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Contact: Charlene Shirk, Assistant Vice President, Public Relations

shirkc@vystarcu.org

FOR IMMEDIATE RELEASE

VyStar Credit Union Receives Grant from U.S. Department of Treasury to Launch Innovative Credit-Builder Program

JACKSONVILLE, FL. – The U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund) has awarded VyStar Credit Union a grant of \$383,223 through its Small Dollar Loan Program (SDL Program). This funding aims to empower Certified Community Development Financial Institutions (CDFIs) like VyStar to enhance consumer access to fair financial services and offer viable alternatives to high-interest small dollar loans.

In response to the detrimental impacts of payday loans in Florida, with Annual Percentage Rates (APRs) soaring up to 300%, VyStar proactively created a solution aimed at curbing the adverse effects of these high-cost loans. The SDL Program Award will fund the launch of VyStar’s innovative Credit-Builder Loan program, specifically designed to provide members with a fair and affordable alternative to high-cost credit options, promoting financial stability and inclusion.

“These important awards enable more Certified CDFIs to offer alternatives to costly payday lenders. Notably, 32% of all award funds went to Certified CDFIs headquartered in persistent poverty counties, exceeding the statutory requirement by over threefold,” said CDFI Fund Director Pravina Raghavan. “With a quarter of unbanked or underbanked American households, our program aims to broaden access to affordable financial products and services. These awards significantly boost access to small dollar loans in underserved communities.”

The newly launched Credit-Builder Loan is a short-term loan to help members build repayment history and increase their credit score. It was created to help members with limited financial resources meet their immediate financial needs while simultaneously encouraging them to save money. The Credit-Builder Loan also provides access to VyStar’s integrated Financial Fitness platform which includes financial education resources, free credit counseling and personalized goal setting technology.

“The VyStar Impact Lending Team is excited to have the Credit-Builder Loan in our toolkit,” said VyStar SVP, Impact Lending Heather Horovitz. “We have members who want to achieve the dream of home ownership come to us looking for ways to consolidate debt or build up their credit score. Our goal is to equip them with the tools necessary for long-term financial health.”

Launched in fiscal year (FY) 2021, the U.S. Department of the Treasury’s CDFI Fund has provided more than \$40.2 million in SDL Program awards to CDFIs through the combined FY 2023 and FY 2024. The 66 award recipients are headquartered in 25 states, the District of Columbia and Puerto Rico.

To learn more about qualifying for a Credit-Builder Loan or VyStar’s Financial Fitness resources go to vystarcu.org/impact-lending or visit a VyStar branch.



About VyStar Credit Union

VyStar Credit Union is the second-largest credit union headquartered in Florida, with over 80 branches and now serves more than 975,000 members with assets of over \$14 billion. VyStar is a top mortgage lender in Northeast Florida and a major employer in the region with over 2,500 employees across the communities it serves. VyStar membership is open to everyone who lives or works in the 49 contiguous counties of Central to North Florida, 29 Georgia counties, and past and present military members and their families all over the world. For more information, visit vystarcu.org, and follow us on [Facebook](#), [Instagram](#), [X \(Twitter\)](#), and [LinkedIn](#).