



Hidalgo County Head Start Program

Policy Council Regular Meeting

DATE: October 17, 2018

SUBJECT: Discussion/Approval of Request to Enter into a Memorandum of Understanding (MOU) between Hidalgo County Head Start Program and Community Loan Center

RATIONALE/NEED: The Rio Grande Valley Multibank (RGVMB) is “a United States Department of Treasury certified Community Development Financial Institution.” It assists working families with small dollar cash needs. Through the Community Loan Center of the Rio Grande Valley it offers 12-month loans of up to \$1,000 and offers free financial counseling to employees. While the employer manages payroll deduction, there is no direct cost to the program, offers a fully automated loan processing system and seeks to improve employee financial stress and increase workplace morale. We believe that this service will benefit our Head Start employees with their financial needs.

RECOMMENDATION: Administration recommends approval.

COST:

RELATED INFORMATION INCLUDES: Draft Copy of MOU

INITATED BY: Teresa Flores, Executive Director

REVIEWED BY: Teresa Flores, Executive Director

EXECUTIVE DIRECTOR'S APPROVAL: *Teresa Flores*



EMPLOYER MEMORANDUM OF UNDERSTANDING

This Employer Memorandum of Understanding ("**MOU**"), dated and effective _____ is an alliance between the Community Loan Center of _____ (Local Lender), and _____ (Employer)(collectively, the "**Parties**").

I. MISSION

Local Lender's mission is, in whole or in part, to provide financial products and services to the borrowers in the area of consumer lending and financial literacy education. As part of this mission, Local Lender is engaged in the Community Loan Center Affordable Small Dollar Loans Program (the "**Program**") to provide a lower-cost alternative to high cost payday loans, pawn shops, check cashing, and signature loan outlets.

Together, the Parties enter into this MOU to offer the Program to Employer's qualified employees.

II. PURPOSE AND SCOPE

The purpose of the MOU is to create a framework of cooperation between Local Lender and Employer to collaborate on this mutually beneficial Program, including setting up, monitoring and evaluation, and providing technical assistance in accessing required information related to the Program. Through these activities the Parties will give qualified employees the opportunity to participate in the Program with equal access.

III. RESPONSIBILITIES

Each party will appoint a person to serve as the official contact and coordinate the activities of each organization in carrying out this MOU. The initial appointees of the organization are:

LOCAL LENDER:

Contact: _____
Address: _____
Phone: _____
Email: _____

EMPLOYER:

Contact: _____
Address: _____
Phone: _____
Email: _____

Employer's Responsibilities:

- Employer shall provide timely employment verification for employees who apply for a loan.
- Employer shall set up payroll deduction for each employee that has elected such option in the loan application process for the repayment of the loans funded pursuant to the Program (See Exhibit A: Copy of Consent to Payroll Deduction).
- Employer shall promptly notify all eligible employees that the Program is available to employees along with information on how to apply for a loan.
- Employer shall promptly add the Program to the Employer's customary descriptions of employee benefits.
- Employer is encouraged to support the Program by representing the mission and goals of the Program at professional meetings and among other businesses in the area.
- Upon request and within reason, Employer will share their experiences with the Program to other potential employers, media, or other interested third parties.
- Other participating employers have found that the Program provides them a competitive advantage in recruiting and retaining employees. These employers have realized the value of notifying their new and existing employees about the availability of the Program through a variety of different ways, such as:
 - Employee Benefits website with a link to Program website to apply for a loan
 - Employee benefits literature (provided by the local lender)
 - Employee Intranet with a link to Program website to apply for a loan
 - Employee emails with a link to Program website to apply for a loan
 - Employee newsletters
 - Program posters in employee breakroom (provided by the local lender)
 - Program literature in the HR department employee information rack (provided by lender)
 - Program 'Benefits Card'(provided by the local lender)

In the space below, please describe the steps you will take to get the word out to all of your eligible employees about the Community Loan Center loan program:

LIST OF TASKS TO NOTIFY EMPLOYEES ABOUT THE CLC PROGRAM:

<u>TASK</u>	<u>WHO</u>	<u>WHEN</u>	<u>MATERIALS NEEDED</u>

Local Lender's Responsibilities:

- Local Lender shall make an initial presentation to employees about the Program at Employer's place of work.
- Local Lender shall provide assistance setting up, monitoring, and evaluating the Program through the Program's software products and support.
- Local Lender shall provide technical assistance in accessing required information related to the Program.

Both Parties Agree to the Following:

- Initial meetings will be held between Parties to review implementation of this agreement and to establish policy directives as appropriate.
- Parties agree that the Employer will not be financially responsible for the repayment of any loan made by Local Lender to Employer's employees.
- Parties agree that the Employer will not be a beneficiary, nor profit directly or indirectly from the loan payments deducted from employee's payroll and transferred to Local Lender.
- Parties agree not to share employee information with unaffiliated third parties.
- Confidentiality: Parties agree not to use or release any reports, data, or other information identifying applicants or persons, except with the prior written approval of such applicant or person served and in accordance with the consumer rules and regulations and where applicable, federal and state laws and regulations. Such information shall be used only to assure proper administration, planning, coordination and monitoring of performance under this Agreement.
- Parties agree that the MoU may be amended on the initiative of either the Local Lender or the Employer by submitting a proposed amendment in writing to the other party and agreement of that party to the amendment.

IV. COST ALLOCATION/RESOURCE SHARING

Local Lender will be responsible for preparation of the loan documents and for administrative and overhead expenses incurred by Local Lender. Local Lender shall be responsible for submitting all necessary progress reports to its Board of Directors or other governing body and shall track all expenditures, for provision of the necessary checks and balances.

V. TERMS OF UNDERSTANDING

This MOU may be reviewed at any time to ensure that it is fulfilling its purpose.

VI. MODIFICATION/TERMINATION

This MOU constitutes an agreement between the parties hereto. This MOU may be modified only by mutual written consent of the parties, pursuant to the issuance of a written amendment, signed and dated by the parties.

Either party to this MOU may terminate its participation in this MOU by providing at least 30 days' prior written notice of intent to terminate. In such case, termination by one or more of the parties to this MOU does not alter any surviving terms or obligations of the other party to this MOU.

VII. DISCLAIMER

Employer shall not be deemed an agent of Local Lender, and there is no joint venture formed between Local Lender and Employer.

VIII. AUTHORIZATION

On behalf of the organization I represent, I wish to sign this MOU and contribute to the further development of the Program.

LOCAL LENDER:

Signature of Local Lender's Representative

Date

Printed Name

Title

EMPLOYER:

Signature of Employer's Representative

Date

Printed Name

Title