

GUIDELINES for PERSONAL LOANS

Loan limit: \$10,000.00 [to Qualified borrowers] Interest rate: [based on Credit Score] 8.50% [Credit 700 or more]
9.50% [Credit score 626–699]
10.50% [Credit score under 625]

Maximum term: 60 months Fully secured loans: Pledged shares = Loan amount
(For rates & terms, please contact Loan Officer)

1. The member must deposit into their Credit Union account 10% of the loan amount [i.e. \$2,000 loan requires \$200 in Savings]. Deposits of these shares must be made prior to the loan being disbursed. [This deposit amount is above and beyond any other pledged shares the member may have in their account for any other type of credit union loan]

Shares equaling 10% of the ORIGINAL LOAN AMOUNT will be FROZEN for the TERM of the loan. Once the loan balance is equal to the frozen amount, the member can choose to transfer the frozen amount to pay off the loan.

Personal loans may be secured by car title(s) that the member is in possession of. The Blue Book Average Loan Value of the car must be EQUAL to the loan amount the member is requesting. There is a \$5.00 Encumbrance fee for loans secured by a title.

A member may apply for additional funds even if they have an outstanding loan balance. The new loan amount requested will be added to the old loan balance and that total amount will be financed as a New Personal loan. **The member will be required to have 10% of the NEW TOTAL outstanding balance in Savings OR keep the pledged amount from the Original loan, WHICHEVER IS THE LARGER AMOUNT.** [This deposit amount is above and beyond any other pledged shares the member may have in their account for any other type of credit union loan]

Minimum monthly payments are established on all loans. A member may elect to pay more than the minimum payment. The minimum monthly payment on a loan cannot be less than \$25.

2. The amount a member can borrow depends on the individual circumstances of the applicant. Applicant(s)/Cosigners must qualify based on their CREDIT HISTORY and DEBT RATIO. The following are the Debt Ratio criteria:

<u>If your Debt ratio is:</u>	<u>Maximum amount you can qualify for:</u>
< 30% with a Housing expense [< 15% without a Housing expense]	\$ 10,000.00
31 – 35% with a Housing expense [16 – 20% without a Housing expense]	\$ 8,000.00
36 – 40% with a Housing expense [21 – 25% without a Housing expense]	\$ 6,000.00

All loan applications are subject to disapproval if the applicant(s)/cosigners does not qualify based on their CREDIT HISTORY, and/or if the applicant(s)/cosigners Debt Ratio exceeds the allowable Debt ratio for the amount they are applying for. [See Debt Ratio criteria above] **PAYROLL DEDUCTIONS FOR LOAN PAYMENTS DOES NOT GUARANTEE LOAN APPROVAL.**

3. Applicant(s) for a loan must be a member of the credit union. Applicant(s)/Cosigner must be 18 years of age and employed with their current employer for at least 3 months, or have been employed with previous employer for at least 3 consecutive years. Application for the loan must be completed in its entirety. ALL LOAN APPLICANT(S)/COSIGNERS MUST SUBMIT EITHER THEIR LAST 2 PAYSTUBS FOR VERIFICATION OF INCOME or permit the credit union to acquire a salary history from their employer. If a salary history is chosen, the amount of time for loan processing will not be guaranteed. [Verification of income is required for co-applicants/cosigners on a loan] Any other sources of income: Part-time job, Pension payments, Social Security benefits, Child support, etc., must also be verified by submitting acceptable documentation of the other source of income.

**** ANY APPLICANT NEEDING ASSISTANCE IN COMPLETING THE LOAN APPLICATION, PLEASE CONTACT THE CREDIT UNION ****

4. Payment protection Disability insurance and Life insurance are available on all loans at the members' choice.
5. On initial loan applications, a credit check fee of \$5.00 will be charged to all applicants. There is no charge on subsequent loan applications. However, any member whose loan application is rejected and who also had a loan application rejected within the previous 90 days will be charged a rejected loan application fee of \$5.00. [On Fully Secured loans, a credit report is not run.]

CREDIT UNION HOURS: M, T, Th 8am – 4pm, Fri 7am – 4pm (Closed Wednesdays)
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