

## SEG Loan Application Instructions

SEG is a registered non-profit organization that seeks to strengthen the economic well-being of those who are impacted by the forces of poverty, or who lack access to traditional financial institutions.

To apply for a loan you will complete an application and a financial budget form. This will be sent to your e-mail account. If the completed forms are sent back to [grinnellmicrofinance@gmail.com](mailto:grinnellmicrofinance@gmail.com) the application review process will begin as soon as possible. To mail completed forms, the mailing address is SEG, P.O. box 481, Grinnell, Iowa 50112. The mail is checked weekly. The average completed loan takes about 7 days to fill out application, review, call references, obtain committee approval and finalize loan with applicant.

**Application Form:** The emergency loan application needs to be fully completed. If you let us know that you have applied for and/or received a loan previously helps us to review prior records and helps applicant to get a loan as fast as possible.

**References -** The best references would be one for employment (fellow worker or supervisor), a family member and a current friend. Employment history and responsibility to pay back the loan are the primary questions for references. We will call each one.

**Loan Request and Itemized Purpose -** The loan request is asking for what expenses or debt is to be paid with this loan. A bill will have to be presented that proves the need for the loan amount. This program averages \$600 per approved loan. If the loan request is asking for a \$3,000 loan the odds are greatly reduced for an approval.

Don't forget to sign and date at the bottom.

### **Financial and Budget Form:**

This form is gathering monthly income of all means and is compared to monthly expenses. The goal is to see if there is income above expenses to repay the loan over time. Another goal from this process is to set-up a working budget that is compared to actual results. For several months the SEG volunteer will work with the person applying for the loan and see how well the budget has worked. Another part of the budget review process is to look for savings from reduced expenses or improvement in revenues. This information will be reviewed in detail verifying current income and government support and looking at expenses for reasonableness.

Other financial areas that will be discussed are debt/money owed from borrowing and using credit cards or non-payment of expenses. For people that have cars paid off or own a house or a pension or 401k from a prior or current job, we look at those assets to see if there are better options to improve the budget.

**Applicant Interview:**

Once the application is completed and received by SEG, a volunteer will call to schedule an interview and discuss the individual's needs and any questions from the completed forms.

**Operating Committee:**

A summary of the person's situation is presented to the committee for approval of the loan.

**Finalize Loan:**

A loan contract is completed detailing the terms which include total borrowed, interest rate, monthly amount payable and the beginning payment date.

**Monthly Bill:**

A monthly bill will be sent giving options to pay by mail or going to the credit union and paying directly to the account # on the bill. Give them your name to post with the transaction so we can identify who to apply the payment to.

We look forward to working with you. For any other questions please send e-mails to [grinnellmicrofinance@gmail.com](mailto:grinnellmicrofinance@gmail.com).

Dan Volk, Executive Director