

Loans aid displaced workers

3 area credit unions offer option to those needing retraining

By Derek Wallbank
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Autoworkers who signed buyout agreements will be among displaced employees eligible for new below-market value loans designed to help them get retrained and re-enter the workforce.

Three Lansing area credit unions are offering a combined \$4.6 million in loans to their members, part of a statewide effort which will provide about \$40 million in education loans.

"They're similar to student loans," Lansing Automakers Federal Credit Union Chief Executive Officer Robin Frucci said, and include a two-year deferment. The Eaton County Educational and NuUnion credit unions are also offering the money.

"For us it would be a great idea (to offer the program), a no-brainer," Frucci said.

Loans will be supplemented by grant money made available through the state Department of Labor and Economic Growth - \$1.5 million reimbursements for books and \$200,000 to community colleges to cover an expected jump in career counseling and placement services.

The eligibility for workers who took buyouts is key, DLEG Director Robert Swanson said, because they aren't classified as "dislocated workers," and are ineligible for many federally-funded support programs.

LAFCU's interest rate on the loan is currently set at an annual percentage rate of 6.3 percent - five points below the federal Stafford student loan rate. Displaced workers must have worked for two years before being laid off or bought out, and have 10 years to pay off the loan.

The loan program is active now, NuUnion CEO Steve Winninger said, and officials are gearing up for an advertising blitz around the new year.

"It's a very attractive option," he said.

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