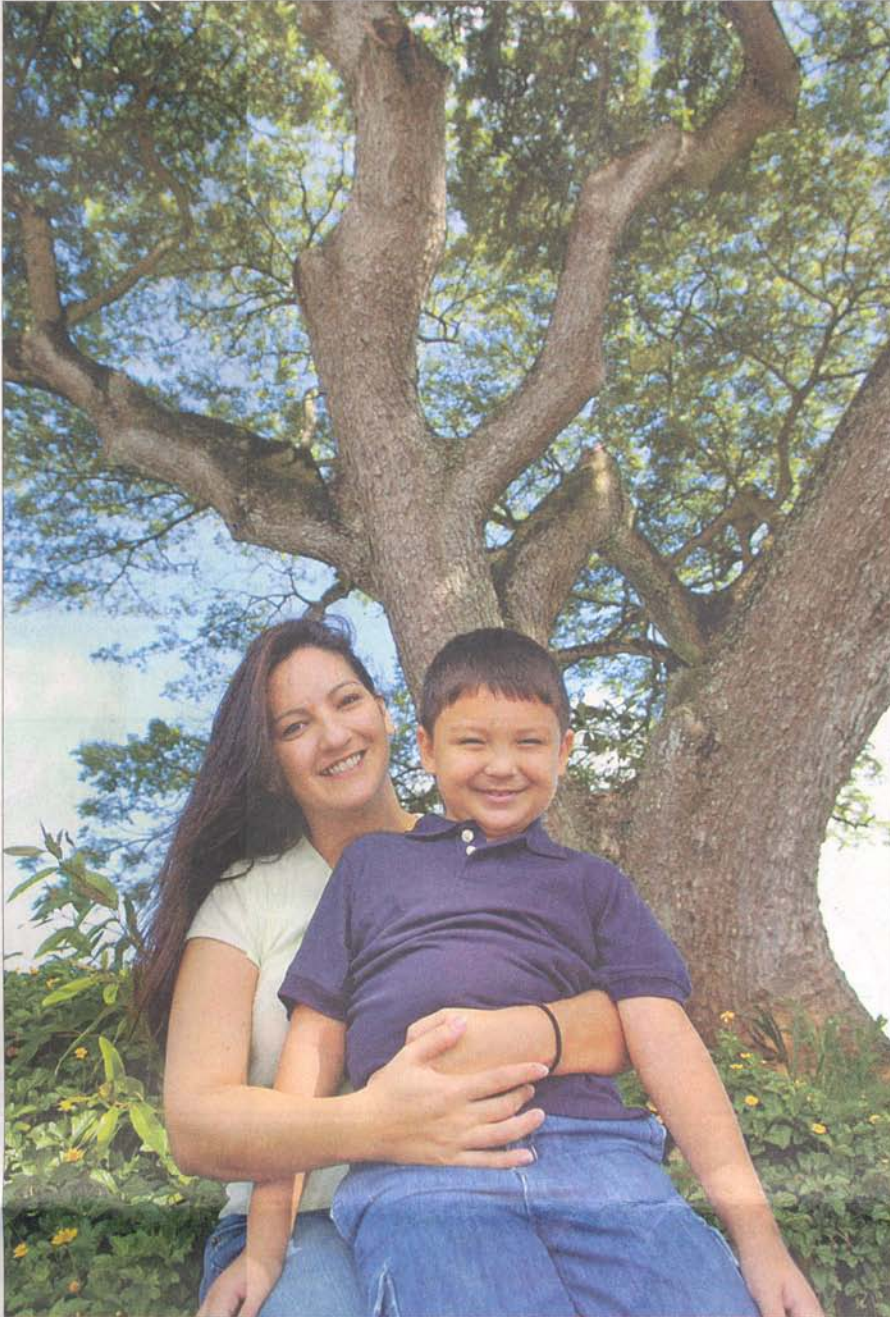


"The whole idea is building blocks. You get a way to work and then you can have the income and get all the other things that come with that."

GEORGI DE COSTA



RICHARD AMBO | The Honolulu Advertiser

Georgi DeCosta, here with her son, Joseph, 7, didn't qualify for a traditional car loan two years ago. But with the help of Ways to Work, she received a \$4,000 car loan and now can get around more easily.

Car-loan program helps folks get to work

Nonprofit effort targets those who don't qualify for traditional financing

BY CURTIS LUM
Advertiser Staff Writer

Georgi DeCosta may not drive a fancy SUV, but she's proud of her 14-year-old Mazda Protege sedan because it represents a major accomplishment.

Two years ago, the 31-year-old mother of three couldn't afford a car nor qualify for a traditional loan. Her credit had been set back by some unpaid medical bills, and the lack of wheels made it difficult to get to her job.

Then DeCosta found Ways to Work, a nonprofit program that helps employees buy cars. She qualified for a \$4,000 car loan and recently paid off the balance.

Ways to Work is a national program administered locally by the YWCA O'ahu. It helps struggling families obtain loans to buy used cars or make rental deposits.

The idea is to provide families with reliable means of transportation so they are more likely to go to work each day, get to appointments and take their children to school consistently, said Dave Washburn, senior manager of YWCA O'ahu's economic advancement program. The loans range from \$850 for housing to \$4,000 for a used car.

"The whole concept behind the program is (a car is) the essential resource that families need to help them advance financially. It's been shown nationally that

WAYS TO WORK

What: Nonprofit program that gives car loans to people unable to get traditional loans

Maximum loan: \$4,000

Interest rate: 8 percent

Requirements for loan: Be at least 18 years old, a parent and O'ahu resident; work at least 19 hours per week and work six months prior to applying, or be a high school graduate with a verifiable income; do not exceed income limits, such as \$45,650 for a family of two and \$57,050 for a family of four

Run by: YWCA O'ahu

More information: Call 538-7061 or visit www.ywcaoahu.org

barriers to transportation are a major factor in either promoting that progress or holding it back," Washburn said.

A typical Ways to Work participant takes the bus or catches rides with friends or relatives. Inconsistent transportation often leads to poor work habits, Washburn said.

"Having that car then gives the flexibility ... to really reach their goals, get training for a better job, get a second job, make sure that they consistently get to work

SEE WORK, C2

Work

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on time, which then promotes advancement in the workplace," Washburn said.

He said DeCosta is a good example of how the program works. She's a single parent who lives in Kāne'ohe but works in town. She has three children but had no car. DeCosta said she struggled to arrange rides for herself and her children.

"It was difficult, especially for the kids to take them to and from school and any kind of sports or weekend activities," she said. "There are a lot of people who are like me who are barely getting by, much less getting something like (a car). It's almost like a luxury."

A little more than two years ago, she entered the Ways to Work program and was given a two-year, \$4,000 loan at 8 percent interest. But getting the loan wasn't easy.

The program doesn't give handouts, and participants are required to take "money-smart" classes before receiving a loan. Participants also have to work at least 19 hours a week, work for six months prior to applying and meet income limits.

After completing the courses, the applicant meets with loan officers from American Savings Bank, which approves and services all loans. And like anyone else, Ways to Work participants are expected to make their monthly payments, which are capped at \$180.

Washburn said the default rate

for the borrowers here is between 6 percent and 7 percent, compared with the Ways to Work national average of 10 percent. Since the program began here in 2001, Ways to Work has loaned \$448,324 to 157 families, a majority who are single mothers from Leeward and Windward O'ahu.

"This program really has been proven to work," Washburn said. "A majority of our customers increase their incomes over time. Folks are consistently increasing their credit score and entering into a range where traditional lenders will consider them for loans in the future."

American Savings' Anna Marie Springer said the bank was willing to take a chance on the Ways to Work clients because it wanted to give back to the community. She said the bank is hoping to expand the program to the Neighbor Islands.

"Besides providing funding to those who need it, it teaches recipients how to manage their finances because there's that technical assistance component," Springer said. "Our underwriting criteria had to be special for these clients. But because there's a technical assistance component, it made us take on the added risk to help them."

DeCosta said the program has not only helped her to get a car, but it's also led to a new job as a program assistant at the nonprofit Hawai'i Community Foundation.

"The whole idea is building blocks," DeCosta said. "You get a way to work and then you can have the income and get all the other things that come with that."

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