AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM

2. APPROVAL OF MEETING MINUTES OF October 23, 2019

3. ITEMS FOR CONSIDERATION
   A. Approval of 2020 Meeting Dates
   B. Approval of Funding Request Evanston Rebuilding Warehouse
   C. Approval of Financial Wellness Professional Service Agreement
   D. Approval of Recommended Changes to Business License Code
   E. Recommend approval issuance of RFP for 1805 Darrow

4. COMMUNICATIONS
   A. Monthly Economic Development Communication
   B. Announcements/Updates from EDC Members

5. ADJOURNMENT
ECONOMIC DEVELOPMENT COMMITTEE
Wednesday, October 23, 2019 – 7:30 p.m.
Lorraine Morton Civic Center
2100 Ridge Avenue, City Council Chambers

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM

2. APPROVAL OF MEETING MINUTES OF SEPTEMBER 25, 2019

3. ITEMS FOR CONSIDERATION
   A. Downtown Evanston Levy/Funding Request

Executive Director Annie Coakley presented year in review, summarizing events and services.

Downtown Evanston will be requesting a levy of $592,660 based on levy rate of 0.1770%.

Downtown Evanston seeking an additional $50,000 from Economic Development Partnership account 100.21.5300.62659 to fund additional / supplemental maintenance and landscaping

Alderman Wilson expressed appreciation for advertising

Alderman Wynne expressed appreciation for programming at fountain square

Ms. Sierant asked about questions/input from public regarding the reconstitution process. Ms. Coakley responded with detail about the process

Moved approval - Wilson
Seconded - Braithwaite

Committee approved 7-0

Order of Agenda Items is subject to change. Information about the Economic Development Committee is available at http://www.cityofevanston.org/economicdev special-council-committees/economic-development-committee/index.php. Questions can be directed to Paul Zalmezak at 847.448.8013. The City of Evanston is committed to making all public meetings accessible to persons with disabilities. Any citizen needing mobility or communications access assistance should contact the City Manager’s Office 48 hours in advance of the scheduled meeting so that accommodations can be made at 847-448-8683 (Voice) or 847-448-8064 (TTY).
B. Main-Dempster Mile Levy Request

Executive Director Katherine Gotsick presented year in review, financials, and board of director updates.

Lisa Dziekan asked about origination of rates. Ms. Gotsick responded with detail/history.

Ms. Sierant asked for clarification on budget, specifically admin costs. – Ms. Gotsick responded with detail including, rent, admin, salary, etc.

Ald. Rainey asked what is MDM reserve policy? Ms. Gotsick responded that MDM requires six months reserve and promised to follow up with additional information.

Moved approval - Wilson
Seconded - Rainey

Committee approved 7-0

C. Evanston Fire Department Apprenticeship Program

Zalmezak introduced funding for apprenticeship program and economic development fund as source of funds considering the workforce sub account within the economic development account.

Chief Scott summarized the proposed program.

Lisa Dziekan asked for clarification on number of individuals to be served through program.

Chief Scott responded that one apprentice to be served. The total three year cost for the apprenticeship is $63,000

Alderman Braithwaite expressed support and discussed origination of idea in MWEBE committee to pay for testing

Alderman Wilson expressed appreciation about the work required to get state legislation

Alderman Rainey agreed with above comments, but thinks this funding should come from Human Resource Department. Why not HR / General Fund or CDBG versus ED?

Alderman Rainey asked Chief if HR was consulted for General Fund.

Zalmezak indicated staff will do additional research on funding source to determine if another source
Alderman Rue Simmons asked if other partners can pay, including Oakton Community College. Seeking additional information about the laws governing the program. Would like to see the funding to go to someone of need/someone who wouldn’t otherwise have ability to participate otherwise.

Scott indicated that additional review required by local union for selection process

Wilson thinks workforce matters should be considered by Economic Development Committee and is supportive.

Braithwaite agreed with Wilson

Rainey said we shouldn’t use the economic development funding should be used to hire a public employee. We should use the funds to support private industry expand their workforce. Doesn’t think the funds should be used to fund a public employee.

Ms. Serant, is there a risk of losing the employee / if they left the program.

Scott, would require the trainee reimburse. Not unusual to have contract with trainees.

Ms. Dziekan, supports the model. Are there other partner opportunities? Can Oakton help pay for the program? Uncomfortable with $63,000 for one individual

Alderman Wynne views positively. Appreciates the effort to go to Springfield to change the law. “Workforce development is workforce development” An Evanstonian receiving training to serve Evanston. This helps the Evanston workforce. Seek additional assistance for Oakton support and others

Rue Simmons expressed her strong support of the model. Directing staff to work with oakton and others to support the program financially. Supports moving to City Council, but wants additional partners

Braithwaite – important to look at how we are training someone to contribute to the City’s tax base. Change this to a pilot program and further develop it.

Wilson – this is an investment in a person to develop a career opportunity.

Moved approval – Rue Simmons
Seconded - Braithwaite

Committee approved 6-1 (Rainey no)

4. ITEMS FOR DISCUSSION
   A. Legacy Business Retention Fund
Zalmezak summarized the draft/proposed legacy business retention fund. Similar to storefront modernization, but limited to independent Evanston-based businesses who have been in operation for five years or longer who require capital investment to remain viable in business districts.

Alderman Wilson hears remarks from public about helping local businesses when we make decision to fund businesses, but his philosophy is to use funding to help level the playing field (structural economic issues). This program, as proposed, does not do that.

Not comfortable with financial incentive

Alderman Braithwaite – program might be helpful for shopping centers and West Evanston industrial businesses. Said he would like to keep the conversation going. Need measure for job creation and participation from businesses “Skin in game” Business must contribute some level of financial commitment to receive the funding.

Ms. Dziekean expressed concern about the years in operation threshold - 10 year in business is too high. Five years is probably better. Don’t call it legacy business. Vitality and placemaking is what we are investing in. Budget should reflect your values. We heard residents in Evanston say we value our independent businesses.

Rainey – concerned about identifying the types of businesses. Veterinarian space for example on Howard would be an ideal recipient.

Braithwaite encouraged staff to determine Return on Investment measures.

Dziekan - Compare the program to other communities.

Wynne- maybe not a five year threshold, but an older business.

**Public Comment**
LEND re-introduced themselves

**5. COMMUNICATIONS**
- Monthly Economic Development Communication
- Announcements/Updates from EDC Members

**6. ADJOURNMENT**

Adjourn 9:04pm
Memorandum

To: Chair and Members of Economic Development Committee  
   City Clerk Devon Reid  

From: Johanna Leonard, Community Development Director  
       Paul Zalmezak, Economic Development Division Manager  
       Katheryn Boden, Economic Development Specialist  

Subject: Approval of 2020 Meeting Dates  

Date: November 6, 2019  

Recommended Action:  
Meetings of the Economic Development Committee are scheduled for the fourth Wednesday of each month with the exception of December; the committee has not met in December since 2010. Recently approved calendars have excluded March and August, both difficult to obtain quorum due to school and summer schedules.

Economic Development Committee meetings are scheduled for 7:30 p.m. and will be held at the Lorraine H. Morton Civic Center, 2100 Ridge Avenue, in the James C. Lytle City Council Chambers unless otherwise noted.

Staff proposes the following 2020 meeting date schedule:

- January 22  
- February 26  
- March 25  
- April 22  
- May 27  
- June 24  
- July 22  
- September 23  
- October 28  
- December 2
Memorandum

To: Chair and Members of the Economic Development Committee

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Manager

Subject: Small Business Workforce Development Funding request from Evanston Rebuilding Warehouse

Date: November 25, 2019

Recommendation

Staff seeks a recommendation from Economic Development Committee to the City Council to provide financial assistance to Evanston Rebuilding Warehouse in an amount not to exceed $15,000 to help facilitate job training and placement opportunities for primarily low- and moderate-income trainees in environmentally sustainable deconstruction methods.

Funding Source:

Staff recommends using the General Fund Economic Development Division Workforce Development account (#100.21.5300.62663). The City Council approved a budget of $100,000 for 2020.

Summary

The Evanston Rebuilding Warehouse (ERW) is a non-profit organization that promotes the reduction of waste in landfills through sustainable deconstruction and renovation building practices. Reclaimed building materials are sold at the Evanston warehouse at low cost to the community and the proceeds support their education, job-training and job-development programs which foster individual, community and economic growth in Evanston and the region.

As summarized in the attached application, the ERW is seeking up to $15,000 from the City of Evanston Small Business Workforce Development Fund for their 2020 “green workforce training program”. ERW has received funding for this program in the past from Evanston Community Foundation, CDBG, and the State of Illinois Charitable Trust Fund. This is the second time seeking funding through the Small Business Workforce Development Program. ERW received a total of $6,000 from the program with City Council approval in 2018. ERW placed two participants of the programs in jobs upon
completion. Both have been consistently employed since graduation and are working for local employers.

Started in 2014, the program focuses on deconstruction as a way to provide career training and to keep waste from landfills. Deconstruction is the careful dismantling of a building’s components for reuse, repurposing and recycling. The program will assist up to five trainees who will receive the following training and certifications through the program:

- OSHA 10
- RRP (Renovation, Repair and Painting) Certification
- Fall Protection Certification

The ERW developed the program to provide training and a path to employment for members of the community overcoming challenges and have difficulty obtaining traditional employment. The program’s “green” focus is timely as it is environmentally conscious and addresses current “green” building standards and techniques, including Cook County’s Demolition Debris Diversion Ordinance which requires 70% of debris to be diverted from landfill.

The ERW describes their program as “a 5-month-long intensive and comprehensive experience that incorporates classroom learning and on-the-job training. Participants are trained on how to use deconstruction tools and techniques, and also receive professional and personal readiness support to start a career in the building trades. ERW estimates trainees spend about 20 percent of their time in classrooms and 80 percent doing on-the-job training at deconstruction sites. Classroom training will be held at 2101 Dempster Street in Evanston, while on the job training will occur on deconstruction sites in Evanston, Wilmette, Winnetka, Glencoe, Glenview, Northbrook, Kenilworth, Chicago, and Highland Park.

ERW trainees’ classroom time involves community experts who teach and mentor the trainees in Construction Safety, Deconstruction Competencies, Health & Wellness, Financial Literacy, and Job Readiness including resume development and professional behavior.

This program is collaborative with community partners that assist with recruitment and support of trainees, teaching classes, and job placement. These partners include the City’s Youth and Young Adult Division, Moran Center, PEER Services, Curt’s Cafe, Byline Bank, Howard Area Community Center, National Able Network, and OAI, Inc.

**Background**

City of Evanston Small Business Workforce Development Fund program guidelines require the job be in one of the following industries: 1) Information Technology 2) Sales, 3) Business & Financial, 4) Healthcare, 5) Office & Administrative, 6) Transportation, 7) Food Service, 8) Construction, or 9) Manufacturing.
Staff evaluated the application and recommends approval as it meets the following criteria:

1. Business owner demonstrated capacity to provide job training;
2. Clearly defined job placement plan;
3. Business has a clear action plan for the training
4. Industry specific certifications such as CDL, food safety, pharmacy tech, etc.

Applicants are eligible to apply once annually for an amount not to exceed $15,000. Preference is given for training programs that result in a job readiness certification. Applicants will be required to provide a defined job placement plan. Applicants propose their own “earn and learn” job training model providing opportunities for grassroots creative approaches to training.

Evanston Rebuilding Warehouse will be reimbursed once the training participant is placed in a job. ERW trainees must be Evanston residents verified by state issued identification, utility bills, bank statements and/or copy of lease/mortgage statements.

City Council approved the creation of the Evanston Small Business Workforce Development Fund in October 2015 (Resolution 100-R-15) to support local economic growth by helping to: 1) support local city businesses and agencies that increase skill and educational attainment, 2) find and retain employment, and 3) close local workforce skills gaps to meet the needs of growing in-demand industries for Evanston residents. The creation of this program originated from a discussion at City Council on May 11, 2015 during consideration of a funding request for a workforce development initiative proposed by Curt’s Café.

Attachments:
-Evanston Rebuilding Warehouse Application
-Evanston Small Business Workforce Development Program Guidelines
Business Information

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Evanston Rebuilding Warehouse (ERW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>2101 Dempster Street</td>
</tr>
<tr>
<td></td>
<td>Evanston, IL 60201</td>
</tr>
<tr>
<td>Phone</td>
<td>(847) 859-9335</td>
</tr>
<tr>
<td>Business Structure</td>
<td>Non-Profit</td>
</tr>
<tr>
<td>Total number of existing employees</td>
<td>10</td>
</tr>
<tr>
<td>Estimated number of participants to be trained</td>
<td>5</td>
</tr>
<tr>
<td>Wage of participants to be trained</td>
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</tr>
<tr>
<td>Employee Classification</td>
<td>Full time</td>
</tr>
<tr>
<td>Industry</td>
<td>Manufacturing</td>
</tr>
</tbody>
</table>

Owner/Applicant Information

<table>
<thead>
<tr>
<th>Owner Name</th>
<th>Aina Gutierrez</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Address</td>
<td>2101 Dempster Street</td>
</tr>
<tr>
<td></td>
<td>Aina Gutierrez, IL 60201</td>
</tr>
<tr>
<td>Phone</td>
<td>(847) 859-9335</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:aina@evanstonrebuildingwarehouse.org">aina@evanstonrebuildingwarehouse.org</a></td>
</tr>
</tbody>
</table>

Training Program Information
We seek funding to support our green workforce training program. Started in 2014, the program uses deconstruction (the careful dismantling of buildings for reuse, recycling, and waste reduction) as a way to provide career training to those overcoming employment barriers and to keep tens of thousands of tons of building materials out of landfills each year. It is a timely "green" training program that was developed to provide training and a path to employment for community members that have been unable to access jobs with living wages and benefits, and in response to more environmentally conscious construction and demolition standards and techniques, such as the Cook County Demolition Debris Ordinance.

Our workforce training program is a 5-month-long intensive and comprehensive experience that incorporates classroom learning, professional certifications and on-the-job training. Participants are trained on how to use deconstruction tools and techniques, and receive support in personal and professional readiness so that they are able to get a job and build a long term career.

Trainees spend about 80 percent of their time in on-the-job training at deconstruction sites and 20 percent of their time in classrooms.

On-the-job training is held on the ERW's deconstruction sites. The ERW provides quality and competitive deconstruction services to homeowners and contractors in the Chicago and north Chicagoland area. The ERW is the only nonprofit deconstruction provider in Chicagoland. Contractors on our staff provide training and mentoring to the trainees while also deconstructing the buildings and saving tens of thousands of tons of building materials from landfills.

Trainees receive the OSHA 10 Construction and EPA RRP (Renovation, Repair and Painting) Certifications.

Topics for classroom time involve community experts who teach and mentor the trainees in the following areas:
- Construction Safety
- Deconstruction Competencies
- Health & Wellness
- Financial Literacy
- Job Readiness (resume development, professional behaviors, etc.)

This program is highly collaborative with community partners that assist with recruitment and support of trainees, teaching classes, and job placement. These partners include the City of Evanston's Youth & Young Adult Division, Moran Center, PEER Services, Curt's Cafe, McGaw YMCA, Erie Health Clinic, Byline Bank, National Able Network, and OAI, Inc.
<table>
<thead>
<tr>
<th><strong>Projected start date</strong></th>
<th>Jan 01, 2020</th>
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<tbody>
<tr>
<td><strong>Projected end date</strong></td>
<td>Dec 31, 2020</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Classroom &amp; Certification Training is held at the ERW, 2101 Dempster in Evanston. On the Job training is held at various deconstruction job sites. We are currently partnering with the YWCA to deconstruct 1730 Ridge Avenue.</td>
</tr>
<tr>
<td><strong>Have you received workforce development/training funds from other organizations?</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Please summarize</strong></td>
<td>We currently receive financial support for our workforce training program from government sources such as the City of Evanston MWEBE committee and WIOA funds through National Able Network. Foundations that support us include the Evanston Community Foundation, REDF Grants Program, and the Weinberg Foundation.</td>
</tr>
</tbody>
</table>
| **Please provide a narrative demonstrating your capacity to deliver this program and to place individuals in jobs** | Our program delivery strategy is focused around a structured yet holistic and supportive curriculum that prepares trainees for employment success in the construction trades through professional certifications, supervised on-the-job training, and personal and professional supports. We have experienced program staff, and have built strong partnerships with other community organizations that provide direct services to the same population.  

We have been intentional in the last year to build employer partners so that we are able to connect our training graduates to local employers. We hold work shadow days and mock interviews so that employers can interact with our trainees and see their qualifications firsthand.  

Finally, we are very careful to track our program outcomes and use that data to improve our program. Success is not only job placement, but a higher average wage earned after our program, consistent and sustainable employment after 1 year, and reduced recidivism rates. This year, about 70% of those that enter our program graduate and are placed in jobs; they earn an average wage of $16/hour; and none of our graduates have returned to prison. |
Please describe your experience in delivering workforce development training programs and job placement

We have five years experience delivering workforce development training in deconstruction, construction and job placement. We have more than 20 employer partners that work with us to connect trainees to open position. Virtually all of our trainees have some connection to Evanston, even as increasing numbers of trainees can't afford to live here.

In 2019, we have served 16 individuals in our training program and provided support to an additional 10 program alumni.

Demand for our program continues to grow. We were only able to serve 33% of those interested in joining so in the coming year we will continue efforts to serve more people per year. We hope to pilot a women-only training cohort and continue to innovate our program to improve our job placement and retention rates.

Please provide contact information for individuals who we may contact to learn more about your experience providing workforce development training

Jonathan Smith, Effective Air Heating and Air Conditioning, jonathan@effectiveair.com

Kristen Kennard, James B. Moran Center for Youth Advocacy, kkennard@moran-center.org

Judette Kurasz, Byline Bank, JKurasz@bylinebank.com
City of Evanston
Small Business Workforce Development Program Guidelines
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Program Purpose and Overview

A. Overview: The City of Evanston has made it a priority to retain and create opportunities for small businesses to thrive in Evanston. The Economic Development Division strives to meet this City of Evanston goal with the creation of the Evanston Small Business Workforce Development Program (the “Program”). The Program will utilize Economic Development funds to provide grants to new and existing small businesses within the Program guidelines provided herein. Administration of the Program will be coordinated by the Economic Development Division in consultation with the City Manager and other appropriate City departments.

B. Purpose: The purpose of the Evanston Small Business Workforce Development Program (“the Program”) is to educate and train individuals to meet the needs of current and future business and industry in order to maintain a sustainable competitive economic environment. The Program will support individuals in “earn and learn” workforce development models in eight target areas that are based upon the Chicago Cook Workforce Partnership (“Partnership”) – “Where are the jobs in Cook County?” 2015 Report. These areas would form the foundation of a City of Evanston supported workforce development program. They are: 1) IT, 2) Sales, 3) Business & Financial, 4) Healthcare, 5) Office & Administrative, 6) Transportation, 7) Food Service, and 8) Manufacturing.

Earn and learn strategies help employers to address skill shortages by training new workers in job specific skills and protocols while receiving partial reimbursement for employee wages. Employers are able to hire employees based upon fit and attitude, and employees are able to earn a wage as they train. This model benefits the public by investing tax dollars into local businesses and citizens. Program participants are eligible to receive a rebate upon the completion of their approved workforce development program followed by job placement of the trainee. The rebate is in the form of a grant.

Definitions

a. “Participant” means the business entity applying for a rebate for providing on the job training in conformance with Program guidelines and determined eligible by the City Council or City Manager or his/her designee to participate in the Program.

b. “Program Guidelines” means the “City of Evanston Small Business Workforce Development Program Guidelines” approved by the City Council that govern the funding and administration of the program. All terms not defined herein shall have the meanings ascribed thereto in the Program Guidelines.

c. “Rebate” means $3,000 (Three Thousand and no/100 Dollars) per trainee and each participant business can have 5 trainees per year for total Rebate per participant/per year at $15,000 (Fifteen Thousand and no/100 Dollars).

d. “Trainee” means an Evanston resident seeking on-the-job training by a business entity participating in the Small Business Workforce Development Program in one of eight industries (1) IT, 2) Sales, 3) Business & Financial, 4) Healthcare, 5) Office & Administrative, 6) Transportation, 7) Food Service, or 8) Manufacturing).
Eligibility Criteria

A. Eligible Business Participants: Evanston-based businesses in the Program’s eight targeted industry areas are eligible to apply for funding.

- The applicant would be eligible for one round of funding annually and capped at $15,000.
- This funding level would support up to five Evanston-resident trainees per business at $3,000 maximum per trainee.
- Business owners agree to pay trainee during the Program for the hours of on-the-job training.
- Business owners with multiple businesses or businesses with multiple locations in Evanston would be eligible for the maximum of $15,000 to be allocated amongst the multiple locations.
- The business is reimbursed once the training participant is placed in a job for at least 90 days. Applicants would propose their own “earn and learn” job training model which provides opportunities for grassroots creative approaches to training.

B. Ineligible Participants: Any of the following will make a business ineligible for Program participation:

- Business is not an Evanston-based business;
- Workforce trainees who have previously received workforce development funding from the City of Evanston;
- Participant has outstanding water bills with the City of Evanston;
- Government offices and agencies (non-governmental tenants are eligible);
- Owner of business has received grant or loan funds from the City of Evanston and in default of its obligation under the loan agreement or grant agreement.

C. Eligible Trainees: The workforce development program trainee must be an Evanston resident verified by state issued identification, utility bills, bank statements and/or copy of lease/mortgage statements.

D. Eligible Project:
The workforce development program applicant must be an Evanston-based business of 20 or fewer employees in one of the following industries: 1) Information Technology 2) Sales, 3) Business & Financial, 4) Healthcare, 5) Office & Administrative, 6) Transportation, 7) Food Service, or 8) Manufacturing.
Program Steps

Step 1: Arrange to Meet with Staff. Applicants should schedule a meeting with Economic Development Division and Youth and Young Adult Division staff to discuss the program, ask questions, and obtain application materials.

Paul Zalmezak
Senior Economic Development Coordinator
(847) 448-8013
pzalmezak@cityofevanston.org

Kevin Brown
Community Services Manager
(847) 448-8042
kebrown@cityofevanston.org

Step 2: Application Submission. Applications for the City of Evanston Small Business Workforce Development Program may be submitted at any time. The application can be completed online at www.evanstonedge.com/programs

Step 3: Staff Application Review Process. Applications will be accepted throughout the year until funds are committed. Economic Development Division and Youth and Young Adult Division staff will review applications and in partnership submit for Economic Development Committee and City Council Review. The review will include a vetting of participants to verify residency and to verify participant is not already receiving job training support through other agencies to avoid duplication of services and to maximize population impacted by programs. Strong consideration will be given to applicants who have a demonstrated capacity to achieve the Program’s goal of job readiness and job placement. Applications are online at https://arts.formstack.com/forms/small_business_workforce_development

After Applications are submitted, Staff will:
- Evaluate each project submitted to determine if Application is complete.
- Confirm eligibility of proposed workforce development program;
- Identify appropriate funding sources for the proposed project;
- Confirm business is located in Evanston and follows the eligibility requirements stated above.
- Prepare recommendations of approval of funds to the appropriate Committee.

Staff will evaluate Applications on the following criteria:
- Business owner demonstrated capacity to provide job training;
- Clearly defined job placement plan;
- Business has a clear action plan for the training with respect to clear and definite goals, expectations for trainee, as well as professional job fairs, seminars, workshops and other outreach opportunities that the trainee could utilize to seek full-time employment
- Industry specific certifications such as CDL, food safety, pharmacy tech, etc.
- Training in one of the following 1) Information Technology, 2) Sales, 3) Business & Financial, 4) Healthcare, 5) Office & Administrative, 6) Transportation, 7) Food Service, or 8) Manufacturing.

Step 4: Public Review and Approval Process. Staff will submit recommendations to the Economic Development Committee for funding of the Program annually. Economic
Development Division staff in consultation with the City Manager will review and make the final decisions on funding of each applicant within the established funding limits and the guidelines contained herein.

**Step 5: Program Participation Approval and Acknowledgment Forms.** Following approval by City staff, Participants will be required to execute a form entitled *Acknowledgement of Program Terms* (Form A), to ensure that the Program participants agree to all terms and requirements contained within this Small Business Workforce Development Guidelines and agrees to follow the requirements for continued Program compliance. Once the Acknowledgement has been executed to the satisfaction of the City Manager, a *Notice to Proceed* will be issued to the Participant (Form B).

**Step 6: Program Trainee Approval for Participant Business.** The applicant must submit the name and proof of residence of individuals participating in the training program. Staff will also verify if participant is receiving workforce development support from partner agencies.

**Step 7: Training Program Completed by Trainee at Participant Business.** Participant shall finance the Project and pay the Trainee wages during participation in the Program. The Participant will document the training that took place, the work completed and materials purchased for the training. Such invoices shall include proof of payment to all contractors, suppliers, and trainees. The minimum training under the Program shall be 200 hours per trainee and documented with a trainee log that will be submitted with the request for a rebate. Participant is required to maintain accurate and sufficiently detailed records.

The Participant shall manage, implement, perform, provide, and carry out in a timely manner all of the tasks, activities, and services set forth in the Small Business Workforce Development Program Guidelines in order to receive funding.

**Step 8: Participant Business submits documentation for Rebate.** See Paragraph C below under *Program Administration* details regarding documentation that is needed for rebate issuance.

**Small Business Workforce Development Program Administration**

The Program provides participants the opportunity to receive a rebate upon completion of the workforce development program and job placement for a minimum of 90 days.

**A. Funding Source(s):** Projects will be funded through: tax increment financing (TIF) within applicable TIF Districts and/or the Economic Development Fund.

**B. Rebate:** Funding would occur on a reimbursement basis after the trainee is placed in employment for a period of no less than 90 days in employment field and verification is provided by Program participant business. The training Program for each trainee must be completed within nine months of the Notice to Proceed issuance. The applicant is eligible for one round of funding per year and capped at $15,000 ($3,000 per trainee and maximum number of trainees is 5 individuals). Business owners with multiple businesses or businesses with multiple locations are eligible for the maximum of $15,000 to be allocated amongst multiple locations. Request for reimbursement form is online at: [https://arts.formstack.com/forms/small_business_workforce_development_reimbursement](https://arts.formstack.com/forms/small_business_workforce_development_reimbursement)
C. Program Documentation Prior to Rebate Issuance: The following are required to be submitted to the City of Evanston (mail or e-mail is acceptable):

- Attach a photocopy of all Certificates of Employee (Form C), along with a copy of the payroll records for each employee in the Program and proof of City of Evanston residency for each employee in the Program. Payroll records must be redacted prior to sending to the City, removing social security numbers and date of birth prior to transmittal.
- Description of trade/work performed by employee(s), start and end dates, total hours worked.
- Trainee log(s) with outlined tasks and must total not less than 200 hours per trainee.

Obligation to Refrain from Discrimination

A. Participant covenants and agrees for itself, its successors and its assigns to the Property, or any part thereof, that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, or age or physical or mental disabilities that do not impair ability to work, and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

B. That, if it hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.

C. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all Participants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.

No Agency Created

The Participant and any contractor, supplier, vendor or any third party hired by Participant to complete the Project are not agents of the City. Any provisions of this Agreement that may appear to give the City any right to direct the Participant concerning the details of the obligations under this Agreement, or to exercise any control over such obligations, shall mean only that the Participant shall follow the direction of the City concerning the end results of the obligations.
FORM A

ACKNOWLEDGEMENT OF PROGRAM TERMS

I, ______________________, ______________________(title), acknowledge that I have read and understand the contents of the Small Business Workforce Development Program Guidelines provided to me as a participant in the Program. I certify that I have the authority to execute this acknowledgment on behalf of the participant business. By signing below, I understand and will ensure that the Participant business will follow the Guidelines and it is the responsibility of the Participant to do so and not the responsibility of the City of Evanston.

__________________________  __________________________
Name (Print)                      Date

__________________________
Name (Signature)
FORM B
NOTICE TO PROCEED

DATE

Successful Applicant
[Street address]
Evanston, IL 6020X

Dear Applicant:

Thank you for your interest in the City of Evanston Small Business Workforce Development Program. This letter is to inform you that your application has been granted approval and inform you of the next steps in the process.

Your application has been approved for up to $_________ in reimbursement for a total of _____ trainees at the business. The next step is to read program guidelines enclosed and sign the Acknowledgment of Program Terms, to document that the terms and conditions of participation in the Program are clear and you agree to follow the guidelines. Once this acknowledgment is submitted, you will have nine (9) months to complete the training of the employees and submit the necessary paperwork to the City for review. Upon completion of the training, you will need to submit the paperwork outlined in the guidelines to us in order to receive reimbursement.

Please let me know if you require additional information or have any questions. We’re glad your business is in Evanston and look forward to assisting you.

Sincerely,

Johanna Nyden,
Economic Development Division Manager
FORM C

CERTIFICATE OF EMPLOYEE

The Participant business is required to complete and sign this certificate with its submission of the request for a Rebate. Participant must fill in the name of each trainee, the total number of hours training was provided, and the industry category that the training was provided in to correspond to the eight categories outlined in the Program guidelines.

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Total Number of Training Provided</th>
<th>Industry Training Provided</th>
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</table>

I, ______________________, ______________________(title), affirm under penalties of perjury and upon personal knowledge that the contents of the foregoing certificate are true and accurate. By signing below, I acknowledge that I am issuing this certification to request a rebate from the City of Evanston. I acknowledge that any omission or inaccurate information could jeopardize the approval of the rebate.

__________________________  __________________________
Name (Print)  Date

__________________________
Name (Signature)
Memorandum

To: Chair and Members of Economic Development Committee

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Division Manager
Katheryn Boden, Economic Development Specialist

Subject: Financial Wellness Initiative – RFP Selection

Date: November 25, 2019

Recommendation
Staff seeks the Economic Development Committee’s recommendation to City Council to approve a professional services agreement with First Northern Credit Union to design and deliver a financial wellness education program for Evanston residents.

Summary
First Northern Credit Union provided the most comprehensive response of the three responders to the City of Evanston’s Request for Proposals (RFP) seeking a partnership with a qualified entity that will provide a financial wellness curriculum at no charge to City of Evanston residents. Wintrust and Byline Bank also responded to the RFP. The RFP details are summarized in the background section below. The RFP document is attached as are the RFP responses

A committee composed of Economic Development and Purchasing staff, LEND, and a financial wellness expert community volunteer reviewed and scored the proposals. First Northern Credit Union received the highest score with a total of 35.5 points out of a possible 40 points.

First Northern Credit Union has proposed a comprehensive program of 52 workshops, web-based modules, and a monthly seminar. First Northern Credit Union will use the BALANCE curriculum for the proposed program. According to the BALANCE website, https://www.balancepro.org/about-us/, BALANCE is a non-profit service accredited by the Council on Accreditation of Services for Families and Children and is certified by HUD to provide comprehensive housing counseling services.

Upon approval from the Economic Development Committee and City Council, staff will work with First Northern Credit Union to fine tune the proposal to create a defined curriculum, program schedule, and a badging/recognition program. As the wellness
initiative evolves, staff will work with the financial planning community, FNCU, and others to determine the viability of implementing a one-on-one coaching / mentoring program for participants. Personal financial coaching, using the tools introduced through the workshops, seminars, and online modules, is the most effective means of transforming financial wellbeing.

**Background:**
What is financial wellness? The Consumer Financial Protection Bureau (CFPB), the U.S. government agency responsible for consumer protection in the financial sector, defines financial well-being as "a state of being wherein you:

- Have control over day-to-day, month-to-month finances;
- Have the capacity to absorb a financial shock;
- Are on track to meet your financial goals; and
- Have the financial freedom to make the choices that allow you to enjoy life.”

On April 24, 2019, at the request of Alderman Rue Simmons, Economic Development staff presented intention to coordinate a financial wellness initiative with private sector partners. The initiative would provide personal finance education to assist Evanston residents with building wealth to enable participation in capital and credit markets. Specifically, personal financial wellness education should lead to increased levels of business startup activity and home ownership, decreased debt, and overall improved community health resulting from financial stress reduction.

Staff issued a Request for Proposals (RFP) on September 25, 2019, attached, seeking a partnership with a qualified entity that will provide a financial wellness curriculum at no charge to City of Evanston residents. The City of Evanston offered no financial assistance for the curriculum delivery. However, the City of Evanston will partner exclusively with the selected candidate by offering:

- Co-branding
- Marketing
- Advertising in City of Evanston communications including newsletters and websites.
- Use of City of Evanston facilities including the Civic Center, Levy Center, and Gibbs Morrison Cultural Center to teach the curriculum.
- Co-authoring grant applications (if applicable)
- Creation of a dedicated program micro-website

The RFP sought a bank, credit union, or a mission-oriented financial service firm or organization that provides financial wellness services. Candidates would have an established financial wellness initiative or curriculum in place with a proven track record.

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of success. By limiting it to one provider, staff will better be able to manage deliverables, track outcomes, and direct participants to a consistent program.

It was anticipated that the financial wellness initiative would include programming such as pre-purchase homebuyer counseling, down payment assistance, retirement savings, debt management, credit education, budgeting, and understanding financial services.

The RFP required the program be open to all City of Evanston residents, with priority given to low- to moderate-income residents. A system for determining eligibility will be determined in partnership with successful respondent. An ideal curriculum will result in some form of recognition such as a certificate of completion or badging system.
CITY OF EVANSTON

Request for Proposals (RFP)

for

City of Evanston Financial Wellness Partnership

Release: September 25, 2019

RFP DEADLINE:  Noon October 23, 2019

Emailed to: pzalmezak@cityofevaston.org
(no hard copies please)
Request for Proposals

The City of Evanston is seeking a partnership with a qualified entity who will provide a financial wellness curriculum to City of Evanston residents at no charge. An ideal candidate would be a bank, credit union, or a mission-oriented financial service firm or organization that provides financial wellness services. Candidates will have an established financial wellness initiative or curriculum in place with a proven track record of success.

BACKGROUND
The City of Evanston recognizes that a strong financial education provides the foundation to increased financial well-being by learning how to build wealth through immediate and retirement savings, home ownership, debt elimination, and increased entrepreneurship. Financial wellness of individuals leads to stable communities. Unfortunately, personal finance education is not taught in great detail, and while all populations are impacted by poor financial planning, lack of retirement savings, and consumer debt, minority populations generally tend to be at a greater disadvantage.

The Consumer Financial Protection Bureau (CFPB), the U.S. government agency responsible for consumer protection in the financial sector, defines financial well-being as “a state of being wherein you:

- Have control over day-to-day, month-to-month finances;
- Have the capacity to absorb a financial shock;
- Are on track to meet your financial goals; and
- Have the financial freedom to make the choices that allow you to enjoy life.”

PROGRAM REQUIREMENTS
The City of Evanston is seeking a financial institution partner (for an initial period of one year) to deliver a wellness initiative that includes programming such as pre-purchase homebuyer counseling, down payment assistance, retirement savings, debt management, credit education, budgeting, and understanding financial services. Specifically, personal financial wellness education should lead to increased levels of business startup activity, decreased debt, increased home ownership, and overall improved community health resulting from stress reduction.

Upon completion of the first year, the City of Evanston staff will review progress and service deliverables and determine if a multi year agreement is mutually agreeable, subject to City Council Approval.

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The City of Evanston will not be offering financial assistance for the curriculum delivery. However, the City of Evanston will partner exclusively with the selected candidate by offering:

- Co-branding
- Marketing
- Advertising in City of Evanston communications including newsletters and websites.
- Use of City of Evanston facilities including the Civic Center, Levy Center, and Gibbs Morrison Cultural Center to teach the curriculum.
- Co-authoring grant applications (if applicable)
- Creation of a dedicated program micro-website

The program will be open to all City of Evanston residents, with priority given to low- to moderate-income residents. A system for determining eligibility will be determined in partnership with successful respondent. An ideal curriculum will result in some form of reward such as a certificate of completion or badging system.

PROPOSAL EVALUATION
The City will evaluate proposals based on the institution or organization's previous success with financial education programs, capacity to deliver these services on an ongoing basis, and the prioritization of low to moderate-income individuals. Special consideration will be given to proposals that include teen programming. Specific evaluation measures will be determine upon negotiating the professional services agreement.

Proposals from interested parties should include the following:

- Organization Name
- Primary Contact Name, Address, Phone, Email
- Name of Curriculum
- Supporting curriculum documentation
- Referrals to individuals who have successfully completed the curriculum
- Referrals to other organizations who have hired or partnered with your organization to implement the curriculum
- Proposed length of program
- Proposed metrics of success and proposed reporting mechanism
- Eligibility criteria for participants (if required/applicable)
- Plan for community engagement

PROJECTED TIMELINE (dates are estimates and may change)

1. Issuance of Request for Proposals..................September 25, 2019
2. Proposals Due Date....................................... October 16, 2019, Noon
3. Tentative Follow Up Interviews......................October 21-October 25, 2019
4. Notification of Decision............................. November 1, 2019

Submittal Requirements: Electronic PDF submitted via email to pzalmezak@cityofevanston.org.

ANY PROPOSALS RECEIVED AFTER THE SUBMITTAL DEADLINE, WILL BE REJECTED.
It is the sole responsibility of the proposer to insure that his or her proposal is emailed by the stated time.

Evaluation Criteria
The City will select the successful firm through an evaluation process based on the firm meeting the specifications which are outlined in this RFP. A review committee will review in detail all proposals that are received. During the evaluation process, the City may require a Proposer’s representative to answer questions with regard to the proposal and/or make a formal presentation to the review committee. The review committee will make a recommendation to award the contract based on the criteria set forth below. This contract will be forwarded to the City Council for final approval.

The evaluation criteria listed below will be used in the selection of the successful Proposer.
1. Qualifications and Expertise
2. Organization and Completeness of Proposal
3. Clearly defined program
4. Demonstrated and measurable positive outcomes

Selection Process
The City will select a firm on the basis of the responsiveness of the proposal to the RFP submittal requirements, the evaluation criteria stated above, and the demonstrated willingness to execute an acceptable written contract. The City reserves the right to reject any or all proposals, and to request written clarification of proposals and supporting materials from the Proposer.

Responses may be rejected if the firm fails to perform any of the following:
A. Adhere to one or more of the provisions established in this Request for Proposal.
B. Demonstrate competence, experience, and the ability to provide the services described in this Request for Proposal.
C. Submit a response on or before the deadline and complete all required forms.
D. To fulfill a request for an oral presentation.
E. To respond to a written request for additional information.

Discussions and/or interviews may be conducted with responsible firms that have submitted proposals in order to clarify certain elements. All proposals shall be afforded fair and equal treatment with respect to any opportunity for clarification. In conducting discussions, there shall
be no disclosure of information derived from proposals submitted by competing firms. The selection shall be done by the City’s review committee and will be recommended to the City Council for final approval.

If the City is unable to reach any sort of agreement with the selected firm, the City will discontinue negotiations with the selected firm and begin negotiations with the firm ranked second and so on until an agreement is reached.

The firm to be recommended to the City Council will be the one whose proposal is determined to be the most advantageous to the City in consideration of all the evaluation factors which are set forth in this Request for Proposal. No other factors or criteria not listed in this RFP shall be used in the evaluation.

QUESTIONS REGARDING REQUESTS FOR PROPOSALS
All questions related to this Request for Proposals should be submitted in writing to Paul Zalmezak, Economic Development Manager at pzalmezak@cityofevanston.org
## Financial Wellness RFP Evaluation Scoresheet

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<th>Martinez</th>
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Inspired by Evanston.
Request for proposal for financial wellness partnership.

Issued: October 10, 2019
Proposal due: October 16, 2019

Byline Bank®
October 15, 2019

Paul Zalmezak  
City of Evanston  
2100 Ridge  
Evanston, IL 60201

Dear Mr. Zalmezak:

Thank you for the opportunity to propose a Financial Wellness partnership with the City of Evanston. In 2016 First Bank & Trust, now Byline Bank took a bold initiative in implementing a new role dedicated to Financial Literacy responding to the needs of our community. We regularly received requests for seminar, tours and information on banking. The program’s reach has only grown in scope and size. Today, our Financial Literacy program has presented 196 workshops averaging 10-40 participants in each session.

As a community bank, we are deeply rooted and committed to our Evanston neighbors. The opportunity to develop a program in partnership with the City of Evanston solidifies our mission of empowering people to write their own stories. We are confident that we are the right partner to support the City of Evanston’s vision of Financial Wellness.

Enclosed you will find our response to the Request for Proposal for a Financial Wellness partnership. We look forward to the opportunity to continue to work together, as Byline Bank has worked with the City on previous financial workshops, including a 2017 senior ride program in partnership with Audrey Thompson, and also the Mayor’s Summer Youth Program in 2018 and 2019. We hope to continue this initiative and enhance the sessions in the proposal for 2020.

We look forward to meeting with you and discussing the proposal and ideas for the future.

Sincerely yours,

Judette L. Kurasz  
Vice President  
Financial Literacy Officer
City of Evanston

Proposal for Financial Wellness Partnership

Appendix

This proposal from Byline Bank contains the following information in the Request for Proposal for Financial Wellness Partnership:

1. Proposal Content:
   a. Definition
   b. Organization Name
   c. Contact Information
   d. Name of Curriculum
   e. Referrals
   f. Proposed length of program
   g. Measures of success
   h. Eligibility
   i. Plan for community engagement

2. Scope of Work:
   a. Calendar of Events
   b. Workshop information
   c. Speakers

3. Attachments:
   a. Existing Byline Bank Program PowerPoint
   b. Tools for success
   c. Example of group activity
City of Evanston

Proposal Content:

Financial Literacy Definition:
The possession of knowledge and skills to enable informed and effective money management in the areas of saving, budgeting, investing, insurance, home ownership, college planning, retirement and tax planning.

Organization Name:
Byline Bank

Primary Contact:
Judette Kurasz
820 Church Street
Evanston, IL 60201
847- 779-8341
jkurasz@bylinebank.com

Name of the Curriculum:
Personal Financial Wellness
References, Organizations:

Anne Nicklin  
Director of Workforce Training & Deconstruction Services  
Evanston Rebuilders Warehouse  
2101 Dempster Street  
Evanston, IL 60201  
anne@evanstonrebuildingwarehouse.org  
224-267-5708

Rachel Gunn, SHRM-CP  
Assistant Director, Human Resource  
Northwestern University  
2020 Ridge Avenue  
Evanston, IL 60208  
r-gunn@northwestern.edu  
847-467-6559

Leslie Welch-Gray  
Program Supervisor  
Chicago CRED at the Youth Peace Center  
420 W. 111th Street  
Chicago, IL 60628  
312-371-0471  
lesliaewgray@gmail.com

Jen Feuer-Crystal, LCSW  
Director of Housing Programs  
Connections for the Homeless  
2121 Dewey Avenue  
Evanston, IL 60201  
847-475-7070  
jfeuer@connect2home.org

Helen Sweitzer  
Director of Resettlement  
RefugeeOne  
4753 N. Broadway Street Suite 401  
Chicago, IL 60640  
773-423-9828  
hsweitzer@refugeeone.org

Megan Ray, CRC, LPHA, LCPC  
IPS Employment Program Manager  
Trilogy, Inc.  
1400 W. Greenleaf  
Chicago, IL 60626  
773-382-4081  
mray@trilogyinc.org

References, Individual Participants:

Isadore Cruz  
78icruz@gmail.com

Laura Mills  
lauramills@prodigy.net

Chimere Barton  
chimerebarton@gmail.com

Stephenie Fischburg  
stepheniefischburg@yahoo.com

Shawnese Jones  
Shawnese.jones@gmail.com

Tanya Bell  
tbell546@gmail.com

Jasmine Edwards  
Edwardsjasmine75@gmail.com

Cynthia Rios  
rioscynthia1973@gmail.com  
224-307-9785

Maria Ynot  
MYnot@connect2home.org  
847-331-8499
Proposed length of Program:

One year with each monthly session lasting 1.5 hours.

Proposed metrics of success and proposed reporting mechanism:

- The primary goal is to implement a program that is open to the public with a concentration on low- to-moderate income households. To meet the goal of the program, a concentrated marketing plan must be developed with that targeted audience in mind. The plan would in include, but not limited to, invitations via email, direct mail, flyers, announcements, print and online ads, and social media.
- Four measurements of success:
  - Attendance, attention, engagement and action. Participants are encouraged to provide pertinent information in terms of new accounts, credit cards etc.
- Open each session with pretest (questionnaires) and end with surveys to complete the sessions.
- Participants would be provided with take-aways, for example, coded coupons or letters, and tracking the returned coupons for data.

Eligibility criteria for participants:

None.

Plan for community engagement:

- A detailed marketing plan, which would announce our venture and describe our intention for the program.
- Outreach to subject experts.
- Outreach to leaders in the community.
- Include meetings with not for profits, and community organizations.
- Include meetings with faith groups in targeted area.

Meetings would introduce the program and gain insight into the specific needs and wants of the community.
Calendar of Monthly Events:
✓ Your relationship with Money
✓ Budgeting
✓ Home Ownership
✓ Money Smarts-Children Savings Program with Evanston Library
✓ Banking
✓ Paying for School
✓ Money Management workshops with Mayor’s Summer Youth Program Plus Reality Fair Teen Program
✓ Credit
✓ Start-Up Business
✓ Retirement
✓ Senior Panel Discussion
✓ Investing & Insurance

Workshop Information:
✓ Monthly workshops will meet at designation choice of the City.
✓ Topics can be presented multiple times throughout the month.
Your relationship with Money:
This workshop will examine how you view money. A definition of money scripts and recognition of this behavior will create the basis for understanding individuals’ money habits. Study results from the Consumer Financial Protection Bureau on the Three Youth Building Blocks of Financial Capability and discussion on how it relates to you and your children. Exercise used to identify spending patterns. Homework to track your spending (Weight Watchers for Finances).

Budgeting:
This workshop will introduce the need for money management through a budget. The workshop will provide tools to promote healthy spending plans. It will examine the suggested percentages allocated to categories of your expenses. Also, include a discussion on the needs and wants of a consumer.

Home Ownership:
This workshop will examine the steps to take towards home ownership. We will look at the shopping process which includes understanding what types of loans are available, deciding what you can afford and setting expectations. Then we will talk about finding a realtor, finding a new home and deciding who to work with when it comes to applying for a loan. This last part of the workshop will focus on obtaining the loan, the valuation of the property, typical qualification standards, construction or repairs and the move.
Money Smarts Week:
Money Smarts Week is a national public education program coordinated by the Federal Reserve Bank of Chicago. It’s delivered by a network of supporters who empower people with the knowledge and skills to make better informed personal financial decisions. Byline will be involved with children’s workshops at the Evanston Library promoting savings either through Kids Read Program or interactive workshops.

Banking:
This workshop will assist in what to look for when choosing a bank or financial institute. We will look at the different types of products and services that banks have to offer along with what is required to open a bank account. Provide a roadmap on how to clean up barriers that may prevent account openings. Discuss the importance of savings with tips. And learn the basics of balancing your account. We’ll provide opportunity for participants to visit with representatives of financial institutions in a separate room after the workshop.

Paying for School:
This workshop will break down the steps necessary to pay for post-secondary education. We will lead a discussion covering the options available in terms of placement, money and your current life situation. Creative ideas will be presented on how to accomplish the next step after high school.

Money Management Workshops for Participants of the Mayor’s Summer Youth Program:
This four part series for young adults will cover topics such as responsible spending, budgeting, “what is credit,” bank accounts, saving money and investing. Each session will include classroom and group exercises with tools and information for the participants to take away and apply to their daily lives.
Reality Fair Teen Program:
This is a community event in which high school students participate in an interactive financial literacy forum and anticipate adult financial realities and challenges. It's a hands-on experience where the students select a career and related salary and then complete a realistic budget plan outlining how they can live within their means while managing expenses such as housing, utilities, transportation, clothing, food, personal expenses and more.

Credit:
Participants of this program will learn the importance of credit. They will be able to read a credit report, understand a FICO score and credit utility ratio. For participants who don’t have credit, we explore how they can obtain credit. For those who have poor credit we’ll discuss methods for improving their credit.

Start Up Business:
In this workshop participants will learn what it takes to make an idea a reality. An experienced commercial lender will explain financing options and what criteria the financial institutions will consider when developing a lending relationship. Byline Bank Evanston’s commercial lending area has extensive experience working with local business. Using that experience and knowledge of Evanston participants can expect unsurpassed guidance on their new venture.

Retirement:
There's a lot of talk about “the number,” the specific amount of money you need to retire. But thinking about retirement involves more than just one number. In this session, we’ll talk about assessing your overall financial picture and gathering all the pieces of information that will help you make an informed decision. Building a better understanding of all aspects of your finances, from expenses to Social Security to IRA’s and investments to help you know when retirement is an option for you.

Senior Panel Discussion:
Experts in the field of Social Security, Medicare, City of Evanston, Banking and Law Enforcement will gather to address top concerns seniors face in our area. The panel will focus on topics such as identity theft, fraud and banking vulnerability.
Investing and Insurance:
This session will cover different types of insurance and how to determine what options are best for your situation. As a bonus, we will also introduce you to the fascinating world of investing.

Speakers:

Judette Kurasz
Vice President Financial Literacy Officer, Byline Bank

Michal Corr
Senior Vice President Commercial Lending, Byline Bank

Andy Drendel
Senior Vice President Trust & Investments Manager, Byline Bank

Stephanie Murray
Assistant Vice President Home Equity Loan Officer, Byline Bank

Nancy Baker
Former Director of Evanston Work Ethic (WE)

Karen Chan
President, Financial Education & Consulting, LLC

*Additional Speakers involvement upon confirmation
City of Evanston-Financial Wellness Partnership
Objectives to Session 1

Understanding your relationship with Money

Identifying patterns

Recognizing individuals priorities

Understanding a direct correlation of financial responsibility and dignity

Compiled by Judette Kurasz

10/23/2019
What Dignity Means

Managing your money wisely is one of the key components of living life with dignity.

• Viewed with respect when others see you taking your financial responsibilities seriously.

You do not have to be rich to handle your money with dignity. All you have to do is know how to make smart decisions about managing your money, and then put that knowledge to work.
The Five Dignity Principles

1. Every human being has a right to lead a dignified life.

2. A dignified life means an opportunity to fulfill one’s potential, which is based on having a human level of healthcare, education, income, and security.

3. Dignity means having the freedom to make decisions on one’s life and to be met with respect for this right.

4. Dignity should be the basic guiding principle for all actions.

5. Ultimately, our own dignity is interdependent with the dignity of others.
Financial Literacy

The education and understanding of various financial areas. The ability to manage personal finance matters in an efficient manner, and it includes the knowledge of making appropriate decisions about personal finance such as investing, insurance, real estate, paying for college, budgeting, retirement and tax planning.
Steps in achieving Financial Literacy

1. Learning the skills to create a budget
2. Ability to track spending
3. Learning the techniques to pay off debt
4. Effectively planning for retirement
5. Counseling from a financial expert
6. Understanding how money works
7. Creating and achieving financial goals
8. Managing internal & external challenges

Compiled by Judette Kurasz
Financial Empowerment

Financial Literacy + Ability = Financial Empowerment
What makes You happy?

First step is personal:

• Who are you?
• What are your priorities?
• What do you value?
What is important to me?

Based on individual values

Values influence how live your life-how you spend

Values personal

Values judge what to be important
My Goal for you....

Dare to be different

• Be informed.
• Be independent.
• Be financially capable.

How????

• Understand and apply financial knowledge.
• Acquire healthy money habits.
• Ability to stick to a plan and successfully complete financial tasks.
Your relationship with Money

- Spender
- Worker
- Saver
- Could Care Less
- Other?
We Need to Talk

Have the conversation with your parents

Have the conversation with your partner

Have the conversation with your roommate

Have the conversation with your siblings

Have the conversation with your friends

Compiled by Judette Kurasz
End of Session One
Session Two

Budgeting
Objectives for Session Two

Understanding a Spending Plan

- Realistic view of income and expenses
- Allocation of funds
- Goal setting
Questions: How much did you spend yesterday and today?

- How much did you spend last week?
- How much did you spend last month?
- How much did you spend last year?
Where does my money go?

Keep track of your daily spending.

Determine what your monthly income and expenses are the month before they are due.

Find ways to decrease spending.

Find ways to increase income.
Planning Tools

Monthly payment schedule.

Monthly payment calendar.

Online system.
Are you spending money on items you don’t need?

NEEDS FIRST!

• A “Need” is something essential to survive such as:
  • Food
  • Shelter (28-30%)
  • Medicine
  • Transportation
  • Utilities
  • Child support
  • Alimony
  • Student Loans
  • Debt
Making Financial Decisions

WANTS

- A “Want” is not essential but makes life easier and fun

DON’T FORGET YOUR……..OBLIGATIONS
- Credit card payments, student loans, IOU’s, savings, emergency fund, financial goals

Compiled by Judette Kurasz
50/20/30 Guideline

Fixed costs-no more than 50% of your take-home pay.

Financial Goals: 20% towards 3 essential goals:

- credit card debt, saving for retirement, emergency fund.

Flexible Spending-30% towards day to day that can vary month to month.

- Ex: eating out, groceries, shopping, entertainment, and gas.
Allocation of funds

- Food: 20%
- Housing: 30%
- Transportation: 18%
- Stuff I really want: 12%
- Saving: 10%
- Misc.: 4%
- Health: 3%
- Debt: 3%
## Allocation of Funds

<table>
<thead>
<tr>
<th>Category</th>
<th>Annual Amount</th>
<th>Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$38,000</td>
<td>Take Home = $29,602</td>
</tr>
<tr>
<td>Housing annually</td>
<td>$8,880.60</td>
<td>$740.05</td>
</tr>
<tr>
<td>Food annually</td>
<td>$5,920.40</td>
<td>$493.37</td>
</tr>
<tr>
<td>Transportation annually</td>
<td>$5,328.36</td>
<td>$444.03</td>
</tr>
<tr>
<td>Stuff I really want annually</td>
<td>$3,552.24</td>
<td>$296.02</td>
</tr>
<tr>
<td>Savings annually</td>
<td>$2,960.20</td>
<td>$246.68</td>
</tr>
<tr>
<td>Miscellaneous annually</td>
<td>$1,184.08</td>
<td>$98.67</td>
</tr>
<tr>
<td>Health annually</td>
<td>$888.06</td>
<td>$74.01</td>
</tr>
<tr>
<td>Debt annually</td>
<td>$888.06</td>
<td>$74.01</td>
</tr>
</tbody>
</table>
What is included in housing?

Rent or Mortgage

Utilities (ComEd, Nicor, Water)

Insurance

Assessments

Phone

Cable
Ahhh the exciting world of BUDGETS /spending plan

A budget is a plan you write down to decide how you will spend your money each month or week.

A step-by-step guide for meeting expenses in a given period of time.
Setting up your Budget

Relax

Take Time

Gather all your information

- income
- expenses

Compiled by Judette Kurasz
Start with one question

How many sources of income do you have?
Where does all my money come from?

Get a total picture of your income and financial resources.

Remember when all your funds are coming in.

Think about how to plan your expenses to avoid gaps in your ability to pay.
Income is:

Money that comes from:

- Wages
- Self-employment income
- Public assistance
- Child support or alimony
- Interest and dividends
- Social Security
- Other sources (e.g., tips)
Income Defined

Gross Income = total income

Net income = total income - deductions (taxes, FICA, insurance)

Social security income includes:

- Retirement benefits
- Disability benefits
- Family benefits
- Survivor benefits
- Medicare benefits

Compiled by Judette Kurasz
What you'll need

All your pay stubs and benefits statements, and records of electronic payments from the month.

Jobs, self-employment, seasonal work

Government programs benefits: disability insurance (SSI, SSDI), social security, TANF, SNAP

Other types of income: child support, gifts, tax refunds, help from family or friends
## Breakdown of a salary example

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>You get hired</strong></td>
<td>• Annual Salary of $38,000</td>
</tr>
<tr>
<td><strong>Paid</strong></td>
<td>• Semi-monthly</td>
</tr>
<tr>
<td><strong>Gross</strong></td>
<td>• Per pay period $1,583.33</td>
</tr>
<tr>
<td>Federal income tax:</td>
<td>• $150.42 (9.5%-graduated) based on salary</td>
</tr>
<tr>
<td>State income tax:</td>
<td>• $78.37 (4.95%-flat tax)</td>
</tr>
<tr>
<td><strong>FICA</strong></td>
<td>• $121.12(7.65%)</td>
</tr>
<tr>
<td><strong>Net Pay</strong></td>
<td>• $1,233.42</td>
</tr>
</tbody>
</table>

Compiled by Judette Kurasz

10/23/2019
Expenses

Fixed expenses do not change from month to month.

Flexible expenses often change from month to month.

You may have some control over how much you pay.

Shop for the best value before committing to any payments.
Goals

- **Current**: now and in the next six months
- **Future**: six months to five years
- **Long range**: five years plus

Compiled by Judette Kurasz
Setting Financial Goals

Make them specific to what you want within a certain time period.

Identify and write down your financial goals.

Organize your financial goals.

Educate yourself.

Evaluate your progress.
Organize your financial goals by timeframe. Evaluate your progress and reevaluate your goals.
End of Session 2
Objective for Session Three

Understand the importance of credit

How to build credit

What is a credit report

What is FICO

Cleaning it up
What is Credit?

The ability to borrow money.

Sometimes called a loan.

A promise you make to pay back money you borrowed with interest.
# The Four Cs

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Your present and future ability to meet your payment obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>The value of your assets and your net worth</td>
</tr>
<tr>
<td>Character</td>
<td>How you have paid bills or debts in the past</td>
</tr>
<tr>
<td>Collateral</td>
<td>Property or assets offered to secure the loan</td>
</tr>
</tbody>
</table>
Relative of Credit

**Loan**
- Agreement to borrow money on credit

**Collateral or Guarantee**
- Security or asset you pledge to the lender in case you cannot repay the loan

**Interest**
- The cost of borrowing money
Importance of Credit

It is useful in times of emergencies.

It is convenient when you do not have cash.

It allows you to pay for large purchases over time.

It can help you obtain employment, housing, insurance and utilities.
Building Your Credit History

- Apply for a small bank loan.
- Apply for credit at a local store.
- Make large down payments and negotiate credit payments.
- Perhaps start with a co-signed loan.
- Apply for a credit card (secured vs unsecured).

Compiled by Judette Kurasz
10/23/2019
Building Your Credit History

Pay your bills on time

Ask lenders to review utility and other bills to grant you credit

Keep your debt levels low

Make regular deposits into your savings account

Compiled by Judette Kurasz
Beware of Direct Mail Offers!!!!!!!!!!
### Questions:

<table>
<thead>
<tr>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have a credit card?</td>
</tr>
<tr>
<td>Do you have 1-3 credit cards?</td>
</tr>
<tr>
<td>Do you have more than 5 credit cards?</td>
</tr>
<tr>
<td>Have you used the entire available amount?</td>
</tr>
<tr>
<td>After you make your monthly payment is there still an outstanding balance?</td>
</tr>
<tr>
<td>Are you making your payment in the grace period?</td>
</tr>
<tr>
<td>Do you use the checks that come along with the credit card statement?</td>
</tr>
<tr>
<td>What is your interest rate?</td>
</tr>
<tr>
<td>When are you charged interest?</td>
</tr>
</tbody>
</table>
What Is a Credit Card?

• Credit cards are a revolving line of credit with:
  – Pre-approved dollar limit
  – Minimum monthly payment
    • e.g., $15 for a $600 balance

Tips:
• Read disclosures before you apply-look at fees/penalties
• Take precautions to protect yourself from fraud or theft
## Things to consider

<table>
<thead>
<tr>
<th>Annual percentage rates</th>
<th>When interest begins</th>
<th>Limit-( 20-30% use)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due date</td>
<td>Grace period</td>
<td>Value attached-bonus, miles, points, payback</td>
</tr>
</tbody>
</table>

**Fees**
- Pay monthly in full!!
- Pay on time!
- Credit card purchase is a loan
What is a Credit Report?

It tells lenders:

- Who you are
- How much you owe
- Whether you have made payments on time
- Whether you have any collection actions, bankruptcies, judgments, etc, against you
- How many credit report inquiries have been made
Credit Reporting Agencies

Equifax
Experian
TransUnion
Credit Report Information

- Identifying information
- Credit history
- Inquiries
- Public record information

![Credit Report Image]
Credit report uses

- To obtain loans and other credit
- To get certain kinds of jobs
- For housing (rental applications and mortgages)
- To obtain insurance
1 DUNCAN, ELIZABETH #2 9923, , WOODBINE, , CHICAGO, IL, 60693*3 10, N, CAMINO, , OAKLAND, , CA, 94583*5 001-01-0418**

**TRAN UNIO CREDIT REPORT**

<table>
<thead>
<tr>
<th>FOR</th>
<th>&lt;SUB NAME&gt;</th>
<th>&lt;MET SUB&gt;</th>
<th>&lt;INFILE&gt;</th>
<th>&lt;DATE&gt;</th>
<th>&lt;TIME&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>D248</td>
<td>ABC DEPT STORE</td>
<td>06 CH</td>
<td>4/74</td>
<td>12/15/94</td>
<td>09:36CT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>&lt;SSN&gt;</th>
<th>&lt;BIRTH DATE&gt;</th>
<th>&lt;TELEPHONE&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUNCAN, ELIZABETH</td>
<td>001-01-0418</td>
<td>2/53</td>
<td>555-4212</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENT ADDRESS</th>
<th>&lt;POSITION&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>9932 WOODBINE, #9B CHICAGO IL. 60693</td>
<td>2/92</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENT EMPLOYER AND ADDRESS</th>
<th>&lt;INCOME&gt; &lt;VERF&gt; &lt;RPTD&gt; &lt;HIRE&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARRIOTT HOTELS CONCIERGE</td>
<td>32500Y 11/94 11/94 11/91</td>
</tr>
</tbody>
</table>

**SPECIAL MESSAGES**

***TRANS-ALERT: INPUT ADDRESS DOES NOT MATCH FILE ADDRESS***

***HAWK-ALERT: VERIFY INPUT... CURRENT ADDRESS IS COMMERCIAL***

**MODEL PROFILE**

**NEW DELPHI ALERT: SCORE**

**CREDIT SUMMARY**

<table>
<thead>
<tr>
<th>REVOLVING</th>
<th>INST</th>
<th>HIGH CRED</th>
<th>CRED LIM</th>
<th>BALANCE</th>
<th>PAST DUE</th>
<th>MONTHLY PAY AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500</td>
<td>$1000</td>
<td>$100</td>
<td>$20</td>
<td>90%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INSTALLMENT</td>
<td>$16.0K</td>
<td>$12.4K</td>
<td>$1974</td>
<td>$282</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>$16.5K</td>
<td>$1000</td>
<td>$12.5K</td>
<td>$1974</td>
<td>$302</td>
<td></td>
</tr>
</tbody>
</table>

**PUBLIC RECORDS**

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>DATE</th>
<th>LIAB</th>
<th>ECOA</th>
<th>ASSETS</th>
<th>DOCKET#</th>
<th>PLAINTIFF/ATTORNEY</th>
<th>CIVIL JUDGMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>E 4932059</td>
<td>6/94R</td>
<td>$13.0K</td>
<td>C</td>
<td>$0</td>
<td>94B38521</td>
<td>R. SMITH/D. WINSLOW</td>
<td></td>
</tr>
</tbody>
</table>

**COLLECTIONS**

<table>
<thead>
<tr>
<th>SUBNAME</th>
<th>SUBCODE</th>
<th>ECOA</th>
<th>OPENED</th>
<th>CLOSED</th>
<th>$PLACED</th>
<th>CREDITOR</th>
<th>MOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVANCED COL Y 999C004 I</td>
<td>1/94</td>
<td>1/94</td>
<td>$2500</td>
<td>ABC BANK</td>
<td>O9F</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12345</td>
<td>12/94A</td>
<td>$1000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TRADES**

<table>
<thead>
<tr>
<th>SUBCODE</th>
<th>OPENED</th>
<th>HIGH CRED</th>
<th>TERMS</th>
<th>MAXDELQ</th>
<th>PAYPAT</th>
<th>1-12 MO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Factors Influencing Lenders

Credit decision are based on a number of factors

• Credit report
• FICO
• Income
• Length of residence
• Employment
Factors included in your FICO credit score:

- **Amounts owed**: How much do you owe on each account, and how much of your credit limit have you used? (30%)
- **Payment history**: Have you paid your bills on time? And if not, how late were you, when were you late and how often? (35%)
- **Types of credit**: What kinds of debt do you have? (10%)
- **Credit history**: How long have you had each account? (15%)
- **New credit**: How many new accounts or queries have you had? (10%)

Source: MyFico.com

FICO Score

- **Payment History**: 35%
- **Amounts Owed**: 30%
- **Length of Credit History**: 15%
- **Types of Credit Used**: 15%
- **New Credit**: 10%

10/23/2019

Compiled by Judette Kurasz
What the numbers mean

FICO® Credit Score

750 - 850
Excellent

MyBankTracker.com
The FICO Effect

30 year fixed rate mortgage
FICO score at 750+ received at rate of 3.6%
FICO score at 700 received at rate of 3.8%
FICO score between 680-700 received a rate of 4%

That’s $60 a month which is $720 a year difference
Kinds of Debt

• Good vs Bad.....is there such a thing?
• Secured vs Unsecured...this is real
<table>
<thead>
<tr>
<th></th>
<th>Emergency Savings</th>
<th>Credit Card</th>
<th>Payday Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount Needed</strong></td>
<td>$350</td>
<td>$350</td>
<td>$350</td>
</tr>
<tr>
<td><strong>Annual Percentage Rate (APR)</strong></td>
<td>None</td>
<td>15.99% APR</td>
<td>$15 for every $100 borrowed for 14 days. This means a 391 percent APR</td>
</tr>
<tr>
<td><strong>Repayment terms</strong></td>
<td>None</td>
<td>$25</td>
<td>Must pay back loan amount ($350)</td>
</tr>
<tr>
<td><strong>Total interest and fees</strong></td>
<td>$0</td>
<td>$40 over 16 months loan</td>
<td>$52.50 for each 14 day loan</td>
</tr>
<tr>
<td><strong>Time to repay</strong></td>
<td>None</td>
<td>16 months</td>
<td>14 days</td>
</tr>
<tr>
<td><strong>Total cost of auto repair</strong></td>
<td>$350</td>
<td>$390</td>
<td>$402.50</td>
</tr>
</tbody>
</table>

Compiled by Judette Kurasz

10/23/2019
## Cost of Minimum Payment

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
<th>APR</th>
<th>Interest Paid</th>
<th>Total Paid</th>
<th>Total Years to Pay Off</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>$500</td>
<td>18%</td>
<td>$132</td>
<td>$632</td>
<td>3</td>
</tr>
<tr>
<td>Computer</td>
<td>$1,000</td>
<td>18%</td>
<td>$863</td>
<td>$1,863</td>
<td>8</td>
</tr>
<tr>
<td>Furniture</td>
<td>$2,500</td>
<td>18%</td>
<td>$5,363</td>
<td>$7,863</td>
<td>23</td>
</tr>
</tbody>
</table>
**Benefits of Exceeding the Minimum Payment**

<table>
<thead>
<tr>
<th>Original Balance</th>
<th>APR</th>
<th>Monthly Payments</th>
<th>Total Years to Pay Off</th>
<th>Interest Paid</th>
<th>Total of Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,500</td>
<td>18%</td>
<td>Minimum Payment (MP)</td>
<td>23</td>
<td>$5,363</td>
<td>$7,863</td>
</tr>
<tr>
<td>$2,500</td>
<td>18%</td>
<td>MP+$24</td>
<td>4</td>
<td>$1,025</td>
<td>$3,525</td>
</tr>
<tr>
<td>$2,500</td>
<td>18%</td>
<td>MP+$41</td>
<td>3</td>
<td>$754</td>
<td>$3,254</td>
</tr>
</tbody>
</table>
Questions - Suggestions

• Do you have a credit card? yes
• Do you have 1-3 credit cards? sure
• Do you have more than 5 credit cards? not necessary
• Have you used the entire available amount? not anymore
• After you make your monthly payment is there still an outstanding balance? nope
• Are you making your payment in the grace period? On due date
• Do you use the checks that come along with the credit card statement? shred
• What is your interest rate? doesn’t matter payoff each month
• When are you charged interest? same answer as above(at statement close)
End of Session Three
Session Four

• Savings
• Interest
• Choices
Objective for Session Four

• Paying Yourself First
• Importance of Compounding
• Introduction to Savings Products
Pay Yourself First

- What does it mean to “pay yourself first”?  
  Put money in savings before paying your bills
- Why would you want to save money before paying bills?
- What are some of the things you might want to save money for?
Three ways to find money to SAVE

1. Reduce Spending
2. Increase Income
3. Combination of 1 & 2
Savings Tips

• Consider needs versus wants
• Direct deposit or automatic transfer to savings
• Pay bills on time
• Consider opening a checking account at a bank or credit union instead of using check-cashing stores
• A percentage of a raise or bonus should go towards savings
• Keep making monthly payment to yourself after loan is paid
• Save at least part of any cash gift you receive
• Avoid debt that does not help build long-term financial security
• Pay off high-interest credit cards or loans asap
• End of day change-save and deposit
More Savings Tips

• Save as much of your refund as possible
• Join a retirement plan (401k or 403b)
• Do your homework if you decide to purchase investments
• Reinvest the dividends of any stocks you own to purchase more stocks
• Join an investment club
• Log your purchases
• Create a mission statement
• Favor experiences, not stuff
• Learn to substitute
Savings Tricks that Work

- The Nickel Builder
- The Lincoln Logger
- The College Rewind
- The Perpetual Payoff
- The Bank Hideaway
- The Bonus Diversion
- The Double Deal
- The Change Keeper
- The Savings Shuffle
- The Coupon Coup
- The Coin Competition
- The Money Transfer
Interest

Interest is:

• An amount of money financial institutions pay you for keeping money on deposit with them
• Expressed as a percentage
• Calculated based on the money in your account
Compound Interest

You earn money on:

• Previously paid interest
• The money in your account

Interest can be compounded:
• Daily
• Monthly
• Annually
Annual Percentage Yield (APY)

APY:

• Is the amount of interest you will earn on a yearly basis expressed as a percentage
• Includes the effect of compounding
• Should be used to compare saving products, not the interest rate

Compiled by Judette Kurasz
Rule of 72

A formula that lets you estimate:

• How long it will take for your savings to double in value
• The interest rate needed to double your savings within a set time period
Savings Options

There are two basic ways to save money:

• Open a savings account-federally insured by the Federal Deposit Insurance Corporation (FDIC)

• Invest your money-not federally insured (risk/reward)
Bank Savings Product

• Statement or Passbook Savings Accounts
• Money Market Accounts
• Certificate of Deposits
Specialized Accounts

- Individual Development Account (IDA)
- Electronic Transfer Account (ETA)
- 529 College Savings Plan
- HSA (Health Savings Accounts)
Buy an Investment

Investment: a long-term savings option for future income or financial benefit

- Investment products are not federally insured
- You must weigh the risks and returns
- You earn money by:
  - Selling the investments for more than you paid
  - Receiving dividends and interest earnings
Speaking of IRA’s

Plan for your retirement using the three legged stool image.

- 401k or 403b
- IRA Account and or pension
- Social Security
Before You Invest

• Save money (6-month savings cushion)
• Talk to:
  – Your bank
  – A reputable financial advisor
  – An investment firm
  – Ask about employer-offered retirement accounts
  – Do your own research
Investment Products

- Bonds
- Mutual funds
- Retirement investments
- Stocks
- United States Treasury securities
Decision Factors

• How much money do you want to save over time?
• How long can you leave your money invested?
• How do you feel about risking your money?
Top Nine Money Tips

• A Loan to a Friend could turn into a Handout
• With Loans, as with Tattoos, use your Head Wisely
• Accruing Credit Card Debt is as Easy as Pie
• Start Saving today-aim for 10% of income
• When you move, alert your creditors
• By any and all means, Track Your Spending
• Tax Refund-50/20/30 (50% bills, 20% Savings, 30% Yourself)
• Golden Rule-treat others as you would want to be treated and wait 2 days before you make that purchase
• Credit card Purchase is a LOAN

From: Beth Kobliner
End of Session Four

• Thank you for your attention
• Thank you for your questions
• Remember .....Dare to be different......take the stress out of money management
Content:

Supplied By:
- FDIC Money Smarts Program
- Consumer Financial Protection Bureau
- Practical Money Skills-VISA
- Beth Kobliner
- Suze Orman
- VeryWell
- AARP
Use this worksheet to see how much money you spend this month. Then, use this month’s information to help you plan next month’s budget.

Some bills are monthly and some come less often. If you have an expense that does not occur every month, put it in the “Other expenses this month” category.

**MONTH ______________ YEAR ____________**

### My income this month

<table>
<thead>
<tr>
<th>Income</th>
<th>Monthly total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paychecks (salary after taxes, benefits, and check cashing fees)</td>
<td>$</td>
</tr>
<tr>
<td>Other income (after taxes) for example: child support</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total monthly income</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

### My expenses this month

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Monthly total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td></td>
</tr>
<tr>
<td>Rent or mortgage</td>
<td>$</td>
</tr>
<tr>
<td>Renter’s insurance or homeowner’s insurance</td>
<td>$</td>
</tr>
<tr>
<td>Utilities (like electricity and gas)</td>
<td>$</td>
</tr>
<tr>
<td>Internet, cable, and phones</td>
<td>$</td>
</tr>
<tr>
<td>Other housing expenses (like property taxes)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td></td>
</tr>
<tr>
<td>Groceries and household supplies</td>
<td>$</td>
</tr>
<tr>
<td>Meals out</td>
<td>$</td>
</tr>
<tr>
<td>Other food expenses</td>
<td>$</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
</tr>
<tr>
<td>Public transportation and taxis</td>
<td>$</td>
</tr>
<tr>
<td>Gas for car</td>
<td>$</td>
</tr>
<tr>
<td>Parking and tolls</td>
<td>$</td>
</tr>
<tr>
<td>Car maintenance (like oil changes)</td>
<td>$</td>
</tr>
<tr>
<td>Car insurance</td>
<td>$</td>
</tr>
<tr>
<td>Car loan</td>
<td>$</td>
</tr>
<tr>
<td>Other transportation expenses</td>
<td>$</td>
</tr>
</tbody>
</table>
# Make a Budget

## Expenses

<table>
<thead>
<tr>
<th>HEALTH</th>
<th>Monthly total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine</td>
<td>$</td>
</tr>
<tr>
<td>Health insurance</td>
<td>$</td>
</tr>
<tr>
<td>Other health expenses (like doctors' appointments and eyeglasses)</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERSONAL AND FAMILY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Child care</td>
<td>$</td>
</tr>
<tr>
<td>Child support</td>
<td>$</td>
</tr>
<tr>
<td>Money given or sent to family</td>
<td>$</td>
</tr>
<tr>
<td>Clothing and shoes</td>
<td>$</td>
</tr>
<tr>
<td>Laundry</td>
<td>$</td>
</tr>
<tr>
<td>Donations</td>
<td>$</td>
</tr>
<tr>
<td>Entertainment (like movies and amusement parks)</td>
<td>$</td>
</tr>
<tr>
<td>Other personal or family expenses (like beauty care)</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees for cashier's checks and money transfers</td>
<td>$</td>
</tr>
<tr>
<td>Prepaid cards and phone cards</td>
<td>$</td>
</tr>
<tr>
<td>Bank or credit card fees</td>
<td>$</td>
</tr>
<tr>
<td>Other fees</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School costs (like supplies, tuition, student loans)</td>
<td>$</td>
</tr>
<tr>
<td>Other payments (like credit credit cards and savings)</td>
<td>$</td>
</tr>
<tr>
<td>Other expenses this month</td>
<td>$</td>
</tr>
</tbody>
</table>

## Total monthly expenses

<table>
<thead>
<tr>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

Income - Expenses = $

Maybe your income is more than your expenses. You have money left to save or spend.

Maybe your expenses are more than your income. Look at your budget to find expenses to cut.

September 2012 | Federal Trade Commission | consumer.gov
Your credit history is important. It tells businesses how you pay your bills. Those businesses then decide if they want to give you a credit card, a job, an apartment, a loan, or insurance.

Find out what is in your report. Be sure the information is correct. Fix anything that is not correct.

**How do I check my credit report?**

This is easy to do by phone:

- Call Annual Credit Report at 1-877-322-8228.

- Answer questions from a recorded system. You have to give your address, Social Security number, and birth date.

- Choose to only show the last four numbers of your Social Security number. It is safer than showing your full Social Security number on your report.

- Choose which credit reporting company you want a report from. (You get one free report from each company every year.)

That company mails your report to you. It should arrive 2-3 weeks after you call.

**What do I do with my credit report?**

Read it carefully. Make sure the information is correct:

- Personal information – are the name and address correct?

- Accounts – do you recognize them?
  - Is the information correct?

- Negative information – do you recognize the accounts in this section of the report?
  - Is the information correct?

- Inquiries – do you recognize the places you applied for credit? (If you do not, maybe someone stole your identity.)
Your Credit History

The report will tell you how to improve your credit history. Only you can improve your credit history. It will take time. But if any of the information in your report is wrong, you can ask to have it fixed.

How do I fix mistakes in my credit report?

- Write a letter. Tell the credit reporting company that you have questions about information in your report.
- Explain which information is wrong and why you think so.
- Say that you want the information corrected or removed from your report.
- Send a copy of your credit report with the wrong information circled.
- Send copies of other papers that help you explain your opinion.
- Send this information Certified Mail. Ask the post office for a return receipt. The receipt is proof that the credit reporting company got your letter.

The credit reporting company must look into your complaint and answer you in writing.
ACTIVITY #2

What's Important to Me?

OBJECTIVE
Participants will:
• Explore their values.

MATERIALS
• What's Important to Me? worksheet

ESTIMATED TIME FOR ACTIVITY
10 minutes

FACILITATOR INSTRUCTIONS
Distribute a copy of the What’s Important to Me? worksheet to each participant. Ask participants to think about the following question, “What is important to me?” The answer to this question is based on individual values.

Explain that each person’s values have a great deal of influence over how they live their life—and how they spend their money. A value is a principle, or what you judge to be important in your life. Values are personal: What one person values highly another person may not value at all. Examples of values include caring, responsibility, status, friendship, family and knowledge.

Using the What’s Important to Me? worksheet, select one value from the list. Then give an example of a financial or money-spending habit that reflects that value. If you do not have an example, you can use one of these:

• Valuing independence might mean that you live on your own without being supported by others (parents/relatives).

• Valuing community could mean that you are willing to do everything you can to financially support your neighbors.

Ask participants to circle the 10 most important values in their lives right now. When they are finished with their selection, ask them to rank those values from #1, the most important value in their lives, to #10, the least important, and to write that number in the box next to the item. Ranking a value #10 does not mean that it is not important, but rather it is less important than values #1 through #9.

Point out that how you spend your money reflects what you value. For example, if you value education and knowledge, then you might spend money on educational books and programs, private school, or saving for college. If you value status, you might spend money on the latest fashions and expensive shoes. Because values are personal, your spending may differ from other people you know, including friends and family members. It’s not wrong, just different.
What’s Important to Me?

Directions: Circle the 10 values that are most important to you. Then, number those from the most important (#1) to the least important (#10). There is no right or wrong answer, just what is right for you.

☐ Respect  ☐ Family  ☐ Independence

☐ Honesty  ☐ Community  ☐ Creativity

☐ Education/Knowledge  ☐ Religion/Church  ☐ Leadership

☐ Trustworthiness  ☐ Peace  ☐ Money

☐ Courage  ☐ Equality  ☐ Safety/Security

☐ Fairness  ☐ Friendship  ☐ Health

☐ Caring  ☐ Leisure  ☐ Status

☐ Responsibility  ☐ Power  ☐ Freedom

☐ Self-Discipline  ☐ Wisdom  ☐ Love

☐ Other _____________  ☐ Other _____________  ☐ Other _____________
ACTIVITY #3

How to Spend Your Beans

OBJECTIVES

Participants will:

• Identify needs versus wants when making spending choices.
• Strategize ways to adjust spending to accommodate financial challenges.

MATERIALS

• Spending Choices game cards; one set for each group of 3 to 5 participants.
• For each set of cards:
  ▷ 20 beans in a small plastic bag.
• You may want to use a small binder clip or sandwich bag to hold cards and bag of beans together for storage.

ESTIMATED TIME FOR ACTIVITY

20 minutes

ACTIVITY INTRODUCTION

Managing money means making choices. Quite simply, there's often not enough money for all the things we'd like to do or buy. Through this activity, your participants will discover how spending decisions are made and what influences these decisions.

Be prepared to talk about needs and wants during this activity. At the most basic level, needs are the things necessary to sustain life: food, air, water and shelter. Wants are things that make life more enjoyable and comfortable. Some things are clearly wants, such as expensive gym shoes, designer clothes, or a sports car. What is truly a need can be harder to decide. Comparing choices and asking ourselves which item we need more can help us prioritize our spending.

Another key concept in budgeting is opportunity cost—what you give up when you choose something else. This can relate to money or other resources, such as time. For example, if you use $25 to take the family out for fast food tonight, you won't have that $25 tomorrow morning to put gas in the car.

It may be helpful to link this concept to the difference between needs and wants: The opportunity cost of spending money on a want (eating out) may be that you can't fulfil a need (gas in the car to get to work).
Notes about *Spending Choices* game cards:
- We’ve chosen *fun* as the overall label for entertainment and leisure activities because it captures the idea at a much easier reading level.
- No dollar value has been put on the beans. They simply represent a household’s monthly income or budget. Using the beans forces participants to prioritize and make choices, just as they would with money.
- If your state uses HiSET or TASC instead of GED, write that on the School Supplies and Fees card.
- The Health and Disability Insurance cards were written based on Affordable Care Act rules. Therefore, there is a cost for not having coverage (in the form of a penalty tax), even if the person has no medical expenses. The card also includes a space for “other” medical expenses that would be paid out of pocket, such as co-pays on office visits and prescriptions, and over-the-counter medication.

**FACILITATOR INSTRUCTIONS**

**Round 1**

Divide participants into small household groups: 3 to 5 people per group. Each group is a household or family, and its structure and needs will be defined as the activity proceeds.

Give each group a set of *Spending Choices* game cards and 20 beans. Each group should go through the cards together and use the beans to mark their selection in the categories they choose. The number of beans by an item indicates how many beans a choice costs. For example, renting a place of your own requires three beans.

Group members may change their minds about how many beans to spend on a category as they go through the cards. Beans can be moved around until the group comes to a final set of choices.

**Questions (after all beans are spent):**
- How did your group decide where to place your beans? Did all members have equal say?
- Did you choose to leave out any categories? If so, why?
- Did needs versus wants affect these decisions?

Discuss with class participants some examples of needs versus wants. If you need to provide an example to get the discussion going, you could use this one: Reliable transportation is a need, but an expensive new car would be a want. That car would meet the need, but so would public transportation or a reliable used car. Ask participants which expenses they would label as needs, and which ones as wants.
Round 2

Tell the participants that one household member just lost her job or had his work hours significantly reduced. The household budget is now reduced. Each group must remove 7 beans from their cards and place them back in the bag.

After all households have removed the 7 beans, lead the discussion so that the lesson concepts can be further explored.

**More discussion questions:**

- What type of changes did you make in your budget? Why? Did you use more non-money resources such as time, skills or community services instead of spending beans for that category? Share examples.
- What was the first item you gave up when your income dropped? What was the last item you were willing to give up? Why?
- Do you have savings in your budget? Did you lose it in the second round? If you have savings, what was the opportunity cost? In other words, what did you give up in order to keep savings?
- If you had played the game by yourself, would the beans have been spent differently? Why?

**Optional examples for discussion:**

One household has beans in “savings” and “insurance” but never eats out. What values do these choices represent? Answers might include financial security and independence.

One household chooses to buy clothes at the local department store and use public transportation. Another household buys clothes at the thrift shop and owns a car. What are the different values here?

Answers include: The first household values personal appearance and uses resources in the community (bus line) to allow more beans/money to be spent on clothing. The second household may still value personal appearance but is willing to look for clothes at a lower cost in order to have additional funds for personal transportation. Neither of these choices is right or wrong, but there are opportunity costs for each decision.

If you have time, ask the participants to stand up and look at the other groups’ cards. Ask each group to compare their bean decisions to the other groups. How similar or different were the choices? How did the values, goals and past experiences of the group members affect their choices?

**Finalize**

Ask each group to put their beans back in the plastic bag and clip the cards together.
Spending Choices Game Cards

**Gifts**
- Make your own
- Buy cards and small gifts on special occasions
- Buy frequent gifts for everybody

**Housing**
- Live with relatives or in subsidized housing
- Share an apartment or house with others
- Rent a place of your own
- Buy a house

**Grooming and Personal Products**
- Generic products (shampoo, make-up, etc.)
- Basic haircuts, personal products bought at discount stores
- Stylish haircuts, name-brand grooming products

**Clothing**
- Wear what you have
- Use your sewing skills
- Buy at discount store, thrift shop, or used-clothing store
- Buy at department store
- Shop for designer clothes
How can this toolkit help you?

Buying a home is exciting and, let’s face it, complicated. This booklet is a toolkit that can help you make better choices along your path to owning a home.

After you finish this toolkit:

- You’ll know the most important steps you need to take to **get the best mortgage** for your situation ........................................................................................................................................................................... Section 1: Page 3
- You’ll better understand your closing costs and what it takes to buy a home .................................................................................................................................................................................................................. Section 2: Page 16
- You’ll see a few ways to **be a successful homeowner** .................................................................................................................................................................................................................. Section 3: Page 24

How to use the toolkit:

- The location symbol orients you to where you are in the home buying process.
- The pencil tells you it is time to get out your pencil or pen to circle, check, or fill in numbers.
- The magnifying glass highlights tips to help you research further to find important information.
- The speech bubble shows you conversation starters for talking to others and gathering more facts.

About the CFPB

The Consumer Financial Protection Bureau is a federal agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Have a question about a common consumer financial product or problem? You can find answers by visiting consumerfinance.gov/askcfpb. Have an issue with a mortgage, student loan, or other financial product or service? You can submit a complaint to the CFPB. We’ll forward your complaint to the company and work to get you a response. Turn to the back cover for details on how to submit a complaint or call us at (855) 411-2372.
This booklet was created to comply with federal law pursuant to 12 U.S.C. 2604, 12 CFR 1024.6, and 12 CFR 1026.19(g).
Choosing the best mortgage for you

You’re starting to look for a mortgage or want to confirm you made a good decision. To make the most of your mortgage, you need to decide what works for you and then shop around to find it. In this section, you’ll find eight steps to get the job done right.

1. Define what affordable means to you

Only you can decide how much you are comfortable paying for your housing each month. In most cases, your lender can consider only if you are able to repay your mortgage, not whether you will be comfortable repaying your loan. Based on your whole financial picture, think about whether you want to take on the mortgage payment plus the other costs of homeownership such as appliances, repairs, and maintenance.

THE TALK
Ask your spouse, a loved one, or friend about what affordable means to you:

“What’s more important—a bigger home with a larger mortgage or more financial flexibility?”

“How much do we want to budget for all the monthly housing costs, including repairs, furniture, and new appliances?”

“What will a mortgage payment mean for other financial goals?”

IN THIS SECTION
1. Define what affordable means to you
2. Understand your credit
3. Pick the mortgage type that works for you
4. Choose the right down payment for you
5. Understand the trade-off between points and interest rate
6. Shop with several lenders
7. Choose your mortgage
8. Avoid pitfalls and handle problems
KnowYourNumbers

Calculate the home payment you can take on by filling in the worksheets below:

Think about what an affordable home loan looks like for you. These worksheets can help. First, estimate your total monthly home payment. Second, look at the percentage of your income that will go toward your monthly home payment. Third, look at how much money you will have available to spend on the rest of your monthly expenses.

**Step 1. Estimate your total monthly home payment by adding up the items below**

Your total monthly home payment is more than just your mortgage. There are more expenses that go along with owning your home. Start with estimates and adjust as you go.

<table>
<thead>
<tr>
<th>Monthly Estimate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Principal and interest (P&amp;I)</strong></td>
<td></td>
</tr>
<tr>
<td>Your principal and interest payment depends on your home loan amount, the interest rate, and the number of years it takes to repay the loan. <strong>Principal</strong> is the amount you pay each month to reduce the loan balance. <strong>Interest</strong> is the amount you pay each month to borrow money. Many principal and interest calculators are available online.</td>
<td>$</td>
</tr>
<tr>
<td><strong>Mortgage insurance</strong></td>
<td>+ $</td>
</tr>
<tr>
<td>Mortgage insurance is often required for loans with less than a 20% down payment.</td>
<td></td>
</tr>
<tr>
<td><strong>Property taxes</strong></td>
<td>+ $</td>
</tr>
<tr>
<td>The local assessor or auditor’s office can help you estimate property taxes for your area. If you know the yearly amount, divide by 12 and write in the monthly amount.</td>
<td></td>
</tr>
<tr>
<td><strong>Homeowner’s insurance</strong></td>
<td>+ $</td>
</tr>
<tr>
<td>You can call one or more insurance agents to get an estimate for homes in your area. Ask if flood insurance is required.</td>
<td></td>
</tr>
<tr>
<td><strong>Homeowner’s association or condominium fees, if they apply</strong></td>
<td>+ $</td>
</tr>
<tr>
<td>Condominiums and other planned communities often require homeowner’s association (HOA) fees.</td>
<td></td>
</tr>
<tr>
<td><strong>My estimated total monthly home payment</strong></td>
<td>= $</td>
</tr>
</tbody>
</table>
### Step 2. Estimate the percentage of your income spent on your monthly home payment

Calculate the percentage of your total monthly income that goes toward your total monthly home payment each month. A mortgage lending rule of thumb is that your total monthly home payment should be at or below 28% of your total monthly income before taxes. Lenders may approve you for more or for less depending on your overall financial picture.

\[
\frac{\text{My estimated total monthly home payment (from step 1)}}{\text{My total monthly income before taxes}} \times 100 = \% 
\]

### Step 3. Estimate what is left after subtracting your monthly debts

To determine whether you are comfortable with your total monthly home payment, figure out how much of your income is left after you pay for your housing plus your other monthly debts.

<table>
<thead>
<tr>
<th>Total monthly income after taxes</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>My estimated total monthly home payment (from step 1)</td>
<td></td>
</tr>
<tr>
<td>Monthly car payment(s)</td>
<td>$</td>
</tr>
<tr>
<td>Monthly student loan payment(s)</td>
<td>$</td>
</tr>
<tr>
<td>Monthly credit card payment(s)</td>
<td>$</td>
</tr>
<tr>
<td>Other monthly payments, such as child support or alimony</td>
<td>$</td>
</tr>
</tbody>
</table>

Total monthly income minus all debt payments

This money must cover your utilities, groceries, child care, health insurance, repairs, and everything else. If this isn’t enough, consider options such as buying a less expensive home or paying down debts.

\[= \$\]

### Step 4. Your choice

I am comfortable with a total monthly home payment of: $
2. Understand your credit

Your credit, your credit scores, and how wisely you shop for a loan that best fits your needs have a significant impact on your mortgage interest rate and the fees you pay. To improve your credit and your chances of getting a better mortgage, get current on your payments and stay current. About 35% of your credit scores are based on whether or not you pay your bills on time. About 30% of your credit scores are based on how much debt you owe. That’s why you may want to consider paying down some of your debts.

Check out interest rates and make sure you’re getting the credit you’ve earned.

☐ Get your credit report at annualcreditreport.com and check it for errors. If you find mistakes, submit a request to each of the credit bureaus asking them to fix the mistake. For more information about correcting errors on your credit report, visit consumerfinance.gov/askcfpb.

☐ For more on home loans and credit, visit consumerfinance.gov/owning-a-home.

NOW

☐ If your credit score is below 700, you will likely pay more for your mortgage.

☐ Most credit scoring models are built so you can shop for a mortgage within a certain period—generally between 14 days and 45 days—with little or no impact on your score. If you shop outside of this period, any change triggered by shopping should be minor—a small price to pay for saving money on a mortgage loan.

IN THE FUTURE

☐ If you work on improving your credit and wait to buy a home, you will likely save money. Some people who improve their credit save $50 or $100 on a typical monthly mortgage payment.

☐ An average consumer who adopts healthy credit habits, such as paying bills on time and paying down credit cards, could see a credit score improvement in three months or more.

YOUR CHOICE

Check one:

☐ I will go with the credit I have.

☐ I will wait a few months or more and work to improve my credit.

TIP

Be careful making any big purchases on credit before you close on your home. Even financing a new refrigerator could make it harder for you to get a mortgage.

TIP

Correcting errors on your credit report may raise your score in 30 days or less. It’s a good idea to correct errors before you apply for a mortgage.
3. Pick the mortgage type—fixed or adjustable—that works for you

With a **fixed-rate mortgage**, your principal and interest payment stays the same for as long as you have your loan.

- Consider a fixed-rate mortgage if you want a predictable payment.
- You may be able to refinance later if interest rates fall or your credit or financial situation improves.

With an **adjustable-rate mortgage (ARM)**, your payment often starts out lower than with a fixed-rate loan, but your rate and payment could increase quickly. It is important to understand the trade-offs if you decide on an ARM.

- Your payment could increase a lot, often by hundreds of dollars a month.
- Make sure you are confident you know what your maximum payment could be and that you can afford it.

Planning to sell your home within a short period of time? That’s one reason some people consider an ARM. But, you probably shouldn’t count on being able to sell or refinance. Your financial situation could change. Home values may go down or interest rates may go up.

You can learn more about ARMs in the Consumer Handbook on Adjustable Rate Mortgages ([files.consumerfinance.gov/f/201401_cfpb_booklet_charm.pdf](files.consumerfinance.gov/f/201401_cfpb_booklet_charm.pdf)) or by visiting [consumerfinance.gov/owning-a-home](consumerfinance.gov/owning-a-home).

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**TIP**

Many borrowers with ARMs underestimate how much their interest rates can rise.

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### YOUR CHOICE

Check one:

- [ ] I prefer a fixed-rate mortgage.  
- OR  
- [ ] I prefer an adjustable-rate mortgage.

### Check for risky loan features

Some loans are safer and more predictable than others. It is a good idea to make sure you are comfortable with the risks you are taking on when you buy your home. You can find out if you have certain types of risky loan features from the Loan Terms section on the first page of your Loan Estimate.

A **balloon payment** is a large payment you must make, usually at the end of your loan repayment period. Depending on the terms of your loan, the balloon payment could be as large as the entire balance on your mortgage.

A **prepayment penalty** is an amount you have to pay if you refinance or pay off your loan early. A prepayment penalty may apply even if you sell your home.
4. Choose the right down payment for you

A down payment is the amount you pay toward the home yourself. You put a percentage of the home’s value down and borrow the rest through your mortgage loan.

**YOUR CHOICE**

*Check one:*

<table>
<thead>
<tr>
<th>YOUR DOWN PAYMENT</th>
<th>WHAT THAT MEANS FOR YOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ I will put down 20% or more.</td>
<td>A 20% or higher down payment likely provides the best rates and most options. However, think twice if the down payment drains all your savings.</td>
</tr>
<tr>
<td>☐ I will put down between 5% and 19%.</td>
<td>You probably have to pay higher interest rates or fees. Lenders most likely require private mortgage insurance (PMI). PMI is an insurance policy that lets you make a lower down payment by insuring the lender against loss if you fail to pay your mortgage. Keep in mind when you hear about “no PMI” offers that doesn’t mean zero cost. No PMI offers often have higher interest rates and may also require you to take out a second mortgage. Be sure you understand the details.</td>
</tr>
<tr>
<td>☐ I will make no down payment or a small one of less than 5%.</td>
<td>Low down payment programs are typically more expensive because they may require mortgage insurance or a higher interest rate. Look closely at your total fees, interest rate, and monthly payment when comparing options. Ask about loan programs such as: ▪ Conventional loans that may offer low down payment options. ▪ FHA, which offers a 3.5% down payment program. ▪ VA, which offers a zero down payment option for qualifying veterans. ▪ USDA, which offers a similar zero down payment program for eligible borrowers in rural areas.</td>
</tr>
</tbody>
</table>

The advantages of prepayment

Prepayment is when you make additional mortgage payments so you pay down your mortgage early. This reduces your overall cost of borrowing, and you may be able to cancel your private mortgage insurance early and stop paying the premium. Especially if your down payment is less than 20%, it may make sense to make additional payments to pay down your loan earlier.

**TIP**

Prepayment is your choice. You don’t have to sign up for a program or pay a fee to set it up.
5. Understand the trade-off between points and interest rate

Points are a percentage of a loan amount. For example, when a loan officer talks about one point on a $100,000 loan, the loan officer is talking about one percent of the loan, which equals $1,000. Lenders offer different interest rates on loans with different points. There are three main choices you can make about points. You can decide you don’t want to pay or receive points at all. This is called a zero point loan. You can pay points at closing to receive a lower interest rate. Or you can choose to have points paid to you (also called lender credits) and use them to cover some of your closing costs.

The example below shows the trade-off between points as part of your closing costs and interest rates. In the example, you borrow $180,000 and qualify for a 30-year fixed-rate loan at an interest rate of 5.0% with zero points. Rates currently available may be different than what is shown in this example.

### COMPARE THREE SCENARIOS OF HOW POINTS AFFECT INTEREST RATE

<table>
<thead>
<tr>
<th>RATE</th>
<th>4.875%</th>
<th>5.0%</th>
<th>5.125%</th>
</tr>
</thead>
<tbody>
<tr>
<td>POINTS</td>
<td>+0.375</td>
<td>0</td>
<td>-0.375</td>
</tr>
<tr>
<td>YOUR SITUATION</td>
<td>You plan to keep your mortgage for a long time. You can afford to pay more cash at closing.</td>
<td>You are satisfied with the market rate without points in either direction.</td>
<td>You don’t want to pay a lot of cash upfront and you can afford a larger mortgage payment.</td>
</tr>
<tr>
<td>YOU MAY CHOOSE</td>
<td>Pay points now and get a lower interest rate. This will save you money over the long run.</td>
<td>Zero points.</td>
<td>Pay a higher interest rate and get a lender credit toward some or all of your closing costs.</td>
</tr>
<tr>
<td>WHAT THAT MEANS</td>
<td>You might agree to pay $675 more in closing costs, in exchange for a lower rate of 4.875%. <strong>Now:</strong> You pay $675 <strong>Over the life of the loan:</strong> Pay $14 less each month</td>
<td>With no adjustments in either direction, it is easier to understand what you’re paying and to compare prices.</td>
<td>You might agree to a higher rate of 5.125%, in exchange for $675 toward your closing costs. <strong>Now:</strong> You get $675 <strong>Over the life of the loan:</strong> Pay $14 more each month</td>
</tr>
</tbody>
</table>
6. Shop with several lenders

You’ve figured out what affordable means for you. You’ve reviewed your credit and the kind of mortgage and down payment that best fits your situation. Now is the time to start shopping seriously for a loan. The work you do here could save you thousands of dollars over the life of your mortgage.

GATHER FACTS AND COMPARE COSTS

□ Make a list of several lenders you will start with
   Mortgages are typically offered by community banks, credit unions, mortgage brokers, online lenders, and large banks. These lenders have loan officers you can talk to about your situation.

□ Get the facts from the lenders on your list
   Find out from the lenders what loan options they recommend for you, and the costs and benefits for each. For example, you might find a discount is offered for borrowers who have completed a home buyer education program.

□ Get at least three offers—in writing—so that you can compare them
   Review the decisions you made on pages 4 to 8 to determine the loan type, down payment, total monthly home payment and other features to shop for. Now ask at least three different lenders to give you a Loan Estimate, which is a standard form showing important facts about the loan. It should be sent to you within three days, and it shouldn’t be expensive. Lenders can charge you only a small fee for getting your credit report—and some lenders provide the Loan Estimate without that fee.

□ Compare Total Loan Costs
   Review your Loan Estimates and compare Total Loan Costs, which you can see under Section D at the bottom left of the second page of the Loan Estimate. Total Loan Costs include what your lender charges to make the loan, as well as costs for services such as appraisal and title. The third page of the Loan Estimate shows the Annual Percentage Rate (APR), which is a measure of your costs over the loan term expressed as a rate. Also shown on the third page is the Total Interest Percentage (TIP), which is the total amount of interest that you pay over the loan term as a percentage of your loan amount. You can use APR and TIP to compare loan offers.

RESEARCH STARTER

Loan costs can vary widely from lender to lender, so this is one place where a little research may help you save a lot of money. Here’s how:

□ Ask real estate and title professionals about average costs in your area.

□ Learn more about loan costs, and get help comparing options, at consumerfinance.gov/owning-a-home.
THE TALK

Talking to different lenders helps you to know what options are available and to feel more in control. Here is one way to start the conversation:

“This mortgage is a big decision and I want to get it right. Another lender is offering me a different loan that may cost less. Let’s talk about what the differences are and whether you may be able to offer me the best deal.”

TRACK YOUR LOAN OFFERS

Fill in the blanks for these important factors:

<table>
<thead>
<tr>
<th>LOAN OFFER 1</th>
<th>LOAN OFFER 2</th>
<th>LOAN OFFER 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lender name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan amount</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest rate</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>□ Fixed</td>
<td>□ Fixed</td>
<td>□ Fixed</td>
</tr>
<tr>
<td>□ Adjustable</td>
<td>□ Adjustable</td>
<td>□ Adjustable</td>
</tr>
<tr>
<td>Monthly principal and interest</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Monthly mortgage insurance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total Loan Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(See section D on the second page of your Loan Estimate.)</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

My best loan offer is: __________________________
7. Choose your mortgage

You’ve done a lot of hard work to get this far! Now it is time to make your call.

CONFIRM YOUR DECISION
Check the box if you agree with the statement:

☐ I can repay this loan.

☐ I am comfortable with my monthly payment.

☐ I shopped enough to know this is a good deal for me.

☐ There are no risky features such as a balloon payment or prepayment penalty I can’t handle down the road.

☐ I know whether my principal and interest payment will increase in the future.

Still need advice? The U.S. Department of Housing and Urban Development (HUD) sponsors housing counseling agencies throughout the country to provide free or low-cost advice. To find a HUD-approved housing counselor visit consumerfinance.gov/find-a-housing-counselor or call HUD’s interactive voice system at (800) 569-4287.

Intent to proceed

When you receive a Loan Estimate, the lender has not yet approved or denied your loan. Up to this point, they are showing you what they expect to offer if you decide to move forward with your application. You have not committed to this lender. In fact, you are not committed to any lender before you have signed final closing documents.

Once you have found your best mortgage, the next step is to tell the loan officer you want to proceed with that mortgage application. This is called expressing your intent to proceed. Lenders have to wait until you express your intent to proceed before they require you to pay an application fee, appraisal fee, or most other fees.

Rate lock

Your Loan Estimate may show a rate that has been “locked” or a rate that is “floating,” which means it can go up or down. Mortgage interest rates change daily, sometimes hourly. A rate lock sets your interest rate for a period of time. Rate locks are typically available for 30, 45, or 60 days, and sometimes longer.
The interest rate on your Loan Estimate is not a guarantee. If your rate is floating and it is later locked, your interest rate will be set at that later time. Also, if there are changes in your application—including your loan amount, credit score, or verified income—your rate and terms will probably change too. In those situations, the lender gives you a revised Loan Estimate.

There can be a downside to a rate lock. It may be expensive to extend if your transaction needs more time. And, a rate lock may lock you out of better market pricing if rates fall.

**THE TALK**

Rate lock policies vary by lender. Choosing to lock or float your rate can make an important difference in your monthly payment. To avoid surprises, ask:

“What does it mean if I lock my rate today?”

“What rate lock time frame does this Loan Estimate provide?”

“Is a shorter or longer rate lock available, and at what cost?”

“What if my closing is delayed and the rate lock expires?”

“If I lock my rate, are there any conditions under which my rate could still change?”
8. **Avoid pitfalls**

<table>
<thead>
<tr>
<th>WHAT NOT TO DO</th>
<th>WHY?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t sign documents where important details are left blank or documents you don’t understand.</td>
<td>You are agreeing to repay a substantial amount of money over an extended period of time. Make sure you know what you are getting into and protect yourself from fraud.</td>
</tr>
<tr>
<td>Don’t assume you are on your own.</td>
<td>HUD-approved housing counselors can help you navigate the process and find programs available to help first-time homebuyers. You can find a HUD-approved housing counselor in your area at consumerfinance.gov/find-a-housing-counselor or call HUD’s interactive voice system at (800) 569-4287.</td>
</tr>
<tr>
<td>Don’t take on more mortgage than you want or can afford.</td>
<td>Make certain that you want the loan that you are requesting and that you are in a position to live up to your end of the bargain.</td>
</tr>
<tr>
<td>Don’t count on refinancing, and don’t take out a loan if you already know you will have to change it later.</td>
<td>If you are not comfortable with the loan offered to you, ask your lender if there is another option that works for you. Keep looking until you find the right loan for your situation.</td>
</tr>
<tr>
<td>Don’t fudge numbers or documents.</td>
<td>You are responsible for an accurate and truthful application. Be upfront about your situation. Mortgage fraud is a serious offense.</td>
</tr>
<tr>
<td>Don’t hide important financial information.</td>
<td>Hiding negative information may delay or derail your loan application.</td>
</tr>
</tbody>
</table>
### Handle problems

<table>
<thead>
<tr>
<th>WHAT HAPPENED</th>
<th>WHAT TO DO ABOUT IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have experienced a problem with my loan application or how my loan officer is treating me.</td>
<td>Ask to talk to a supervisor. It may be a good idea to talk to the loan officer first, and if you are not satisfied, ask to speak with a supervisor.</td>
</tr>
<tr>
<td>I think I was unlawfully discriminated against when I applied for a loan or when I tried to buy a home.</td>
<td>The Fair Housing Act and Equal Credit Opportunity Act prohibit housing and credit discrimination. If you think you have been discriminated against during any part of the mortgage process, you can submit a complaint and describe what happened. To do so, you can call the Consumer Financial Protection Bureau at (855) 411-2372 or visit consumerfinance.gov/complaint. Submit a complaint to the U.S. Department of Housing and Urban Development (HUD) by calling (800) 669-9777, TTY (800) 927-9275. Or, file a complaint online at HUD.gov. You can find more information about your rights and how to submit a complaint with the CFPB at consumerfinance.gov/fair-lending.</td>
</tr>
<tr>
<td>I have a complaint.</td>
<td>Submit a complaint to the Consumer Financial Protection Bureau if you have problems at any stage of the mortgage application or closing process, or later if you have problems making payments or become unable to pay. You can call (855) 411-2372 or visit consumerfinance.gov/complaint.</td>
</tr>
<tr>
<td>I think I may have been the victim of a predatory lender or a loan fraud.</td>
<td>Don’t believe anyone who tells you they are your “only chance to get a loan,” or that you must “act fast.” Learn the warning signs of predatory lending and protect yourself. Find more information at portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/OHC_PREDLEND/OHC_LOANFRAUD. You could learn more about your loan officer at nmlsconsumeraccess.org.</td>
</tr>
</tbody>
</table>
Your closing

You’ve chosen a mortgage. Now it’s time to select and work with your closing agent.

Once you’ve applied for a mortgage, you may feel like you’re done. But mortgages are complicated and you still have choices to make.

1. Shop for mortgage closing services

Once you’ve decided to move forward with a lender based on the Loan Estimate, you are ready to shop for the closing agent who gathers all the legal documents, closes the loan, and handles the money involved in your purchase. After you apply for a loan, your lender gives you a list of companies that provide closing services. You may want to use one of the companies on the list. Or, you may be able to choose companies that are not on the list if your lender agrees to work with your choice. The seller cannot require you to buy a title insurance policy from a particular title company.

Closing agent

In most of the country, a settlement agent does your closing. In other states, particularly several states in the West, the person is known as an escrow agent. And in some states, particularly in the Northeast and South, an attorney may be required.

RESEARCH STARTER

When you compare closing agents, look at both cost and customer service.

- Ask your real estate professional and your friends. These people may know companies they would recommend. Be sure to ask how that company handled problems and if they have a good reputation.

IN THIS SECTION

1. Shop for mortgage closing services
2. Review your revised Loan Estimate
3. Understand and use your Closing Disclosure

TIP

Settlement services may feel like a drop in the bucket compared to the cost of the home. But in some states borrowers who shop around may save hundreds of dollars.
Review the list of companies your lender gave you. Select a few companies on the list and ask for references from people who recently bought a home. Ask those people how the company handled problems that came up during the transaction.

**Title insurance**

When you purchase your home, you receive a document most often called a deed, which shows the seller transferred their legal ownership, or “title,” to the home to you. **Title insurance** can provide protection if someone later sues and says they have a claim against the home. Common claims come from a previous owner’s failure to pay taxes or from contractors who say they were not paid for work done on the home before you purchased it.

Most lenders require a **Lender’s Title Insurance** policy, which protects the amount they lent. You may want to buy an **Owner’s Title Insurance** policy, which protects your financial investment in the home. The Loan Estimate you receive lists the Owner’s Title Insurance policy as optional if your lender does not require the policy as a condition of the loan.

Depending on the state where you are buying your home, your title insurance company may give you an itemized list of fees at closing. This itemized list may be required under state law and may be different from what you see on your Loan Estimate or Closing Disclosure. That does not mean you are being charged more. If you add up all the title-related costs your title insurance company gives you, it should match the totals of all the title-related costs you see on your Loan Estimate or Closing Disclosure. When comparing costs for title insurance, make sure to compare the bottom line total.

**Home inspector and home appraiser**

When you are considering buying a home, it is smart to check it out carefully to see if it is in good condition. The person who does this for you is called a **home inspector**. The inspector works for you and should tell you whether the home you want to buy is in good condition and whether you are buying a “money pit” of expensive repairs. Get your inspection before you are finally committed to buy the home.

A home inspector is different from a **home appraiser**. The appraiser is an independent professional whose job is to give the lender an estimate of the home’s market value. You are entitled to a copy of the appraisal prior to your closing. This allows you to see how the price you agreed to pay compares to similar and recent property sales in your area.
2. Review your revised Loan Estimate

When important information changes, your lender is required to give you a new Loan Estimate that shows your new loan offer.

It is illegal for a lender to quote you low fees and costs for its services on your Loan Estimate and then surprise you with much higher costs in a revised Loan Estimate or Closing Disclosure. However, a lender may change the fees it quotes you for its services if the facts on your application were wrong or changed, you asked for a change, your lender found you did not qualify for the original loan offer, or your Loan Estimate expired.

Here are common reasons why your Loan Estimate might change:

- You decided to change loan programs or the amount of your down payment.
- The appraisal on the home you want to buy came in higher or lower than expected.
- You took out a new loan or missed a payment and that has changed your credit.
- Your lender could not document your overtime, bonus, or other income.

THE TALK

If your Loan Estimate is revised you should look it over to see what changed. Ask your lender:

“Can you explain why I received a new Loan Estimate?”

“How is my loan transaction different from what I was originally expecting?”

“How does this change my loan amount, interest rate, monthly payment, cash to close, and other loan features?”
3. Understand and use your Closing Disclosure

You’ve chosen a home you want to buy and your offer has been accepted. You’ve also applied for and been approved for a mortgage. Now you are ready to take legal possession of the home and promise to repay your loan.

At least three days before your closing, you should get your official Closing Disclosure, which is a five-page document that gives you more details about your loan, its key terms, and how much you are paying in fees and other costs to get your mortgage and buy your home.

Many of the costs you pay at closing are set by the decisions you made when you were shopping for a mortgage. Charges shown under “services you can shop for” may increase at closing, but generally by no more than 10% of the costs listed on your final Loan Estimate.

The Closing Disclosure breaks down your closing costs into two big categories:

**YOUR LOAN COSTS**
- The lender’s Origination Costs to make or “originate” the loan, along with application fees and fees to underwrite your loan. Underwriting is the lender’s term for making sure your credit and financial information is accurate and you meet the lender’s requirements for a loan.
- Discount points—that is, additional money you pay up front to reduce your interest rate.
- Services you shopped for, such as your closing or settlement agent and related title costs.
- Services your lender requires for your loan. These include appraisals and credit reports.

**OTHER COSTS**
- Property taxes.
- Homeowner’s insurance premiums. You can shop around for homeowner’s insurance from your current insurance company, or many others, until you find the combination of premium, coverage, and customer service that fits your situation. Your lender will ask you for proof you have an insurance policy on your new home.
- Any portion of your total mortgage payment you must make before your first full payment is due.
- Flood insurance, if required.

RESEARCH STARTER
Get tips, a step-by-step checklist, and help with the rest of the documents you’ll see at closing at consumerfinance.gov/owning-a-home.
What is your Closing Disclosure?

The five-page Closing Disclosure sums up the terms of your loan and what you pay at closing. You can easily compare the numbers to the Loan Estimate you received earlier. There should not be any significant changes other than those you have already agreed to.

Take out your own Closing Disclosure, or review the example here. Double-check that you clearly understand what you’ll be expected to pay—over the life of your loan and at closing.

ON PAGE 1 OF 5

Loan terms

Review your monthly payment. Part of it goes to repay what you borrowed (and may build equity in your new home), and part of it goes to pay interest (which doesn’t build equity). Equity is the current market value of your home minus the amount you still owe on your mortgage.

Costs at Closing

Be prepared to bring the full “Cash to Close” amount with you to your closing. This amount includes your down payment and closing costs. The closing costs are itemized on the following pages.

ON PAGE 2 OF 5

Total Loan Costs

Origination charges are fees your lender charges to make your loan. Some closing costs are fees paid to the providers selected by your lender. Some are fees you pay to providers you chose on your own.

Prepays

Homeowner’s insurance is often paid in advance for the first full year. Also, some taxes and other fees need to be paid in advance.
### Escrow

An escrow or impound account is a special account where monthly insurance and tax payments are held until they are paid out each year. You get a statement showing how much money your lender or mortgage servicer plans to require for your escrow or impound account.

You also get an annual analysis showing what happened to the money in your account. Your lender must follow federal rules to make sure they do not end up with a large surplus or shortage in your escrow or impound account.

---

**Closing Cost Details**

<table>
<thead>
<tr>
<th>Loan Costs</th>
<th>Borrower-Paid</th>
<th>Seller-Paid</th>
<th>Paid by Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Origination Charges</strong></td>
<td>$1,802.00</td>
<td>$495.00</td>
<td></td>
</tr>
<tr>
<td>01 0.25% of Loan Amount (Points)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 Application Fee</td>
<td>$500.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03 Underwriting Fee</td>
<td>$7,997.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>04</td>
<td></td>
<td></td>
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<td>05</td>
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<tr>
<td>06</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>07</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **B. Services Borrower Did Not Shop For** | $234.55 | | |
| 01 Appraisal Fee to John Smith Appraisers Inc. | | | |
| 02 Credit Report Fee to Information Inc. | $20.00 | | |
| 03 Flood Determination Fee to Info Co. | | | |
| 04 Flood Monitoring Fee to Info Co. | $20.00 | | |
| 05 Tax Monitoring Fee to Info Co. | $80.00 | | |
| 06 Tax Status Research Fee to Info Co. | | | |
| 07 | | | |
| 08 | | | |
| 09 | | | |

| **C. Services Borrower Did Shop For** | $2,655.00 | | |
| 01 Pest Inspection Fee to Pests Co. | $120.50 | | |
| 02 Survey Fee to Survey Co. | | | |
| 03 Title - Insurance Broker to Epsilon Title Co. | $650.00 | | |
| 04 Title - Lender's Title Insurance to Epsilon Title Co. | $580.00 | | |
| 05 Title - Title Search to Epsilon Title Co. | $400.00 | | |
| 06 Title - Settlement Agent Fee to Epsilon Title Co. | | | |
| 07 | | | |

| **D. TOTAL LOAN COSTS (Borrower-Paid)** | $4,694.05 | | |
| Loan Costs Subtotal (A + B + C) | $4,664.25 | $29.80 | |

**Other Costs**

| **E. Taxes and Other Government Fees** | $452.15 | | |
| 01 Homeowner's Insurance Premium (12 mos.) to Insurance Co. | | | |
| 02 Mortgage Insurance Premium (6 mos.) | | | |
| 03 Prepaid Interest (17.44 per day from 4/15/13 to 5/1/13) | $279.04 | | |
| 04 Property Taxes (6 mos.) to Any County USA | $871.90 | | |

| **F. Prepaids** | $1,210.80 | | |
| 01 Homeowner's Insurance $100.00 per month for 2 mo. | $201.66 | | |
| 02 Mortgage Insurance $100.00 per month for 6 months | | | |
| 03 Property Taxes $105.00 per month for 2 mo. | $210.60 | | |
| 04 | | | |
| 05 | | | |
| 06 | | | |
| 07 | | | |

| **G. Initial Escrow Payment at Closing** | $1,032.25 | | |
| 01 Homeowner's Insurance $100.00 per month for 2 mo. | | | |
| 02 Mortgage Insurance $100.00 per month for 6 mo. | | | |
| 03 Property Taxes $105.00 per month for 2 mo. | | | |
| 04 | | | |
| 05 | | | |
| 06 | | | |
| 07 | | | |

| **H. Other** | $2,400.00 | | |
| 01 HOA Capital Contribution to HOA Acre Inc. | $500.00 | | |
| 02 HOA Processing Fee to HOA Acre Inc. | $150.00 | | |
| 03 Home Inspection Fee to Engineers Inc. | $750.00 | | |
| 04 Home Warranty Fee to XYZ Warranty Inc. | $490.00 | | |
| 05 Real Estate Commission to Alpha Real Estate Broker | $5,700.00 | | |
| 06 Real Estate Commission to Omega Real Estate Broker | $5,700.00 | | |
| 07 Title - Owner's Title Insurance (optional) to Epsilon Title Co. | $1,000.00 | | |

| **I. TOTAL OTHER COSTS (Borrower-Paid)** | $5,018.05 | | |
| Other Costs Subtotals (E + F + G + H) | $5,018.05 | | |

| **J. TOTAL CLOSING COSTS (Borrower-Paid)** | $9,712.10 | | |
| Loan Costs Subtotal (I + J + K) | $9,682.30 | | |
| Closing Costs Subtotal (K + L) | $12,800.00 | | |
| Lender Credits | | | |

Details of your closing costs appear on page 2 of the Closing Disclosure.

---

**USE YOUR CLOSING DISCLOSURE TO CONFIRM THE DETAILS OF YOUR LOAN**

Circle one. If you answer no, turn to the page indicated for more information:

**The interest rate is what I was expecting based on my Loan Estimate.**  
YES / NO (see page 10)

**I know whether I have a prepayment penalty or balloon payment.**  
YES / NO (see page 7)

**I know whether or not my payment changes in future years.**  
YES / NO (see page 7)

**I see whether I am paying points or receiving points at closing.**  
YES / NO (see page 9)

**I know whether I have an escrow account.**  
YES / NO (see above)
ON PAGE 3 OF 5

Calculating Cash to Close

Closing costs are only a part of the total cash you need to bring to closing.

Summaries of Transactions

The section at the bottom of the page sums up how the money flows among you, the lender, and the seller.

ON PAGE 4 OF 5

Loan Disclosures

Page 4 breaks down what is and is not included in your escrow or impound account. Make sure you understand what is paid from your escrow account and what you are responsible for paying yourself.

Top image: A summary of important financial information appears on page 3 of the Closing Disclosure.

Bottom image: More details of your loan appear on page 4 of your Closing Disclosure.

YOUR HOME LOAN TOOLKIT

Page 24
FINANCIAL INFORMATION

Loan Amounts:
- Total of Payments: $285,803.36
- Amount Financed: $162,000.00
- Finance Charge: $118,830.27
- Total Interest Percentage (TIP): 69.46%
- Annual Percentage Rate (APR): 4.174%
- Total of Payments: $285,803.36
- Total Interest: $162,000.00
- Total you will have paid after making all scheduled payments: $285,803.36

MORTGAGE CALCULATIONS

Contact Information

Lender: Ficus Bank
Address: 6321 Random Blvd, Somecity, ST 12340
NMLS ID: 222222
ST License ID: 12345
Contact: Joe Smith
Email: joesmith@ficusbank.com
Phone: 123-456-7890

Mortgage Broker: Omega Real Estate Broker Inc.
Address: 789 Local Lane, Somewon, ST 12345
NMLS ID: 123456
ST License ID: 987654321
Contact: Joe Green
Email: jgreen@omegabroker.com
Phone: 123-567-8901

Real Estate Broker: Alpha Real Estate Broker Co.
Address: 123 Commercial St, Somewhere, ST 12340
NMLS ID: 6789012
ST License ID: 1234567
Contact: Sarah Cain
Email: sarahcain@omegabroker.com
Phone: 123-789-0123

Settlement Agent: Epsilon Title Co.
Address: 123 Commerce St, Somewere, ST 12340
NMLS ID: 8901234
ST License ID: 5678901
Contact: Sarah Green
Email: sarahgreen@epsilon.com
Phone: 123-987-0123


guests? [10]

Questions?
- If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing
- Contact:
  - Ficus Bank
  - Omega Real Estate Broker Inc.
  - Alpha Real Estate Broker Co.
  - Epsilon Title Co.

Confirm Receipt
- By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

NOW
- Now you’ve spent time understanding what you need to do and what you need to pay, as a new homeowner.
- Now is the time to step back and feel sure you want to proceed with the loan.
- If you are not comfortable with your mortgage and your responsibility to make payments, you might not be able to keep your home.
- If you’ve made a careful decision about what you can afford and the mortgage you wanted, you will be able to balance owning your home and meeting your other financial goals.

IN THE FUTURE

ON PAGE 5 OF 5

Finance Charge
- In addition to paying back the amount you are borrowing, you pay a lot of interest over the life of the loan. This is why it is worthwhile to shop carefully for the best loan for your situation.

Annual Percentage Rate (APR)
- Your APR is your total cost of credit stated as a rate. Your APR is generally higher than your interest rate, because the APR takes into consideration all the costs of your loan, over the full term of the loan.
- If anything on the Closing Disclosure is not clear to you, ask your lender or settlement agent, “What does this mean?”

Loan calculations, disclosures, and contact information for your files are on page 5 of the Closing Disclosure.

SECTION 2: YOUR CLOSING 23
Owning your home

Now you’ve closed on your mortgage and the home is yours.

Owning a home is exciting. And your home is also a large investment. Here’s how to protect that investment.

1. Act fast if you get behind on your payments

If you fall behind on your mortgage, the company that accepts payments on your mortgage contacts you. This company is your mortgage servicer. Your servicer is required to let you know what options are available to avoid foreclosure. Talk to your mortgage servicer if you get into trouble, and call a housing counselor (see page 12 for contact information). HUD-approved counselors are professionals who can help you, often at little or no charge to you.

Homeowners struggling to pay a mortgage should beware of scammers promising to lower mortgage payments. Only your mortgage servicer can evaluate you for a loan modification. If you suspect a scam you can call (855) 411-2372 or visit consumerfinance.gov/complaint.

2. Keep up with ongoing costs

Your mortgage payment is just one part of what it costs to live in your new home. Your escrow account holds your monthly taxes and homeowner’s insurance payments—but if you have no escrow account, you need to keep up with these on your own. Your home needs maintenance and repairs, so budget and save for these too.
3. Determine if you need flood insurance

Flooding causes more than $8 billion in damages in the United States in an average year. You can protect your home and its contents from flood damage. Depending on your property location, your home is considered either at high-risk or at moderate-to-low risk for a flood. Your insurance premium varies accordingly. You can find out more about flood insurance at FloodSmart.gov. Private flood insurance could also be available.

Although you may not be required to maintain flood insurance on all structures, you may still wish to do so, and your mortgage lender may still require you to do so to protect the collateral securing the mortgage. If you choose to not maintain flood insurance on a structure, and it floods, you are responsible for all flood losses relating to that structure.

4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

Homeowners sometimes decide they want to borrow against the value of their home to help remodel or pay for other large expenses. One way to do this is with a Home Equity Line of Credit (HELOC). You can learn more about HELOCs at files.consumerfinance.gov/f/201401_cfpb_booklet_heloc.pdf.

Financial counselors caution homeowners against using a HELOC to wipe out credit card debt. If you use a HELOC as a quick fix to a serious spending problem, you could end up back in debt and lose your home.

If you decide to take out a HELOC or refinance your mortgage, the Truth in Lending Act (TILA) gives you the right to rescind, meaning you can change your mind and cancel the loan. But you can only rescind a refinance or HELOC within three days of receiving a proper notice of the right to rescind from your lender. You cannot rescind if you are using your HELOC to buy a home.

In the case of a refinance, consider how long it will take for the monthly savings to pay for the cost of the refinance. Review the closing costs you paid for your original loan to purchase the home. Refinancing costs can be about the same amount. A common rule of thumb is to proceed only if the new interest rate saves you that amount over about two years (in other words, if you break even in about two years).

⭐ Congratulations!

You have accomplished a lot. It is not easy—you should feel proud of the work you’ve done.
Online tools
CFPB website
c consumerfinance.gov

Answers to common questions
c consumerfinance.gov/askcfpb

Tools and resources for home buyers
c consumerfinance.gov/owning-a-home

Talk to a housing counselor
c consumerfinance.gov/find-a-housing-counselor

General inquiries
Consumer Financial Protection Bureau
1700 G Street NW
Washington DC 20552

Submit a complaint
Online
c consumerfinance.gov/complaint

By phone
855-411-CFPB (2372);
TTY/TDD 855-729-CFPB (2372);
8 a.m. to 8 p.m. Eastern Time, Monday-Friday

By fax
855-237-2392

By mail
Consumer Financial Protection Bureau
P.O. Box 4503
Iowa City, Iowa 52244

Share your thoughts
Facebook.com/cfpb
Twitter.com/cfpb

Last updated August 2015
# CFPB Financial Well-Being Scale

## Questionnaire

### Part 1: How well does this statement describe you or your situation?

<table>
<thead>
<tr>
<th>This statement describes me</th>
<th>Completely</th>
<th>Very well</th>
<th>Somewhat</th>
<th>Very little</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I could handle a major unexpected expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am securing my financial future</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Because of my money situation, I feel like I will never have the things I want in life</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I can enjoy life because of the way I'm managing my money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I am just getting by financially</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. I am concerned that the money I have or will save won't last</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part 2: How often does this statement apply to you?

<table>
<thead>
<tr>
<th>This statement applies to me</th>
<th>Always</th>
<th>Often</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. I have money left over at the end of the month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. I am behind with my finances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. My finances control my life</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part 3: Tell us about yourself.

<table>
<thead>
<tr>
<th>11. How old are you?</th>
<th></th>
<th>18-61</th>
<th>62+</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. How did you take the questionnaire?</td>
<td>I read the questions</td>
<td>Someone read the questions to me</td>
<td></td>
</tr>
</tbody>
</table>
First Northern Credit Union

**Organization Name:** First Northern Credit Union

**Primary Contact Name, Address, Phone, Email:** David Tognarelli, 1705 Sherman Ave, 312-429-6421, dtognarelli@fncu.org

**Name of Curriculum:** FNCU financial wellness resources powered by BALANCE

**Supporting curriculum documentation:**
- Consumer facing financial wellness website – [fncu.balancepro.org](http://fncu.balancepro.org)
  - BalanceTrack module list is attached
- FNCU monthly branch workshop series – [www.fncu.org/seminars](http://www.fncu.org/seminars)
  - 2019 & 2020 workshop schedules are attached
  - Adult and youth workshop lists are attached
  - Handouts from a few of our past workshops are attached

**Referrals to individuals who have successfully completed the curriculum:**
- Monthly workshop series attendees – We host a monthly workshop series at our Evanston branch on the second Tuesday of each month. We have attached some comments from those who have regularly attended the workshops.
- Monthly webinar attendees – Along with our monthly workshop series, we host monthly webinars presented by our partners at BALANCE. We have attached some comments from those who have attended the webinars.
- Curt’s Café – First Northern Credit Union provides financial wellness information and resources through “group” sessions at Curt’s Café every two weeks. We have been providing this free service to Curt’s Café since the Fall of 2018. Students who have attended our “group” sessions every other week can provide references through Karli Butler - Director of Social Services, 847-563-8883, karli@curtscafe.org

**Referrals to other organizations who have hired or partnered with your organization to implement the curriculum**
- Curt’s Café – Karli Butler, Director of Social Services, 847-563-8883, karli@curtscafe.org
- NU Office of Financial Aid – Brian Drabik, Senior Associate Director, 847-491-7400, b-drabik@northwestern.edu
- ETHS – Tana Francellino, Career Partnership Manager, 847-424-7014, francellnot@eths.k12.il.us
- MEAC – Neil Gambow, 847-323-2878, Neilg1016@aol.com
- Y.O.U. – Jane Baron, High School Program MGR, 847-915-6198, jbaron@youthopportunity.org
Accuity – Patty Picket, Senior Director Employee Engagement, 847-933-8023, Patricia.Picket@Accuity.com
Rotary - James Stout, Senior Manager, 847-425-5755, James.Stout@rotary.org
YWCA Evanston / North Shore – Shannon Callahan, Women’s Leadership & Economic Advancement Director, 847-864-8445, scallahan@ywca-ens.org
Sherman Plaza - Kellie Forrester, Assistant Manager, 847-425-9487, Kellie.Forrester@FSResidential.com
Additional references in Chicago and Rockford available by request

Proposed length of program – Financial education and financial well-being should be an ongoing exercise and priority for all individuals. The best analogy for this would be exercise and diet as it relates to one’s physical health. With that said, below are some general timelines and length measures of how our program is setup:

• BalanceTrack modules:
  Our financial wellness website fncu.balancepro.org offers a series of modules designed to help individuals work towards a specific financial goal. We have attached the list of 21 modules available through BalanceTrack. Each module takes 30-45 minutes to complete; once you finish the module, it points you towards other resources such as calculators and worksheets within the same topic.

• Number of workshops:
  We have 52 different workshops available for the city of Evanston, including community groups/workplace partners, from which to choose. We have 42 that are geared towards adults (ie “Rebuilding after a Financial Crisis” or “Solving the Mystery of Credit Reports”) and we have 10 geared more towards youth (ie “Building Your First Budget” or “Preparing For Financial Independence”). We have attached the list of workshop options. We also have a special interactive 2.5-hour budget workshop for youth called “Mad City Money”. This workshop teaches kids about budgeting in a very interactive simulated environment. Please ask for more details.

• Monthly financial workshop series:
  We host FREE monthly financial workshops at our office located at 1705 Sherman Ave. on the 2nd Tuesday of each month. The workshops last anywhere from 60-90 minutes depending on the Q&A participation. We invite not just members, but the community-at-large. We cover topics from Budgeting to Becoming a Homeowner to Improving Your Credit (see attached for 2019 and 2020 schedules).

Proposed metrics of success and proposed reporting mechanism

• BALANCE impact report – We have attached Impact results for 2018 (this includes all CU, Bank and EAP partners of BALANCE). We are able to offer the City of Evanston a white label site similar to fncu.balancepro.org, co-branded with First Northern Credit Union. By driving residents to this site, we would be able to measure the specific impact of providing these resources to Evanstonians through surveys and feedback following webinars and BalanceTrack modules.

• Surveys and assessments – Part of the Are you Financially Well? handout we have attached is a financial wellness assessment. We could provide this assessment to workshop attendees at the beginning of the year (or series of workshops) and at the end to measure how their financial
wellness score has improved. Surveys can also be requested in order to get more tangible individual results from attendees.

- Webinar attendee attendance reports – Each month we offer two scheduled webinars through the fncu.balancepro.org website. In 2019, we have had 326 register and 73 attend these webinars. Once the webinar is over, anyone who registers has the opportunity to download a recording. Sample reports available upon request.

- Website traffic reports – The fncu.balancepro.org website has had over 2,000 visits in 2019 with an average of 200 pages views per month. The most visited sections of the site were: Counseling Services, Online Tools & Debt and Budget Coaching. Sample website traffic reports available upon request.

- Curt’s Café student counts – Every two weeks we visit Curt’s Café and provide financial wellness content and education to the students enrolled in the program. In 2019, we have presented to 18 Curt’s Café students.

- Money Smart Week event attendance – FNCU hosts an event in the Evanston community every year for Money Smart Week. In 2019, we hosted a home buying professionals open house at Hotel Orrington: 34 people registered and 20 attended.

- Monthly financial workshop series attendance – In 2019, we have had 10 workshops from January – October: 135 people registered and 80 attended.

- NU Financial Aid attendance – In 2019, we have presented three workshops at NU – 58 registered and 33 attended. We have another workshop scheduled on Nov 7, 2019.

- Accuity attendance - Accuity is one of our local “lunch and learn” workplace partners. In 2018, we hosted two workshops – 80 registered and 36 attended. In 2019 we’ve hosted one workshop so far - 35 registered and 13 attended.

- Rotary attendance - Rotary is one of our local “lunch and learn” workplace partners. In 2019 we’ve hosted one workshop so far - 40 registered and 10 attended. We have 2 more workshops scheduled on Dec 5th and Dec 6th

- Y.O.U. attendance - In 2018, we presented a Mad City Money interactive budgeting simulation for 30 students and 15 volunteers. In 2019, we presented another Mad City Money simulation for 40 students and 18 volunteers. We have another Mad City Money simulation scheduled for January 25, 2020 for 70 kids and 25 volunteers. This is a collaborative team effort through Y.O.U./United Way/Exelon for the “Stay in School” program.

- Sherman Plaza - Sherman Plaza is one of our local “lunch and learn” partners. We had our first workshop for residents in October - 10 registered and 22 attended. We are working out logistics for quarterly workshops in 2020.

Eligibility criteria for participants (if required/applicable):

N/A. Our financial wellness programs are available to the entire Evanston community; there is no special eligibility criteria.

Plan for community engagement

- Monthly workshop series – We will continue our monthly workshop series in 2020 at our office and look forward to expanding this to additional sessions at civic buildings throughout Evanston.

- Monthly webinars – For those who are unable to attend our in person workshops, we will have the same topic available via webinar twice each month.

- Curt’s Café partnership – We will continue our partnership with Curt’s Café in 2020 and beyond, visiting the students twice a month and presenting on various youth focused financial wellness topics.
• NU partnership – We will continue hosting quarterly workshops with the NU Office of Financial Aid in 2020 and beyond, presenting to NU undergraduate students on various young adult focused financial wellness topics.

• ETHS partnership – We have just begun our partnership with ETHS through the Youth Job Center and the MEAC. We are very excited about this opportunity to present to the personal finance classes and look forward to expanding into more classes in 2020.

• Accuity partnership – We will continue our “lunch and learns” in 2020. Accuity wants to work on a schedule for FNCU to host at least one workshop per quarter.

• Rotary partnership – We will have presented three “lunch and learns” by the end of December. Rotary wants to continue in 2020 with at least one workshop per quarter.

• Alderman Simmons partnership – Ald. Simmons’ office invited FNCU to two events in 2019 to promote our financial wellness resources: National Night Out, and Inner Fitness Tour with Tina Lifford.

• Evanston Library – We are working on a partnership to present quarterly workshops at the library through Susan Markwell (Business & Financial Literacy Librarian).

• Workshop promotion – We receive fantastic support from the Evanston chamber regarding the promotion of our free monthly workshops. We know they will be a great supporter as we move into 2020. Downtown Evanston is a great supporter as well.

• Other prospective partnerships – West End, LEND, Housing Opportunities for Women & Officer and a Gentleman. The City of Evanston partnership would help support these opportunities and create others in the future.
We want to help you master your money so we partnered with BALANCE to bring you FREE information on a variety of topics. Check out our monthly seminars provided to help get you financially fit!

Visit fncu.org/seminars for more information and to RSVP for an upcoming workshop.

**January - Are You Financially Healthy?**
In this workshop you will understand what it means to be financially healthy – which is so much more than the one score everyone asks you about today – your credit score. True financial health is based on four key components: Spend, Save, Borrow, and Plan. You'll also get a chance to confidentially determine your own Financial Health Score and the steps you can take to improve that score.

**February - 30 Ways to Trim your Budget**
Stretching your budget is a necessary step to achieving your financial goals. Learn smart ways to save on the things that impact your finances most, such as food, health care, insurance and more.

**March - Women & Money**
Whether it’s having children, career advancement, divorcing, or becoming a widow, there are certain pivotal times in women’s lives that can occur. This session addresses special considerations for budgeting, credit, and insurance.

**April - Becoming a Homeowner**
Homeownership starts well before the contracts are signed— preparation is one of the keys to a smooth home buying process. This session covers all major pre-purchase topics such as budgeting, the down payment, credit reports, debt- to-income ratios, and the mortgage lending process.

**May - Drive Away Happy: Car Buying Decisions**
Getting a car can be overwhelming and stressful with all the decisions to make: new or used; buy or lease; zero percent financing or rebate (not to mention what color to pick). Participants will learn tips and tricks to have the best car shopping experience possible, while also making wise financing decisions.
June - College Financing 101 (Youth)
As the cost of college tuition continues to rise, parents wonder how they can afford to pay for higher education for children or themselves. Participants will learn about long-term savings strategies, financial aid opportunities, and other ways they can make college education a reality.

July - Money Skills: Preparing for Financial Independence (Youth)
Before you know it, you’ll be in charge of your own finances. Don’t worry, this workshop outlines financial fundamentals like setting goals, making a budget, paying bills and other real-world skills to prepare you for financial independence.

August - Teens & Money (Youth)
Young adults are primed to soak in new information. It’s a great time to guide them to money management techniques that can last a lifetime. Attendees will learn managing money effectively, preparing for common upcoming bills, opening checking and savings accounts, establishing credit (and use it wisely), and looking at investing options.

September - Digital Financial Services
Technology has made managing your money much more convenient. Whether it’s opening and managing accounts, transferring money or bill pay, you’ll learn the fundamentals of electronic banking.

October - Using Home Equity
There are numerous benefits to owning your own home. Not only does it provide you with a place to live, but you can also often use the accumulated equity for many money-smart purposes. Borrowing further against your home is a serious financial decision and should only be done after careful research and consideration. This session will discuss the pros and cons of borrowing against your equity and also review the different ways you can do so.

November - Breezing Through the Holidays
It may be called “the most wonderful time of the year” but December can also be filled with unwanted debt with holiday spending. Learn budgeting strategies and tactics to avoid that year-end credit card crunch and sidestep debt traps in the future.

First Northern Credit Union
fncu.org | 888.328.8677
2019 webinar attendee comments:

*Your Credit Score - February*

“It was interesting to hear how different financial events can cause your score to be raised or lowered.”

“It was interesting to hear how different financial events can cause your score to be raised or lowered.”

“Information presented in very simple easy to understand concepts”

“This was very useful information about building and re-building credit. Great info!”

*Rebuilding After a Financial Crisis - March*

“Shelley, the moderator was excellent!”

“The facilitator was excellent. Thank you so much!”

“I like that it started and ended on time!”

“It was very informative and moderator was great.”

*Understanding Credit – April*

“All was great-I was in a bad place financially about 10 years ago and have worked hard to get my credit score back up. So, while I am not in need of credit counseling now, I thought this was a very nice presentation for anyone who is struggling. Thank you”

“This webinar opened my eyes to make drastic changes in how myself and my spouse utilize our cards and how and which ones to use. I will make suggestions on a card to use for gas only. I think more webinars like this are beneficial.”

“The webinar did well with the topic presented. Reiterated ways to initiate a plan.”

2019 workshop attendee comments:

“Yes, I have attended several of the workshops. I am very grateful that they are available. Otherwise I would have to look into legal help with fees I may not have.

Second, the education it provides, eliminates fees that a college course or training course would again incur additional fees which I may not have.

Third, not only do they educate us, but we are encouraged to ask questions. We are given tentative listening admin professionals sharing their skills, and given knowledgeable feedback. If the answer to a question is not available at the time, they make the effort to do all possible to find out, or direct me to the professional party with that answer to my/our question.

Thank you for the opportunity, the education, and the financial burden being lifted. With the offer of the seminars. Let me not forget to say, (thanks for dinner)!

Thank you, for sharing!”

- Louise P
“The First Northern Credit Union initiative to have such workshops on different financial topics, is wonderful idea.

I attended few of them and the information I received during only 1h event was very focused and well organized.

It covered everything we need to know when we apply for mortgage, for college loans and grants, buy a car, or teach teenagers how to work on their budget.

Everyone was very friendly and answered our questions. These workshops are great place to meet the bank associates and people with similar interests and needs.”

- **Ganka I**

“I enjoyed the workshops I attended in your facility.

One of the seminars was very helpful in teaching the importance of budgeting my finances. It really opened my eyes to see the expenses I could be saving some money.

I also learned some useful information on how to purchase and finance a car. I always wondered if it was beneficial to consider a car leasing. After attending your seminar, it will be easier to make my decision regarding the purchase of my next car.

I enjoyed the seminar presenters. They offer a lot of knowledge and were always so well prepared to answer varied questions.

I look forward to see you soon and acquire knowledge regarding my finances.”

- **Irena R**

“For the past three years, I have been a member of First Northern Credit Union in Evanston.

Through the FNCU educational money classes my credit score as improved by 100 points, my confidence in building finical freedom is my reality, and as a single minority woman living in Evanston, I have learned to make solid money choices for today, and in the future.

Thanks, FNCU, for caring! “

- **Linda D**
Financial Workshops

We want to help you master your money so we partnered with BALANCE to bring you FREE information on a variety of topics. Check out our monthly seminars provided to help get you financially fit!

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January—Are You Financially Healthy?
In this workshop you will understand what it means to be financially healthy – which is so much more than the one score everyone asks you about today – your credit score. True financial health is based on four key components: Spend, Save, Borrow, and Plan. You’ll also get a chance to confidentially determine your own Financial Health Score and the steps you can take to improve that score.

February—Drive Away Happy
Getting a car can be overwhelming and stressful with all the decisions to make: new or used; buy or lease; zero percent financing or rebate (not to mention what color to pick). Participants will learn tips and tricks to have the best car shopping experience possible, while also making wise financing decisions.

March—Repaying Student Loans
Student loans can put a heavy burden on monthly finances, sometimes rivaling the cost of a mortgage. These days there are many options to help repay these loans. This session will teach attendees about the choices available.

April—Identity Theft Solutions
Identity theft is becoming more common and sophisticated than ever. Session participants will learn the methods that identity thieves use to access confidential information, tools for preventing ID theft, and steps to take should identity theft occur.

May—Becoming a Homeowner
Homeownership starts well before the contracts are signed—preparation is one of the keys to a smooth home buying process. This session covers all major pre-purchase topics such as budgeting, the down payment, credit reports, debt-to-income ratios, and the mortgage lending process.

June—Understanding Credit
Credit: Many want it but how do you get it? This session covers all aspects of becoming an educated credit consumer, including how lenders evaluate for credit approval, factors that impact credit qualification, how credit scoring works, and ways money management today impacts credit standing tomorrow.
July—Psychology of Spending
We all have a “money personality” and it has a major impact on our attitudes, relationship with money, and spending habits. By understanding this, individuals can monitor and adjust their behaviors to make smart money decisions. This session will teach strategies and tactics to decode personality types to gain control over finances.

August—Federal Student Aid with FAFSA (YOUTH)
The Free Application for Federal Student Aid (FAFSA) is many students’ ticket to financial assistance for college. This workshop covers important details such as how the FAFSA works, deadlines, and the application process.

September—Your Credit Score
One of the most important numbers consumers have is their credit score: it affects the ability to purchase a home, buy a car, get a credit card, and other financial decisions—but it can also hinder them. This session reviews types of credit scoring models currently used including FICO, Vantage, nontraditional, and bankruptcy risk.

October—Retirement Planning: The Basics
Retirement is something most people look forward to, but may not have planned well in advance. Participants will learn how to harness the power of time, optimize investments to reach their long-term goals, and understand how the economy and taxes can impact their retirement dollars.

November—Building a Better Budget
A smart budget helps you cover your expenses and still buy some of the things you want. Find out how to make—and maintain—a budget based on your needs.

December—Basics of Personal Finance
From managing daily expenses to investing for retirement, this session helps participants set personal finance goals, learn the basics of smart money management, and build a solid financial foundation for the future.

Visit fncu.org/seminars for more information and to RSVP for an upcoming workshop.

If you are unable to attend one of our live workshops, we encourage you to check out the webinars and various other free financial wellness tools at fncu.balancepro.org.
Money Skills: Preparing for Financial Independence

Money. You have a whole lifetime to earn, save, invest, and spend it. This is your opportunity to learn how to make the most of every penny so you can achieve the financial independence you want—when you need it.

Money Management
Whether the money you have comes from a job, support from your parents, or somewhere else, it all should be managed the same way. But just what is money management? It is nothing more than the process of knowing where your money is going now and having a plan in place for where you want it to go in the future.

Wants Versus Needs
Engaging in cost-saving measures can help, but it may seem important to have the best of everything, such as the most expensive clothes and latest gadgets, but do you really need them? There is a big difference between wants and needs, and knowing which is which will save you big bucks now and in the future.

You make powerful choices every day. From food to clothes to maybe even a car payment, you have the power to spend—and the power to save. Get into the habit of questioning each potential purchase to know if it is a want or need.

Setting Goals
Goal setting is exciting. It is your chance to figure out what you really want to do with your money and to get what you want without having to borrow for it. For example: you may dream of being rich someday, but your goal is to have a million dollars by your 50th birthday.

Once you know what you want to save for, decide the date you want it by. After that the calculation is simple: the price divided by the months you have to save equals how much you need to put aside each month.

Example: You want a new laptop. After researching the best price, you find what you are looking for, and it will cost $800. You’d like it in six months. To reach that goal, you will need to set aside $133 per month ($800/6 = $133). Can’t do it? Explore your options. Consider a less expensive computer, extending your timeframe, earning more, or decreasing some other expense. The choice is yours.

When saving for goals, be flexible. If you simply can’t put the $133 into your laptop fund this month because your truck needs tires, don’t give up! Consider it a temporary setback. With a little extra effort, you may be able to make it up over the next couple of months.

Financial Goals Worksheet

<table>
<thead>
<tr>
<th>Your Goals</th>
<th>Target Date</th>
<th>Total Needed</th>
<th>Current Savings</th>
<th>Savings Needed Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term Goals (under 1 year)</td>
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<tr>
<td>Mid-term Goals (1-5 years)</td>
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<tr>
<td>Long-term Goals (over 5 years)</td>
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<td></td>
</tr>
</tbody>
</table>

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Money Skills: Preparing for Financial Independence / Handout
Budgeting
While the idea of budgeting may sound overwhelming, it’s just knowing what you have coming in and having a plan for what goes out. A well-designed budget allows you to make the most of your money – you’ll get rid of wasteful spending while keeping expenses that are really important to you. Anyone can do it.

Though everyone’s budget reflects different needs, wants, incomes, and goals, there is one consistent rule: your expenses should never exceed your income.

To design a budget, you can use the old-fashioned system (pen and paper), a computer spreadsheet, or budgeting software. The method matters less than the result.

### Monthly Income Chart

<table>
<thead>
<tr>
<th>Source</th>
<th>Gross</th>
<th>Net</th>
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</thead>
<tbody>
<tr>
<td>Job</td>
<td></td>
<td></td>
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<tr>
<td>Allowance</td>
<td></td>
<td></td>
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<tr>
<td>Birthday money</td>
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<tr>
<td>Student Loans</td>
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<tr>
<td>Support</td>
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<tr>
<td>Other Income</td>
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<td>Other Income</td>
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<tr>
<td>Total Income</td>
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</tbody>
</table>

Begin with your income, as it will determine what you can afford to spend and save each month. Total up every net (already taxed) dollar you make in a month. It is best to be as accurate as possible when creating a budget, but avoid overestimating your income. It’s better to have money left over than to be caught not being able to pay your bills.

Now for your expenses. When developing this section, you should have two columns to work with - a “current” column for what you have been spending your money on and a “proposed” column for the changes you want to make.

In the current column list everything you spend your money on in a month. Do not forget those expenses that come up once in a while (called periodic expenses), such as birthday gifts, weekend trips, or concert tickets. Just total what you think you spend in a year, and then divide the number by 12 to get estimation. Of course, there are truly unexpected expenses that you simply cannot plan for. That is why starting and building an emergency savings account is so important, and regular deposits into it should be part of everyone’s budget.
## Monthly Spending Chart

<table>
<thead>
<tr>
<th>Expense</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cell Phone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car Payment</td>
<td></td>
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<tr>
<td>Gasoline</td>
<td></td>
<td></td>
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<tr>
<td>Auto Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Registration</td>
<td></td>
<td></td>
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<tr>
<td>Tolls/Parking/Mass Transit</td>
<td></td>
<td></td>
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<tr>
<td>Beauty/Barber</td>
<td></td>
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<tr>
<td>Movies/Streaming Subscription</td>
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<tr>
<td>Dining Out/Sports/Hobbies/Clubs</td>
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<td></td>
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<tr>
<td>Gym</td>
<td></td>
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<tr>
<td>Books/School Supplies</td>
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<tr>
<td>Music/DVDs/Video Games</td>
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<td></td>
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<tr>
<td>Clothing</td>
<td></td>
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<tr>
<td>Laundry/Dry Cleaning</td>
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<tr>
<td>Gifts/Cards</td>
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<tr>
<td>Pet Care</td>
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<tr>
<td>Banking Fees/Postage</td>
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<tr>
<td>Religious/Charities/Donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings 1 (Emergency Account)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings 2 (Goals)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card Payment 1</td>
<td></td>
<td></td>
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<tr>
<td>Credit Card Payment 2</td>
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<tr>
<td>Other</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes**
Bottom Line Worksheet

<table>
<thead>
<tr>
<th>Monthly Net Income</th>
<th>Total Expenses</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Total your expenses and subtract the sum from your current income using the Bottom Line Worksheet above. Are you over or under? If you find there is more going out than is coming in, it’s time to make changes. You can increase your income, decrease your expenses, or do both.

You may find that decreasing unnecessary expenses is the easiest way to come out ahead. For example, do you buy coffee drinks on a regular basis? If so, look at how much that costs. A $3 latte, four days a week, will run you $52 a month. Or maybe you eat a lot of fast food. A $6 meal may seem cheap, but if you bought it five times a week, you’d be spending $130 a month.

Using the current column as a guide, consider each expense carefully. Which are wants? Which are needs? In the proposed column decide where you want your dollars to go each month and what you can cut.

Remember your goals. Again in the proposed column, enter the amount you have earmarked for the things you want to save for. They are now expenses and you will “pay yourself” as you would any other important bill. A budget is born. Not so hard, is it?

Preparing for Future Bills

You may not have too many expenses to budget for at the moment, but eventually you will have quite a few more.

Moving Out
If you’re going to college and plan to live on or near campus, or if you’ll be moving out of your parents’ house when you graduate from high school, you may need to prepare for these costs:

- Moving costs
- Rent for the first and last month
- Cleaning deposit

- Security deposit
- Utilities deposit
- Furniture and appliances

Of course, if you have roommates, you’ll be splitting at least some of these costs. Still, even with a quick estimation you can see that you may need to save quite a lot to make the big move.

Household Bills
Once you are in your home and living independently, you will have other household costs besides your rent - you will probably have to pay some utilities as well. Utilities can include cable, internet, phone, garbage, gas, electric, and water. It is extremely important to pay these (and all) bills on time. If you don’t, you’ll probably be charged late payment fees, and, if left unpaid, they will go into a collection agency. Dealing with collectors is not only highly unpleasant, but the negative effect on your credit report is severe. If you default, you may not be able to turn your utilities on again until they’re paid, and even then it can be difficult.

Other
Many people get in trouble once they start paying for their own cell phones. Why? Most cell phone companies require you to sign a contract, so if you get an expensive plan, you are stuck. If you agreed to pay $75 a month for three years, then that is pretty much it. Stop paying after a year and you will be held liable for the remaining 24 months (in this case $1800). Before signing a contract, make sure that the plan is affordable. Also, be especially careful with cell phone minutes. Once you have exceeded your plan’s limit, the cost per minute can be outrageous. Bills of several hundred dollars are common.

Buying a vehicle
A vehicle is the first major purchase many young adults make. However, before you buy, make sure you know how much you can really afford. It is easy to get carried away and end up with a car or truck that is out of your price range. To know
the amount you can afford to spend, revisit your budget. Consider not just the monthly payment, but also the costs of insurance, maintenance and repairs, gas, and parking.

If you are not going to buy a car or truck outright, you will be borrowing for it. The more you borrow (finance), the more the vehicle will cost, so try to make as large a down payment as possible. Compare the dealer’s financing with the loan you can get through your financial institution and other lenders.

**When shopping for the best deal:**

- **Don’t be fooled by an advertised low monthly payment.** If the length of the loan is long and the interest rate high, you may be paying more than you have to.

- **Look for incentives.** Dealers may offer reduced finance rates or cash back on specific models. However, avoid buying an expensive car just to get incentives. You may wind up spending more money on a fancy car with a low, promotional interest rate than an economical car with a higher interest rate.

- **Negotiate.** It is common to haggle over the price of the car, but if there is no special financing offer available, you may also be able to negotiate the interest rate and other repayment terms with the dealer.

Before signing any documents read the contract carefully. Make sure you understand and agree to the:

- Price you’re paying for the vehicle.
- Amount you’re financing.
- Annual percentage rate (APR – the rate of interest you are charged annually).
- Additional finance charges.
- Number and amount of payments.
- Total sales price.

**Checking and Savings Accounts**

One of the first steps toward financial independence is having your own checking and savings accounts.

A good place to open an account is your financial institution. However, if it doesn’t provide individual accounts for those under 18, chances are it offers custodial or joint accounts if a parent co-signs.

You can use the savings account to set aside cash for goals and emergencies. Consider signing up for a regular automatic transfer when you open the account. Once done, saving will be a breeze. All you have to do is choose the amount you want deducted regularly from your checking account and deposited into your savings account.

The checking account, however, requires a bit more attention. Because you will use it to write checks and pay for purchases and bills, you will need to actively manage it. You are responsible for handling and monitoring your checking account. This means knowing how much is in your account at all times, reading your statements for accuracy, and never writing checks for more money than you have in your account.

**Don’t “bounce” checks**

Bouncing checks is a serious and expensive habit. If there aren’t enough funds to cover a check, it will be rejected when it comes in for payment. The check will be sent back to the person who deposited it, and you will be charged for “bouncing” it. How much? A lot. The merchant you wrote it to can not only charge a returned check fee, but you may be charged up to three times the amount of the check. One bad $12 check could cost you $150! You may even be subject to court proceedings and required to take special classes on money management.

To prevent bounced checks, many financial institutions offer overdraft protection. With it, if you write a check for more than is in your account, the overdraft protection will kick in and the check will be covered. Typically linked to a savings account or line of credit, there is a fee for this service, though it is much cheaper than bouncing a check. Does this mean that you should write checks without a second thought? No. Remember, even if the fees are lower with overdraft protection, you still have to pay back the amount you overdraw—you do not get free money.

You can avoid accidentally writing bad checks by always knowing how much you have in your account. Keep track of the deposits you make, checks you write, ATM withdrawals, and fees you are charged in your check register. Before writing a check verify your account balance—you can usually do it on the phone or online. Never write a check before you make a deposit, counting on the “float” time. A check can clear the financial institution the same day you write it.
**Balance Your Checkbook**
Always read your account statements and compare your balance with what the financial institution says you have. If there is an item on your statement that is not listed in your check register, first determine if your check register is accurate. You may have forgotten to record something. If the item is correct, write it in your check register, but if you believe the item is wrong; contact your financial institution to have it investigated immediately.

**Using Your ATM/Debit Card**
When you open an account, you may be issued either an ATM (automated teller machine) card or a debit card. There are important differences between the two:

- **ATM card.** You can use an ATM card to withdraw cash, make deposits, transfer money between accounts, obtain your balance, etc., without having to go into a branch and speak with a teller.

- **Debit card.** You can use a debit card in a store or restaurant, as well as at the ATM. It may look like a credit card, but it is not - money is automatically deducted from your checking account when you use it. Some financial institutions will allow you to exceed your balance as long as you have overdraft protection in place.

Whichever card type you have, be very careful with where you keep it and how you use it. Memorize your personal identification number (PIN), never share your card, and contact your financial institution immediately if it is lost or stolen.

**Credit Cards**
If you’re at least 18-years-old, you can apply for your own credit card. Under 18? You can become an authorized user on a parent’s card. That means you’re able to use the card to make purchases, but it’s still in your parent’s name. They can also monitor your spending activity.

**What is a Credit Card?**
Though what a credit card is and isn’t may seem obvious, many adults have trouble with the concept — and end up neck-deep in debt because of it. So, let’s start with the basics. When you use a credit card to pay for something you are borrowing money from the credit card issuer, and you are obligated to pay back at least some of what you borrowed the next month. You can choose to pay off the balance in full or pay less than the full balance. However, you must make at least the minimum payment in order to avoid being delinquent on your card. If you are delinquent, your interest rate may be raised, and your credit report can be dinged.

If you choose to pay less than the full balance, the remaining sum will “carry over” – move onto the next month's bill. This is where the annual percentage rate (APR) comes in. Interest will be added to whatever sum is still owed, and will continue to be added until the debt is paid in full.

**Example:** You charged $500 for school books and materials but can only afford to pay $25 a month. If the APR on your credit card is 10 percent, it will take you one year and ten months to repay – plus $49 in interest. However, if the APR is 22 percent, it will take you two years and two months to repay, plus $129 in interest (almost one third of the original debt).

**Credit history, credit reports, and credit scores**
No doubt about it, credit cards are convenient. There is no need to carry around a lot of cash, and yes, you do have some time before it needs to be repaid. But the real benefit goes beyond that. When you use it correctly you are establishing a positive credit history.

Your credit history will show up on credit reports generated by the three major credit-reporting bureaus: TransUnion, Experian, and Equifax. These companies collect credit-related data, compile it into reports, and then provide it to businesses that need to assess lending risk and make other business decisions. Your credit and debt information will be on these reports in detail. How long you have had the loan or credit card, whether or not you’ve paid on time, if accounts have gone into collections, how much you currently owe, credit limits, and if you have been sued for a debt are all included on a report.

A credit score is a mathematical assessment of risk (the risk that you will not repay your debts), based on the information available in your credit report. A common scoring model is one developed by Fair Isaac Corporation. They issue a FICO score, which is based on many factors, including payment history (35%), amounts owed (30%), length of credit history (15%), pursuit of new credit (10%), and types of credit in use (10%).
You will need a glowing credit history and score for a few things you will probably want in the near and distant future:

- **Buying a vehicle.** Getting a good financing deal requires a good credit history.
- **Getting a cell phone.** If your credit history is poor, you may be denied a cell phone contract.
- **Renting an apartment.** Many landlords use credit reports to determine responsibility and to find out if you have too much debt to afford the rent.
- **Getting a job.** As with renting an apartment, an employer will look at your credit report to see how responsible you are.
- **Qualifying for low insurance rates.** You won’t be offered the lowest car insurance premiums if you have a low credit score.
- **Buying a home.** Yes, one day you may want to buy your own home, and in order to get the best interest rate on a mortgage, or even be able to get one at all, you'll need a great credit history.

Check your credit reports for accuracy at least annually. You have the right to see them free once a year (more if you suspect fraud or were denied credit). To access your annual free reports you can contact:

**Annual Credit Report Request Service**  
P.O. Box 105281 Atlanta, GA 30348  
www.annualcreditreport.com • (877) 322-8228

Reports accessed through the Annual Credit Report Request Service do not come with credit scores. You may also order your report, with scores, through the bureaus directly, for a fee:

**Experian**  
Consumer Assistance  
P.O. Box 2104 Allen, TX 75013  
www.experian.com • (888) 397-3742

**TransUnion**  
Consumer Relations  
P.O. Box 2000 Chester, PA 19022  
www.transunion.com • (800) 916-8800

**Equifax**  
Consumer Relations  
P.O. Box 740241 Atlanta, GA 30374  
www.equifax.com • (800) 685-1111

**What To Look For in a Credit Card**

Not all credit cards are created equal. Just as you wouldn’t purchase the first car you saw on the lot without comparing it to other cars, neither should you accept a random credit offer that comes to you in the mail. When shopping for a credit card, look for the following:

- **Low interest rate (APR).** The lower the APR, the less money you’ll be charged to hold onto the balance. However, if you never carry a balance (the most financially savvy thing to do), the APR won’t matter.
- **Grace period.** A grace period is how long you have to pay off the balance before you are charged interest on new purchases. It is best to go with a card that gives you a grace period (although be aware that it only applies if you paid off your balance in full the previous month).
- **Low cash advance fees.** As the name implies, with a cash advance you are given cash. Even if the fees are low, it is still usually best to avoid cash advances. In addition to having to pay a service fee, there typically is no grace period for cash advances, and the APR for cash advance is usually higher than the APR for purchases too.
- **No annual fee.** Why pay for the privilege of holding a card if you don’t have to? If you are new to credit you may have to pay an annual fee, but after a year or so of responsible use, ask for it to be reduced or eliminated.
- **Low penalty fees.** You may be charged a fee if you pay after the due date or go over your credit limit (if you opted in to allowing over-the-limit transactions). Though you should manage your account so that neither occurs, look for low penalty fees anyway. Just in case.

**Are You Responsible for Payments?**

Whether or not you are responsible for payments depends on what type of user you are:

- **Authorized user.** Authorized users have spending privileges, but the primary cardholder is responsible for the bill.
- **Co-signer/joint account.** Both signers are equally responsible for payments, and the payment history will be evident on both signers’ credit reports.
• **Individual.** The account holder is solely responsible for the bills, and the activity will be reported on that person’s credit report.

If you are under 18, you are not allowed to have a credit card unless you are emancipated. If you are under 21, you must have verifiable income or a co-signer to get a credit card. Be especially conscious of making good on your debts if you are an authorized user or a co-signer. Someone trusted you enough to give you access to credit – don’t ruin it by running away from or forgetting about your obligations. Repairing trust can take longer than repairing credit damage.

**Stay Out of Debt**
If you have ever owed someone money, you know that being in debt isn’t pleasant. Future money is promised to past purchases, so you have less to work with in the present. Even so, if your past experience with borrowing money came from friends and family, get ready for a major change.

Credit cards allow you to run up huge balances. Starter cards may begin with low limits, but very often after a year of use the limit is increased to several thousand dollars – or more. That kind of capacity makes it very easy to “go crazy” and spend what you can’t pay back. It does not take long for a few purchases to add up to hundreds of dollars, then thousands. Remember, credit cards should be used to build your credit score, not to supplement your income. Never charge more than you can afford to repay by the time the bill rolls in. To avoid overspending, keep a record of all credit card purchases you make during the month, with a running total of what you’ve spent. When you reach the amount you can afford to pay off, stop using the card until the next month rolls around.

**Pay More Than The Minimum**
If you absolutely can’t pay the entire balance, at least pay more than the required minimum payment. Because the minimum payment is often very low, usually between two to four percent of the balance, you are really just dragging the debt out for years, even decades, if that is all you pay.

**Pay On Time**
Paying your credit card and other loan obligations on time will be reflected positively on your credit report – and will boost your credit score. However, miss a payment cycle and your score will take a quick and nasty hit. Also, if you fail to pay by the due date, you will be assessed a late payment fee—typically between $25-$40.

**Limit Number of Cards You Have**
How many credit cards should you have? There is no magic number, but if you are just starting out, one should do you just fine. Beware intensive marketing and promotions at:

- **College.** If you are heading off to college, chances are there will be numerous credit card company representatives there to greet you. The competition for your business will be fierce. Many will have tables set up with free enticements—a cup warmer here, a backpack there.

- **The mall.** Frequently, when you enter a store you’ll be asked if you want to save a percentage of the day’s purchases if you apply for a card that day. However, weigh the few dollars you’ll save against having yet another card to manage.

In short, only apply for the plastic that you absolutely need. The more lines of credit you have open, the more tempting it will be to spend beyond your means. Also, too many applications can hurt a credit score.

**Keep Cards Private and Safe**
What happens if someone uses your credit card? If you call the company before the card is used, you are not responsible for unauthorized charges. However, if you wait too long, you may be responsible for some or all of the loss.

**Be very careful about how and when you use your credit cards. Prevent theft by:**

- Never lending your cards to anyone.
- Never leaving your cards or receipts lying around.
- Always knowing where your cards are and keeping them in a safe place.
- Not giving your account number over the phone unless you know the company and you made the call.
- Only shopping from secure websites. Look for either a “lock” icon or for the URL to begin with “https” rather than just “http.”
• Never emailing account information – it is not a secure way to send data.
• Drawing a line through the blank space above the total on charge slips to prevent changes.
• Destroying old receipts safely, such as by putting them through a shredder.
• Never signing blank charge slips.
• Always checking receipts against your monthly statements.
• Carrying only the cards you need when shopping or traveling.

Summary
By learning as much as you can about money now, you will put yourself in a better position to make strong financial choices in the future. Remember, everyone makes mistakes. But, it is better to make a small mistake than a big mistake - the most important thing is to learn from them.

Keep in mind that money is not just for future security, but it is also for enjoyment. With planning and an understanding of how money can work for you, you can improve your standard of living today.
SOLVING THE MYSTERY OF CREDIT REPORTS

Credit reports and credit scores are increasingly important to our lives. They affect the cost of credit we receive, where we live, insurance rates we pay – even the jobs we can get. By understanding the reporting and scoring process, your consumer rights and responsibilities, how to recover from inaccuracies, and how to guard against identity theft, you can establish, maintain, and protect a strong credit history and good credit score.

Credit Bureaus
There are three major credit bureaus in the United States: Equifax, Experian and TransUnion. These businesses acquire and maintain files on almost every US adult. They obtain the bulk of their data from credit card companies, banks, credit unions, mortgage lenders, and retail establishments. These organizations typically report account activity to the bureaus on a monthly basis. While not all creditors report to all three credit bureaus, most do. The credit bureaus also acquire information by searching court records for lawsuits, judgments, and bankruptcy filings and by reviewing county records for tax, judgment, mechanic’s, or other liens (legal claims).

All of the credit and public record data is compiled with your identification information and provided to creditors, insurance companies, employers, landlords, and anyone else who has a legitimate business use for the information, at their request.

Consumers should check their credit report for accuracy at least annually. Because of the Fair and Accurate Credit Transactions Act (an amendment to the Fair Credit Reporting Act), you may receive free copies of your credit reports once a year. The three credit bureaus have established one central website, telephone number, and mailing address to use for ordering your reports. If you request the reports online, you should be able to view them immediately.

- Annual Credit Report Request Service
  P.O. Box 10528, Atlanta, GA 30348
  www.annualcreditreport.com
  877.322.8228

Reports can also be ordered by contacting the credit bureaus directly:

- Equifax
  P.O. Box 740241, Atlanta, GA 30374
  www.equifax.com
  800.685.1111

- Experian
  P.O. Box 2104, Allen, TX 75013
  www.experian.com
  888.397.3742

- TransUnion
  P.O. Box 2000, Chester, PA 19022
  www.transunion.com
  800.888.4213

Fair Credit Reporting Act
Credit bureaus are regulated by the Consumer Financial Protection Bureau, and must comply with the Fair Credit Reporting Act. This law is designed to promote accuracy, fairness, and privacy of information in the files of every “consumer reporting agency” (CRA). This includes credit bureaus, as they are considered CRAs. The FCRA ensures that:

- Anyone who uses information from a CRA to take action against you (such as denying an application for credit, insurance, or employment) must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.
- At your request, a CRA must give you the information in your file, and a list of everyone who has recently requested it.
- If you inform a CRA that your file contains inaccurate information, the CRA must investigate the item (usually within 30 days) by presenting to its information source all relevant evidence you submit (unless your dispute is frivolous). The source must review your evidence and report its findings to the CRA. The CRA must give you a written report of the investigation, and a copy of your report if the investigation results in any change.

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• A CRA must remove or correct inaccurate or unverified information from its files. However, the CRA is not required to remove accurate data from your file unless it is outdated or cannot be verified. If an item is deleted or a statement is filed, you may ask that anyone who has recently received your report be notified of the change.

You also have the right to add a 100-word statement to your credit file, which can be helpful in the event your dispute is unsuccessful. The CRA must include your statement in future reports.

• If your dispute results in any change to your report, the CRA cannot reinsert the information unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address, and phone number of the information source.

• You can also dispute inaccurate items with the original information source, the creditor. When you file a dispute with a creditor, they may not report the information to a CRA without including a notice of your dispute. Once you’ve notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.

• In most cases, a CRA may not report negative information that is more than seven years old (see “How Long Information Can Be Reported” for specific information).

• A CRA may provide information about you only to those with a need recognized by the FCRA – usually to consider an application with a creditor, insurer, employer, landlord, or other business.

• A CRA may not give out information about you to your employer – or prospective employer – without your written consent.

• You may have your name excluded from CRA lists for unsolicited credit and insurance offers. If you call, you must be kept off the lists for two years. If you request, complete, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.

• If a CRA, a user, or (in some cases) a provider of CRA data violates the FCRA, you may sue them in state or federal court.

The complete text of the FCRA can be found at the Consumer Financial Protection Bureau’s website.

For questions regarding CRAs and creditors contact the CFPB at:

• Consumer Financial Protection Bureau
  P.O. Box 4503, Iowa City, IA 52244
  www.consumerfinance.gov
  855.411.2372

How Long Information Can Be Reported
Credit reports may reflect lawsuits, paid judgments, liens, foreclosures, Chapter 13 bankruptcy, late payments, or any other negative information for seven years from the time it was reported. If you have filed Chapter 13 bankruptcy, the seven-year period begins on the date of filing. For charged-off accounts with collection agencies, the period starts from the date when the account first went delinquent with the original creditor and was then never brought current again. Judgments, if not paid, can be renewed until they are satisfied. A Chapter 7 bankruptcy will remain on a credit report for ten years from the date of filing.

The bureaus do have the right to indefinitely report bankruptcies, lawsuits, liens, and criminal records if you are applying for credit greater than $150,000, insurance valued at more than $150,000, or employment with an annual income of greater than $75,000. This, however, is very rare.

Inquiries, an indication that your credit report has been accessed for a credit, insurance, employment, or other type of application, are reflected on your credit report for two years. They are, however, normally only calculated into your credit score for one year after they take place.

These timelines do not apply to positive credit information. Any accounts that have been consistently paid on time, or that were paid in full as agreed, may be reported indefinitely. Having this kind of long-term positive information on your report reflects well on you as a credit risk.

Your Credit Score
A credit score is one of several factors lenders use when evaluating an application for credit. Frequently it is the most significant one. A score is determined only by the information in a credit report that is predictive of future credit performance. Income, employment history, race, religion, national origin, gender, marital status, and age are not factors in credit scoring.
Fair, Isaac and Company developed the most commonly used score. Called a FICO score, it ranges from 300 to 850, with a higher number being indicative of less risk. Generally, those with higher scores are more easily granted credit and often have more favorable interest rates made available to them. In almost every case, your FICO scores for Equifax, Experian and TransUnion will be different. This can be due to different information on the reports, or the different ways the CRAs store and calculate data.

Though each of the three major CRAs generate FICO scores, they also calculate scores using their own scoring model too. Because lenders have the right to choose the scoring model they use, they may use a FICO score, a score from one of the CRAs, a bankruptcy predictor score, or even their own proprietary model. However, the FICO score is currently by far the most commonly-used score for lending decisions.

There are many categories of credit information used to determine your FICO score, though some are much more significant in their impact than others.

- **Payment history = 35% of score**
  Bankruptcies, judgments, and collection accounts are major factors in lowering your credit score. Late payments can have a serious impact as well, particularly if the lateness was frequent, recent, or severe. FICO scores tend to put a greater emphasis on the payment history of the most recent two year period, so the effect of late payments can be diminished with a consistent string of recent on-time payments.

- **Amounts owed = 30% of score**
  The amount of outstanding debt you have has a strong impact on your credit score. Carrying high balances, especially if those balances are close to the credit limit, can lower your score.

- **Length of credit history = 15% of score**
  Accounts that you’ve had for more than two years will have a more positive impact on your score than newer accounts. This can be a challenge to consumers who take advantage of “teaser rate” accounts to repay debt. While constantly transferring balances to reap the benefits of short-term low interest rates can be a tool to repay debt efficiently, the constant influx of new accounts can be detrimental to your score.

- **New credit = 10% of score**
  When, what kind, and the number of inquiries (credit applications) you make are factors in your score. While many inquiries on your report can lower your score, all mortgage or auto loan inquiries within a fourteen-day period will be considered just one inquiry for scoring purposes, and any mortgage or auto loan inquiries made within 30 days of an application will be disregarded. Accessing your own report periodically is not damaging to your score, as consumer inquiries are not taken into account for scoring purposes. “Pre-approved” offers do not impact your score either. Those are just offers made based on your name showing up on a list of consumers with certain criteria that a creditor may purchase from a credit bureau. It will not result in an inquiry unless you actually apply for the account. Employment inquiries will also have no impact on your score.

- **Types of Credit Used = 10% of score**
  The different kinds of credit accounts you have and use affect your FICO score too. By demonstrating that you can handle a variety of credit instruments (such as credit cards, personal loans, a mortgage) you are proving to a potential lender that you are capable of handling the different responsibilities that come with each debt type.

Your credit score constantly changes with your credit activity. It reflects payment patterns with greater emphasis on recent events. While there is no standard for what constitutes a “good” credit score, one benchmark to keep in mind is that most mortgage lenders look for a score of at least 620.

**Improving Your Credit Standing**

While it is not possible to remove accurate negative information before the time it drops off the report, you can improve your score by using credit responsibly.

- **Pay on time, every time** – A commitment to never making a credit payment late is one of the most powerful steps you can take to improve your credit rating.

- **Reduce your debt load** – Even if you have never missed or been late with a payment, a large debt on a revolving account will lower your score. Develop a plan to reduce it. For assistance, contact your financial institution. They can provide you access to services that can help you set up an effective spending and savings plan, and determine options for efficient debt repayment.
• Limit open accounts – Two to four open unsecured credit accounts is usually perceived as a good number to have. Having too many available credit accounts can make you appear risky to a lender. You may have no or low balances today, but could easily be deeply in debt tomorrow if you chose to go on a spending spree.

• Keep your old accounts – Accounts that you’ve held for two years or more show sustained credit history, which indicates stability. With newer accounts, creditors only have limited information on which to base decisions.

• Avoid “maxing out” accounts – Keep your balances no more than 50% of the limit on revolving credit. High balance-to-limit ratios can imply higher risk because it gives the impression that you are applying for new credit to take the place of the “maxed out” account.

• Avoid balance transfers – While transferring balances to “teaser rate” cards can be a way to efficiently get out of debt, it can have a detrimental effect on your credit score. The accounts will be new, and likely have balances close to the limit in order to maximize the advantage of the low rate – two factors that can lower your score. However, if your goal is to get out of debt, a lower interest rate will help you repay balances faster and for less money.

• Avoid excess credit applications – Too many applications can be damaging, so only seek loans and credit you truly need.

Establish or Reestablish Credit

Whether you have no credit score because you’ve never had credit, or your score is low because of past problems, there are steps you can take to establish or reestablish credit.

A secured credit card is a good option for many people looking to build or rebuild a credit history. Some financial institutions will issue you a secured card if you put a specified dollar amount on deposit with them. These funds are held as security, and a credit card is issued with a credit limit equal to the amount you have on deposit. If you make on-time payments for an agreed-to amount of time, the creditor may release the funds held as security and issue an unsecured card.

Another option is asking a friend or family member who has a good credit history to co-sign on a loan or credit card for you. Be especially careful with these arrangements though – any late payments you make will not only reflect poorly on your credit report, but your cosigner’s as well. After six months to a year, reapply for credit on your own.

Correct Inaccurate Information

Many credit reports contain mistakes. Causes of credit report inaccuracies include incorrect identity (information from someone else's account showing up on your report because you share a similar name), old information not being dropped from the report on time, or, more seriously, identity theft or fraud. If there is inaccurate information on your report, you can correct it:

• Dispute the information with the credit bureau – Using the credit bureau's online dispute form, explain which information is incorrect, and what the correct information is. If you prefer to register the dispute in writing, enclose documents that support your claim. The credit bureau must investigate, usually within 30 days. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received your report be notified of the change.

• Dispute the information with the creditor – If the credit bureau investigation results in no change to your report and you believe the information is still inaccurate, contact the creditor directly and request documentation of the debt. If they cannot provide it, let the credit bureau know; only verifiable debts can be reported. Remember to document everything as you file your disputes. Keep copies of letters, mark your calendar, and get the names of everyone you talk to. Also, send the letters certified mail, return receipt requested, so you can be sure it was received.

• Add a statement to your report – If the investigation and your efforts still do not resolve the dispute, you may add a statement to your file (in 100 words or fewer) explaining your side of the story. Your statement will be included with future reports for as long as seven years. If you want to remove it before it automatically drops off, send a written request.

Beware Credit Repair

Some companies claim to “repair” consumers’ credit reports – often for a very high fee. They frequently operate by flooding the credit bureaus with letters that dispute negative, but accurate, information. If the credit bureau is unable
to investigate the claim within 30 days, the information is removed. This rarely works though. The credit bureaus are generally able to respond in time, and even if the information is removed due to a backlog of requests, it will simply be re-reported by the creditor later.

Another common tactic credit repair agencies use is to issue consumers a “new identity,” complete with a tax identification number to use as a social security number. This is an illegal practice for which the consumer often ends up paying the legal price.

Remember, there is no legal way to remove accurate and timely information from your credit report.

Sections of a Credit Report
Though your credit report will look different depending on where and how you access it, reports generally contain the same categories of information:

- Identification – Most credit reports begin with your personal data, such as your name and any former names or aliases. It also lists your address and former addresses, employment history, changes in marital status, date of birth, and your Social Security number.
- Public records – The public records section reflects all lawsuits to which you are a party, as well as any liens or legal claims on your property. Any type of activity that is recorded with the county will be reflected here, including bankruptcies, judgments, foreclosures, and court-ordered child support collections.
- Trade lines – Usually, the bulk of a credit report provides detailed information about your credit history. It should be read carefully for accuracy, as well as to know when negative information should age off. It should list such vital data as:
  - The names of your creditors and their partial account numbers
  - The dates of last payment activity
  - The date you opened each account
  - Your payment history. If you have made payments late, the number of days you are or were past due will be indicated.
  - Each account’s last reported balance
  - Whether accounts are open, closed, or in collections
  - The credit limit for each account

- Inquiries – The final section of your report is a list of anyone who has accessed it in the past two years. Each time your report is pulled for review, it results in an inquiry on the credit file. This includes creditors accessing your file after you’ve applied for credit, your current creditors doing a routine credit analysis, and any potential landlords or employers you may have placed an application with and given permission to view your credit file.

Identity Theft Protection
Identity theft is a quickly growing crime, and can be highly destructive to a consumer’s credit history and credit report. It is essential that you protect yourself against it from occurring, and know what to do if you become a victim.

Never share your personal information unless you’ve verified you’re doing so with a reputable entity. This is particularly true for any organization that begins contact with you, instead of you establishing contact with them. Online shopping has added another dimension of access to your information. Always check to be sure you are transmitting information on a secure server before sending personal information, account numbers, etc. Secures servers are denoted by web addresses that begin with “https” instead of simply “http.”

Interception of mail and trash is another common way for scam-artists to access personal information. Shred all documents that have your account numbers or Social Security number on them. If you are going to be away from home for more than a few days, contact the post office and ask them to hold your mail.

Review your credit card and checking account statements each month to ensure all transactions are accurate. If you get strange bills in the mail for accounts you haven’t opened, don’t just throw them away, contact the company and report it.

Check your credit report periodically to make sure all of the accounts and balances are yours. Some victims of identity theft had fraudulent activity going on for years before they even realized it. The longer the problems have been going on, the harder it will be to get them resolved.

Recovery from Identity Theft
Commit yourself to becoming and remaining organized. Since you will probably be
communicating with a lot of people, keep track of who said what, and when. Keep copies of all letters and maintain a verbal correspondence log. File paperwork right away and store everything in a safe and accessible place.

Creditors and Financial Institutions
If accounts have been used or opened illegally, contact the creditors immediately. Ask for fraudulent transaction documentation (you may use a uniform affidavit form, available on the Consumer Financial Protection Bureau’s website), as you may need it in the future. Add “non-guessable” passwords to replacement cards and all existing accounts.

If a collection agency attempts to collect on a fraudulent account, explain (in writing) that you are a victim of identity theft and not responsible for the debt. Ask that they confirm in writing that you do not owe the balance and that the account has been closed.

For checking account fraud, contact your financial institution to place stop payments on any outstanding checks that you did not write. Report the crime to check reporting agencies, such as ChexSystems. It is also a wise idea to cancel your checking and savings accounts and obtain new account numbers and passwords. Monitor all future account statements carefully for evidence of new fraud.

Legal and Government Agencies
Report the crime and file a report with either your local police or sheriff’s department or the police where the identity theft took place. Request a copy of the report and keep the phone number of your investigator handy. For additional documentation you may also pursue an investigation with your state’s attorney general office. Notify your local postal inspector if someone else has used your address. If your Social Security number has been fraudulently used, alert the Social Security Administration.

Credit Reporting Bureaus
The most arduous task in this process may be ensuring that your credit report lists only factual information. To know what is being reported, you will need to obtain a credit report from each of the three major credit bureaus (if you are married, your spouse should also check his or her report).

Even if the fraudulent information hasn’t yet appeared on your reports, be proactive and report the crime now. In a letter to each bureau’s fraud department (include copies of the report with the fraudulent activity clearly highlighted), request that a “fraud alert” be entered on your file for seven years. No new credit should be granted without your explicit approval. Write a victim’s report – a brief statement describing the details of the crime – and send it to the bureaus to be added to your report.

The Fair and Accurate Credit Transactions Act
The Fair and Accurate Credit Transactions Act amends the FCRA and is an important tool in the fight against identity theft. It gives consumers many powerful rights:

- Consumers may receive a free copy of their credit report once a year.
- Consumers may receive additional free reports if identity theft is suspected.
- Identity theft victims who file police reports may block fraudulent information from appearing on their credit reports.
- Identity theft victims have access to business records that list an identity thief’s fraudulent transactions.
- Credit reporting agencies must ensure that all credit requests are legitimate after a credit report has been flagged for suspected identity theft.
- Active duty military personnel may place special alerts on their files when they are deployed overseas.
- Only the last five credit card number digits may be listed on store receipts.
- Lenders and credit agencies must take action even before an identity theft victim is aware of the crime.
- Debt collectors must inform a creditor of fraudulent information.

Other Consumer Reports
Though credit reports may be the most important to your financial future, there are other reports that consumers should be aware of:

ChexSystems
ChexSystems is a report frequently used by financial institutions when determining whether to open a savings or checking account for a new member. The report is a record of past banking activity such as closed accounts and checks.
returned for insufficient funds. Not every financial institution uses this service, and there is no standard for adding information to the report. Some organizations will report one check that bounced due to miscalculation, where others may only report in cases of bank fraud.

Accurate information remains for five years, even if the check is paid. It can only be removed by request of the financial institution. Consumers can get a free copy of this report and dispute incorrect information. It is also possible to add a 100-word statement explaining the circumstances surrounding a returned check.

- ChexSystems
  7805 Hudson Road, Suite 100
  Woodbury, MN 55125
  www.consumerdebit.com
  800.428.9623

National Tenant Network
The National Tenant Network compiles information on evictions and provides it to landlords who subscribe to its service. The network is not required to comply with the Fair Credit Reporting Act. Negative information on this report can seriously hamper a renter’s ability to get an apartment, or cause a landlord to require a larger security deposit.

You have the right to request and inspect your report and dispute inaccurate or incomplete information. A brief statement can also be added to the report to explain the circumstances of an eviction.

- National Tenant Network
  P.O. Box 1664, Lake Oswego, OR 97035
  www.ntnonline.com
  800.228.0989

With a little effort and awareness, most people can have and keep an excellent credit history.
Are You Financially Healthy?

What does it mean to be financially healthy? It is so much more than the one score everyone asks you about today – your credit score. While there are lots of ways to check this score, it’s only one piece of the equation. True financial health is based on four key components: Spend, Save, Borrow, and Plan. With these materials, you’ll get a chance to confidentially determine your own Financial Health Score and the steps you can take to improve that score. Your attitude and approach toward money can impact your overall score, which has nothing to do with how much money you actually make, but more how you use and plan with your money.

Definition of Financial Health
According to the Consumer Financial Protection Bureau (CFPB), the definition of financial health is:

- Being in control of day-to-day and month-to-month finances
- Having enough of a financial cushion or savings to absorb any unexpected expenses
- On track to meet personal financial goals
- Enjoying financial freedom without constantly worrying about money

You will notice that each of these aspects of financial health influence the others. If you do not have enough of a financial cushion when you experience unexpected expenses, you will feel as though you are not in control of your day-to-day finances. Similarly, if you are on track to meet your personal finance goals, you will enjoy financial freedom without constantly worrying about money. By taking charge of several areas of your financial situation you will improve your overall financial health.

Core Aspects of Financial Health
One of the core aspects of financial health is having the knowledge of resources that will help fund education and living expenses. By researching grants, scholarships and loans you will understand the different options available for funding education and will understand how those financial decisions will impact your overall financial health. Becoming aware of resources that will assist in covering living expenses will assist in freeing up funds that can be attributed towards other financial goals.

The ability to maintain a balanced budget is an instrumental aspect of securing your financial health. Sustaining a balanced budget is what ensures a strong financial foundation, without which you will likely find yourself in financial trouble. When you have a balanced budget your expenses total less than your monthly income and therefore you are able to save for other financial goals.

Another important aspect of financial health is preparedness for all expenses, including short-term, long-term, and emergencies. If you have savings that will satisfy your long-term goals, but don’t have the funds to cover short-term goals, you will find yourself in a situation where the timeframe for your short-term goal passes and you do not have the funds. In addition, if you are only focusing on the short-term and not planning for the long-term, you will not have the funds to achieve your long-term goal. It is vital to your financial health to plan for both. Emergencies can derail the best short-term and long term plans. Although we may not be able to plan for exactly what an emergency may be, we are able to plan for the fact that things will likely come in our lives that are unexpected. By having funds set aside specifically for emergencies, you will ensure that you don’t have to use the funds set aside for your short-term and long-term financial goals.

Four Core Components of Financial Health
There are four core components of Financial Health according to the Center for Financial Services Innovation: Spend, Save, Borrow, and Plan. These four components mirror your daily activities and based on what you do will...
either add or detract to your current and future financial wellness. For example, how well are you prepared for a car breakdown or an unexpected medical bill? Will you be able to save for college or go on your dream vacation without having to incur debt? Take the “How Financially Healthy Are You?” quiz to calculate your Financial Health Score.

Improving Your Financial Health
If you have excellent financial health, congratulations on effectively combining financial products and using planning tools. If you have good financial health you may be effectively using financial products to build resilience or create opportunities, but have room to improve.

If you have poor financial health, don’t worry you can improve. You should explore new methods for managing your financial life, focusing on balancing income and expenses, mitigating risks, and saving for the future.

Let’s examine each of the core components and what makes up good financial health next.

You are financially healthy when you …
1) Spend less than income
2) Pay bills on time and in full

Creating a budget is key to spending – in fact, we like to call it a Spending Plan to determine where you want to spend. It might help to determine fixed expenses and variable expenses. This will also help you get a handle on all bills and determine where money is going. Sometimes you’ll be surprised where you spend money. Start by reviewing all of your bills and financial institution statements, but also track where you might be spending small amounts of money throughout your day over the course of a month. You’ll be surprised at how that coffee, gum, or small toy adds up. Variable expenses are likely a spot you can balance your Spending Plan if you are over in expenses.

You are financially healthy when you …
1) Have sufficient living expenses in liquid savings
2) Have sufficient long term savings or assets

Creating emergency savings is great first start to saving. You may think that you have to save a lot, but starting at even ten dollars a month is a positive start toward building a savings. Once you have set aside an emergency savings plan, the next step is to plan for long terms savings – which might be saving toward a specific goal or the start of retirement savings. If your employer offers direct deposit, this is the best place to start because you are creating an automatic savings habit. Another helpful tip – when you get a raise, bonus, or any extra cash, don’t spend it! Put it toward one of your savings account immediately and don’t even factor it into your Spending Plan.

You are financially healthy when you …
1) Have a sustainable debt load
2) Have a prime credit score

A sustainable debt load is one that isn’t causing you stress in meeting your monthly obligations. If you must use a credit card, make sure to pay it off every month. As a general rule, your total debts excluding mortgage should be no more than 10 to 15 percent of your take home pay. A sustainable debt load is one that isn’t causing you stress in meeting your monthly obligations. If you must use a credit card, make sure to pay it off every month. As a general rule, your total debts excluding mortgage should be no more than 10 to 15 percent of your take home pay. With regards to your housing expenses (mortgage, utilities, maintenance, etc.) it is recommended that amount does not exceed 35% of your take home pay.

When applying for financing, you will likely hear the term “debt-to-income ratio” and this is referring to a consumer’s monthly debt payments divided by their gross monthly income. The debt payments included in this calculation are mortgage or rent in addition to all other debt payments. Most lenders are looking for this ratio to be less than 43% in order to provide financing approval. Keep in mind that this ratio is based off of your gross monthly income, but when constructing your monthly budget, you want to use your net income and stick to the recommended budgeting guidelines mentioned above.
Prime credit is considered good credit by a lender. Does anyone know what makes up a credit score and what is considered prime? Use this as an interactive discussion on what the audience thinks goes into a credit score, including what is considered prime and what is considered subprime.

**Breaking Down Prime Credit**

Credit score ranges vary by credit bureaus because each bureau has a slightly different score range. FICO credit scores range from 300 to 800. Equifax credit scores range from 280 to 850, Experian credit scores range from 330 to 830, and TransUnion credit scores range from 150 to 950. Consumers with scores at the highest end of these ranges are considered to have super-prime credit, and consumers whose scores fall just below that range are considered to have prime credit. For example, Experian classifies super-prime credit as a score ranging from 740 to 830, and prime credit as a score ranging from 680 to 739. Borrowers with prime credit can expect to pay slightly higher interest rates than borrowers with super-prime credit since they are considered to have a slightly higher risk of not repaying their loans. Having a prime credit score might mean paying 1% more on an auto loan than a borrower with a super-prime credit score would pay, for example. Having prime credit usually means you can get a new loan and retain access to your existing credit lines even when the overall credit market is tight. Even in a strong economy where credit is readily available, prime and super-prime borrowers receive most of the credit that banks issue.

The consequences of having a subprime credit score vary. For some consumers, it will mean having to pay higher interest rates for mortgages, auto loans and credit cards. Other consumers may not qualify for conventional loans at all, requiring them to turn to riskier and more expensive ways of borrowing, such as payday loans or car title loans.

**Tips To Improving Your Credit**

- Keep balances low on credit cards
- Pay off debt rather than moving it around
- Don’t close unused credit cards as a short-term strategy to raise your scores
- Don’t open a number of new credit cards that you don’t need, just to increase your available credit

It’s important to note that repairing bad credit is a bit like losing weight: It takes time and there is no quick way to fix a credit score. In fact, out of all of the ways to improve a credit score, quick-fix efforts are the most likely to backfire, so beware of any advice that claims to improve your credit score fast. The best advice for rebuilding credit is to manage it responsibly over time. If you haven’t done that, then you need to repair your credit history before you see credit score improvement.

**Tips to Getting Out of Debt**

- Make a List
- Lower Your Rates
- Know How Much You Owe
- Plan Your Strategy
- Monitor and Adjust

**Make a List** - Having everything written out in front of you is really the key to success here. Plus, once you’ve written it all out, and it’s right there in black and white, it may not seem as insurmountable as it did before. Make a list of all your debts: name of creditor, interest rate, balance, minimum monthly payment. Also list how much you’ll need to pay in order to zero-out the cards’ debt within three years, as found on credit card statements.

**Lower Your Rates** - Paying high interest rates on existing debt causes your debt to really mount, and makes paying it off much more difficult. If possible, you want to lower those interest rates. Based on your credit, you may qualify for much better interest rates on credit cards – call and ask. Also, check into consolidation loans and refinance options for auto and mortgage. Your Credit Union is always a great place to start.
Know How Much You Owe - Once you know what your total payoff number is, you’ll have a real, complete goal to work towards. Total the three-year pay-off amount for all your credit cards. Add the monthly payments for all other debts. This amount is Your Total Monthly Payment.

Plan Your Strategy - There are plenty of ways to attack this problem and you’ll likely approach this using a variety of tools and methods. Plan your strategy carefully. Determine if you can afford to pay the Total Monthly Payment until your debt is paid off. If not doable, contact a credit counseling agency and/or bankruptcy attorney for advice. If doable, decide which debt to pay off first. Set up “auto pay” for required minimum for all debts except target debt. Pay as much as possible toward target debt until paid off. Choose new target debt and pay extra toward that one, and so on.

Monitor & Adjust - Once your plan is set, don’t get too comfortable. You’ll need to track your behavior closely to make sure you’re making progress, and you’ll want to make adjustments when necessary. Monitor your credit score each month to see if your credit score improves (over time it should). As your credit score improves, reconsider a consolidation loan or balance transfers to save money often spent on interest charges for remaining debts. But remember, if you’re working on improving your credit score, then a consolidation loan or a balance transfer will harm it. But if you’re solely focused on reducing your debt, then a consolidation loan or a balance transfer may be worth it. Stick with your plan until your debt is paid off.

As you begin to work this system, keep in mind that it’s not easy. Just like losing weight, losing your debt takes work, but if you genuinely want to slough of that stressful debt, your perseverance can make it happen. And don’t fret if you need to make adjustments along the way. This isn’t about a quick fix, it’s about changing your habits and behaviors so you can achieve your financial goals.

You are financially healthy when you …
1) Have appropriate insurance
2) Plan ahead for expenses

Life throws many unexpected things at all of us. While we usually can’t stop these things from occurring, we can opt to give our lives a bit of protection through appropriate levels of insurance. Insurance is meant to give us some measure of protection, at least financially, should a disaster happen. There are numerous insurance options available, and many financial experts tell us that we need to have these insurance policies in place. Yet, with so many options, it can be difficult to determine what insurance you really need. Purchasing the right insurance is always determined by your specific situation so it’s important to get unbiased advice from a licensed advisor. Some key insurance everyone should consider include life insurance, health insurance, auto insurance, mortgage and/or rental insurance, and disability insurance.

Planning ahead for expenses starts with budgeting and also getting that emergency savings plan started.

You Are Financially Healthy When …
- You spend less money than you make.
- You have enough savings to cover 3 to 6 months’ worth of expenses.
- You can come up with $3000 to cover emergency expenses. This money could come from your savings, interest-free borrowing or the sale of assets.
- You feel confident that you are on track to retire when you plan to.
- You are paying no more than 30 percent of your monthly income towards outstanding debts.
- Your credit score is good or you are actively taking steps to improve it.
- Your financial planning horizon is longer than 1 year.
- Your insurance policies provide you with enough cover in case of an emergency.
How Financially Healthy Are You?

Take this quick quiz to find your Financial Health Score. The quiz contains five sections: Spend, Save, Borrow, Plan, and Overall Preparedness & Confidence.

For each question, circle the answer that most closely matches your financial situation, then write your score in the green box. Use the scale at the end of the quiz to review your Financial Health Score.

**SPEND**

1. Over the past year, how would you describe your spending patterns relative to income and expenses?

<table>
<thead>
<tr>
<th></th>
<th>Spend much less than income</th>
<th>Spend a little less than income</th>
<th>Spend about equal to income</th>
<th>Spend a little more than income</th>
<th>Spend much more than income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

2. Over the past year, which of the following statements best describes how well your household is keeping up with your bills and credit card payments?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Pay all bills and credit card payments on time and in full</th>
<th>Pay most bills and credit card payments on time and in full</th>
<th>Struggle to keep up with bills and credit card payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

**SAVE**

3. How many months would you be able to live off of your savings? Exclude savings that are set aside in retirement accounts or the sale of assets. Consider basic monthly expenses such as housing, food, taxes, and healthcare.

<table>
<thead>
<tr>
<th>Length of Time</th>
<th>More than a year</th>
<th>More than 6 months</th>
<th>4 – 6 months</th>
<th>1 – 3 months</th>
<th>Less than a month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

4. Consider a long-term financial goal you have (buying a home, starting a business, retirement). How confident are you that you could reach these goals in the time frame that you hope to achieve them?

<table>
<thead>
<tr>
<th>Confidence Level</th>
<th>Very confident</th>
<th>Confident</th>
<th>Slightly confident</th>
<th>Not at all confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
## BORROW

5. As of today, how would you describe the debt your household currently has? Please consider money owed on bank loans, student loans, mortgages, medical debt, past-due utilities, etc., money owed to friends and family, and any credit card balances you carried over from the previous month.

<table>
<thead>
<tr>
<th></th>
<th>Do not have any debt</th>
<th>About the right amount of debt</th>
<th>Have a bit too much debt</th>
<th>Have far too much debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

6. What percentage of your monthly income goes to your debt payments? Please consider money owed on bank loans, mortgages, student loans, medical debt, past-due utilities, etc., money owed to friends and family, and any credit card balances you carried over from the previous month.

<table>
<thead>
<tr>
<th></th>
<th>Under 25%</th>
<th>25% - 50%</th>
<th>50% - 75%</th>
<th>75% - 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

7. What is your household’s credit score?

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>I don't know my score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

## PLAN

8. Do you take steps to maintain or improve your credit score?

<table>
<thead>
<tr>
<th></th>
<th>Yes, I take active steps</th>
<th>No, I do not take active steps</th>
<th>I do not need to improve my score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

9. How far in advance does your household plan for upcoming financial obligations or opportunities? (for example, annual bills, life events such as weddings, large purchases, etc.)

<table>
<thead>
<tr>
<th></th>
<th>More than a year</th>
<th>Between a year and six months</th>
<th>Less than six months</th>
<th>We do not plan ahead for large expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score (circle one):</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>
OVERALL PREPAREDNESS & CONFIDENCE

10. How confident are you that the insurance policies your household owns will provide you with enough support in case of an emergency? Please consider your health insurance, home/rental insurance, life insurance and disability insurance.

<table>
<thead>
<tr>
<th>Score (circle one):</th>
<th>Very confident</th>
<th>Somewhat confident</th>
<th>Only slightly confident</th>
<th>Not at all confident</th>
<th>I don't have insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

11. How possible would it be for your household to come up with $3000 in the next month to deal with an emergency?

<table>
<thead>
<tr>
<th>Score (circle one):</th>
<th>Very possible</th>
<th>Somewhat possible</th>
<th>Not very possible</th>
<th>Not at all possible</th>
<th>I don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>1</td>
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Add up all of the numbers in the orange boxes to get your score out of 50

Total: _______/50

Review Your Financial Health Score:

To assess your overall score, add all the green scores and write the total at the end of the quiz. To get your financial health score, multiply your number by 2.
NEW Youth Workshops from BALANCE
Introducing teens to the world of personal finance

Paying For College
(45 – 60 minutes)
The cost of college is steep and getting steeper. Learn how financial aid, grants, student loans and more can relieve your financial burden.

Credit Matters
(60 minutes)
From buying a car to getting a job, credit is key to achieving many of life’s milestones. Find out how to use credit responsibly, calculate your credit score, and the effects it all has on your financial life.

Stay Safe Online
(30 minutes)
The Internet is a big part of our lives, but using it can be risky. Get the tools you need to protect your personal information, and learn who to avoid online.

Federal Student Aid with FAFSA
(60 minutes)
The Free Application for Federal Student Aid (FAFSA) is many students’ ticket to financial assistance for college. This workshop covers important details such as how the FAFSA works, deadlines, and the application process.

Checking Account Basics
(30 – 45 minutes)
Opening a checking account is a crucial step to managing your money. In this workshop, you’ll learn the benefits of checking and other important topics such as withdrawals, writing checks, and account management.

Start Being Money-Smart
(45 – 60 minutes)
If you spend money as quickly as you get it, then this workshop is for you. Using helpful charts and worksheets, learn how to prioritize your spending and start saving for the purchases that matter most.

Money Skills: Preparing for Financial Independence
(60 – 75 minutes)
Before you know it, you’ll be in charge of your own finances. Don’t worry, this workshop outlines financial fundamentals like setting goals, making a budget, paying bills and other real-world skills to prepare you for financial independence.

Credit Cards: The Good and The Bad
(60 minutes)
If you use credit cards wisely, they can help you achieve your financial goals. This workshop covers different types of credit cards, as well as their benefits and drawbacks.

Eight Steps to Financial Success
(30 – 45 minutes)
What does it take to achieve financial success? (Hint: it’s not wealth). Learn the simple but important steps that can set you on the path to mastering your money.

Building Your First Budget
(60 minutes)
A smart budget helps you cover your expenses and still buy some of the things you want. Find out how to make—and maintain—a budget based on your needs.
30 Ways to Trim Your Budget
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There are many important financial milestones for consumers in their 20s and 30s. To help prepare today’s “Millennials” for a positive financial future—without sacrificing fun—we take a realistic approach to managing finances. We’ll cover SMART goals, getting financially organized, building a budget, controlling expenses, wiping out debt, and much more!

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Finances for Small Business Owners*
Entrepreneurship is stronger than ever. This session covers all the financial aspects of starting and running a small business. Topics include: types of legal entity structures, writing a business plan, bookkeeping, paying taxes, and everything in-between.

Financial First Aid*
A financial crisis can throw even the best money management plan into chaos. This session focuses on ways to gain control of a crisis. Participants will learn about financial assessments, expense prioritization, and effective negotiation with creditors.

Financially Savvy Seniors*
Retirement can be a great time for seniors if they are prepared financially. Attendees will learn about specific retirement concerns such as managing money, Medicare, Social Security, improving cash flow, insurance, investing, estate planning, and more.

Identity Theft Solutions*
Identity theft is becoming more common and sophisticated than ever. Session participants will learn the methods that identity thieves use to access confidential information, tools for preventing ID theft, and steps to take should identity theft occur.

Investing in Real Estate
Investing in real estate can be a great way to boost income—if done wisely. To help investors turn a profit, we’ll cover the pros and cons of different properties, resources for finding investment opportunities, and financing options.

Medicare: How it Works
For many, Medicare is a lifeline for receiving the medical services needed. To make the most of this federal health insurance program, it’s important to understand how Medicare works. Topics in this workshop include eligibility & enrollment, terminology, premiums & deductibles, coverage types, and additional resources.

On the Road to Riches: The Basics of Saving and Investing*
Investing is one of the smartest things consumers can do to secure a brighter financial future. Every investor has different goals, risk tolerance, and cash flow, which will impact savings and investment choices. Participants will learn about savings strategies and tactics, investment tools, and how to develop an investment portfolio that works with their lifestyle and budget.
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Valuable financial resources for every stage of your life
When it comes to handling your finances, a little knowledge goes a long way. That’s why we offer BalanceTrack, a free online financial education program. With BalanceTrack, you’ll be guided through the world of personal financial management. Log on today to learn about today’s most important financial topics:

**Financial Basics (7 modules)**
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- ✓ The Psychology of Spending
- ✓ Drive Away Happy
- ✓ Credit Matters
- ✓ The World of Credit Reports
- ✓ Money Management
- ✓ Checking Account Management

**Planning for Success (4 modules)**
- ✓ Smart Tax Planning
- ✓ Financial Planning
- ✓ Ten Steps to Financial Success
- ✓ The Basics of Investing

**Homeownership (2 modules)**
- ✓ Using Home Equity
- ✓ The Road to Homeownership

**Financial Crises (3 modules)**
- ✓ Rebuilding After a Financial Crisis
- ✓ Financial First Aid
- ✓ Identity Theft

**Youth (5 modules)**
- ✓ Repaying Student Loans
- ✓ Finances for College Students
- ✓ Teens and Money
- ✓ The Art of Saving Money
- ✓ Cash Flow
2,919 CONSUMERS BECAME READY FOR HOMEOWNERSHIP

3,397 CONSUMERS AVOIDED A FORECLOSURE

HUD CERTIFIED HOUSING COUNSELORS HELPED 8,214 CONSUMERS RESOLVE HOUSING ISSUES

9,406 CONSUMERS REDUCED DEBT AND IMPROVED CREDIT BY REPAYING OVER $8 MILLION IN CONSUMER DEBT

852 CONSUMERS PLANNED FOR RETIREMENT RESULTING IN $7.6 MILLION IN RETIREMENT FUNDS

6,233 CONSUMERS BECAME FINANCIALLY EMPOWERED IN OVER 300 FINANCIAL EDUCATION WORKSHOPS

52,570 online PERSONAL FINANCE MODULES WERE COMPLETED

Source: BALANCE data from 2018 counseling and housing programs
October 22, 2019

Mr. Paul Zalmezak  
Economic Development Manager  
City of Evanston  
2100 Ridge Road  
Evanston, IL 60201

Dear Paul,

We are very appreciative of the opportunity to participate in the City of Evanston Financial Wellness Partnership RFP.

Evanston Community Bank & Trust, a Branch of Wintrust Bank, is part of the Wintrust family of community banks founded in 1991 based on the concept that there was a need for a true community bank in the Chicago area. For more than 25 years and with over 160 Chicago area locations we’ve stayed true to that original concept. We are committed to insuring healthy and vibrant neighborhoods in the communities we serve and financial literacy outreach has been an integral piece of fulfilling that mission.

It was with tremendous pride that we opened 2 locations in Evanston last year following many years of seeking a location within the City of Evanston. Our entire Evanston team is deeply involved in serving the community through board and committee service at local non-profits, volunteering time, and offering financial literacy.

Evanston Community Bank & Trust and the City of Evanston share the belief that financial education is essential to achieving financial well-being thereby expanding opportunity for all. Thank you for your consideration of the enclosed RFP and please let me know if you have additional questions.

Sincerely,

Cindy Rawlings  
Evanston Community Bank & Trust  
Market President

A BRANCH OF WINTRUST BANK

901 Grove St., Evanston, Illinois 60201 | 847-440-0625 | www.bankevanston.com
Evanston Community Bank & Trust, a Branch of Wintrust Bank
City of Evanston Financial Wellness Partnership
Response for Proposal

- **Organization Name:**
  Evanston Community Bank & Trust, a Branch of Wintrust Bank

- **Primary Contact:**
  Cindy Rawlings, 901 Grove Street, Evanston, IL 60201

- **Name of Curriculum:**
  FDIC’s Money Smart as well as Wintrust’s customized curriculum for Housing and Retirement Planning.

- **Supporting Curriculum Documentation:**
  Evanston Community Bank’s financial literacy curriculum is the *FDIC’s Money Smart Program* which includes comprehensive training materials for youth ages Pre-K through 12th grade, Adults, Older Adults, and Small Business. *Included in the RFP materials is a summary of the modules for each age group.* All lessons include: educator and student guides, power point summaries, and assessment tools as well as customizable Certificates of Completion. This curriculum covers debt management, credit education, budgeting, and understanding financial services.

Money Smart financial literacy programs are conducted by experienced bankers trained as Money Smart Facilitators. Wintrust’s work in financial literacy using the Money Smart curriculum was recently highlighted in the FDIC’s Summer/Fall 2019 *Money Smart News*. As a demonstration of our commitment to financial literacy, we conducted over 1,000 training sessions in 2018 alone.

Links to the full course materials for each category can be found on the FDIC website:
- [https://catalog.fdic.gov/money-smart-young-people-grades-3-5-downloadable](https://catalog.fdic.gov/money-smart-young-people-grades-3-5-downloadable)
- [https://catalog.fdic.gov/money-smart-young-people-grades-6-8-downloadable](https://catalog.fdic.gov/money-smart-young-people-grades-6-8-downloadable)

Additionally we have customized training programs developed by Wintrust Mortgage which include pre-purchase, first time homebuyer, and down payment assistance curriculum; the curriculum for *The Keys to Home Ownership* is included as well as a *Budget Worksheet* which assists prospective homeowners in determining their capacity for purchase. Home ownership programming is led by our local Wintrust Mortgage bankers who work with a range of housing organizations as well as providing one to one information.
Personal financial wellness and retirement saving reviews and workshops are conducted by our local Wintrust Wealth Management advisors. Included in the RFP are materials used in these programs including an Investor Education Guide, Comparing Retirement Plans, and Estimating Retirement Expenses.

All workshops are customized for the needs of each specific audience and are also offered in Spanish.

- **Referrals to individuals who have successfully completed the curriculum:**
  Due to the confidential nature of our work with organizations as well as individuals we are not able to provide references from workshop participants.

- **Referrals to other organizations who have hired or partnered with your organization to implement the curriculum:**
  - **Second Baptist Church, Seniors Ministry:** Suzanne Waddy, President, suzanne.waddy@sbcglobal.net
  - **YWCA Evanston/North Shore:** Shannon Callahan, Director Women’s Leadership and Economic Advancement, scallahan@ywca-ns.org
  - **Industrial Council of Nearwest Chicago, Financial Literacy EMT Program:** Priscilla Torrence, Director, Workforce Development, priscilla@industrialcouncil.com
  - **El Valor:** Sara Avalos, Program Governance Parent Engagement Manager, sara.avalos@elvalor.com
  - **Project Vision:** Karen Chiu, Executive Director/Co-Founder, Karen@projectvisionchicago.org
  - **One Summer Chicago/Economic Awareness Council:** Tracy Frizzell, Executive Director, tfrizzell@econcouncil.org
  - **Northwestside Housing Center:** Carmen Landecho, Financial Coach, CLandecho@nwshc.org
  - **North Lawndale Employment Network:** Taneka Pernell, Financial Capacity Coach, tpernell@nlen.org

- **Proposed Length**
  Typically Evanston Community Bank & Trust’s (ECB&T) financial literacy workshops are scheduled for a minimum of 1 hour which allows 45 minutes for instruction and 15 minutes for questions. Bankers are always willing to remain longer as needed. Additionally ECB&T would work with the City of Evanston to design a series of workshops to accommodate specific goals as well as customize programming as needed.

- **Proposed metrics of success and proposed reporting mechanism:**
  The use of Pre-Training and Post-Training surveys would be the basis for measuring the success of the programming. ECB&T would work with the City of Evanston to design a reporting system that would provide meaningful analytics while maintaining confidentiality of the participants.
- **Eligibility Criteria for Participants:**
  ECB&T's financial workshops are open to all interested participants with no eligibility requirement.

- **Plan for Community Engagement**
  ECB&T would work with the City of Evanston to identify community partners as well as strategize programming that meets our shared goal of optimizing financial wellness for all Evanstonians.

Engaging community partners would be a central component of launching a financial partnership with the City of Evanston. Many community organizations in Evanston offer services to clients that do not have ongoing access to adequate financial education. Since 2015, we have partnered with YWCA Evanston/North Shore participating as financial experts to support their curriculum as well as leading workshops on Home Ownership. Additionally, we have recently supported the Evanston Library Mobile Resource Center as a financial literacy partner. We would engage the City to expand these partnerships as well build new relationships with Faith Based Organizations, Local Schools, and other community partners.

To further expand opportunities for access to financial literacy, ECB&T would work with the City of Evanston to identify geographic areas of need as well topics of particular interest to City residents. For example, seniors are frequently targets of fraudsters and would benefit from education on identity theft. A workshop on Identity Theft could potentially include a panel discussion with local police, bankers, and senior case workers to address questions and provide real life examples of risks and how best to proactively protect financial information. Reaching youth with financial literacy education is key to building a foundation for healthy futures. In partnership with the City of Evanston, developing outreach that is age appropriate to Evanston youth would provide lifelong benefits.

ECB&T proposes a comprehensive strategy for financial literacy outreach based on discussions with the City of Evanston to initially address the most critical needs for financial literacy, in terms of topics and underserved individuals, and to then expand programming to include additional opportunities.
MONEY SMART COURSE LISTING

A COMPLETE EDUCATION PROGRAM
Building knowledge, security, and confidence

At Wintrust, we know what it's like to take small steps to accomplish a goal. That's why our Money Smart Curriculum, provided by the FDIC, is a great tool to help our communities reach their goals. Everyone has a personal or professional financial goal, and this licensed curriculum is set up to help you reach it. This training program is geared toward consumers, small business owners, and young adults, and this FREE program provides pretests, workbooks, PowerPoint presentations, and certificates of completion.

If you are an organization, school, community center, or chamber of commerce, we can help set up these sessions in any format you'd like. We have bankers who are certified trainers for Money Smart. Let us help you get started today.

Presented by:
EVANSTON COMMUNITY BANK & TRUST
EVANSTON'S COMMUNITY BANK
901 Grove St | Evanston, IL 60201
847-440-0033 | www.bankevanston.com

MONEY SMART FOR ADULTS

The newly updated Money Smart for Adults curriculum provides participants with practical knowledge, skill-building opportunities, and resources they can use to manage their finances with confidence. Your Wintrust instructors are certified to use the curriculum to deliver unbiased, relevant, and accurate financial education.

The curriculum consists of 14 modules that cover basic financial topics,

| MODULE 1: Your Money Values and Influences | MODULE 8: Managing Debt |
| MODULE 2: You Can Bank On It | MODULE 9: Using Credit Cards |
| MODULE 3: Your Income and Expenses | MODULE 10: Building Your Financial Future |
| MODULE 4: Your Spending and Saving Plan | MODULE 11: Protecting Your Identity and Other Assets |
| MODULE 5: Your Savings | MODULE 12: Making Housing Decisions |
| MODULE 6: Credit Reports and Scores | MODULE 13: Buying a Home |
| MODULE 7: Borrowing Basics | MODULE 14: Disasters - Financial Preparation and Recovery |

Proud to be part of the Wintrust family
MONEY SMART FOR SMALL BUSINESS
Money Smart for Small Business is an instructor-led training curriculum developed jointly by the FDIC and Small Business Administration. The 10 modules in this curriculum provide introductory training for new and aspiring entrepreneurs on the basics of organizing and managing a business. The topics for the training modules were selected as a result of focus groups and interviews with small business technical assistance practitioners. In addition to grounding participants in the basics, the curriculum serves as a foundation for more advanced training and technical assistance.

SMALL BUSINESS TOPICS INCLUDE:
MODULE 1: Organization Types
MODULE 2: Time Management
MODULE 3: Financial Management
MODULE 4: Recordkeeping
MODULE 5: Banking Services
MODULE 6: Credit Reporting
MODULE 7: Risk Management
MODULE 8: Insurance
MODULE 9: Tax Planning and Tax Reporting
MODULE 10: Selling your Business and Succession Planning

MONEY SMART FOR YOUNG ADULTS
The FDIC’s Money Smart for Young Adults curriculum helps youth ages 12 to 20 learn the basics of handling their money and finances, including how to create positive relationships with financial institutions. Equipping young people in their formative years with the basics of financial education can give them the knowledge, skills, and confidence they need to manage their finances into adulthood.

YOUNG ADULT TOPICS INCLUDE:
MODULE 1: Bank On It
MODULE 2: Check It Out
MODULE 3: Setting Financial Goals
MODULE 4: Pay Yourself First
MODULE 5: Borrowing Basics
MODULE 6: Charge It Right
MODULE 7: Paying for College and Cars
MODULE 8: A Roof Over Your Head
Money Smart

for Grades Pre-K–2
Parent/Caregiver Guide

A fun way for parents and caregivers to help kids get smart about money.

FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION
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1) Understanding Currency ...................................................... 6

2) Earning Money ....................................................................... 8

3) Needs and Wants .................................................................... 10

4) Setting Goals .......................................................................... 12

5) Saving and Spending ............................................................. 14

6) Borrowing and Lending ......................................................... 16

Caution:
Coins are a leading cause of choking-related injury and death for young children, particularly for those aged 3 and under.

FDIC Disclaimer:
The books and online resources referenced in the Educator Guide and Parent/Caregiver Guide are examples/options that may be used to support the subject being taught and should not be considered as an endorsement by the Federal Deposit Insurance Corporation (FDIC). Reference to any specific commercial product, process, or service by trade name, trademark, manufacture, or otherwise does not constitute an endorsement, a recommendation, or a favoring by the FDIC or the United States government.

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Money Smart
for Grades 3–5
Parent/Caregiver Guide

A fun way for parents and caregivers to help kids get smart about money.
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<th>Page</th>
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<tr>
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<tr>
<td>1) Buying Decisions</td>
<td>5</td>
</tr>
<tr>
<td>2) Setting Goals</td>
<td>7</td>
</tr>
<tr>
<td>3) Budgeting</td>
<td>9</td>
</tr>
<tr>
<td>4) Saving</td>
<td>11</td>
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<td>5) Payment Options</td>
<td>13</td>
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<td>6) Introduction to Investing</td>
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<td>7) Charitable Giving</td>
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</tr>
<tr>
<td>8) Exploring Careers and Income</td>
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</table>

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Money Smart for Grades 6–8
Parent/Caregiver Guide

A fun way for parents and caregivers to help kids get smart about money.

FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION
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Money Smart for Older Adults

Prevent Financial Exploitation
The Keys to Home Ownership...

Unlocking the Door to Your Dream!
What are the “Five Keys” to Homeownership?

Key One:
Job Stability

Key Two:
Income & Debts

Key Three:
Credit History & Score

Key Four:
Available Assets

Key Five:
House Qualification Factors
Key One: Job Stability

- Concerns:
  - Job history < 2 years
  - Multiple job changes
  - Income instability
  - Multiple employment gaps
Key Two: Income & Debts

- What counts as income?
  - Base salary or hourly wage
  - Self-employment, commissions and bonuses are averaged over 2 years
  - Child support
  - Second job income 2 years
  - Interest/dividend income
  - Social Security/disability

- What counts as debt?
  - Auto loans
  - Installment loans
  - Student loans
  - Credit card minimum payments
  - Child support
  - Other mortgage payments
Key Three: Credit History & Score

- Credit score definition:
  - Three-digit score typically ranges from 350-850
  - Used to objectively determine creditworthiness

A credit score identifies the likelihood of repaying your debts.
Key Three: Credit History & Score

- Your credit score is determined by:

FICO® Score Ingredients
- Payment history: 35%
- Amounts owed: 30%
- Length of credit history: 10%
- New credit: 10%
- Types of credit: 15%
Key Three: Credit History & Score

- A credit score of **500** indicates:
  - A 50/50 probability of repaying the debt

- A credit score of **620** indicates:
  - A 65/35 probability of repaying the debt

- A credit score of **700** indicates:
  - A 80/20 probability of repaying the debt

- A credit score of **740** indicates:
  - A 97/3 probability of repaying the debt
Key Four: Available Assets

- Down payment, closing costs and reserves:
  - Savings must be documented (seasoned)
  - Cannot borrow down payment funds
  - Gift from a family member is acceptable
  - Seller can contribute 3% to 6% toward closing costs
Key Five: House Qualification Factors

- **Appraisal:**
  - Market value comparison to similar homes in defined neighborhood

- **Home Inspection:**
  - Your advocate to identify problems with home
  - A great way to “learn” about your home
Monthly Payment Components

Breakdown of monthly mortgage payment:

- **Principal**
  - Amount you borrow

- **Interest**
  - Mortgage Interest Rate

- **Taxes**
  - Property

- **Insurance**
  - Homeowners
  - Private Mortgage Insurance (PMI)
How Much Can I Afford?

Purchase Price is determined by using percentages of your debt in relation to your gross income.

There are two ratios
  - Housing Ratio
  - Total Debt Ratio

Ratios may vary with different mortgage programs
How Much Can I Afford?

Housing Ratio:

- Housing ratio compares monthly housing debt to gross monthly income
- Housing debt can equal 30% - 40% of your monthly gross income
- If you make $4,000 gross, your housing debt can be $1,200 (PITI)
How Much Can I Afford?

Total Debt Ratio:

- Total Debt ratio compares monthly housing debt + all other monthly debt to your gross monthly income

- Total monthly debt can equal up to 45% of your monthly gross income

- If you make $4,000 gross, your housing debt can be $1,800
Foreclosures & Short Sales

- Keys to successful purchase:
  - Patience!
  - The right Team working for you!
  - Loan pre-approval in place
  - Funds for repairs in addition to down payment
  - Seller must be able to turn on utilities for appraiser
  - Property must be legally habitable at closing

- What can go wrong:
  - Seller will not react to short sale request in time for your schedule
  - Additional liens/monies paid come up at closing
  - Inexperienced Real Estate Agent or Attorney
Benefits of an FHA Mortgage

- **Easier to Qualify:**
  - FHA/HUD insures the loan
  - Mortgage insurance is more affordable
  - Less than perfect credit
  - 2 years on bankruptcy discharge

- **Low Down Payment:**
  - 3.5% down payment
  - Seller can pay up to 6% of sales price for closing costs and interest rate buy-down
  - Funds can come from:
    - Savings
    - Gift from family member
Benefits of a VA Mortgage

- Easier to Qualify:
  - VA Guaranty
  - VA Funding Fee saves money vs. Mortgage Insurance
  - Less than perfect credit
  - 2 years on bankruptcy discharge

- 0% Down Payment:
  - 100% Financing
  - Seller can pay up to 6% of sales price for closing costs
  - Closing Funds can come from:
    - Savings
    - Gift from family member
**FHA Housing Payment Example**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Price:</td>
<td>$200,000</td>
</tr>
<tr>
<td>Down Payment (3.5%):</td>
<td>$7,000</td>
</tr>
<tr>
<td>Loan Amount:</td>
<td>$193,000</td>
</tr>
<tr>
<td>UFMIP (1.75%):</td>
<td>$3,377</td>
</tr>
<tr>
<td><strong>Total Loan Amount:</strong></td>
<td><strong>$196,377</strong></td>
</tr>
<tr>
<td>Principal &amp; Interest (30-Year Fixed @ 4.00%)</td>
<td>$937.53</td>
</tr>
<tr>
<td>Real Estate Taxes ($3,600 annually):</td>
<td>$300.00</td>
</tr>
<tr>
<td>Homeowner's Insurance:</td>
<td>$50.00</td>
</tr>
<tr>
<td>Monthly Mortgage Insurance (.0080%)</td>
<td>$130.91</td>
</tr>
<tr>
<td><strong>Total Monthly Payment:</strong></td>
<td><strong>$1,418.44</strong></td>
</tr>
</tbody>
</table>
IHDA Smart Move Program
with Down Payment Assistance

- Standard FHA fixed rate mortgage with down payment assistance.
- Down payment assistance up to 3% - maximum of $6000 can be used for down payment and/or closing costs.
- Borrower must contribute a minimum of 1%
- Have not owned real estate in the past 3 years
- Income limits apply
- Sales price limits apply
- First Time Home Buyer Counseling required
Getting Pre-Approved

Pre-Approvals let realtors and sellers know you can qualify to purchase a home

- You’ll receive a commitment letter with the pre-approved amount
  - Usually good for 1 - 2 months
  - Pending no major changes
  - Pending an appraisal and title search of property securing the mortgage
What To Do

- Schedule an appointment (face-to-face or over phone using fax or email)
- Bring documentation
  - Pay stubs for last 30 days
  - Tax returns and W-2s for last 2 years
  - 1-2 months of statements—checking, savings, investments (all pages)
  - Any other documentation that you think is relevant (collections, judgments, child support, etc.)
Today's Seminar

Most importantly, we want to arm you with all the information you need to make an informed and intelligent home purchase decision!
Thank You for Attending!

QUESTIONS?
Contact Us
**Monthly Income**

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>Paycheck</td>
<td>$</td>
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<tr>
<td>Other Income</td>
<td>$</td>
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</table>

**Monthly Expenses**

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<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>Housing</strong></td>
<td></td>
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<tr>
<td>Rent/Mortgage</td>
<td>$</td>
</tr>
<tr>
<td>Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Utilities</td>
<td>$</td>
</tr>
<tr>
<td>Taxes</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td></td>
</tr>
<tr>
<td>Groceries</td>
<td>$</td>
</tr>
<tr>
<td>Dining Out</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td></td>
</tr>
<tr>
<td>Daycare</td>
<td>$</td>
</tr>
<tr>
<td>Shopping</td>
<td>$</td>
</tr>
<tr>
<td>Donations</td>
<td>$</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
</tr>
<tr>
<td>Bus/Train</td>
<td>$</td>
</tr>
<tr>
<td>Gas</td>
<td>$</td>
</tr>
<tr>
<td>Parking/Tolls</td>
<td>$</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$</td>
</tr>
<tr>
<td>Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Loan</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
</tr>
<tr>
<td>Prescriptions</td>
<td>$</td>
</tr>
<tr>
<td>Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
<tr>
<td>Credit Cards</td>
<td>$</td>
</tr>
<tr>
<td>Tuition/Student Loans</td>
<td>$</td>
</tr>
<tr>
<td>Savings</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
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</tbody>
</table>

**Income Expenses**

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<tbody>
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<td></td>
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</tr>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Take your total **income** minus **expenses** for your total. If you have a positive number you have money left to spend or save. If you have a negative number, you may have to cut some expenses.

**Call Today** for more information!

---

**James Huffer**
Senior Residential Lender, NMLS# 418609
7800 Lincoln Ave. | Skokie, IL 60077
1740 Sherman Ave. | Evanston, IL 60201

**Direct:** 847.920.3070
Cell: 773.383.8750
eFax: 844.290.1639
jhuffer@WintrustMortgage.com
www.WintrustMortgage.com
THE ASSET ALLOCATION INVESTMENT PROCESS

Although the stock market has historically trended up over time, making it an attractive investment vehicle for the long-term investor, bear markets and corrections are a reality. An ill-timed market dip can knock an aggressively allocated retirement portfolio off track.

The challenge, of course, is trying to determine when one cycle will end and another will begin. Thankfully, that is not necessary and, as it turns out, timing the market rarely works.

UNDERSTANDING ASSET ALLOCATION
The practice known as asset allocation is the most effective method for most investors to balance a portfolio among various types of investments and shield it against offsetting losses. As many investors realize, the three main asset classes—stocks, bonds, and cash alternatives—are often co-classified (in the same descending order) as higher-risk, lower-risk, and lowest-risk investments. Within each asset class, investment risk can be further broken down. For instance, a large cap stock from a major corporation with a track record of stability is usually considered a lower-risk investment than a stock issued by a lesser-known company with a smaller market capitalization. On the other hand, the small cap stock generally carries the potential for higher returns.

DEVELOPING YOUR STRATEGY
After deciding that asset allocation makes sense, the primary objective is to decide how to diversify your portfolio. For this task, and for the ongoing maintenance it will require, your Financial Advisor is an invaluable resource. At Wintrust Wealth Management, we can help you develop an asset allocation strategy that is aligned with your investment objectives and risk tolerance. To make the process simpler, we have developed investment strategy models that cover a wide spectrum of asset allocations and serve as a guide to asset class breakdowns for various investment styles. For instance, investors seeking growth and income with a moderate risk tolerance would want approximately half of their portfolio invested in stocks, a third in traditional fixed income investments, and the remainder in alternative income investments with a marginal amount in cash alternatives. A growth-oriented, long-term investor, on the other hand, would be almost entirely invested in stocks.

Diversification as a theoretical concept is easy to understand but until the last 20 years has been difficult to implement. Most of us recognize the need to diversify our investments among stocks, bonds, and cash alternatives. But how do you determine what percentages to allocate among them? In the 1950s a concept was developed called "modern portfolio theory" to address this very concept.

Two Major Tenets of Modern Portfolio Theory
1. Investors are risk averse. That means given the choice between investments with the same general returns, they will choose the least risky.

2. The more risk an investment has, the greater the return potential should be. Because investors are risk averse, they will not choose investments with greater risk without the possibility of greater return.

Financial Advisors use these tenets in the development of portfolios for investors. Our asset allocation models are indicated in the chart below. Moving left to right, the chart shows allocation...
Asset Class Performance 2009-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Emerging Markets</th>
<th>REITs</th>
<th>Emerging Markets</th>
<th>Small Cap</th>
<th>REITs</th>
<th>Small Cap</th>
<th>Emerging Markets</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>78.5%</td>
<td>28.6%</td>
<td>18.2%</td>
<td>13.7%</td>
<td>4.2%</td>
<td>21.3%</td>
<td>37.3%</td>
<td>1.8%</td>
</tr>
<tr>
<td>2010</td>
<td>58.2%</td>
<td>53.2%</td>
<td>16.8%</td>
<td>12.0%</td>
<td></td>
<td>12.0%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>31.8%</td>
<td>37.8%</td>
<td>12.3%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>27.2%</td>
<td>26.9%</td>
<td>15.1%</td>
<td>15.1%</td>
<td></td>
<td>15.1%</td>
<td>15.1%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>26.5%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>25.0%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>25.0%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>25.0%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>25.0%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>25.0%</td>
<td>16.0%</td>
<td>16.0%</td>
<td>11.2%</td>
<td></td>
<td>11.2%</td>
<td>11.2%</td>
<td></td>
</tr>
</tbody>
</table>

Recommendations with higher levels of portfolio risk and correspondingly higher levels of expected return. Investors with similar investment objectives may have different risk tolerances, therefore these asset allocation models provide recommendations for investors with different degrees of risk tolerance.

**WHAT KIND OF INVESTOR ARE YOU?**

Using the investment planning process Envision®, our Financial Advisors can determine which investment objective is right for you.

**Conservative Income**

Conservative Income investors seek the maximum amount of income consistent with a modest degree of risk. They are willing to accept a lower level of income in exchange for lower risk. Higher risk investments, such as high yield bonds and some equities, are typically not a large percentage of the account.

**Conservative Growth and Income**

Conservative Growth and Income investors seek the maximum growth and income consistent with a relatively modest degree of risk. They are willing to accept lower potential returns in exchange for lower risk. Equities, generally dividend paying equities, may be some percentage of the account.

**Conservative Growth**

Conservative Growth investors seek maximum growth consistent with a relatively modest degree of risk. They are willing to accept lower potential returns in exchange for lower risk. Equities may be a significant percentage of the account.

**Moderate Income**

Moderate Income investors seek to balance the potential risk of capital loss with increased income potential. Higher risk investments, such as high yield bonds and some equities, may be some percentage of the account.

**Moderate Growth and Income**

Moderate Growth and Income investors seek to balance the risk of capital loss with higher potential growth and income. High yield bonds and equities, generally dividend paying equities, may be a significant percentage of the account.

**Moderate Growth**

Moderate Growth investors seek to balance the potential risk of capital loss with their goal of higher potential growth. Equities may be the primary asset in the account.
Modern Portfolio Theory's Efficient Frontier

Aggressive Income
Aggressive Income investors seek a significant level of income, are financially able and willing to risk losing a substantial portion of investment capital, and, due to their long term horizon or other factors, they employ higher risk, more aggressive strategies that may offer higher potential income. Higher risk investments, such as high yield bonds and some equities, may be a significant percentage of the account.

Aggressive Growth
Aggressive Growth investors seek a significant level of growth, are financially able and willing to risk losing a substantial portion of investment capital, and due to their long term horizon or other factors, they employ higher risk, more aggressive strategies that may offer higher potential returns. Higher risk investments such as equities may be as much as 100% of the account.

Aggressive Growth and Income
Aggressive Growth and Income investors seek a significant level of growth and income, are financially able and willing to risk losing a substantial portion of investment capital, and due to their long term horizon or other factors they pursue high risk, more aggressive strategies that may offer higher potential returns. High yield bonds and equities, generally dividend paying equities, may be the primary assets in the account.

It is important to realize that asset allocation can shift over time due to varied performance of different asset classes. Also, as your personal circumstances change, you may want to reconsider your investment objective and risk tolerance. To learn more and review your current asset allocation, contact a Wintrust Wealth Management Financial Advisor today. Our professionals can help you construct a strategy customized for your unique needs and best positioned to help you achieve your long-term goals.
INVESTMENTS  •  TRUST  •  ASSET MANAGEMENT


2. Asset allocation weights are approximate and may shift over time.

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Past performance is not a guarantee of future results. Diversification does not guarantee a profit or protect against loss. Return is measured by projected compound annual growth rates based on Wells Fargo Advisors 2019 Capital Market Assumptions for the associated asset class. Downside risk is the return threshold at which one would expect returns to fall below only once in 20 years. This means there is a 1-in-20 risk (5%) probability that the loss over a one-year period could be greater than the downside risk calculation.

Money market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these funds.

Asset allocation/diversification cannot guarantee a profit nor protect against loss in a declining market.

Equities: Equity investments refer to buying stocks of United States companies as well as companies outside of the United States. The market capitalization of U.S. companies is used to group large, medium (mid), and small companies. The investment return to the owner of the stock (shareholder) is in the form of dividends and/or capital appreciation. The market capitalization of companies is used to group large, medium (mid), and small companies. Shareholders own their stock in both the upside potential and the downside risk. Dividends are not guaranteed and are subject to change or elimination. The prices of small company stocks are generally more volatile than those of large company stocks. They often involve higher risks because smaller companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuations, political and economic instability, and different accounting standards. This may result in greater share-price volatility.

Fixed-income securities (bonds): Bonds are promised notes of a United States corporation or Federal government entity (taxable bonds) or a state or local government entity (tax exempt or municipal bonds). Bonds usually make a series of interest payments (called coupon payments) followed by a return of principal at maturity. If sold prior to maturity, the price that can be obtained for bond may be more or less than face value, depending on interest rates at the time the bond is sold and the remaining term of the bond. Investing in fixed-income securities exposes certain risks such as market risk, if sold prior to maturity and credit risk, especially if investing in high-yield bonds, which have lower ratings and are subject to greater volatility. All fixed-income investments may be worth less than original cost upon redemption or maturity bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline of the value of your investment. Fixed-income securities include treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), government-related issues (i.e., agency, sovereign, supranational and local authority debt) and corporate bonds.

Alternative income: Distinct from traditional fixed income is the alternative income category, which includes high-yield debt, emerging markets debt and REITs. Such investments offer greater income potential but also higher levels of risk than traditional forms of debt.

Commodities: Basic goods used in commerce that are generally interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuation and the impact of varied economic conditions. Buying commodities allows for a source of diversification for those well-invested persons who wish to add commodities to their portfolios and who are prepared to assume the risks inherent in the commodities market. Any purchase represents a transaction in a non-income-producing commodity and is highly speculative. Therefore, commodities should not represent a significant portion of an individual's portfolio.

Cash Alternatives: This category includes short-term, liquid, interest-bearing investments having maturities of less than one year. It is usually used for temporary investment purposes pending a distribution or other transaction. Money market accounts and Treasury Bills are considered cash equivalents. Money market funds charge fees; cash returns are estimated net of typical fees.

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The table below outlines the most basic types of retirement plans, as of 2018. Each of these plans has distinct advantages and can prove to be a powerful tool as you prepare for retirement. When considering which account type is best for you, we encourage you to consult with your tax professional and Financial Advisor to help analyze your options within the context of your unique circumstances.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Contributors</th>
<th>Contribution limits</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional 401(k)</td>
<td>Employee/Employer</td>
<td>$18,500 - Employee $24,500 - Age 50+ Combined: lesser of 100% of compensation or $55,000</td>
<td>Pre-tax employee contributions</td>
<td>Employees subject to minimum distribution rules and restrictions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Post-tax contributions accumulate tax free</td>
<td>Tax deductions for employers may be limited</td>
</tr>
<tr>
<td>ROTH 401(k)</td>
<td>Employee/Employer</td>
<td>$18,500 - Employee $24,500 - Age 50+ Combined: lesser of 100% of compensation or $55,000</td>
<td></td>
<td>Employees subject to minimum distribution rules and restrictions</td>
</tr>
<tr>
<td>SAFE HARBOR 401(k)</td>
<td>Employee/Employer</td>
<td>$18,500 - Employee $24,500 - Age 50+ Combined: lesser of 100% of compensation or $55,000</td>
<td>Higher annual contribution limits Immediate vesting option based on terms of agreement No annual discrimination testing</td>
<td>A minimum amount of employer contributions is required Tax deductions for employers may be limited Vesting over a long period Investment assets must keep up with funding needed for plans Favors older employees and closely held companies More stringent reporting requirements</td>
</tr>
<tr>
<td>PROFIT SHARING</td>
<td>Employer only</td>
<td>Lesser of $55,000 or 100% of income combined maximum</td>
<td>Permits the employer to make large contributions for employees</td>
<td></td>
</tr>
<tr>
<td>DEFINED BENEFIT PLAN</td>
<td>Employer only</td>
<td>Based on actuarial assumptions: can be as high as $220,000</td>
<td>Specific benefits promised to participants at outset of plan Amount of benefits based upon contribution, age, and years of service Maintenance can be expensive</td>
<td></td>
</tr>
<tr>
<td>PAYROLL DEDUCTION IRA</td>
<td>Employee only</td>
<td>$5,500 for 2018 Additional contributions can be made for participants age 50+</td>
<td>Easy to set up and use 100% immediate vesting Employee decides how much to contribute</td>
<td>Annual limit on contributions Employees subject to minimum distribution rules and restrictions</td>
</tr>
<tr>
<td>SEP IRA</td>
<td>Employer only</td>
<td>Lesser of 25% of compensation or $55,000</td>
<td>Permits employers to make tax-deductible contributions as qualified plans with no filing requirement 100% immediate vesting Part-time employees may be eligible</td>
<td>Employer decides yearly contributions Employees subject to minimum distribution rules and restrictions</td>
</tr>
<tr>
<td>SIMPLE IRA</td>
<td>Employee/Employer</td>
<td>$12,500 employee maximum $15,500 age 50+ plus employer match of 3% of salary up to 100% match or 2% non-elective contribution</td>
<td>Dollar for dollar match of up to 3% of salary or mandatory employer contribution of 2% of salary No annual filing requirement by employer</td>
<td>Employees subject to minimum distribution rules and restrictions Only companies with 100 or fewer employees</td>
</tr>
</tbody>
</table>
This information may answer some questions, but is not intended to be a comprehensive analysis of the topic. In addition, such information should not be relied upon as the only source of information. Competent tax and legal advice should always be obtained.

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### Retirement Planning: Estimating Retirement Expenses

Before you can decide how to fund your retirement expenses, you need to know the types and sizes of these expenses. This worksheet will help you determine your required retirement income and will allow you and your Financial Advisor to invest your portfolio for the highest probability of success in retirement.

<table>
<thead>
<tr>
<th>Monthly Amount</th>
<th>Type of Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>You</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>$</td>
</tr>
<tr>
<td>Federal</td>
<td>$</td>
</tr>
<tr>
<td>Local</td>
<td>$</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
</tr>
<tr>
<td>Homeowner's Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Household Repairs and Maintenance</td>
<td>$</td>
</tr>
<tr>
<td>Mortgage</td>
<td>$</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$</td>
</tr>
<tr>
<td>Rent/Condominium Fees</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$</td>
</tr>
<tr>
<td>Oil/Gas</td>
<td>$</td>
</tr>
<tr>
<td>Telephone/Cable/Internet</td>
<td>$</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Personal</strong></td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td>$</td>
</tr>
<tr>
<td>Groceries</td>
<td>$</td>
</tr>
<tr>
<td>Products &amp; Services (haircuts, dry cleaning, etc.)</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Health Care and Insurance</strong></td>
<td></td>
</tr>
<tr>
<td>Dental, Vision, and Hearing</td>
<td>$</td>
</tr>
<tr>
<td>Medical Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Out-of-Pocket Expenses (prescriptions, co-pays)</td>
<td>$</td>
</tr>
<tr>
<td>Long-Term Care Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Disability Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Life Insurance Premiums</td>
<td>$</td>
</tr>
<tr>
<td><strong>Family Care</strong></td>
<td></td>
</tr>
<tr>
<td>Support of Children or Grandchildren</td>
<td>$</td>
</tr>
<tr>
<td>Support of Parents</td>
<td>$</td>
</tr>
<tr>
<td>Other Obligations</td>
<td>$</td>
</tr>
<tr>
<td><strong>Routine Transportation</strong></td>
<td></td>
</tr>
<tr>
<td>Auto Loan or Lease Payment</td>
<td>$</td>
</tr>
<tr>
<td>Excise Tax/Registration Fees</td>
<td>$</td>
</tr>
<tr>
<td>Gasoline</td>
<td>$</td>
</tr>
<tr>
<td>Insurance</td>
<td>$</td>
</tr>
<tr>
<td>Routine Maintenance</td>
<td>$</td>
</tr>
<tr>
<td>Other Commuting Expenses</td>
<td>$</td>
</tr>
<tr>
<td>RECREATION</td>
<td>MONTHLY AMOUNT</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Club Membership</td>
<td>$</td>
</tr>
<tr>
<td>Hobbies</td>
<td>$</td>
</tr>
<tr>
<td>Travel and Vacations</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>ENTERTAINMENT</td>
<td>MONTHLY AMOUNT</td>
</tr>
<tr>
<td>Dining Out</td>
<td>$</td>
</tr>
<tr>
<td>Movies/Theatre/Sporting Events</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>CHARITY AND DONATIONS</td>
<td>MONTHLY AMOUNT</td>
</tr>
<tr>
<td>Charitable Donations</td>
<td>$</td>
</tr>
<tr>
<td>Gifts</td>
<td>$</td>
</tr>
<tr>
<td>CUSTOM EXPENSES</td>
<td>MONTHLY AMOUNT</td>
</tr>
<tr>
<td>Expense 1:</td>
<td>$</td>
</tr>
<tr>
<td>Expense 2:</td>
<td>$</td>
</tr>
<tr>
<td>Expense 3:</td>
<td>$</td>
</tr>
<tr>
<td>Expense 4:</td>
<td>$</td>
</tr>
<tr>
<td>Expense 5:</td>
<td>$</td>
</tr>
<tr>
<td>Expense 6:</td>
<td>$</td>
</tr>
</tbody>
</table>

**TOTAL MONTHLY EXPENSES**

**$0**

**ONE-TIME EXPENSES**

<table>
<thead>
<tr>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOU</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AMOUNT</th>
<th>YEAR(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOU</td>
<td>SPOUSE/PARTNER</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOU</td>
</tr>
</tbody>
</table>

**Wintrust Wealth Management**

*Investments • Trust • Asset Management*

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Memorandum

To: Chair and Members of Economic Development Committee

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Division Manager
Katie Boden, Economic Development Specialist

Subject: Changes to Business Licensing

Date: November 20, 2019

Recommendation
Staff is seeking Economic Development recommendation to the City Council to approve proposed changes to the Business Registration code, eliminating the $25 fee for home based businesses and implementing a $75 annual registration fee for all other for-profit entities that maintain a brick and mortar space in Evanston.

Summary
On November 11, Economic Development staff presented the proposed revisions to the business registration program including changes to the City code to reflect the new process and fee schedule to City Council. However, City Council did not support the proposed business registration fees for home-based businesses due to the economic hardship it would bring these businesses and referred back to the Economic Development Committee. Based on this feedback, Economic Development staff recommends eliminating the annual registration fee for home-based businesses and implementing a $75 annual registration fee for all other for-profit entities that maintain a brick and mortar space in Evanston.

The business registration will serve multiple purposes, for example, communicating with businesses has proven difficult in the past in cases of emergency (e.g. crime alerts, snow emergencies). Building occupant data (e.g. owner contact info, total # of employees, etc.) is also important to police and fire in the event of an emergency, and to make sure that buildings being occupied by our businesses are in safe working conditions. Minority, Women, and Evanston-based Enterprises (MWEBE) data will be beneficial to businesses as we announce procurement opportunities, networking and training events. Additionally, a complete list of businesses will allow the City to analyze data about commercial real estate and local businesses to better serve economic development planning.

In summary, all for-profit commercial entities, including home-based businesses, will be required to register on an annual basis. The registry will include business owner and property owner contact information, number of employees, detailed business information and classification, and MWEBE status. Receipt of payment will be used as proof of registration and additional documentation can be made available upon request. This will provide participating businesses with additional documentation of their location and activities that can be used to support membership in professional associations or efforts to obtain insurance or certifications, such as
DBE/WBE/MBE. Many home-based businesses have requested such documentation from the City in the past.

With the changes, staff estimates a maximum of $144,000 annual revenue from the business registration fee based on current data. Staff estimates there are approximately 4,400 commercial enterprises in Evanston, not including the estimated 500 food establishments. Staff is currently licensing 520 businesses generating $53,000 in fees. Based on current State of Illinois data, staff estimates the potential for an additional $91,000 in registration revenue with the proposed changes, as summarized in the table below.

Projected Revenue from Evanston Business Registry

<table>
<thead>
<tr>
<th>Description</th>
<th>Est. # Entities</th>
<th>2018 Fees</th>
<th>2020 Est. Fees *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Entities Licensed</td>
<td>520</td>
<td>$53,000</td>
<td>$39,000</td>
</tr>
<tr>
<td>Add'l Professional Services</td>
<td>1,400</td>
<td>$0</td>
<td>$105,000</td>
</tr>
<tr>
<td>Add'l Home Based</td>
<td>2,500</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>4,420</td>
<td>$53,000</td>
<td>$144,000</td>
</tr>
</tbody>
</table>

* Actual to be determined based on accuracy of State of Illinois database. This estimate reflects higher end of range based on $75 fee for non-home based, and $0 for home based

Staff has completed its review of the City Code and has recommended changes to accommodate the proposed business registration process. The business registration process will be implemented with notices mailed in December of 2019, and 2020 business registration payments due on or before March 31, 2020. A brief summary of changes include:

1. Replace “business license” with annual business registration:
   - All for-profit entities with a brick and mortar location would be required to register and pay an annual fee, including occupations licensed by the state
   - Pop-up retailers occupying a space for 90 days or less would be required to register and pay the registration fee per each 90 day period
   - Food establishments continue to be licensed exclusively by the health department
   - Building contractors continue to be registered by Building & Inspections division (home-based or out-of-town landscape contractors would still register)
   - Fire/life safety inspections will continue to be required for new businesses operating in commercial space, as well as changes of ownership

2. The proposed simplified business registration fee schedule is summarized in the table below:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home based business registration [1]</td>
<td>$0</td>
<td>$25.00</td>
</tr>
<tr>
<td>Non-profit enterprises</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Landscape contractors not maintaining a place of business within the City</td>
<td>$50.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>Evanston based for-profit businesses</td>
<td>$75.00</td>
<td>$75.00-$250.00 [2]</td>
</tr>
<tr>
<td>Pop-up Retailers (less than 90 days in operation)</td>
<td>$25.00[3]</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Fire, Life, and Safety Inspection(s) fee | $150.00 | $150.00

[1] City Council approved home based business registration in 2008 Ord. 23-O-08. The fee established in 2008 was $25.
[2] Based on gross floor area
[3] Per 90-day period

3. Eliminate annual sign permit renewal fees
   - Eliminating annual sign fees will minimize wasted postage and staff time, and the loss of annual sign fee revenue will be offset by increased revenue from the expanded business registration program. Permit process and sign installation permit fees would remain the same.
   - Approximately 800 annual sign renewal fees generate approximately $25,000 annually.
   - The average annual sign fee is about $12, and is invoiced and mailed separately from the annual business or food establishment license.
   - Issuing these notices and manually processing the payments as they come in takes a great deal of staff time in both community development and the collector’s office.
   - The administration of the invoices and payment collection actually slows the actual enforcement of sign regulations and graffiti removal as it is administered by the same individual.
   - The initial sign permit fee and sign review process and inspection will remain unchanged.

Business licensing in other communities

Business regulation practices and fee schedules vary widely throughout the Chicago area. Like Evanston, most communities with business licensing requirements assess fees based on some combination of square footage or specific type of use, often with similar exemptions for nonprofits and state-licensed occupations. Regulation of home occupations also varies; although many communities don’t require any fees or licensing for home-based businesses, there are several jurisdictions that do have annual registration or licensing requirements, including Schaumburg ($95/year), Palatine ($27/year), Park Ridge ($35/year) and Waukegan ($100/year).

Skokie and Highland Park were of particular interest as neither requires a general business license at the municipal level. The Village of Skokie requires every user of commercial space to obtain an annual occupancy permit, with a $75 annual fee. An additional “business license” is only required for specific uses, including pawn shops, massage establishments, and bowling alleys (among others). Highland Park requires an annual business registration ($35 annual fee), with additional licensing requirements for food establishments and places of public assembly. Because these requirements aren’t “licenses,” these communities are able to include businesses that are licensed by the state.

Background

The Community Development Department currently issues general business licenses, which are required for businesses operating in commercial space in Evanston. As part of the process for licensing new businesses, the zoning team reviews business license applications, and the fire department conducts a Fire, Life, and Safety inspection of the business location before a license is issued. Under the current code, nonprofit entities, home-based businesses, and occupations licensed by the Department of Financial & Professional Regulation (IDFPR) (i.e. medical doctors, lawyers, accountants, cosmetologists, etc.) are exempt from City business licensing.
Any business involving retail, storage or manufacturing of food for human consumption is licensed as a food establishment by the Health Department, which takes the place of a general business license.

General business licenses are renewed annually, with fees determined based on square footage or specific use as summarized in the following table:

<table>
<thead>
<tr>
<th>License Category</th>
<th>Annual Fee</th>
<th># of Active Licenses in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3,000 s.f.</td>
<td>$75</td>
<td>318</td>
</tr>
<tr>
<td>3,001-10,000 s.f.</td>
<td>$150</td>
<td>64</td>
</tr>
<tr>
<td>10,000+ s.f.</td>
<td>$250</td>
<td>41</td>
</tr>
<tr>
<td>Auto Repair</td>
<td>$150</td>
<td>44</td>
</tr>
<tr>
<td>Pet shop/kennel</td>
<td>$94</td>
<td>1</td>
</tr>
<tr>
<td>Resale or consignment shop</td>
<td>$94</td>
<td>5</td>
</tr>
<tr>
<td>Drycleaners</td>
<td>$50</td>
<td>21</td>
</tr>
<tr>
<td>Pawn Shops</td>
<td>$125</td>
<td>1</td>
</tr>
<tr>
<td>Movie theaters</td>
<td>$0.95 per seat</td>
<td>1</td>
</tr>
<tr>
<td>Out-of-town or home-based</td>
<td>$40</td>
<td>22</td>
</tr>
<tr>
<td>Landscape contractors</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$53,000</strong></td>
<td><strong>518</strong></td>
</tr>
</tbody>
</table>

In addition to the approximately 500 general business licenses currently active, the Health Department also manages approximately 400 food establishment licenses.

The definition of what constitutes a business requiring a license in the relevant section of the City Code excludes government entities, home occupations, tax exempt organizations, and any businesses or occupations exempt from City licensing pursuant to state or federal law. In practice, this exception has been interpreted to apply to any business or profession licensed by the IDFPR, effectively exempting many users of office and retail space from City licensing, especially professional services firms (medical professionals, attorneys, accountants, engineers, realtors, etc.) and personal services businesses (spas, salons, barber shops, etc.). As a result, when exempt businesses open in Evanston, particularly in office space, it isn’t uncommon for them to have little to no interaction with the City; there’s no zoning review or fire inspection unless the space is being renovated. The proposed changes will address the contradictions regarding home-based businesses.

Personal and professional services businesses are among the fastest-growing sectors in the U.S. economy, particularly when compared with traditional brick-and-mortar retail. Excluding these categories from general business licensing has limited the City’s ability to maintain useful data about the local business community, hampered communication between staff and business owners, and prevented inspections to ensure safe working spaces. Although there are approximately 500 general business licenses active in the City, data provided by the Illinois Department of Revenue suggests that up to 5,000 businesses are currently operating in Evanston, including state-licensed occupations and home-based ventures.

Next Steps

Upon approval by City Council, staff will implement the new business registry. Invoices for the first year of registering businesses will be mailed as staff does not have electronic means of contacting all of the businesses. Staff will include an introductory letter with the new business registry explaining the new process and providing a link to a web-based business registration form.
Payments for 2020 business registration will be due on or before March 31, 2020. Registration and payment will occur online with debit, credit, or electronic check, cash or check payments will be managed by the revenue office. In year two, after a successful first round of collecting business contact information, businesses will be invoiced via email, reducing postage and printing costs in addition to staff time.
Memorandum

To: Chair and Members of the Economic Development Committee

From: Erika Storlie, City Manager
       Johanna Leonard, Community Development Director
       Paul Zalmezak, Economic Development Manager

Subject: Issuance of a Request for Qualifications/Proposals for Sale of 1805 Church Street and 1708-1710 Darrow Avenue

Date: December 2, 2019

Recommended Action:
Staff supports a recommendation from the Economic Development Committee to City Council to direct the City Manager to issue a Request for Qualifications/Proposals (RFQ/P) for sale and redevelopment of city owned property located at 1805 Church and 1708-1710 Darrow. Concurrently, staff seeks feedback on the draft RFQ/P document, attached, and the proposed timeline for soliciting responses.

Summary:
Staff is seeking a recommendation to the City Council to issue an RFQ/P for sale and redevelopment of the property as a small scale three to four story residential / mixed use building. The 1805 Church Street and 1708-1710 Darrow Avenue Properties, (Church & Darrow) total approximately 17,000 square feet at the northwest corner of Church Street and Darrow Avenue. Adjacent to the west is a vacant property owned by Mount Pisgah Ministry Church. A draft copy of the RFQ/P is attached.

As defined in the legal settlement with Chevron and property owner (further summarized in the background section of this memo), any proceeds from a sale would be provided to Chevron and property owner attorney to settle legal costs owed by Daniel Cheifetz. The sale of the property for a de minimis amount or a land donation will likely attract an affordable housing/mixed income residential developer which may yield affordable housing tax credits, if necessary. A land donation to yield tax credits would not require a settlement payment.

Request for Qualifications/Proposals Process:
A Request for Qualifications/Proposals (RFQ/P) is recommended as a way to manage interest in the property. Through this process, the property is presented to the development community as a potential redevelopment opportunity with defined use parameters. The RFQ/P process is a two-step process:
1) Developers and interested parties are asked to submit qualifications and capacity to complete a redevelopment based on a set of parameters set forth through a solicitation from the City. The set of parameters are outlined in a formal public document.

2) The submissions of qualifications are evaluated and from the total submissions, several are identified as having the capacity to complete the redevelopment. This group, or “short list”, is then asked to provide their proposal for redevelopment of the site. From the proposals, a preferred development concept can be created.

There are several benefits to this process. First, the outcome creates the opportunity to attract an entity that has capacity for a project of this type. This is because the potential pool of users is first evaluated based on qualifications, experience, and capacity for redevelopment rather than through a rendering or concept depicted in a proposal. This process is also attractive to respondents. Parties that would likely do this type of project are often hesitant to expend resources to develop a proposal for redevelopment if they are one of a dozen proposals for a site. However, they are much more likely to submit qualifications for consideration to be selected to submit proposals because they are not being asked to expend resources to create something new.

The proposed timeline for the RFQ/P is copied below:

<table>
<thead>
<tr>
<th>Event/Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release of Solicitation Documents</td>
<td>Monday, January 14, 2020</td>
</tr>
<tr>
<td>Deadline to Submit Questions to the City</td>
<td>Friday, February 14, 2020</td>
</tr>
<tr>
<td>City’s Response to Questions (posted at cityofevanston.org/1805church)</td>
<td>Friday, February 21, 2020</td>
</tr>
<tr>
<td><strong>Responses to Solicitation Due</strong></td>
<td><strong>Friday, March 2, 2020</strong></td>
</tr>
<tr>
<td>Evaluation by City Staff</td>
<td>Monday, March 16, 2020</td>
</tr>
<tr>
<td>Economic Development Committee Review of RFP Responses/Public Presentation of Proposals by Short-Listed Developers</td>
<td>Wednesday, March 25, 2020</td>
</tr>
<tr>
<td>City Council Review of RFP Responses</td>
<td>Monday, May 4, 2020</td>
</tr>
<tr>
<td>Selection of Development Team</td>
<td>June/July 2020</td>
</tr>
</tbody>
</table>

**Background:**
The 11,000 +/- sq. ft vacant lot at the corner of Church and Darrow (1805 Church Street), formerly a gas and service station, was acquired from Daniel Cheifetz through E Town Community Ventures, a subsidiary of Ariella Reinvestment Trust. The vacant site abuts two city-owned vacant lots, totaling 5,900 sq. ft. at 1708-1710 Darrow - demolished in late fall of 2011. The City acquired the property in early 2019.
The City acquired the **1708-10 Darrow** properties out of foreclosure from First Bank & Trust for $220,000 in 2010, the appraised value being $240,000. Two two-flats occupied the properties, which were planned to be incorporated into the Darrow Corners low income housing development proposed by Housing Opportunity Development Corporation (HODC). The project was rejected by the City Council in 2006.

Through legal action, Chevron paid for the costs of environmental remediation and the underground storage tanks were removed. On March 8, 2018, the Illinois Environmental Protection Agency (EPA) issued a No Further Remediation Letter which certifies the property is remediated and suitable for development with restrictions (i.e. no surface level residential or below grade development/habitation). The asphalt engineered barrier must be in place to prevent intrusion from the remaining soils.

**Attachments:**
- Draft RFQ/P
Request for Qualifications/
Request for Proposals

Redevelopment
of 1805 Church St.

Issued by:
the City of Evanston

Issuance Date:
Tuesday, January 14, 2020

Deadline for Responses:
Friday, March 2, 2020

Additional information will be
available on the City’s website at:
cityofevanston.org/1805church
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- Request for Qualifications/Request for Proposals Timeline ........ 4
- Overview of 1805 Church St. ....................................................... 5–8
- No Further Remediation Letter .................................................... 7
- Selection Criteria ..................................................................... 7
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- Project Proposal ....................................................................... 11
- Additional Documents for Review ............................................ 11
  - Map of Property and Surrounding Area
  - Plat of Survey and First Floor Plan of Property
  - Zoning Classifications
  - Existing Water Infrastructure
  - Stormwater Control Ordinance
  - Environmental No Further Remediation Letter
Introduction and City Objectives

The City of Evanston (“the City”) is seeking submissions from qualified developers for the redevelopment of a City-owned property located at the corner of 1805 Church St. and 1708-10 Darrow Ave. The site is comprised of three parcels approximately 17,000 square feet of property. The City zoning code and local neighborhood plan envisions a mixed-use building with three stories and active ground floor retail or an “iconic building” totaling two stories with religious, community or cultural. Staff recommends Mixed-use with commercial on first floor to support commercial corridor starting at Darrow on east to Youth and Opportunity United (Y.O.U.) and Evanston Township High School (ETHS) on the west.

Submitted qualifications and proposals from individuals or teams will be reviewed and ranked by the City’s Community Development Department, Public Works Agency, City Manager’s Office, the Economic Development Committee and the City Council. From that point, the City will initiate negotiations with the first ranked individual or team to draft a public/private partnership agreement. In the event that the first ranked individual/team is unable to complete a public/private partnership agreement, the City will move to the second ranked qualified proposal.

During the review, the City is taking into consideration past development success, experience in working with municipalities of similar scale as Evanston, financial strength of development teams, quality of previous development projects, and demonstrated economic benefit to cities where projects were previously located.

Developers shall provide a proposal for how they would propose to redevelop the property, including site plans of the proposed redevelopment, renderings of the proposed concept, letters of commitment from proposed tenants or end-user of the property, and proposed structure for seeking to purchase or lease from the City, as well as any additional assistance required to complete the project.

The timeline on the following page summarizes the steps anticipated for this project. The timeline is subject to change based on the City calendar, obtaining quorum for meetings, and other factors not currently anticipated at the time of issuance of this document.
## Request for Qualifications/Request for Proposals Timeline

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<tr>
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<td>Monday, May 4, 2020</td>
</tr>
<tr>
<td>Selection of Development Team</td>
<td>June/July 2020</td>
</tr>
</tbody>
</table>
The City is seeking qualified individual or team to redevelop the property at the corner of 1805 Church St. and 1708-10 Darrow Ave. to bring destination-oriented use to the West Evanston Plan. Evanston has a wide range of dining, fitness and entertainment options, and is home to many unique destinations. The City’s goal for this property is to be utilized for its highest and best uses that will offer amenity options for visitors and residents of Evanston that include families, baby boomers, and college-aged students alike.

The following sections outline important information for review and consideration of the site:

**Site Location and Context**

The Church and Dodge business district has transformed in recent years as a result of public and private sector investment. Y.O.U. constructed a $10 million headquarters and relocated from south Evanston. The City of Evanston acquired 1823 Church and invested in infrastructure upgrades including upgrades to the geo thermal hvac system and installation of a new outdoor patio. The Litehouse Whole Food Grill occupies the building as well. Locally owned businesses C&W Market, Ebony Barbershop, Tom’s Beauty Supply, Gyro Planet and Cutting Edge Hair Gallery received a total of $75,000 from the City for facade improvements.

In Spring of 2019, the City acquired 1805 Church Street after the property underwent an environmental remediation paid for by Chevron. The City would like to assemble the former gas station property with two adjacent city-owned vacant residential lots acquired ten years ago. The assembled property totaling 17,000 square feet presents an opportunity to continue the neighborhood improvements and provide housing and services to the neighborhood. On Monday, July 29, 2019 Alderman Robin Rue Simmons hosted a community meeting to discuss the potential uses of the property.

The City-owned property is adjacent to a vacant lot owned by Mt. Pisgah Pentecostal Faith Church. Applicants are highly encouraged to determine if the adjacent property and/or partnership with the church results in a viable redevelopment opportunity.

A map of the property’s context within a two-block radius and the region is provided as an attachment in the appendix.

**Demographic Profile of Site**

ETHS is located at the first major intersection to the west of the property at Dodge Ave. and Church St. There are several locally owned businesses at this intersection as well. Multiple City-owned recreational facilities are in close proximity to the site including the Gibbs-Morrison Cultural Center, Mason Park Fieldhouse, Evanston Ecology Center and the Fleetwood-Jourdain Center.

Directly adjacent to the property is single family residential to the north, commercial to the west and south, and a mixed use residential/commercial loft to the east.
Zoning and Building Code

The vacant property at the northwest corner of Darrow Avenue and Church Street is located within the B2, Business Zoning District and the oWE West Evanston Overlay District. The regulations for the B2 District are located within Section 6-9-3 of the Zoning Ordinance, where the West Evanston Overlay District includes form-based regulations for the Mixed Use Building Type (pg 34-35) and Civic Building Type (pg 50-51). The attached table indicates allowable uses for this proposed zoning. Following the selection of the appropriate development team, the City will work with the selected team to determine if B2/oWE are still appropriate zoning designations or if changes need to be made.

The City has adopted the 2012 International Building Code with additions, deletions, and exceptions, and other amendments as set forth in Title 4 of the City Code. More information on the adopted building codes can be found by visiting cityofevanston.org/business/building-inspection-services.

Evanston’s Green Building Ordinance is designed to improve energy efficiency, reduce the use of materials that aren’t sustainably produced, as well as lessen the environmental impact of new construction, additions, and interior renovation projects. Requirements are defined based on the size of the project in square feet and designate that projects either obtain a US Green Building Council LEED Silver Rating or higher or employ a prescribed number of Sustainable Building Measures for New Construction or for Major Renovation Projects as appropriate.

Transportation

According to the Illinois Department of Transportation, 11,000 cars pass the site on a daily basis. Dodge Avenue is located at the west corner of the block where an additional 11,000 cars pass daily. This corner is also where Evanston Township High School is located.

The intersection of Church St. and Dodge Ave. is served by multiple buses between the Chicago Transit Authority (CTA), routes 93 and 206, and Pace, routes 208 and 213. The CTA’s route 93 runs downtown Evanston and the Brown Line’s Kimball Stop in Chicago. Route 206 is a primary service for the City of Evanston from Howard St. to Central St. The two Pace routes serve from downtown Evanston to north on Green Bay Rd. and west on Golf Rd.

The CTA’s Davis Purple Line rapid transit train station is located in the heart of downtown Evanston just .60 miles east on Church St. The same downtown location is also served by the Metra’s Union Pacific North line that travels north to Kenosha and south to downtown Chicago.

Municipal Services

The property is served by ComEd, Nicor, and City sewer and water service. A copy of a map of the sewer and water service to the property is included in the appendices of this document. The City requires certain new developments and redevelopments to retain stormwater on the property, either through storage or through green infrastructure and then infiltrate it back into the ground or limit the rate of release into the sewer system. A copy of the City’s Storm Water Control Ordinance is attached to this document in the appendices.

Taxes

The property is currently under the ownership of the City and is exempt from paying taxes. After the property is leased or sold then the new user will assume responsibility for the payment of taxes on the property.
No Further Remediation Letter

The City was issued an Environmental No Further Remediation Letter by the Illinois Environmental Protection Agency (the “NFR”) on March 8, 2019, for the subject property, 1801-1805 Church Street. Developers should note that the asphalt barrier must remain over the contaminated soils and must be maintained as an engineered barrier. Any future building constructed on the site must contain a full concrete slab-on-grade floor or full concrete basement floor and walls with no sump. The developer is obligated to comply with the conditions set forth in the NFR letter and must refer to the attached NFR letter for further information.

Climate Action and Resilience Plan (CARP)

In 2018, the City Council approved CARP to reduce Evanston’s impact on global climate change while preparing the community for its effects. The plan provides concrete actions the City and its community partners will take to meet ambitious climate action goals over the next three decades. In adopting the plan, Evanston became the first Illinois city to set a goal of achieving 100 percent renewable electricity for all properties, aiming to do so by 2030, and the first to target zero net emissions, or carbon neutrality, with plans to achieve that goal by 2050.

Selection Criteria for Qualifications Stage

All completed submissions seeking to be considered for the qualifications stage of the process will be reviewed. Staff from the City’s Community Development Department, Public Works Agency, and City Manager’s Office will review all proposals and award points to each proposal. Copies of the submissions will also be sent to all members of the Economic Development Committee (members are City Council members, one is a liaison from the Plan Commission, one is a liaison from the Zoning Board of Appeals, and two members are appointed by the Mayor to serve on the Committee). Members of the Economic Development Committee will also be asked to score all the submissions and provide scores prior to the Economic Development Committee meeting that the RFQ will be discussed.

At that meeting, all scores (staff scores and Committee member scores) will be shared and discussed. From that discussion and meeting, the Committee will determine which will be recommended to City Council for approval of sale or lease.

The following format is required for all submissions

I. Qualifications Summary

   Statement summarizing the development team’s qualifications for completing a project as outlined in this document and interest.

II. Development Team Overview

   This section should include all parties that will participate on this project (owner/operator, architect, engineers, construction management team, any other design/construction professionals). Information for each party involved should include:
   a. Resumes of all principals involved from each firm or organization for all components of the project
   b. Background on each firm involved in the project
   c. Name of development team entity that is interested in undertaking this project (include all names of principals, managing partners, etc.).
III. Representative Projects and/or Experience
This section should include all projects that principals of the development team or operator have completed within the past 10 years. Projects should include information on location, physical characteristics of the project, and the current condition of the project (open, closed, under new management, etc.). Any other pertinent information on this project should be included to illustrate the development team’s ability to undertake large scale projects that operate successfully after opening.

IV. Current Projects
This section should include all projects the operator or development team contemplates participating in between 2012 and 2023. Information on the size and scope of these projects should be included. It should also include all projects the development team is currently responsible for managing and operating on a day-to-day basis.

V. Financial Information
Information documenting the development team’s ability to participate financially in this project is a key component of the evaluation. At this stage, the following information is requested:

a. Sources of financing and preliminary evidence of interest from financial institutions or partners. Evidence can include letters to the operator or development team indicating interest in financial participation on future projects.

b. Information about pending litigation or other disputes associated with the operator and development team.

VI. References
References for similar projects is required. References should include contacts for current City staff that are familiar with work completed

VII. Point of Contact for Project
Clearly identify the person who should receive correspondence from the City regarding this project.

The following page highlights criteria and potential total points awarded for submissions.
# Request for Qualification/Proposal Scorecard

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Points Awarded (100 total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete Submission</td>
<td>Submission was complete and included all information requested and shows understanding of the City's desired goals for the property.</td>
<td>15</td>
</tr>
<tr>
<td>Experience in Similar Communities</td>
<td>Operator or development team has good references from similar municipalities in which it has completed work.</td>
<td>10</td>
</tr>
<tr>
<td>Capacity of operator or team to complete the project</td>
<td>Operator or proposed development team has completed similar projects on size and scope of that contemplated at this location. The resumes of principals involved demonstrate experience working on similar projects. Current work load will not interfere with ability to complete this project.</td>
<td>15</td>
</tr>
<tr>
<td>Demonstrated financial capacity to complete the project</td>
<td>Operator or development team demonstrated that they have the financial capacity to develop and operate a development on the scale of the one contemplated for this project.</td>
<td>20</td>
</tr>
<tr>
<td>Portfolio of Work</td>
<td>Operator or development team completed projects that have similar uses and tenants that represent high-quality uses and projects.</td>
<td>20</td>
</tr>
<tr>
<td>Environmental practices and demonstration of sustainability commitment</td>
<td>Operator or development team is able to highlight components of projects or experience that demonstrate a commitment to environmental sustainability.</td>
<td>10</td>
</tr>
<tr>
<td>Resumes and Experience of Firm Principals</td>
<td>Operator or team has a reputable team of professionals under leadership.</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
In order for all respondents to have the opportunity to understand and visit the site, the City will offer tours to parties interested in visiting the site and also offer a period for questions, comments, and answers.

Questions/Comments & Answers
All questions regarding the property and this solicitation must be submitted to the City no later than February 14 at 5:00 p.m. Questions will be answered as they are received and will be published on the City’s website at: cityofevanston.org/1805church. Responses to questions will be published on this page no later than February 21, 2020. All updates regarding this project will be communicated through this website as well. The page should be regularly checked to ensure that information is not missed.

Submission Procedure
Submissions must be received no later than 5:00 p.m. on Friday, March 2, 2020 in the following manner:

• Submit one copy of the response to the Request for Qualifications for 1805 Church Street to the City of Evanston’s Building Permit Desk at the following address:
  Building Permit Desk
  ATTN: 1805 Church Street Responses
  2100 Ridge Avenue, Rm. 3510
  Evanston, IL 60201
In-person submission, mail, courier, and all other delivery services are acceptable.

• Email one PDF copy to Melissa Parker, Community Development, Management Analyst, at mparker@cityofevanston.org.
A confirmation email will be provided indicating your submission was received and within the deadline.

The City reserves its right to reject any or all submittals when, in its opinion, it is determined that it is in the City’s best interest; to waive minor irregularities and informalities of the submittal; or to cancel, revise, or extend this solicitation. This Request for Qualifications does not obligate the City to pay any costs incurred by any respondent in the submission of a proposal or in making necessary studies or designs for the preparation of that proposal, or for procuring or contracting for the services to be provided under this Request for Qualifications.
Project Proposal
Proposals are being requested at this time that, at a minimum, includes:

Project Description
• Intended use(s) of the property and compatibility with uses adjacent to the property.
• Rough site plans and renderings of proposed development.
• Building use program
• Proposed number of parking spaces.
• Anticipated development schedule with key milestone dates and projected occupancy date.
• Developer experience with development projects in municipalities of similar scale to Evanston.

Finances
• Indication of ability to purchase the property from the City of Evanston
• Estimated total investment to be made for the development of the property.
• Estimated property and sales taxes projected to be generated by the development.
• Financial assistance being sought from the City of Evanston, Cook County, the State of Illinois, or any other entity.
• The financial strategy of the project, and its ability to secure necessary private funds and be started and completed in a timely manner.
• Evidence of financial capacity of the developer to complete the development of the property.
• Demonstrated economic benefit to cities where projects were previously located.
Additional information may be required at the City’s discretion. An additional Proposal Scorecard will be released for the second stage of the solicitation following the successful completion of the first stage of this solicitation.

Additional Documents for Review
• Map of Property and Surrounding Area
• Plat of Survey
• Zoning Classifications
• Existing Water Infrastructure
• Stormwater Control Ordinance
• No Further Remediation Letter
<table>
<thead>
<tr>
<th>Project</th>
<th>Address</th>
<th>Ward</th>
<th>Latest Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>1615-1619 Simpson St</td>
<td>1615-1619 Simpson St</td>
<td>5</td>
<td>1100 Sq Ft Available</td>
</tr>
<tr>
<td>1801 Church / 1708-10 Darrow</td>
<td>1801 Church/1708 Darrow</td>
<td>5</td>
<td>City Owned Property. Plans for RFP TBD.</td>
</tr>
<tr>
<td>2113 Dewey</td>
<td>2113 Dewey</td>
<td>5</td>
<td>TBD</td>
</tr>
<tr>
<td>1829 Simpson Street</td>
<td>1829 Simpson</td>
<td>5</td>
<td>Vacant lot, formerly planned for restaurant. Plans TBD</td>
</tr>
<tr>
<td>Former Fresh Foods</td>
<td>1723 Simpson</td>
<td>5</td>
<td>Meals on Wheels leased the space, and is undergoing licensing process.</td>
</tr>
<tr>
<td>Double Clutch Brewery</td>
<td>2119 Ashland</td>
<td>5</td>
<td>Space under construction</td>
</tr>
<tr>
<td>Jamaican Restaurant</td>
<td>1905 Church</td>
<td>5</td>
<td>Restaurant to open in former Bozell Imports</td>
</tr>
<tr>
<td>Masonic Temple</td>
<td>Emerson</td>
<td>5</td>
<td>Architect owner renovating building for architects office</td>
</tr>
<tr>
<td>5th Ward Bank</td>
<td>TBD</td>
<td>5</td>
<td>Staff working with banks to identify potential locations for a bank in the 5th ward</td>
</tr>
<tr>
<td>Central Evanston Business Association (CEBA)</td>
<td>N/A</td>
<td>5</td>
<td>2020 Great Merchant Grant was submitted</td>
</tr>
<tr>
<td>Hill Arts Business Association</td>
<td>N/A</td>
<td>5</td>
<td>Fall planters to come in October.</td>
</tr>
<tr>
<td>West Evanston Plan</td>
<td>N/A</td>
<td>5</td>
<td>Staff to continue efforts to implement plan</td>
</tr>
<tr>
<td>Gibbs Morrison Cafe Space</td>
<td>1823 Church</td>
<td>5</td>
<td>Litehouse Whole Foods Grill Opened</td>
</tr>
<tr>
<td>Maple/Foster Merchant</td>
<td>N/A</td>
<td>5</td>
<td>Banners were installed. 2020 Great Merchant Grant application was submitted</td>
</tr>
<tr>
<td>Central Street Business Association</td>
<td>N/A</td>
<td>6,7</td>
<td>2020 Great Merchant Grant was submitted</td>
</tr>
<tr>
<td>Central Street SSA</td>
<td>Crawford/Gross Point, Central</td>
<td>6,7</td>
<td>Public Hearing November 25, 2019. Designation 12/9/2019, Funding Fall 2020</td>
</tr>
<tr>
<td>Central Street Planning</td>
<td>Crawford/Gross Point, Central</td>
<td>6</td>
<td>Staff to review planning study.</td>
</tr>
<tr>
<td>Raven and Dove</td>
<td>1810 Central</td>
<td>7</td>
<td>Antique shop relocated from Wilmette</td>
</tr>
<tr>
<td>Former Hack Studio</td>
<td>2510 Green Bay Rd</td>
<td>7</td>
<td>Space acquired by Chuck Happ. Building to be converted to multi tenant space including escape room, gym, offices for county and congresswoman,</td>
</tr>
<tr>
<td>Vacant former video store / Pita 1</td>
<td>1926 Central</td>
<td>7</td>
<td>Comida Cantina new restaurant planned by owners of 10 mile house</td>
</tr>
<tr>
<td>1723 Central</td>
<td>1723 Central</td>
<td>7</td>
<td>Christian Science - DAPR 11.13.19</td>
</tr>
<tr>
<td>1801 Central Street</td>
<td>1801 Central</td>
<td>7</td>
<td>Work ongoing. Monitoring.</td>
</tr>
<tr>
<td>Vacant Former 7-Eleven</td>
<td>Ewing &amp; Central</td>
<td>6</td>
<td>Owner seeking tenants</td>
</tr>
<tr>
<td>Central Rug and Carpet</td>
<td>3006 Central</td>
<td>6</td>
<td>Landlord seeking tenants</td>
</tr>
<tr>
<td>Lush Wine &amp; Spirits</td>
<td>2022 Central</td>
<td>7</td>
<td>Now Open</td>
</tr>
<tr>
<td>Central Street Metra Station Café</td>
<td></td>
<td>7</td>
<td>Monitoring.</td>
</tr>
<tr>
<td>Project</td>
<td>Address</td>
<td>Ward</td>
<td>Latest Update</td>
</tr>
<tr>
<td>---------------------------------</td>
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<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Hewn Bakery</td>
<td>1731 Central</td>
<td>7</td>
<td>Food license and other permits to be submitted in November/December.</td>
</tr>
<tr>
<td>1909 Central St</td>
<td>1909 Central</td>
<td>7</td>
<td>Vacant property for lease, 1213 sq ft. retail space available</td>
</tr>
<tr>
<td>1911 Central St</td>
<td>1911 Central</td>
<td>7</td>
<td>Vacant property for lease, 1050 sq ft. retail space available</td>
</tr>
<tr>
<td>2536 Ewing</td>
<td>2536 Ewing</td>
<td>6</td>
<td>Vacant property for lease, 2600 sq ft. retail space available</td>
</tr>
<tr>
<td>2608-2610 Green Bay</td>
<td>2608-2610 Green Bay</td>
<td>7</td>
<td>Vacant property for lease, 1352 sq ft. retail space available</td>
</tr>
<tr>
<td>2652 Green Bay</td>
<td>2652 Green Bay</td>
<td>7</td>
<td>Vacant property for lease, 3626 sq ft. available, auto repair shop</td>
</tr>
<tr>
<td>2672 Green Bay</td>
<td>2672 Green Bay</td>
<td>7</td>
<td>Vacant property for lease, 1700 sq ft. retail / restaurant space available</td>
</tr>
<tr>
<td><strong>DOWNTOWN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Office - Chase Bank Site</strong></td>
<td>601 Davis</td>
<td>4</td>
<td>New 19-story office building with ground floor retail, 40 parking spaces, pending DAPR and PC</td>
</tr>
<tr>
<td>1621 Chicago Avenue - Vacant Athletico</td>
<td>1621 Chicago</td>
<td>1</td>
<td>4800 Sq Ft Available for lease</td>
</tr>
<tr>
<td>1621 Chicago Avenue - Vacant Kafein Space</td>
<td>1621 Chicago</td>
<td>1</td>
<td>1777 Sq Ft Available for lease</td>
</tr>
<tr>
<td>617-20 Grove - Vacant Retail</td>
<td>2600 Sq Ft Available for Lease</td>
<td>4</td>
<td>2600 Sq Ft Available for Lease</td>
</tr>
<tr>
<td>Bangers &amp; Lace Space</td>
<td>810 Grove</td>
<td>4</td>
<td>4,200 Sq Ft Available for Lease</td>
</tr>
<tr>
<td>Church Street Plaza Vacant Uncle Dan's Space</td>
<td>900 Clark</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Church Street Plaza Vacant Office Space</td>
<td>900 Clark</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Church Street Plaza Vacant American Apparel</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Church Street Plaza Vacant Peeled</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Church Street Plaza Vacant Link / CA Venture Space</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Church Street Plaza Cycle Bar Space</td>
<td></td>
<td>2</td>
<td>Monitor opportunities</td>
</tr>
<tr>
<td>Former Fifth Third Bank Maple Ave</td>
<td>1710 Maple</td>
<td>2</td>
<td>5000 sq ft available</td>
</tr>
<tr>
<td>Vacant Bottle and Botega</td>
<td>1016 Davis</td>
<td>4</td>
<td>1900 Sq Ft Available</td>
</tr>
<tr>
<td>1630-42 Maple Retail Space</td>
<td>1630-42 Maple Retail Space</td>
<td>4</td>
<td>Former Fit Girl Studio Space</td>
</tr>
<tr>
<td>1571 Maple Retail Space</td>
<td>1571 Maple Retail Space</td>
<td>4</td>
<td>1500 sq ft available on Elmwood side of building</td>
</tr>
<tr>
<td>Merson Retail - 1619 Chicago</td>
<td>1619 Chicago Ave</td>
<td>1</td>
<td>European Wax Center and 1,700 SF Max Contig available</td>
</tr>
<tr>
<td>1840 Oak</td>
<td>1840 Oak</td>
<td>2</td>
<td>TBD</td>
</tr>
<tr>
<td>1739 Sherman</td>
<td>1739 Sherman</td>
<td>1</td>
<td>Tide cleaners opening soon</td>
</tr>
<tr>
<td>830 Davis</td>
<td>830 Davis</td>
<td>4</td>
<td>2300 sq ft available</td>
</tr>
<tr>
<td>Former Evanston Bistro</td>
<td>1710 Orrington</td>
<td>1</td>
<td>For Lease</td>
</tr>
<tr>
<td>Northlight Theater</td>
<td>1012 Church Street</td>
<td>4</td>
<td>Northlight announced location and funding from State of Illinois. Fundraising ongoing. Zoning approved by City Council in September.</td>
</tr>
<tr>
<td>Homestead Sale</td>
<td>1625 Hinman</td>
<td>1</td>
<td>AJ Capital Partners purchased Homestead and plans renovation</td>
</tr>
<tr>
<td>Property Name</td>
<td>Address</td>
<td>Floors</td>
<td>Notes</td>
</tr>
<tr>
<td>---------------------------------------</td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Former Pete Miller's</td>
<td>1557 Sherman</td>
<td>4</td>
<td>Reza's Opening. Lease signed 11.8.2019</td>
</tr>
<tr>
<td>Former Clarke's Restaurant</td>
<td>716 Clark</td>
<td>1</td>
<td>3,500 Sq Ft Available</td>
</tr>
<tr>
<td>Varsity Theater</td>
<td>1710 Sherman</td>
<td>1</td>
<td>Monitor opportunities</td>
</tr>
<tr>
<td>1712-22 Sherman</td>
<td>1712-22 Sherman</td>
<td>1</td>
<td>Monitor opportunities</td>
</tr>
<tr>
<td>New allergy free kitchen incubator</td>
<td>1009 Davis</td>
<td>4</td>
<td>New allergy free kitchen space opening in former Greek restaurant and Chicago hot dog restaurant space</td>
</tr>
<tr>
<td>820 Davis Property</td>
<td>820 Davis</td>
<td>4</td>
<td>New Owner planning significant renovation. Approved by DAPR. All retail space available</td>
</tr>
<tr>
<td>1555 Ridge</td>
<td>1555 Ridge</td>
<td>4</td>
<td>Private parking lot at Grove and Ridge listed for sale. Planned 50 +/- rental units</td>
</tr>
<tr>
<td>1743 Sherman Ave (Taco Bell)</td>
<td>1743 Sherman</td>
<td>1</td>
<td>Slated for new restaurant Bare Naked Bowls, architect working on interior changes</td>
</tr>
<tr>
<td>Newport Coffee (former Cheesies Pub)</td>
<td>622 Davis</td>
<td>4</td>
<td>Now open</td>
</tr>
<tr>
<td>Former William's Shoes</td>
<td>710 Church</td>
<td>4</td>
<td>2,630 Sq Ft available.</td>
</tr>
<tr>
<td>Market Fresh Books</td>
<td>700 Church Street</td>
<td>4</td>
<td>3,050 Sq Ft Available. Market Fresh Closing</td>
</tr>
<tr>
<td>Avidor &quot;Active Adult&quot; Residential</td>
<td>1007 Church</td>
<td>2</td>
<td>Construction ongoing. June 2020 delivery. 55 years + &quot;active&quot; community</td>
</tr>
<tr>
<td>Burger King (Downtown)</td>
<td>1740 Orrington</td>
<td>1</td>
<td>Interested developers have contacted property owner.</td>
</tr>
<tr>
<td>Sherman Plaza Retail - Vacant 800 Degrees</td>
<td>1620 Sherman</td>
<td>1</td>
<td>Eggsperience planning to open in former 800 Degrees Pizza space</td>
</tr>
<tr>
<td>Sherman Plaza Retail - Vacant Agea Spa</td>
<td></td>
<td>1</td>
<td>Former Agea Spa</td>
</tr>
<tr>
<td>Vacant Davis Fish Market Space</td>
<td>501 Davis</td>
<td>1</td>
<td>1,000 - 5,281 SF Owner divided into several smaller storefronts for lease</td>
</tr>
<tr>
<td>717 Church</td>
<td>717 Church</td>
<td>1</td>
<td>2nd floor above Andy's/Sprint Store/Chipotle remains available for lease</td>
</tr>
<tr>
<td>Merion Retail - Joy Yee Corner</td>
<td>1611 Chicago</td>
<td>1</td>
<td>Joy Yee is to relocate to the corner space at Chicago/Davis</td>
</tr>
<tr>
<td>Merion Retail - Former U Break I Fix</td>
<td>1611 Chicago</td>
<td>1</td>
<td>650 Sq Ft Available</td>
</tr>
<tr>
<td>Trulee Senior Living (former National Towel Building Site)</td>
<td>1815 Ridge</td>
<td>2</td>
<td>Senior housing project construction planned. Finalizing submission for building permit Recent article: <a href="https://www.curbed.com/2019/11/12/20944374/apartment-downtown-empty-nester-baby-boomer">https://www.curbed.com/2019/11/12/20944374/apartment-downtown-empty-nester-baby-boomer</a> also, new website <a href="https://condorpartners.net/portfolio/evanston-senior-living/">https://condorpartners.net/portfolio/evanston-senior-living/</a></td>
</tr>
<tr>
<td>Albion Residential</td>
<td>1454-1508 Sherman</td>
<td>1</td>
<td>Retail - 1,823 - 7,056 SF Avail Floors 1-4 to be delivered in December with remaining floors phased through January.</td>
</tr>
<tr>
<td>1571 Maple</td>
<td>1571 Maple</td>
<td>1</td>
<td>1,500 sq ft remains available</td>
</tr>
<tr>
<td>605 Davis &amp; Chase Bank Drive Thru</td>
<td>605 Davis</td>
<td>4</td>
<td>Planned development submitted.</td>
</tr>
<tr>
<td>1020 Church</td>
<td>1020 Church</td>
<td>4</td>
<td>Buiding for Sale.</td>
</tr>
<tr>
<td>Sojourner Church</td>
<td>1708 Oak</td>
<td>2</td>
<td>New owner considering development options</td>
</tr>
<tr>
<td>Las Palmas</td>
<td>817 University</td>
<td>1</td>
<td>Building owner considering options</td>
</tr>
<tr>
<td>Copycat</td>
<td>1830 Sherman</td>
<td>1</td>
<td>Property owner seeking tenants for garden level</td>
</tr>
<tr>
<td>King Homes</td>
<td>1555 Oak</td>
<td>4</td>
<td>Cameel Halim purchased property. Plans TBD.</td>
</tr>
<tr>
<td>Whole Foods Downtown</td>
<td>1640 Chicago Ave</td>
<td>4</td>
<td>Staff will monitor in light of Amazon purchase of Whole Foods</td>
</tr>
<tr>
<td>Project</td>
<td>Address</td>
<td>Ward</td>
<td>Latest Update</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-----------------------</td>
<td>------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>E2 Retail</td>
<td>1890 Maple</td>
<td>2</td>
<td>Space on maple available.</td>
</tr>
<tr>
<td>Falcon Eddy's - Closed</td>
<td>825 Church</td>
<td>1</td>
<td>New middle eastern restaurant proposed</td>
</tr>
<tr>
<td><strong>HOWARD STREET</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Address</td>
<td>Ward</td>
<td>Latest Update</td>
</tr>
<tr>
<td>327-339 W Howard St</td>
<td>327-339 W Howard St</td>
<td>8</td>
<td>1,150 SF Avail</td>
</tr>
<tr>
<td>309-323 Howard St</td>
<td>309-323 Howard St</td>
<td>8</td>
<td>639 - 6,139 Available SF</td>
</tr>
<tr>
<td>Harrington Brown Residential Development</td>
<td>128-130 Chicago</td>
<td>8</td>
<td>Due diligence ongoing for redevelopment of former parking lot and auto repair shop into mixed use residential development.</td>
</tr>
<tr>
<td>Mobil</td>
<td>140 Chicago Ave</td>
<td>8</td>
<td>Owners upgrading gas station</td>
</tr>
<tr>
<td>Gaynor Monument</td>
<td>222 Chicago Ave</td>
<td>8</td>
<td>Building demolished. Owner to determine potential reuse</td>
</tr>
<tr>
<td>CJE Senior Life Expansion</td>
<td>999 Howard</td>
<td>8</td>
<td>CJE Senior Life plans an affordable senior housing development. Howard Ridge TIF expansion study underway.</td>
</tr>
<tr>
<td>729 Howard Street</td>
<td>727-729 Howard</td>
<td>8</td>
<td>City owned property for lease . Approximately 2,000 sq ft.</td>
</tr>
<tr>
<td>633 Howard</td>
<td>633 Howard</td>
<td>8</td>
<td>Lease for Estación restaurant was introduced to City Council on 11/11/2019.</td>
</tr>
<tr>
<td>Palmhouse (Event space)</td>
<td>611-21 Howard</td>
<td>8</td>
<td>7A Status request approved by city council 10/28/2019. Property ownership / transaction closed 10/4/2019. $1m renovation planned</td>
</tr>
<tr>
<td>Caribbean Shipping - 705 Howard</td>
<td>705 Howard</td>
<td>8</td>
<td>Monitoring</td>
</tr>
<tr>
<td>Howard Street Business Association</td>
<td>N/A</td>
<td>8</td>
<td>2020 Great Merchant Grant was submitted.</td>
</tr>
<tr>
<td>747 Howard</td>
<td>747 Howard</td>
<td>8</td>
<td>Shoe store to be opening soon</td>
</tr>
<tr>
<td>Montelimar Bread Co.</td>
<td>1731 Howard</td>
<td>8</td>
<td>Monitoring</td>
</tr>
<tr>
<td><strong>MAIN DEMPSTER MILE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Address</td>
<td>Ward</td>
<td>Latest Update</td>
</tr>
<tr>
<td>Vogue</td>
<td>718-732 Main Street</td>
<td>4</td>
<td>New 5-story, mixed-use building with ground floor retail, 99 dwelling units, and 35 off-street parking spaces</td>
</tr>
<tr>
<td>The Main - Vacant Retail</td>
<td>518 Main</td>
<td>3</td>
<td>2,532 SF Retail</td>
</tr>
<tr>
<td>828-832 Custer Ave</td>
<td>828-832 Custer Ave</td>
<td>4</td>
<td>3,000 - 9,000 sq ft available</td>
</tr>
<tr>
<td>1301-1303 Chicago Ave - Vacant French Kiss</td>
<td>1301 Chicago Ave</td>
<td>3</td>
<td>1700-2000 Sq Ft Available</td>
</tr>
<tr>
<td>Lot 1 Redevelopment</td>
<td>South &amp; Hinman</td>
<td>3</td>
<td>Public meeting planned to consider development options</td>
</tr>
<tr>
<td>CoLab/Library</td>
<td>900 Chicago Ave</td>
<td>3</td>
<td>Monitor spaces</td>
</tr>
<tr>
<td>US Bank</td>
<td>Main &amp; Chicago</td>
<td>3</td>
<td>Closed. available</td>
</tr>
<tr>
<td>Former Ten Thousand Villages</td>
<td>717-19 Main</td>
<td>4</td>
<td>1,450 - 2,900 SF Avail</td>
</tr>
<tr>
<td>Chase Bank</td>
<td>Southpoint Plaza</td>
<td>3</td>
<td>Southpoint PLaza branch closing</td>
</tr>
<tr>
<td>Main/Chicago</td>
<td>847 Chicago</td>
<td>3</td>
<td>Stone Realty retail broker actively pursuing tenants for remaining retail space</td>
</tr>
<tr>
<td>Great Chicago Former</td>
<td>928 Chicago</td>
<td>3</td>
<td>Soon to be vacated</td>
</tr>
<tr>
<td>Project</td>
<td>Address</td>
<td>Ward</td>
<td>Latest Update</td>
</tr>
<tr>
<td>----------------------------------------------</td>
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<td>------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Main Street Metra Station</td>
<td>600 Main</td>
<td>3</td>
<td>Union Pacific hiring broker to market vacant space.</td>
</tr>
<tr>
<td>Vacant Paramour Bungalow Space</td>
<td>812 Dempster</td>
<td>3</td>
<td>Seeking tenants. Space 900 taking over half of the remaining space.</td>
</tr>
<tr>
<td>Hewn</td>
<td>810 Dempster</td>
<td>4</td>
<td>Relocating to 1731 Central. Help identify new tenant</td>
</tr>
<tr>
<td>810-832 Dempster St</td>
<td>810-832 Dempster St</td>
<td>4</td>
<td>1100 Sq Ft Available</td>
</tr>
<tr>
<td>Dard Property</td>
<td>912 Custer</td>
<td>4</td>
<td>New townhomes approved by City Council</td>
</tr>
<tr>
<td>Autobarn</td>
<td>1034 Chicago</td>
<td>3</td>
<td>Public Meeting to present opportunity/seek community input</td>
</tr>
<tr>
<td>Connoisseur Rugs property</td>
<td>1000 Chicago</td>
<td>3</td>
<td>Public Meeting to present opportunity/seek community input</td>
</tr>
<tr>
<td>Main Street Streetscape</td>
<td>Main Street, Hinman to Maple</td>
<td>3 &amp; 4</td>
<td>Construction expected in 2021. Ongoing public meetings and coordination with staff/and merchants</td>
</tr>
<tr>
<td><strong>WEST END / WEST VILLAGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Address</td>
<td>Ward</td>
<td>Latest Update</td>
</tr>
<tr>
<td>839-847 Dodge Ave - Vacant Retail Space</td>
<td></td>
<td>2</td>
<td>Former Dry Cleaners 1196 Sq Ft Available</td>
</tr>
<tr>
<td>838-848 Dodge - Vacant Retail</td>
<td></td>
<td>2</td>
<td>2,000 sq ft available (harry major building)</td>
</tr>
<tr>
<td>West End Business Association</td>
<td>N/A</td>
<td>2</td>
<td>2020 Great Merchant Grant was submitted.</td>
</tr>
<tr>
<td>West Village Business Association</td>
<td>N/A</td>
<td>2</td>
<td>2020 Great Merchant Grant was submitted.</td>
</tr>
<tr>
<td>2400 Main Street (Food 4 Less Center)</td>
<td>2400 Main Street</td>
<td>2</td>
<td>Five Below Opening</td>
</tr>
<tr>
<td>EZ Spuds</td>
<td>2223 Washington</td>
<td>2</td>
<td>EZ Spuds relocated to Melrose Park. Space will be available soon</td>
</tr>
<tr>
<td>Art District</td>
<td>Florence/Greenleaf</td>
<td>2</td>
<td>Working with artists in neighborhood on art district planning concept</td>
</tr>
<tr>
<td>1108 Dodge (Former Evanston Auto Glass)</td>
<td>1108 Dodge</td>
<td>2</td>
<td>For lease</td>
</tr>
<tr>
<td>Reed Biedler Building</td>
<td>1275 Hartrey</td>
<td>2</td>
<td>Pursuing tenants for limited vacancies</td>
</tr>
<tr>
<td>2222 Oakton Street</td>
<td>2222 Oakton</td>
<td>8</td>
<td>Clark Street Real Estate conducting due diligence</td>
</tr>
<tr>
<td>Oakton Car Wash</td>
<td>2425 Oakton</td>
<td>9</td>
<td>Plan Commission Recommended for approval pending DAPR</td>
</tr>
<tr>
<td>Evanston Plaza</td>
<td>1924-26 Dempster</td>
<td>2</td>
<td>Kids Empire (kids activity center) under construction. Blink Fitness now open</td>
</tr>
<tr>
<td>1335 Dodge Ave. (CNE)</td>
<td>1335 Dodge</td>
<td>2</td>
<td>Commercial property for sale</td>
</tr>
<tr>
<td>1917 Greenleaf</td>
<td>1917 Greenleaf</td>
<td>2</td>
<td>For sale</td>
</tr>
<tr>
<td>Former Curt's Cafe South</td>
<td>1813 Dempster</td>
<td>2</td>
<td>Zentli restaurant to open in December/January</td>
</tr>
<tr>
<td>Dard Property</td>
<td>912 Custer</td>
<td>4</td>
<td>New townhomes approved by City Council</td>
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<tr>
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<tr>
<td>Main Street Streetscape</td>
<td>Main Street, Hinman to Maple</td>
<td>3 &amp; 4</td>
<td>Construction expected in 2021. Ongoing public meetings and coordination with staff/and merchants</td>
</tr>
</tbody>
</table>
### City of Evanston Economic Development Loans

<table>
<thead>
<tr>
<th>Loan Status</th>
<th>Borrower</th>
<th>Original Loan Amount</th>
<th>Origination Date</th>
<th>Original Loan Amount</th>
<th>Monthly Payment</th>
<th>Total Amount Paid</th>
<th>Loan Balance</th>
<th>Date Loan Terminates</th>
<th>Status</th>
<th>Default Total</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTIVE</td>
<td>Ward Eight</td>
<td>629 Howard St</td>
<td>3.15.12</td>
<td>$130,000.00</td>
<td>$1,316.19</td>
<td>$84,290.22</td>
<td>$25,003.56</td>
<td>$109,293.77</td>
<td>$45,709.78</td>
<td>12.1.22</td>
<td>Compliant</td>
</tr>
<tr>
<td>ACTIVE</td>
<td>Evanston North Shore Contractor's Cooperative</td>
<td>1817 Church</td>
<td>8.14.12</td>
<td>$200,000.00</td>
<td>$1,028.26</td>
<td>$27,102.82</td>
<td>$1,730.44</td>
<td>$33,569.84</td>
<td>$20,072.44</td>
<td>$23,269.56</td>
<td>3.1.28 Compliant</td>
</tr>
<tr>
<td>ACTIVE</td>
<td>Hip Circle Empowerment Center</td>
<td>727 Howard St</td>
<td>6.1.18</td>
<td>$24,889.50</td>
<td>$447.23</td>
<td>$7,484.06</td>
<td>$7,013.31</td>
<td>$8,369.78</td>
<td>$58,610.82</td>
<td>6.1.23 Compliant</td>
<td>$0.00 TIF</td>
</tr>
<tr>
<td>ACTIVE</td>
<td>Little Beans</td>
<td>430 Asbury Ave</td>
<td>2.1.14</td>
<td>$75,000.00</td>
<td>$832.65</td>
<td>$16,194.98</td>
<td>$1,013.31</td>
<td>$25,040.84</td>
<td>$17,405.44</td>
<td>3.1.28 Compliant</td>
<td>$0.00 ED</td>
</tr>
<tr>
<td>ACTIVE</td>
<td>Good To Go</td>
<td>711 Howard St</td>
<td>4.1.18</td>
<td>$25,000.00</td>
<td>$258.74*</td>
<td>$434,780.00</td>
<td>$342.00</td>
<td>$2,072.44</td>
<td>$23,269.56</td>
<td>3.1.28 Compliant</td>
<td>$0.00 ED</td>
</tr>
<tr>
<td>ACTIVE</td>
<td>Good To Go</td>
<td>711 Howard St</td>
<td>4.1.18</td>
<td>$25,000.00</td>
<td>$258.74*</td>
<td>$434,780.00</td>
<td>$342.00</td>
<td>$2,072.44</td>
<td>$23,269.56</td>
<td>3.1.28 Compliant</td>
<td>$0.00 ED</td>
</tr>
<tr>
<td>POTENTIAL LITIGATION</td>
<td>Cafe Coralie</td>
<td>633 Howard St</td>
<td>10.1.17</td>
<td>$50,000.00</td>
<td>$528.85</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$50,000.00</td>
<td>9.1.27 Potential Litigation</td>
<td>$4,630.80 TIF, ED, CDBG</td>
<td></td>
</tr>
</tbody>
</table>

*Borrower making double payments Jan. through Jul. 2020

### City of Evanston Property Leases

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Address</th>
<th>Date of Lease Agreement</th>
<th>Term of Lease</th>
<th>Date Lease Terminates</th>
<th>Monthly Rent Payment</th>
<th>Payments Current</th>
<th>Default [1]</th>
</tr>
</thead>
<tbody>
<tr>
<td>PharmaCann LLC</td>
<td>1804 Maple Ave</td>
<td>5/1/18</td>
<td>36 months</td>
<td>12/31/21</td>
<td>$7,140.00</td>
<td>Yes</td>
<td>$0.00</td>
</tr>
<tr>
<td>Chicago Main Newstand</td>
<td>860 Chicago Ave</td>
<td>1/1/16</td>
<td>60 months</td>
<td>12/31/21</td>
<td>$7,645.04</td>
<td>Yes</td>
<td>$0.00</td>
</tr>
<tr>
<td>Enterprise Car Rental</td>
<td>1810 Maple Ave</td>
<td>10/1/16</td>
<td>60 months</td>
<td>9/30/21</td>
<td>$3,570.00</td>
<td>Yes</td>
<td>$0.00</td>
</tr>
<tr>
<td>Theo Ubique</td>
<td>721 Howard St</td>
<td>4/12/17</td>
<td>120 months</td>
<td>4/11/27</td>
<td>$3,500.00</td>
<td>Yes</td>
<td>$0.00</td>
</tr>
<tr>
<td>Hip Circle</td>
<td>727 Howard St</td>
<td>5/15/16</td>
<td>60 months</td>
<td>5/15/23</td>
<td>$1,875.00</td>
<td>Yes</td>
<td>$0.00</td>
</tr>
<tr>
<td>Cafe Coralie</td>
<td>633 Howard St</td>
<td>10/1/2017</td>
<td>120 months</td>
<td>9/30/27</td>
<td>$3,000.00</td>
<td>No</td>
<td>$29,840.00</td>
</tr>
</tbody>
</table>

[1] including late fees and interest as applicable