



Lending Circles to Debut in Washington, D.C. to Help Individuals and Entrepreneurs Build Credit

Latino Economic Development Center and Northern Virginia Family Service launch peer-to-peer lending program in partnership with Mission Asset Fund and Capital One

Washington, D.C. – July 8, 2015 – Latino Economic Development Center and Northern Virginia Family Service today announced the launch of [Lending Circles](#), a new peer-to-peer lending program in Washington, D.C., Virginia and Maryland, through a partnership with Mission Asset Fund and Capital One. The organizations are working locally to help members of low-income Hispanic communities safely build credit with zero-interest loans. Loan payments made through Lending Circles are reported to credit bureaus, and the average credit score increase for participants is 168 points.

Lending Circles draws on the immigrant tradition of peer borrowing to empower members of communities to support one another. Participants make monthly loan payments and take turns receiving zero-interest social loans ranging from \$500 to \$2,500. All loan payments are reported to credit bureaus, enabling participants to build a credit history, raise credit scores and work towards greater financial stability.

"LEDC's asset-building programs around homeownership and entrepreneurship are most successful when clients start with a solid credit history," said Marla Bilonick, executive director, LEDC. "We were so excited to be selected by Mission Asset Fund to provide Lending Circles to DC area clients because credit-building is a critical piece for achieving financial empowerment and building wealth. Lending Circles give LEDC another tool to help our clients improve their financial well-being and fulfill their dreams."

"Our clients are hardworking, extraordinarily motivated entrepreneurs. The NVFS Escala Program simply provides them with the missing skills and information to help them overcome barriers that many low-income immigrants face when starting a business," said Adrienne Kay, Escala program manager, NVFS. "One of those barriers is credit and access to capital, and we are thrilled that through our partnership with MAF, our clients will access affordable loans, build credit history, and prepare for a financially stable future."

According to a recent report from the Consumer Financial Protection Bureau (CFPB), one in every 10 adults does not have any credit history with a nationwide consumer reporting agency, making it incredibly challenging for them to do anything that requires a credit score, including getting an education, starting a business, renting a car or buying a home. This same report found that Hispanic

consumers and consumers in low-income neighborhoods are more likely to have no credit history or not enough current credit history to produce a credit score.

“Without credit scores, there are no ‘good options’ when you want to start a business or get a small loan,” said Jose A. Quinonez, CEO, MAF. “Now, with the support of Capital One and partners like LEDC and NVFS, together we are providing a solution that works right here in the nation's capital.”

LEDC, NVFS, MAF and Capital One will celebrate the launch of Lending Circles at an event taking place on July 8th at WeWork’s offices in Washington, D.C., where Lending Circle members will speak about their experience and success with the program.

“Having a strong credit history is essential for individuals to thrive in today’s economy and ensure their financial well-being,” said Daniel Delehanty, Senior Director, Community Development Banking, Capital One. “As Greater Washington’s hometown bank, Capital One is proud to partner with LEDC and NVFS and support the regional expansion of Lending Circles, leveraging technology, credit reporting and MAF’s proven track record of harnessing the power of community to have a positive impact on individual economic success and stability.”

In addition, as part of their Building Entrepreneurial Economies program, the Virginia Department of Housing and Community Development has partnered with NVFS to further the expansion of Lending Circles in Virginia, with a particular emphasis on Prince William County.

For more information on Lending Circles, please visit lendingcircles.org.

About Mission Asset Fund and Lending Circles

MAF is a San Francisco-based nonprofit on a mission to create a fair financial marketplace for hardworking families. Its social loan program, Lending Circles, helps hardworking families access a zero-interest loan, receive financial education, and start building a credit history safely and effectively. People around the world lend and borrow with each other when bank loans aren’t an option. With technology and credit reporting, Lending Circles transforms this traditional practice to help borrowers access affordable loans, build credit history, and build financial stability. Social loan programs have demonstrated their ability to help people open bank accounts, avoid predatory lenders, and quickly and safely build their credit history. Lending Circles provides a safe and reliable way for hard working families to save money, pay down high cost debt, and break free of predatory lenders, while building the credit they need to thrive. For more information about MAF, visit: missionassetfund.org or lendingcircles.org.

About the Latino Economic Development Center

The Latino Economic Development Corporation/Center (LEDC) is a non-profit 501(c)(3) organization incorporated in 1991 in response to civil disturbances in the Mount Pleasant community. For 24 years, we have delivered comprehensive community and economic development services to build the capacity of DC area Latino and other underserved families. LEDC’s mission is to drive the economic and social advancement of low- to moderate-income Latinos and other D.C. area residents by equipping them with the skills and tools to achieve financial independence and become leaders in their communities. LEDC achieves its mission through four key service areas: small business development, microlending, affordable housing preservation; and homeownership and foreclosure counseling. We operate out of our Headquarters in Washington, DC and two satellite offices in Wheaton and Baltimore, Maryland.

About Escala

Escala, Northern Virginia Family Service's Small Business Program for entrepreneurs, provides one-on-one small business development consulting and coursework to low- and mid-income families living in Northern Virginia. The program aims to assist clients in overcoming barriers to launch and grow sustainable businesses that increase household incomes, create jobs, and contribute to the local economy.

About Capital One

Capital One Financial Corporation, headquartered in McLean, Virginia, is a Fortune 500 company with branch locations primarily in New York, New Jersey, Texas, Louisiana, Maryland, Virginia, and the District of Columbia. Its subsidiaries, Capital One, N.A. and Capital One Bank (USA), N. A., offer a broad spectrum of financial products and services to consumers, small businesses and commercial clients. As part of its ongoing commitment to communities across the country, Capital One recently launched Future Edge, a \$150 million commitment to empower more Americans to succeed in a digitally-driven economy through community grants and initiatives over the next five years. To learn more about Future Edge and other Capital One initiatives please visit www.capitaloneinvestingforgood.com.

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