

Low-interest loans available for job retraining

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MARSHALL — In a town covered with economic welts from stinging layoffs, a little homemade balm soothed the spirit Wednesday.

Marshall Community Credit Union announced it's joining a low-interest student loan program for laid-off workers that's spreading like wildfire at credit unions across the state.

The program began in Dearborn at the state's largest credit union, where members were rocked with Ford Motor Co. job losses. The Michigan Credit Union League trumpeted the idea statewide, and dozens of members have signed on.

Knowing that some 1,175 jobs have vanished in layoffs in Marshall since 2003, the community credit union has set aside \$500,000 for loans of up to \$10,000 each to help those who've lost their jobs take classes or get training in new fields.

Keith Mengel, an engineer who worked at Eaton Corp. for 22 years before losing his job there last July, had no problem envisioning himself using the benefit in the next year or so.

After his layoff, he said, "We stepped back and we said, 'Things are changing. Do we want to stay in this boat or try and find another boat?'"

He decided to stay in Marshall. His wife works at Battle Creek Health System, and Mengel, for 20 years a serious woodworking hobbyist, is building a business in custom furniture and millwork.

"Where I really see this fitting in — and we're definitely taking a hard look — it'd probably be next year, because if I do go out and find a class, I want to make sure it's meaningful. I don't want to go to just have something on the wall.

"The furniture I build is like Shaker or Mission," he said, "but what I'd like to get into is 18th Century.

"The first thing I need to do is learn a few new skills," Mengel said, "particularly in finishing techniques. I need to learn a little bit about carving and probably in design."

That's where the credit union would come in.

Mengel could borrow up to \$10,000 to learn those skills, with no payments or interest accruing for two years. After that, he'd have 10 years to pay off the loan, with an interest rate of 6.3 percent, a monthly payment of about \$113 and \$3,504 paid in interest.

He'd save nearly \$1,000 using the credit union loan instead of a typical student loan and more than \$5,100 if he went out and got an unsecured loan on the open market, Lori Bahnmueller, vice president of association services for the Michigan Credit Union League said at a news conference in Marshall on Wednesday morning.

Bahnmueller said credit unions across the state are jumping on the idea hatched just four months ago by Dearborn Federal Credit Union to make the low-cost loans available. As of Wednesday, more than \$40 million had been set aside for the loans at 31 Michigan credit unions, she said.

"Ever since the name 'community' has been in our credit union name, we have taken it very seriously and been a partner of this community," said Peggy Day, chief executive officer of the Marshall credit union. She noted that her husband also is a layoff victim.

"The credit union has always stepped up in this community to do what it can," she said.

Day noted that anyone who lives in Calhoun County may join the Marshall credit union.

The Michigan Department of Labor and Economic Growth is joining the party with \$1.5 million to help laid-off workers buy textbooks and a \$200,000 boost in funding for career counseling and placement services at community colleges.

"It's really an exciting program, and it's come together very quickly," said Robert Swanson, director of the state DLEG. He who also attended the news conference.

"The governor saw that this could enhance and augment the state's efforts in our employment and training programs," Swanson said, "especially since some of the folks that are taking buyouts across the state ... aren't eligible for some of the programs that we traditionally run through Michigan Works agencies."

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