



Vehicle Loan Program Description

1. Wheels to Work Program Overview

The Wheels to Work (W2W) program helps income-eligible individuals and families secure reliable and affordable transportation so they can find and/or keep a job. Its goal is to promote economic self-sufficiency for individuals and families in north central Wisconsin.

Wheels to Work is funded in part by the Federal Transit Administration (FTA) as authorized under 49 U.S.C. §5311 Formula Grants of Other than Urbanized Areas (5311) (CFDA 20.509). Additional funding is provided by the United Way of Marathon County and the Wisconsin Automotive and Truck Education Association (WATEA).

2. Wheels to Work Program Eligibility

- A. These loans are “Job Access Loans” per the terms of the grant funding supporting this program. Applicants **must** use this loan to repair or receive a vehicle so they can get or keep employment. Persons who are currently unemployed but are actively seeking employment may qualify. Persons who are unable or unwilling to secure employment cannot qualify for a loan through this program.
- B. Participants in the Wheels to Work program must meet certain income requirements. To be eligible, W2W applicants must have a combined household income less than or equal to 150% of the Federal Poverty Level (FPL) as of the date their application is received by the program. The official FPL is established annually by U.S. Department of Health and Human Services. Applicants between 150-200% FPL may be able to qualify for a loan but will require additional review from the W2W Advisory Committee. Eligibility will be established using the following income sources and supporting documentation:
 - a. *Employment income*
 - i. Pay stubs or other employer-issued documents
 - ii. Tax documents (ex: sole entrepreneurs or independent contractors)
 - b. *Unemployment Payments*
 - i. Payment documents and/or bank statements
 - c. *Social Security/Disability (SSI/SSDI)*
 - i. Award letters and/or bank statements
 - d. *Child Support Payments*
 - i. Bank statements or other forms of documented receipt of payment
 - e. *W-2 Payments*
 - i. Pay statements or documents from the provider
 - f. *Other income* with documentation as appropriate

- C. Applicants must hold and maintain a valid Class D driver's license without conditional restrictions *or* be capable of obtaining one before the application process is finalized.
- D. This program is limited to the geographic boundaries of Marathon County, Wisconsin. Qualifying applicants must live and/or work within Marathon County at the time they submit their initial loan application as well as when they are approved for a loan and when the loan is signed.
- E. Applicants will be asked to provide a copy of their current credit report. Credit scores are *not* used as part of the approval criteria but credit history will be reviewed as part of the budget development process. Applicants may be asked to add a loan co-signer in certain circumstances.
- F. The Wheels to Work program may perform a background check. This process may include running a criminal background check, reviewing Wisconsin Circuit Court records, and/or checking the applicant's driving record with the WI Department of Motor Vehicles.
- G. Applicants may be asked to supply copies of drivers' licenses, social security cards, and/or birth certificates for all family/household members.
- H. Cars, trucks, or vans titled in the name of the applicant are eligible for repairs.
- I. Wheels to Work respects the confidentiality of its clients' personal information and will not discuss their information with anyone outside of the staff involved in the program without a signed consent. Wheels to Work staff may ask applicants to sign a *Release of Information* form if needed to obtain relevant information from organizations or individuals outside of the program.
- J. If it is determined that false or misleading information was knowingly submitted during the Wheels to Work application process, the applicant and his/her immediate family or household members may be deemed ineligible to apply and/or dismissed from the program.

3. Financial Literacy Classes & Budgeting

Wheels to Work program participants must complete three approved financial literacy classes as part of the program's application process, including one class about budgeting. Applicants will complete an initial budget with W2W staff guidance after their application is received & processed. Upon completing the classes, applicants must create an updated personal budget with W2W staff showing they are financially able to afford the associated costs of car ownership, including monthly loan payments. This budget must be approved prior to receiving a donated vehicle or repair loan.

4. Vehicle Maintenance Class

Wheels to Work program participants must attend an approved basic vehicle maintenance class prior to taking possession of a repaired or donated vehicle. This course is designed to help W2W applicants increase their basic automotive knowledge and improve their understanding of the maintenance process. This information will ensure applicants are prepared to maintain their vehicle, maximizing its usable lifetime while reducing the overall expenses related to maintaining it.

5. Vehicle Insurance

As required by both Wisconsin law and the Wheels to Work Policy Agreement, all participants in the Wheels to Work program must obtain and/or maintain insurance on a vehicle being either repaired or secured through a W2W loan. Vehicle insurance will be verified before the participant incurs any debts or takes possession of the loan-affiliated vehicle.

6. Job Access Loans and Repayment Terms

The Wheels to Work program makes no-interest Job Access loans available to eligible program participants in need of vehicle repairs or a donated vehicle to get or keep a job. The intent is to make these loans available once per applicant; if additional loan(s) are requested due to extenuating circumstances, these requests may be considered but will require additional authorization by the

W2W Advisory Committee. The standard loan repayment period is a maximum of 18 months at a maximum monthly payment of \$150 with final terms to be determined by W2W staff and applicant. Full repayment of the loan within the specified timeframe is the responsibility of the participant. Early repayment is encouraged and will not incur any form of penalty. Failure to repay debts in a timely manner may result in actions by the program to secure the outstanding payments, up to and including legal action if necessary.

There are two types of loans available – Vehicle Repair Loans and Donated Vehicle Loans. Details for each type of loan are outlined below:

A. Vehicle Repair Loans

Interest-free *Vehicle Repair Job Access Loans* may be awarded to clients who wish to get their personal vehicle repaired cost-effectively at a W2W-authorized service center. Partnering Wheels to Work repair shops have agreed to charge discounted rates for parts and labor. Vehicles will be repaired to a safe and mechanically-sound condition. Loans will cover the actual costs for the discounted parts and labor related to the repair and may also include a 20% program fee.

PROCESS: Following approval for a Vehicle Repair loan, the client must provide his/her vehicle to W2W staff for an initial full-vehicle inspection that will take up to 2 business days. W2W staff will transport the vehicle to a participating Wheels to Work repair shop for the inspection. The client will be responsible for repaying \$54.50 for the inspection; this amount will be included as part of the final job access loan. Depending on the repair issue(s) identified, more detailed diagnostics may be required (potentially at a reduced rate); that expense will also be added to the final loan. The results of the inspection/diagnostics will be reviewed by W2W staff and/or the W2W Vehicle Repair Committee, who will determine if the vehicle should be repaired by comparing the estimated repair costs and potential future vehicle concerns against the vehicle's current Kelly Blue Book Private Party value. If repairs are denied, the client can be added to the Donated Vehicle waitlist to receive a different vehicle when one becomes available; their current vehicle will be returned to them.

If repairs are approved, W2W staff will provide a written list of the recommended repairs and a summary of the *estimated* total loan cost to the client for approval before repairs are initiated. The client's down payment will be based upon this estimate, but the final loan amount may be less or more than the initial estimate and will reflect the actual costs of the repair. If additional expenses arise during the repair process, the client will be notified as soon as possible. Upon completion of the repairs, W2W staff will notify the client of the final loan amount and will schedule a time to complete the loan paperwork and return the vehicle; the loan paperwork must be completed before the vehicle is returned.

Participating repair shops will need approximately 1 week to complete most repairs after the repair is authorized. Any questions about the vehicle while it is going through the inspection or repair process should be directed to W2W staff. Clients should NOT contact any repair facilities directly unless approved to do so by W2W staff.

PAYMENTS: The client will be responsible for paying 10% of the estimate as a down payment before taking possession of the vehicle after repairs are completed. The client may also be charged a program fee equal to 20% of the estimate as part of the final loan. Clients must pay a minimum of \$75/month and a maximum of \$150/month towards their loans; the actual monthly payment will be confirmed with W2W staff during the loan finalization process.

LIENS: For Repair Loans over \$1,000, the client must authorize adding the Wisconsin Automotive & Truck Education Association (WATEA) as a lien holder on the title of the vehicle until the debt is fully paid. If the original loan is less than \$1000 but additional loans are taken out and the total outstanding debt owed to WATEA goes above \$1000, WATEA must be added as a lien holder on the title of the vehicle until the debt is fully paid. As part of this process, the client must give their current vehicle title to W2W staff so they can complete the lien add process. While WATEA is listed as a lienholder, the title cannot be transferred to another owner per Wisconsin law.

B. Donated Vehicle Loans

Qualifying applicants who need a vehicle to get or keep employment may apply for an interest-free *Donated Vehicle Job Access Loan*. Approved applicants will receive a used vehicle that was donated to the Wheels to Work program by a private party and has been repaired to be safe, legal, and mechanically-sound. The program cannot guarantee the vehicle offered to the client will meet his/her preferred criteria but will attempt to accommodate vital needs related to family size or physical limitations. **This program does NOT provide loans to enable applicants to purchase a vehicle of their choosing from a different business or private party.**

STANDARD DONATED VEHICLE LOAN TERMS:

- i. No-interest loan in the amount of \$1,500; this amount covers any expenses related to pre-award vehicle repair costs, titling, and license plate registration fees (if needed).
 - a. If the applicant had a vehicle inspected for potential repairs and those repairs were denied, the award loan will also include the costs for the inspection and/or diagnostics for their personal vehicle.
- ii. WATEA must be listed as a lienholder on the vehicle's title until the loan has been paid in full. The vehicle's title cannot be transferred to a new owner until this lien is lifted.
- iii. A down payment of \$150 is required before the client can take possession of the vehicle and is due at the loan signing.
 - a. The remaining loan amount will be \$1,350. Payments of \$90 per month minimum must be paid over the course of 15 months to complete the loan.
 - b. Paying more than the minimum amount owed is encouraged and will not be penalized.
- iv. The vehicle's recipient must secure and maintain a *minimum* of liability insurance on the vehicle until the loan is paid off. Proof that sufficient insurance has been obtained must be provided to W2W before the vehicle can be given to the client.

VEHICLE AVAILABILITY & ACCEPTANCE: Clients should be prepared to obtain insurance and have their down payment money available as soon as they are approved for a loan. Vehicle availability is dependent upon the current W2W vehicle inventory as well as the ability for W2W service partners to complete any needed repairs. If no vehicles are immediately available, the client will be added to a waitlist and notified by W2W staff as soon as a vehicle is ready for him/her. Once a vehicle becomes available, clients must schedule a meeting to receive the vehicle within two weeks following this notification. If the client is not able to make a down payment or obtain insurance within this timeframe, or if their financial situation has changed and they can no longer afford the anticipated monthly payments, W2W staff will move onto the next person on the list and the client will remain in first position on the waiting list. If the client is unable to meet these terms when a second vehicle is offered, they will be moved to the bottom of the waiting list. If the client is unable to meet them after a third vehicle is offered, they will be removed from the program.

DONATED VEHICLES DISCLAIMER: The donated vehicles provided to Wheels to Work program participants are **used** and already have many miles on them. Wheels to Work service partners have completed necessary repairs on these vehicles to get them into a “Road-Ready” status, meaning they are safe and legal to drive on Wisconsin roads as of the date they are awarded to the recipient. As with any used vehicle, these donated vehicles will require routine maintenance and repairs when mechanical problems occur. It is the responsibility of the vehicle recipient to ensure all future maintenance and repairs are completed. The Wheels to Work program provides these vehicles to program recipients “As Is” without any warranty of any kind, either expressed or implied.

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