

Affordable Alternatives to Predatory Loans

Last Updated: August 2021

This document is designed to point you to safe and affordable alternatives to high-cost loans. For more detailed information, refer to the full [Affordable Alternatives to Predatory Loans Resource Guide](#) (bit.ly/paydayalternativesil).

OPTION 1: GET HELP LOWERING BILLS

Homeowners

If you're having trouble paying your mortgage, contact a housing counselor and/or your mortgage servicer to talk about your options. Find a housing counselor near you [here](#).

Renters

See Housing Action Illinois' [site](#) for updates, or rentervention.com for a focus on Chicago residents.

Car Payments, Medical payments

Contact your lender / medical provider to explore a potential deferment or payment plan.

Utilities

Contact your utility company to explain that you are experiencing a hardship. Government assistance programs include [the Low Income Home Energy Assistance Program](#) (LIHEAP) and the [Percentage of Income Payment Plan](#) (PIPP) program.

Broadband Internet

The federal government's Emergency Broadband Benefit (EBB) program may be able to assist you in lowering your monthly payments. Check if you qualify and apply for the program [here](#).

Student Loans

Payments on certain federal loans are suspended until Jan. 31, 2022. If in doubt about whether your loans are covered, contact your loan servicer(s) to ask about an income-driven repayment plan, a deferment, or a forbearance. A free online service called [Summer](#) can also help.

Automatic payments

For nonessentials, stop auto-pay or cancel automatic recurring payments.

Credit cards

Major credit card companies provide COVID assistance programs. Most companies will allow you to postpone paying your bill for a time without incurring late fees.

Child support

If you owe child support, the court may modify your obligation if you have lost your income or have another major hardship. The Greater Chicago Legal Clinic has a helpline: 312-796-3070. Illinois Legal Aid Online also has an [online guide](#) to help you with paperwork.

Accounts in collections

Request a payment plan or ask to adjust the plan. If a creditor or collection agency has sued you or is threatening to sue you, [Legal Aid Chicago](#) can help you or direct you to the legal aid for your area.

Free essentials

Many charities provide free food, clothing, and other essentials. [Catholic Charities](#) locations across Illinois offer assistance regardless of your religion.

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OPTION 2: ADDITIONAL INCOME SOURCES

Tax refunds, CTC and stimulus payments

File your taxes to get your refund, even if you don't normally file your taxes, to ensure you receive all your **Child Tax Credit (CTC)**, **Earned Income Tax Credit (EITC)**, and stimulus payments. In Chicago, **Ladder Up** offers free tax assistance to eligible families.

Savings

Tap into any savings, including retirement, if necessary.

Church

Many churches provide financial assistance. **Catholic Charities** helps Illinoisans of any religion.

COVID-19 Funeral Assistance

The federal government now has a program to reimburse the costs of funerals for deaths attributed to COVID-19. Visit the [website](#) for more information.

Sell assets

Consider selling an item, like jewelry, antiques, etc. **Poshmark** is a widely used app for this.

OPTION 3: LOWER COST LOANS

Banks

See if your bank offers emergency loans or personal loans. If you do not have a bank account, visit **Bank on Illinois** for affordable options. CIBC Bank has an affordable (12.45% APR) personal loan called the **EasyPath Personal Loan**. You can apply for the loan by visiting one of CIBC's branches.

Capital Good Fund

Offers a **crisis loan** that charges only 5% APR, with no payments or interest charges for the first 3 months.

Great Lakes Credit Union

Offers a **Cash in a Flash Loan**, a \$500 personal loan at 33% APR.

Self-Help Credit Union

Offers a variety of different **banking and loan products** for people with good credit or people who want to build their credit.

Online loans

Not all online loans are safe, but members of the **American Fintech Council** adhere to responsible lending standards that charge at or below 36% APR. Personal loans include: **Lending Club, Avant, Prosper, Best Egg, Upstart**.

Lending Circles

In a Lending Circle, a small group of people chip-in every month and lend money to one another at no interest. Learn more [here](#).

If you want additional financial coaching to help guide you through your options, check out **Capital Good Fund's** financial coaching hotline, 866-584-3651.

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WeProsper is a joint initiative of Woodstock Institute, New America Chicago, and The Chicago Urban League. The initiative educates lawmakers and the public about predatory financial practices that strip wealth from low-income communities, with a special focus on communities of color. In addition, the initiative provides resources to educate communities, as well as research to help build support for alternatives that build wealth in low-income communities. The initiative is currently funded by The Chicago Community Trust and J.P. Morgan Chase Foundation.