

Guaranty Bank & Trust Co. Small Loan Program



Educational Qualifications for New Horizon Small Loan Program

Minimum required classes under Healthy; Wealthy & Wise Program are the **first six topics as follow:**

- Health and Wealth
- Saving
- Finding Extra Income
- Smart Goals
- Budgeting
- Establishing Credit

Minimum required classes under FDIC's Money Smart for Adults:

- Bank on It
- Check It Out
- Borrowing Basics
- Money Matters
- Pay Yourself First
- Financial Recovery

NEW HORIZONS

(A Small Loan Program for the Unbanked and Under-banked)

Loan amount	\$500 - \$2,000 (Dependent on Debt-to-Income ratio)
Minimum credit score	500 up to \$1,000 and 600 from \$1,001 to \$2,000 (Not having a credit score is acceptable for requests up to \$1,000 if all other criteria are met.)
Maximum Debt-to-Income ratio	40%
Terms	9 to 24 months
Interest rate	13%



Additional Requirements/Stipulations

1. Borrower(s) must have evidence of completion of a financial education course (bank approved) within previous 2 years.
2. Medical collections will be exempt, but must not exceed \$10,000 in total.
3. Prior charged off balances and non-medical collections must not exceed \$5,000 in total.
4. No foreclosures, repossessions or judgments can be filed in past 2 years. Bankruptcies filed in the previous two years must be completed.
5. Half of the loan proceeds will be deposited in GB&T savings account which will be held as collateral on the loan. The other half of the proceeds will be deposited into a GB&T checking account and will be available for immediate withdrawal.
6. Loan payments will be automatically drafted from the checking account.



Additional Requirements/Stipulations

7. Direct deposit to the checking account of any government benefits will be required.
8. A current and valid government issued picture identification and proof of residency will be required.
9. If Federal or State tax liens have been levied, this loan cannot be extended unless applicant shows proof of payment.
10. This loan can only be extended to applicants of legal contractual age. (MS state law is 21 years of age)
11. Applicants must have a consistent source of income.

Results

- Have 17 banks in the education program and making small loans.
- Partnered with numerous non-profits and community organizations.
- Charge-off rate of 2.3%
- Some participants increasing their credit score over 42 points in one year.
- Designed to build credit, start savings program, and learn to handle finances.