Nonprofit Lender to Offer Equitable Loans and Financial Coaching to Low-Income Families in Illinois

CHICAGO – The 13 percent of Illinois households that fall below the poverty level have a new resource to help them build their credit and avoid high interest loans that can cripple their finances. Capital Good Fund is a nonprofit, U.S. Treasury-certified Community Development Financial Institution that provides equitable loans to low-income families for a variety of key needs, including vehicle purchase, repair, or refinance; security deposits; immigration expenses (citizenship applications, green card renewal, family petitions, etc.); and emergencies. Based in Rhode Island, since its inception in 2009, Capital Good Fund has financed more than 4,500 loans for $9.5 million to residents of Rhode Island, Massachusetts, Florida and Delaware. The organization’s entry into Illinois is part of its overall plan to provide loans to the economically underserved across the nation.

Statistics show that the average family making $25,000 a year will spend nearly as much on financial services and fees—overdrafts, interest payments, check cashing—as they do on food. “That’s $2,500 not going to food on the table, rent, or spending in the local economy,” says Capital Good Fund Founder and CEO Andy Posner. “By saving borrowers an average of $700 in interest fees and building their credit by over 90 points, we change the lives of individuals, families, and their communities. In our first year in the state, we will give hundreds of low-income Illinoians a long-overdue alternative to the 522 payday lenders in the state, who charge an average interest rate of nearly 300 percent, as well as other predatory actors—rent-to-own stores, subprime auto lenders, auto-title lenders, and so forth.”

Capital Good Fund offers personal loans ranging in size from $300-$20,000, with an average interest rate of just 14 percent. “Our clients are people who can’t access mainstream loan products due to being low-income, having poor credit, not trusting the financial system, or other barriers,” Posner says. The loan repayment rate to Capital Good Fund is 96 percent.

Capital Good Fund also offers a nationally recognized Financial and Health Coaching program to help clients establish a financial plan that enables them to achieve their life goals. Capital Good Fund coaching sessions will be offered at The Resurrection Project in Chicago. “We are proud to partner with Capital Good Fund to continue to invest in Chicago’s underserved communities,” says Raul Raymundo, Co-Founder and CEO of The Resurrection Project. “The Resurrection Project has a 30-year track record of empowering individuals and investing in the community. Capital Good Fund’s expansion to Illinois will allow for more resources for individuals to improve their finances and create more homeowners.”

The expansion of Capital Good Fund’s services to Illinois was made possible through a $700,000 commitment from JPMorgan Chase.
“Sound financial health is critical to building resilient and prosperous communities,” says Charlie Corrigan, Head of Midwest Philanthropy at JPMorgan Chase. “We are pleased to support Capital Good Fund’s efforts to help more people improve their financial lives as part of JPMorgan Chase’s $125 million, five-year commitment to financial health.”

The Julian Grace Foundation is also supporting the expansion effort through a $1.25 million mission-related investment. “We are thrilled to help bring Capital Good Fund to Illinois. Their vision of providing more equitable lending products will improve myriad lives here in our community,” says Alison Lopez, Executive Director of the Julian Grace Foundation.

Illinois residents who want to learn more are encouraged to visit the website: https://capitalgoodfund.org/en/.

About Capital Good Fund:

Capital Good Fund is a Rhode Island-based nonprofit social change organization that uses financial services to tackle poverty in America. Good Fund offers one-on-one Financial and Health Coaching and Loans of up to $25,000 for the lower-income residents of Rhode Island, Delaware, Florida, Illinois and Massachusetts. Since their founding in 2009 they have financed over 4,500 loans totaling $9.5 million with a 96 percent repayment rate and graduated over 1,660 people from their Coaching program.

About the Julian Grace Foundation:

The Julian Grace Foundation is an entrepreneurial private foundation in Illinois, focused on high-engagement grant making in order to create a just, unified and hopeful world. The foundation provides grants to organizations working in a variety of areas including education, immigration and human rights, environmental sustainability, health and preservation of cultural heritage. In addition to grants, the foundation’s investments are mission-aligned with stringent screening for environmental, social and governance issues, and a focus on high-impact investments.