



Society of

**St. Vincent de Paul**  
NORTH TEXAS

3826 Gilbert Ave  
Dallas, TX 75219

### **Mini Loan Program (MLP) - Guidelines**

214 520 0650  
[www.svdpdallas.org](http://www.svdpdallas.org)

1) The Diocesan Council of Dallas is pleased to offer the Mini Loan Program to all of the SVDP Conferences within the Diocesan Council of Dallas. The purpose of the MLP is to reduce the number of individuals and families who are trapped in the "Cycle of Debt" caused by having an existing predatory loan (payday loan or title loan). Some very high interest furniture loans may apply (100%+).

2) The process begins when the Individual/Family calls SVDP for assistance. The Conference gets basic information from the Individual/Family and schedules a home visit. During the home visit, the Vincentians will determine if a predatory loan exists.

3) If a predatory loan situation is discovered, the home visit team completes their normal assistance and then informs the Conference MLP Coordinators, and the Conference President.

a) The two MLP coordinators schedule a second visit with the Individual/Family and determine if they meet the requirements with the screening form and budget sheet. Ideally, this second visit should occur within 1-2 days after the home visit team discovers the predatory loan.

b) To qualify, the individual must have a reliable periodic paycheck or steady income of some form with automatic payroll deduction into their checking accounts, and must have room in their budget to repay the new MLP loan.

c) If the Conference MLP Coordinator(s) agrees that this Individual/Family is a good credit risk. They should share this with conference president and he/she will recommend that the loan be submitted. The Individual/Family then completes the bank loan application. The Conference MLP Coordinators should be careful to state that the loan is being applied for, but not make a promise that the loan will be approved.

**d) The success of this program depends heavily upon the Conference MLP Coordinator's diligent review of the applicant's budget and their confidence in the applicant's ability to repay the new bank loan.**

A referral program is in place – when people are referred to MLP they are instructed to call the main helpline at the Diocesan Council office. They will then be directed to the conference closest to where they reside.

4) The Conference MLP Coordinator submits the loan request to the District MLP Representative by uploading all documentation to the MLP database.

a) The Conference MLP Coordinator requests the approval of the Conference President.

b) The District MLP Representative reviews the complete loan request package and verifies that it is an acceptable loan and that it has been approved. At this point, the loan application is considered approved, unless a committee member raises a serious complaint.

c) The District Representative notifies the Council MLP Coordinator via email (and copies Conference Coordinator) that the loan is approved and ready to be submitted to the bank for processing. The Council MLP Coordinator sends the loan package to the bank via email.

d) The minimum loan amount is \$500, the maximum loan is \$4,000. All loans above \$2,500 need a majority (4 member) vote from the MLP committee. The standard loan duration is 12 months at an interest rate of 3%.

Cont/d.....



Society of

# St. Vincent de Paul

NORTH TEXAS

3826 Gilbert Ave  
Dallas, TX 75219

214 520 0650  
[www.svdpdallas.org](http://www.svdpdallas.org)

5) The Conference MLP Coordinator(s) and the MLP participant meet at the Bank. The participant signs the loan documents for the new MLP loan.

- a) The participant is required to authorize a monthly ACH withdrawal from their bank into the loan account for future loan payments.
- b) The participant goes directly to the predatory lender to pay off the predatory loan in full, accompanied by the conference coordinator
- c) The Council MLP Coordinator will go to the bank to sign the new MLP loan as co-borrower within 2/3 days.

6) The Council Coordinator monitors the loan program and is informed by the bank if a monthly payment is missed. The conference coordinator and district rep work with the participant to get them back on track. The council will cover the loan payment if it goes beyond 10 days past due. Participants are expected to pay back missed payments to the council after the 12-month loan term with the bank comes to and end.

7) Upon successful pay-off of the bank loan, the participant is encouraged (but not required) to open a savings account at the partnering bank. The Conference will make a \$50 deposit into the client's savings account as a celebration with the Individual/Family. If the participant has an existing savings account the \$50 will be deposited into that account. A Certificate of completion is presented to the participant along with a savings encouragement letter and an MLP survey.

**REVISED AUGUST 18, 2017 BY LOUISE BLAND.**