



Cook Inlet Lending Center

How to Create a Small Dollar Loan Program

Brief Overview of CILC



Timeline of Events

2001

Opened as a social enterprise from CIHA offering residential lending

2007

Became a Native CDFI

2020

Launched small business lending; paused to administer COVID relief grants for the Muni of Anchorage

2022

Re-launched small business lending

2024

Accepted into CBA's Small Dollar Lending Boot Camp; launched Financial Wellness

2025

Launched Consumer Lending with Small Dollar and Credit Builder Loans

2026

Goals: close 10 consumer loans; partner with an AK Native Corp on Employee Loans

Small Dollar Lending Standards

- Loans up to \$2,500
- Term greater than 30 days
- Maximum APR of 35%
- Equal, amortized payments (not balloon payments)
- Lender provides clear, full disclosures
- Designed to provide safe and affordable options

CILC's Small Dollar Lending

- 12 small dollar loans deployed since Oct 2025
- 5 small dollar loans closed so far in 2026
- 1 delinquency 30-days
- 83% female 17% male
- Primary use of funds emergency & household expenses
- Very little marketing = organic demand

Where to Begin?

CBA's Small Dollar Consumer Lending Boot Camp provides guidance on every aspect, including:

- Loan product design
- Streamlining underwriting
- Marketing
- Capitalization
- Policies and procedures
- Staff capacity



Consumer Loan Policy and Procedures

- Allow plenty of time and keep Board approvals in mind
- Think bigger than small dollar lending
- Establish lending and approval authority
- Set criteria and processes for eligibility, origination, underwriting, and approval
- Include risk rating and loan loss reserves
- Define how interest rates and fees are set
- Plan for challenged loans
- Define staff roles and responsibilities

Capitalization and Fundraising

- Sources of capital:
 - government funding, grants, low-interest loans
- Create a plan:
 - analyze current financial position, set goals, allocate capital sources
- Loan loss reserves:
 - determine risk
- Economic impact & Funder Reports:
 - return on investment, development services, **success stories**

Product Design

- Understand the needs of your target market
- Learn state and federal laws
- Analyze staff capacity
- Assess technology and tools
- Develop clear eligibility and underwriting criteria
- Create procedures and guidelines
- Develop strong partnerships

Financial Wellness as Borrower Pipeline

- Year one of Consumer Lending showed us that credit invisibility was not the main barrier our community is facing
- Financial Wellness is where learners and our team have real conversations about goals, readiness, and risk before any product is on the table
- 1:1 coaching helps surface what is really going on: timing, cashflow, debt, or something else
- A loan only comes up if and when it fits the learner's goals and they are ready to take it on
- The same team stays with the learner whether a loan happens or not

Streamline Underwriting

Key factors:

- Credit scores
- Debt-to-income
- Employment verification
- Any open collections?
- Track the data needed for reporting

Marketing

- Define the target market
- Build partnerships
- Create a budget
- Build an action plan

Development Services as Core Infrastructure

- A small dollar loan on its own does not change much if the rest of the picture is shaky
- Financial Wellness walks alongside learners before, during, and after a loan, if a loan is even the right fit
- The Ready, Debt, Set, Grow curriculum gives learners a foundation to assess whether they are ready for a product like this
- Monthly coaching and weekly self-check-ins support learners staying on track and catch issues early. Offense not defense framing.
- Continued engagement is where the real success stories come from

Keys to Creating a Strong SDL Program

- Community needs assessment: find the gaps
- Learn federal and state regulations
- Create loan policy
- Build or grow organizational capacity
- Create simple underwriting guidelines
- Find the right partners

Thank You



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Questions & Discussion