

JOB ACCESS LOAN WORKGROUP NOTES
March 3, 2008

Present: Rose Prochazka, Mary Beth Welch.

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Automation Update:

We reviewed a summary of the proposed changes to the CARES and CWW systems to enhance JAL issuance, monitoring, etc. We had originally proposed two different options, but one option turned out to be very expensive, more than \$100,000 and the second option really didn't give us what we wanted. So, we obtained a final estimate of approximately \$50,000 that will add JAL as a program of request in CWW and the remainder of changes will be in CARES; adding a budget worksheet, BVJL enhancements, check approval, second approvers, and central JAL check issuance.

Concern was expressed by workgroup members regarding making the JAL check payable to the applicant instead of to a vendor. Currently, most if not all agencies make JAL checks payable to the vendor. Some participants are unable to get checking accounts because of a history of writing bad checks and as a result they must rely on check cashing organizations or banks and end up paying a fee to cash a check. It was suggested to make it payable to both the vendor and the participant or to add the check cashing fee into the loan amount.

Allocations:

Small agencies with allocations of \$1,600 were concerned about the Administrative Rule that will come into effect later this year that allows JALs of \$2,500 for the purchase of cars. Many small agencies spend their allocation very conservatively. It was suggested that if a loan must be denied because the allocation is spent out, the agency should contact the Regional Office to request additional funds.

There was concern about increasing spending I will bring a summary of the history of JAL expenditures and collections for the past few years to the next JAL meeting.

Review of discussion and recommendations –so far

Eligibility:

Should a history of non-participation in W-2 assignments, which resulted in payment reductions result in a denial of JAL eligibility?

Obtain and Maintain Employment:

Some agencies have further defined what it means to need the loan to obtain or continue employment. Discussion included how a lack of housing stability inhibits the ability to obtain or maintain a job; and how seeking a job includes participating in assigned W-2 activities. Discussion also included asking the agency to demonstrate a

“plan to obtain or maintain employment” and working through the question of how this loan is going to help the situation, not post pone the problem to a later time.

Eligibility:

If an applicant has ever defaulted on a JAL, some agencies will deny all future applications, even if the original loan was subsequently paid off by tax intercept. In what situations and in what timeframes should past non-participation affect eligibility?

Application Time frame:

Agencies are allowing up to 10 business days after application materials have been obtained to make an eligibility determination. Sometimes it takes several weeks for agencies to make an eligibility determination because they are waiting for documentation from the applicant. And in some agencies, after the applicant has been determined to be eligible for a JAL, it can take another 7 to 10 days for the check to be issued.

Car Purchase or Repair:

When the applicant is seeking a JAL for car purchase or repair, some agencies ask for the following types of verification: driver’s license, insurance, repair quotes, vehicle registration, and vehicle inspection report. It was suggested that the agency staff to have a conversation with the participant about the vehicle repairs, options related to the value of the car versus the cost of the needed repairs. Some agencies will deny any for car repairs or purchase when the applicant lives on a bus line. Wisconsin law does not require vehicle insurance, but banks to in order to recover any lost funds if the vehicle is damaged.

Loan Caps:

The group agreed that one of the reasons that small agencies have capped loan amounts for various loan uses is to preserve their limited funds and be able to assist possibly two people instead of one. It is suggested that JAL allocations be distributed differently, maybe by regional method instead of small agency so that funds can be accessed as needed.

Repayment Plans:

Allow FEP more flexibility in making the initial repayment plan over a 24 month period rather than a 12 month period. Encourage early repayment. Check to be sure that the first loan payment is always due on the 25th of the following month. (not later on in the same month in which the loan was issued)