**Affinity Plus Federal Credit Union**

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**Affinity Plus Launches New Credit Builder Loan**

**ST. PAUL, MINN. (February 19, 2021)** – A low credit score can exclude good people from getting a car loan, renting an apartment – even being offered a job. Affinity Plus Federal Credit Union is pleased to announce the Affinity Plus Credit Builder Loan, designed to help those who need to establish a credit history for the first time, or perhaps rebuild credit after a challenging time.

With the Credit Builder Loan, members can borrow $500-$1,000, with a fixed APR. They pay it back over flexible terms, up to 18 months. Once the loan is paid in full, the principal amount borrowed becomes theirs to keep.

“We all have different lifestyles, different income levels and various financial goals. If you have poor or no credit history at all, a credit building loan such as ours can help you establish a record of trustworthy financial behavior,” said Natalie Okonek, Director of Consumer Lending at Affinity Plus. “It’s an especially important tool for accessing financial resources, for those who have traditionally been excluded due to race, gender, social class and income.”

**How the loan works**

***You borrow money:*** the amount a member borrows is put into a Membership Savings account, but frozen until the loan is paid in full.

***On-time monthly payments***: payments will be reported to the Equifax, Experian and Transunion credit bureaus every month. It is estimated that payment history makes up about 35% of a credit score, therefore, on-time payments to this loan could have a significant impact on a credit score. Automatic payments can be set up in digital banking.

***Get your money back:*** after the loan is paid off in full, the principal amount borrowed is unfrozen and returned.

James Helweg is a Mobile Lender at Affinity Plus and says that the Credit Builder Loan is already starting to show signs of success. He shared a recent example regarding the Loan and an experience with one of Affinity Plus’ members:

“This loan was a great option for our member, who hadn’t previously utilized credit much, but wanted to make a home purchase at some point. With our member’s limited credit history, we set them up with a Credit Builder loan for 18 months. Our member set up automatic monthly payments and plans to pay for the full term so they will not only build credit, but also a second savings account with the loan proceeds once paid off, which will help with their down payment.”

 To learn more about Affinity Plus and the new Credit Builder Loan, please visit: <https://affinityplus.org/personal/loans/credit-builder-loan>.

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**About Affinity Plus Federal Credit Union**

*Based in St. Paul, Minn., Affinity Plus Federal Credit Union is a not-for-profit, financial cooperative that puts people first above profits. Members of Affinity Plus receive maximum value through competitive rates, minimal fees, and unique, member-centric products and programs. Established in 1930, Affinity Plus has 28 branches located throughout Minnesota and is owned by more than 218,000 members. Affinity Plus has over $3 billion in assets. Additional information is available at www.affinityplus.org or by calling (800) 322-7228.*