

# Consumer Credit Counseling Service of Rochester - Chad Rieflin

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## Organization Profile

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<i>Organization Name</i>	<i>Mail Address</i>
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<i>Exec. Name</i>	<i>Contact Name</i>	<i>Phone</i>	<i>Email</i>
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**Mission/Vision** Consumer Credit Counseling Service of Rochester (CCCS of Rochester) is a leading non-profit provider of financial education, financial counseling, and debt repayment plans serving the nine-county Greater Rochester Area since 1970. CCCS of Rochester is a licensed budget planner through the New York State Department of Financial Services, a member in good standing with the Better Business Bureau (maintaining an A+ rating), accredited by The Council on Accreditation for Children and Family Services, a member of the National Foundation for Credit Counseling (NFCC), an approved HUD Housing Counseling Agency, and approved by the Executive Office of the U.S. Trustees to provide certified bankruptcy counseling sessions.

Our mission is to provide confidential counseling, educational services and other solutions enabling our clients to achieve financial peace of mind. Additionally, we aim to be the most trusted resource for financial education and services that enable individuals and the communities we serve to reach their financial goals.

**Receive County Funds?** YES - CCCS of Rochester receives funding from the Monroe County Youth Bureau to support our Go for Gold youth financial education program. The program teaches youth about different components of financial competence utilizing a peer-to-peer education model. Youth between the ages of 11 and 18 are trained as peer educators, teaching other students within their schools and community. Aside from teaching youth the fundamentals of financial wellbeing, Go for Gold also imparts professional skills in public speaking, leadership, conflict resolution, and confidence-building while offering the opportunity for participants to earn up to \$250. Go for Gold establishes a framework for identifying and supporting the critical opportunities, relationships, and personal strengths that young people need to succeed.

**Div. of Corp. N/A?** no

## Proposal Information

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**Project Name** Driven2Success

**Summary** Piloted in 2017 through a grant from the ESL Charitable Foundation, Driven2Success helps low-to-moderate income (LMI) Monroe County residents secure affordable and reliable transportation. Through group financial education and one-on-one counseling, the program aims to help more than 1,000 individuals annually to learn savvy car-buying skills, and more than 230 individuals annually to obtain affordable auto loans. Successful participants bolster their income through job attainment, increased hours, increased shifts, and reduced transportation costs.

The program identifies clients on two economic mobility tracks – income growth and income stabilization. Individuals on the income growth track have a demonstrated need for reliable transportation to expand income opportunities (i.e. – Vehicle needed to obtain jobs, shifts, or assignments) while individuals on the income stabilization track have a demonstrated need for reliable transportation to stabilize income (i.e. – impractical/unaffordable transportation, or at risk of losing reliable/practical/affordable transportation). The program works with local lending partners who have agreed to specific parameters when it comes to loan qualification, interest rates, loan amounts, loan terms, and vehicle reliability. Driven2Success counselors help clients to qualify for affordable loans with these partners by demonstrating situational need, income, budgetary fit, positive credit indicators, and program participation.

<b>Workforce/Economic?</b>	<b>Health/Safety?</b>	<b>Infrastructure/Sustainability?</b>
yes	no	no

**Description** The Driven2Success program improves access to reliable personal transportation, thereby increasing job access, employment retention, and income rates of LMI residents. Transportation is identified as a primary barrier to individuals working to exit poverty and increase job opportunities. According to a study by the Brookings Institute, only 32% are accessible within a 90-minute bus route, and only 10% of jobs in the Greater Rochester Area are accessible within a 45-minute bus route. Affordable auto-loan programs have been noticeably absent in our community for more than a decade. Since then, transportation options have not improved, lending guidelines have become much more restrictive, interest rates on the underbanked or underserved have increased dramatically, and incomes have stagnated across many economic subsets. As this community and its stakeholders now actively work to address poverty, the time is ripe to scale a program of this nature to solve for one of the hardest pieces of the poverty puzzle – transportation. A self-sustaining model, executed in conjunction with community facing partners coming together to achieve goals supportive of one

another's initiatives, will produce enormous success in this region.

Driven2Success has operated on a limited basis as a pilot initiative since 2017. This has enabled us to develop key partnerships with financial institutions, secure referral partners, establish internal policies and procedures, develop impactful car-buying/loan education, and refine the financial counseling offered through the program. While the pilot period has afforded invaluable learning and development, we have only been able to operate at a minimum scale due to staff capacity. At the same time, we have developed a funding model that will lead to a sustainable program whereby funding is received for each successful loan established through the program. This will lead to fully funded program operations (staff and direct services) once we eclipse 230 successful loans per year. The County ARPA funding supports staff and operations over a four-year ramp-up period factoring a higher proportion of successful loans each year until the entire operational cost is covered by lending partner contributions that are the result of successful loans.

LMI residents who are seeking new employment or stabilizing their income often face significant barriers when it comes to securing safe, reliable, practical, and affordable transportation to and from work. According to a 2018 CGR report by Reconnect Rochester, 76% of workers in our region commute to other municipalities to find employment. Additionally, from 2012-16 in Monroe County, it took roughly 21 minutes to get to work for those who took a car or truck, and roughly 42 minutes for those relying on public transit. The difference in time between the two modes was even larger for those living in Rochester. Furthermore, a bus-dependent commuter living in Rochester can reach fewer of the jobs in Monroe County in an hour than a car commuter can reach in 20 minutes. Finally, those with weaker credit histories often face less favorable loan terms for auto loans, creating a cyclical barrier as they attempt to secure higher income, but incur disproportionately higher costs.

Driven2Success addresses these barriers through several key strategies. First, to identify candidates, the program works with local workforce development agencies such as OACES, REOC, Rochester Rehab, and Beyond the Sanctuary to identify LMI residents who are on an income growth or income stabilization economic mobility track. Additionally, the program is offered as a referral option within the 360 Collaborative Network's service menu, providing access to over 100 community service providers in the region. Secondly, Driven2Success works with local lending partners to help LMI, credit challenged residents to secure auto loans that have, on average, interest rates 10% less than what most buy-here, pay-here lenders offer. This is made possible through the program's ability to demonstrate a client's ability to repay by focusing on positive budget and credit indicators, as well as maintaining a loss-reserve fund of 2.5% of the loan portfolio to offset risk. Lastly, Driven2Success empowers clients to identify reliable and affordable vehicles by providing education about:

- How to find the car that's right for you,
- Advantages/disadvantages of buying new vs. used,
- How to research reliability, price, and affordability,
- Down payment, budget, and ongoing costs,
- How to evaluate a car and negotiate price,
- Your legal rights when buying a car, and
- The ins and outs of car loans/leases.

The Driven2Success program will achieve the following deliverables and outcomes during the four-year, ramp-up project period:

LMI residents educated regarding savvy car buying:

Year 1= >1,000

Year 2= >1,000

Year 3= >1,000

Year 4= >1,000

LMI residents approved for affordable auto loans:

Year 1= 50

Year 2= 100

Year 3= 150

Year 4= 200

Loan recipients expanding income opportunities (i.e., obtain jobs, shifts, or assignments):

Year 1= 5

Year 2= 10

Year 3= 15

Year 4= 20

Loan recipients stabilizing income (i.e., eliminate impractical/unaffordable transportation, eliminate risk of losing reliable/practical/affordable transportation):

Year 1= 45

Year 2= 90

Year 3= 135

Year 4= 180

The Driven2Success program leverages a fee-for-service model whereby lending partners contribute \$500 to the program for each successful loan. Successful loans are those which are approved within agreed upon program/lending parameters and repaid over an agreed upon number of months. This creates an important dynamic where program representatives act as advocates for clients, focusing on their long-term success. After the four-year project period, the program is projected to increase its operational capacity to help more than 230 clients to succeed each year. At that point, fee-for-service income will support 100% of the program's operational costs and 62% of total costs when accounting for potential loss-reserve requirements. By supporting any additional loss-reserve fund requirements through foundational support, the program will continue to educate more than 1,000 LMI Monroe County residents, help more than 230 LMI residents obtain affordable auto loans, help more than 23 loan recipients expand their income opportunities, and help more than 207 loan recipients to stabilize their income on an annual basis.

***Company Strengths*** Established in 1970 as a non-profit organization focused on financial wellness, CCCS of Rochester is no stranger to building strategic programs that require strong partnerships, processes, and design. We are licensed by the NYS Department of Financial Services, and accredited through the National Foundation for Credit Counseling, HUD, and the Council on Accreditation. Each year, we provide expert, one-on-one financial counseling to more than 7,500 residents – 80% of who are considered LMI. Additionally, we conduct more than 150 financial education workshops for more than 2,000 residents. Often, clients who participate in our services choose to engage with us on a long-term basis to pay down debt, save for first-time homeownership, or work on financial empowerment goals. Each year, we help over 2,500 individuals to pay down more than \$18 million in debt and save more than \$8 million in interest and fees and over 275 first-time homebuyers to access more than \$3 million in grants. Furthermore, our many years of experience working with lending and community partners provides us with unique capabilities to successfully deliver the Driven2Success program. We currently partner directly with Genesee Coop FCU and Lexington FCU as lending partners and have formal financial counseling referral partnerships with ESL FCU and Advantage FCU. Likewise, we have conducted programs in collaboration with many local service providers through our counseling and education programs such as Foodlink, IBERO, the Urban League of Rochester, Action for a Better Community, as well as agencies who provide referrals specifically for the Driven2Success program such as OACES, REOC, the Salvation Army, and Rochester Rehabilitation. Finally, we have served as a key partner in standing up important community-wide initiatives such as the 360 Collaborative Network, which enables more than 100 service providers to perform coordinated care through shared technology.

**Community Resources** Genesee Coop FCU has served as a lending partner for Driven2Success since its inception in 2017. Together, we have developed unique lending guidelines, referral procedures, promotional information, educational materials, and processes that have helped LMI Monroe County residents to secure affordable auto loans and successfully purchase reliable vehicles. Genesee Coop is a non-profit financial institution led by Melissa Marquez, CEO.

Lexington FCU has served as a lending partner for the Driven2Success program since 2020. Additionally, Lexington FCU has served as a formal referral partner for our financial counseling services since 2020. In this regard, Lexington FCU has helped LMI Monroe County residents to secure affordable auto loans and successfully purchase reliable vehicles. Additionally, Lexington FCU has connected more than 50 residents to free financial counseling. Lexington Coop FCU is a non-profit financial institution led by Aaron King, CEO.

ESL FCU has served as a formal referral partner for our financial counseling services since 2015. Additionally, we serve as one of the first-time homebuyer education organizations for ESL’s proprietary first-time homebuyer grant program that serves LMI Black and Latino residents. We are currently in discussions with ESL FCU to establish a formal lending partnership for Driven2Success. Since 2015, ESL FCU has connected more than 3,000 residents to free financial counseling through CCCS of Rochester. ESL FCU is a non-profit financial institution led by Faheem Masood, CEO.

The Office of Adult and Career Education Services (OACES) has served as a financial counseling referral partner since 2015 and has hosting car buying education workshops since 2017. Through this partnership, OACES has connected more than 50 residents to free financial counseling, connected more than 20 residents to the Driven2Success program, and hosted car buying and financial education for more than 500 LMI residents – many of whom are refugees. OACES is led by Paul Burke, OACES Administrator.

Beyond the Sanctuary has served as a referral partner and resource for providing clients with assistance in obtaining driver’s licenses since June of 2022. Beyond the Sanctuary is a community service organization led by Carmen Allen, President/Executive Director.

Other Driven2Success referral partners include Rochester Rehabilitation (since 2017), Heritage Christian Services ERN Network (since 2020), Providence Housing (since 2022), and the 360 Collaborative Network (since 2018).

To build sustainability, the Driven2Success program incorporates a fee-for-service model whereby lending partners contribute \$500 to the program for each successful loan. Over the course of this four-year ramp up project, we anticipate the following revenue generated by an increasing number of successful loans:

- Year 1: 50 loans x \$500 = \$25,000
- Year 2: 100 loans x \$500 = \$50,000
- Year 3: 150 loans x \$500 = \$75,000
- Year 4: 200 loans x \$500 = \$100,000

In our fifth year and beyond, we anticipate producing at least 230 successful loans which will cover 100% of the direct operational costs (staff and direct services) of the program. After that time, any additional loss-reserve needs will be addressed through requests for foundational support.

**Audience** The Driven2success program serves LMI workers with identifiable needs for affordable and reliable personal transportation to expand or stabilize their income. As a result, we partner with workforce development organizations, community-based organizations, and employers to serve individuals who are likely to have these needs. Primarily, this comprises non-white, lower-wage residents who are working lower-wage jobs, completing certification programs, reentering from incarceration, and assimilating from other countries (i.e., refugees and new Americans). Furthermore, these residents are those who have often been disproportionately excluded from access to credit, creating limited options for obtaining capital for important life needs such as auto loans. For example, in the City of Rochester where the vast majority of Driven2Success clients reside, only 77.2% have a credit file and score with a major bureau compared to 89.5% across the U.S. (according to a study by the Federal Reserve Bank of New York). Through its thoughtful partnerships, outreach, education, and counseling, Driven2success is uniquely positioned to reach, help, and uplift this vulnerable population.

To support the sustainability of the Driven2Success program, lending partners contribute a fee of \$500 to the program for each successful loan which is built into the loan. This is fully disclosed to clients in accordance with applicable laws and regulations and weighed to ensure that clients still experience significant financial benefit. On average, even with this fee, clients experience a savings of \$5,500 over the life of the loan compared to the average cost they would pay to a buy-here, pay-here lender.

<i>Cost 1st Year</i>	<i>Cost All Years</i>	<i>Residents 1st Year</i>	<i>Residents All Years</i>	<i>FT Employees</i>	<i>PT Employees</i>
\$111,971.00	\$429,491.00	1,060	4,545	1	0
<b>Volunteers</b>					
0					

**Staffing** This proposal supports the addition of a dedicated, full-time Program Coordinator who will be responsible for general coordination, counseling, processing loan applications, tracking, and reporting. In addition, this proposal supports a portion of our current Outreach Coordinator for promotion, outreach, and educational presentations, as well as a portion of our current Director of Programs and Grants for supervision, oversight, and partnership development.

For the newly hired Program Coordinator, key qualifications and experience include: 3+ years' experience - preferably in the financial field; minimum of a 4-year degree or equivalent work experience; proven success working with diverse populations; banking & lending experience; excellent communication skills; ability to handle and manage multiple priorities; courteous listening skills; excellent attention to detail; positive and cooperative manner; ability to evaluate program performance; and experience in a not-for-profit is desired. Additionally, the Program Coordinator will be required to pass certification as a financial counselor through the National Foundation of Credit Counseling.

Chad Rieflin serves as the Director of Programs and Grants for CCCS of Rochester and has over 20 years of industry experience. He holds a Bachelor of Business Administration from Southwestern Christian University and is Certified by the National Association of Certified Credit Counselors as a Financial Health Counselor.

Andrea Colline serves as the Outreach Coordinator for CCCS of Rochester and has over 20 years of industry experience. She is certified as Credit Counselor and Financial Educator through the National Foundation for Credit Counseling.