

**NORTH SANPETE FEDERAL CREDIT UNION
LOAN POLICIES**

UNSECURED OR SIGNATURE LOANS

Criteria for granting loans shall be the same as for other loans.

Maximum loan duration 36 months.

Minimum loan offered is \$500.00.

Regular loan limit: \$2,500.00

Interest- 12.0% APR, 11.50% APR if payroll deduction or automatic payment.

Best member loan limit: \$3,500.00

Interest- 8.0% APR, 7.50% APR if payroll deduction or automatic payment.

To qualify for best member a member must have steady employment for 3 years and no delinquency with the credit union and 700 or above credit score.

Collateral may be required on unsecured loans when deemed prudent by loan officer, credit committee, or board of directors.

SECURED LOANS (Share Secured)

100% Share Secured:

Maximum loan limit: 72 months

Interest- 4.25% APR, 3.75% if payroll deduction or automatic payment.

Savings in this credit union accepted as collateral.

Loan Maximum: \$50,000.00

Not subject to any waiting period or credit investigation.

Signature plus pledge of shares:

Maximum loan limit: 48 months

Interest- 8.0% APR, 7.50% if payroll deduction or automatic payment.

Savings in this credit union accepted as collateral.

SECURED LOANS (New Car)

New car shall be defined as not previously owned. New through June 30th of the following model year. (Full new car warranty with mileage under 20,000)

Amount of the loan shall be determined by the clean retail value which is given in the NADA Car Guide plus 10% for tax and license.

Interest- 3.25% APR. 2.75% if payroll deduction or automatic payment

We will match manufacturer's rates and terms on new cars for members with a 750 credit score or higher (limited to 72 months and a base interest of 1.90%).

Loan Maximum \$50,000.00

Loan shall not include the amount of any promotional refunds.

SECURED LOANS (Used Car)

Amount of the loan shall be determined by the clean retail value which is given in the NADA Used Car Guide plus 10% for tax and license.

Interest- 3.25% APR, 2.75% if payroll deduction or automatic payment- for cars up to 10 years old.

Interest-4.50% APR. 4.0% if payroll deduction or automatic payment- for cars over 10 years old.

Guideline for length of Auto Loans

New- 5 years old	72 months
6-10 years old	60 months
Over 10 years old	36 months

SECURED LOANS (Other titled property)

Boats, travel trailer, horse trailer, motorcycles, motor homes, etc.

Interest- 5.0% APR, 4.50% if payroll deduction or automatic payment.

Amount and duration of such loans shall be determined by age, book value, and condition of offered collateral and should be within a reasonable range. Guidelines for length of Auto Loans may be used. Loan length not to exceed 72 months.

Loan Maximum \$50,000.00

Such items should not be accepted as collateral if they are not titled.

LOANS TO STAFF AND MEMBERS OF BOARD AND OTHER COMMITTEES

The same criteria shall be used as for other loans.

Approval by the Board of Directors is needed for such loans.

LOANS TO NEW BORROWERS

1. New borrowers, especially those new to the area shall show a stable employment history.
2. New borrowers, especially those new to the area shall show a good credit record.
3. New borrowers with no established credit record will be required to have a cosigner with a good credit record who preferably is a member of this credit union.

LOANS TO MINORS

Loans to minor require some income and a co-maker. 21 legal age for loan otherwise.

LOANS TO MEMBERS WHO HAVE LEFT OUR FIELD OF MEMBERSHIP

The credit union shall not promote loans to people no longer in our field of membership or in the North Sanpete area. It shall recommend that they use a credit union or other lending institution in their area.

To be granted a loan the borrower should:

1. Show stable employment (90 days or more at present job.)
2. Not have a history of unstable employment.
3. Be given a complete credit check with charges to go to the borrower.

LOANS PAID AHEAD

The credit union shall permit loans to be paid ahead. There is no limit to the amount members pay each month nor is there a restriction on how far ahead members pay their loans. Requests for extra payments to be applied to the loan will be honored. The credit union will not charge fees or apply penalties to any loans that are paid ahead.

BANKRUPTCY

Credit Union shall not normally grant a loan to a member who has caused the credit union to suffer a loss through bankruptcy or a charge-off to the regular reserve.

DELIQUENT ACCOUNTS

1. No additional money shall be loaned until loan is paid in full.
2. No release of titles until loan is paid in full. (Any exception to this must be cleared by both the credit committee and board of directors.)

COMAKER

Cannot be used in lieu of collateral.

PAYROLL DEDUCTION

Cannot be used in lieu of collateral.

All members employed by the school district shall be encouraged to use payroll deduction for the repayment of loans.

CHARGES ON LOANS

Charges to members shall include out-of-pocket expenses incurred by the credit union in securing titles and credit reports.

LOAN COMMITMENTS

An approved loan application shall be considered a commitment for a particular loan for a period of 90 days without a change in interest rate.

OLDER COLLATERAL

Older collateral shall not normally be used as collateral for a loan when it is no longer in the regular used car guide book or other equivalent value guide books.

Exception being the purchase of such a vehicle or the use of a valuable restored vehicle.

INSURANCE BINDERS

Insurance binders shall be required by the credit union on all vehicles used as collateral on loans.

CASH IN BANKS

Manager will ensure that there is a minimum balance of \$15,000 in the Cache Valley bank checking account prior to issuing loans to members.

DEBT RATIO LIMITS

40% Gross Income

55% Net Income

LOAN DENIAL

Applicants who are denied a loan are to be notified by treasurer. If a credit report was drawn, applicant will be notified of the company the credit report was drawn from.

LOAN EXTENSIONS

1. All loan extensions shall be authorized by the credit committee.
2. A member shall be allowed only one extension per loan, unless otherwise approved by the board of directors.
3. The period of the extension shall be determined on a case by case basis.

RELEASE OF COLLATERAL

1. The credit committee shall approve any release of collateral.

2. If a member is in good standing collateral may be released if the loan is paid down to the signature loan limit or lower.
3. If a member is in good standing and a release of collateral request is urgent then other collateral of sufficient value to cover the loan balance can be substituted.
4. If a loan is delinquent, any release of collateral must be negotiated with both the credit committee and the board of directors.

LOAN OFFICERS

North Sanpete Federal Credit Union shall appoint as deemed necessary 2 person/s as loan officer(s). This loan officer shall be authorized to approve signature loans.

The loan officer shall report at least monthly to the credit committee.

BOARD LIASON TO CREDIT COMMITTEE

A member of the Board of Directors shall serve as liaison to the credit committee.