loan (\$96.41/loan)
- \$9.50 of the \$20/loan origination fee

CLC Fees

- \$10.50/loan of the \$20 loan origination fee
 - Paid by borrower for software, etc.
- Loan servicing fee .45%/mo. of loan balance
 - For 12 month \$1,000 loan, total fee is \$30
- Annual state licensing fee about \$500

Funding and Investment Options

- Local CLC administrative funds for admin fund
- Capital for a Local CLC loan pool
 - Grants, Program Related Investments, lines of credit, etc.
 - \$1,000,000 goal
- Capital for a statewide loan pool
 - Grants, Program Related Investments, lines of credit, etc.
 - \$1.5 million goal
- State and local loan loss reserve pool

What Are We Asking

- Consider participating in the program
- Become a licensed regulated lender by your state
- \$2,500 CLC licensing fee
- Dedicate a staff person to recruiting and training businesses
- Proof of D&O liability insurance
- Work with TCC to raise lending capital
- Work with your borrowers if loans become delinquent

Contact

Howard Porter

Community Loan Center

512.916.0508

Howard@TCCapital.org