

**INNOVATION
AT WORK**

**THE
TRUST
CARD™**

**N NEIGHBORHOOD
TRUST**

THE NEIGHBORHOOD TRUST MODEL

Neighborhood Trust—a 501c3 nonprofit jointly managed with a federally-regulated community development credit union—provides the optimal platform for incubating innovative financial products and delivery channels. Our strategy is to deliver affordable, basic and transparent financial services coupled with trusted financial advisory services to encourage a healthy banking relationship and an improved balance sheet over time.

In 2012 Neighborhood Trust, in partnership with Innovations for Poverty Action, designed the Trust Card, a first-of-its-kind credit card that applies behavioral economics theory to help consumers get out of debt and stay out of debt. Neighborhood Trust aims to counter the predatory credit card market with a benevolent plastic alternative that helps reduce debt while also being realistic about cash flow challenges and the very real need for short-term, small dollar credit.



ABOUT THE TRUST CARD™

Low-income borrowers are faced with high levels of credit card debt that they have difficulty paying off. This difficulty has several root causes. High interest rates interfere with repayment of principle. The industry-standard monthly payment structure is designed to stretch out repayment as long as possible. And outsized credit limits give cardholders spending power far beyond their means to repay. This structure provides a highly profitable result for the issuer—a prolonged stream of interest payments—to the detriment of the borrower who remains mired in debt.

The Trust Card is a break-even product offered by our Financial Advisors as part of the client's Financial Action Plan. The Trust Card offers lower interest rates and has innovative features that encourage accelerated debt repayment and that set firm new liquidity limits based on the customer's financial profile. And the Trust Card message of commitment to debt reduction and credit discipline resonates with our clients.

The Trust Card Is Easy

Transfer all of your debt to one card. Make the same payments each month and watch your balance go down more quickly.

The Trust Card Saves You Money

The Trust Card has a lower interest rate. Unlike other cards, as you pay off your debt, the minimum payment stays constant. You will be out of debt faster and spend much less on interest.

The Trust Card Gives You Control

Don't fall back into bad habits. As you pay off your debt your access to new credit is limited—and you can choose a lower limit upfront. **The Trust Card** strikes a balance between reducing your debt and the need for available credit.

Major Funders

Citi Foundation

New York Community Trust

Partner

Innovations for Poverty Action



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