

Action Steps Email Templates

Debt Protection

You can use the Action Steps with members through email communications (if you've received their consent to communicate via email). Be sure to reference your credit union's product-specific options and always clearly disclose that Debt Protection is optional and will not affect the application for credit or the terms of any credit agreement required to obtain a loan. Members should always be made aware of the eligibility requirements, conditions, and exclusions that may apply.

Important items to remember:

- All requirements applicable in a face-to-face lending environment also exist in a remote lending environment.
- To ensure member privacy, be sure to send secure emails.
- Any electronic mail message sent with the primary purpose of advertisement or promotion of a commercial product or service must comply with the CAN-SPAM Act.
- Any commercial electronic message sent to residents in Canada must comply with Canada's Anti-Spam Legislation (CASL).
- Any email communication with the member regarding their loan is a record and should be kept as part of the member's loan file.
- It is important for your credit union to review your electronic processes with your legal counsel to ensure your processes meet requirements.

Eligibility

Via the online application, verify eligibility for Debt Protection:

- Is the loan eligible for Debt Protection?
- Is the member working the required number of hours?

Establish Expectations and Commitment to Payment

After receiving the member's loan application, customize the following to confirm the member's affordable payment.

Thank you for submitting your recent loan request. I'm happy to assist you in the next steps. Before we can proceed, I have a few additional questions for you:

- *[If payment amount was requested in the loan application]* Please confirm you requested <\$X> for a monthly payment amount.
- *[If payment amount was not requested in the loan application]* What's the maximum payment amount or range you have budgeted for this loan?
- Are you currently working <25> hours or more per week? (Note: You will be considered working if you are absent from work due to temporary layoff, strike or vacation, but will soon be returning to work.)
- Are you currently on an Annual, Regularly Scheduled or Seasonal Layoff, or Medical or Disability Leave?
- Are you an Independent Contractor, self-employed or employed by a Co-Borrower on the Loan?
- <List one or two additional questions you may need to decision the loan or learn more about the member.>

I'll also need the following documents:

- <List your credit union's required documents.>

You may submit the paperwork via secure email, fax, or visit a branch office. Once I've received it, I'll be in touch.

Please let me know if you would prefer to communicate over phone or email and if you have any questions. Thank you for choosing <Credit union Name> for your needs.



Explain Payment and Personalize Benefits

After you've received the necessary documents, customize the following to offer the member only what they're eligible for. See your Debt Protection Member Agreement and Product Sheet for product details.

Thank you for providing me with the necessary documentation to complete your loan request. Great news! Your loan is approved, and per your request, I'm able to provide you with a monthly payment of <\$X>.

This payment not only includes principal and interest, but also optional <Life, Disability, Involuntary Unemployment> protection.* Protecting your loan could help lighten the burden for the people you care about.

There are product options, terms, conditions and exclusions that apply to <DP Program Name> found in the Member Agreement, which I will send with the final paperwork for your review before you make a final decision.

How does this loan package, including the optional <DP Program Name>, sound to you? Please let me know if you'd like to protect this loan with optional Payment Protection or decline protection. Once I hear back from you, I'll forward the final documents for your review and signatures. Don't hesitate to reach out with any questions. Thanks again for choosing <Credit union Name>.

** [DP Program Name] is optional and will not affect your application for credit or the terms of any credit agreement required to obtain a loan. Certain eligibility requirements, conditions, and exclusions may apply. Please contact your loan representative, or refer to the contract for a full explanation of the terms. You will receive the contract before you are required to pay for [DP Program Name]. You may cancel the protection at any time. If you cancel protection within 30 days you will receive a full refund of any fee paid.*

If your credit union utilizes the "Keeping the Payment the Same Method" and the member asks to obtain the longer loan term with the same interest rate/loan terms without Debt Protection, this option must be available to them.

Complete Loan Package and Thank Member

After the member has clearly confirmed whether they are electing or declining Debt Protection, customize the following to complete the loan.

If member elects:

Congratulations on your new loan. Your loan details are as follows:

- Amount Financed: <\$X>
- Term: <X>
- Rate: <X>
- Payment: <\$X>

[For a closed-end loan] The payment includes optional <Life, Life Plus, Disability, Involuntary Unemployment> protection. Please see the attached Member Agreement for a detailed explanation of the estimated cost over the life of the loan. This protection will be effective when the credit union receives a signed Member Agreement and the loan is issued. You may cancel the protection at any time. If you cancel protection within 30 days you will receive a full refund of any fees paid.

[For an open-end loan] The payment includes optional <Life, Life Plus, Disability, Involuntary Unemployment> protection. Please see the attached Member Agreement for a detailed explanation of the cost per \$100/\$1000 of your monthly outstanding loan balance. This protection will be effective when the credit union receives a signed Member Agreement and the loan is issued. You may cancel the protection at any time. If you cancel protection within 30 days you will receive a full refund of any fees paid.

I've attached the final documents. Please carefully review the loan documents and the Member Agreement for the protection terms and conditions.

The following should be **signed and returned**:

- <List and describe applicable loan documents.>
- Member Agreement – Prior to signing, review the Member Agreement for a full explanation of terms and conditions including: protection elected, cost, protected events, non-protected events, general provisions and how to activate protection. Please confirm which option you would like to elect, sign and return the Credit union copy.

The following should be **retained for your records**:

- <List applicable loan documents.>
- Member Agreement – Sign and retain the Member Copy.

If you have changes or corrections to the paperwork or have any questions, do not hesitate to contact me at <XXX-XXXX>. Thank you again for giving me the opportunity to assist you with your loan. If you know anyone else who is looking for assistance with a loan, please feel free to give them my name and contact information.

[DP Program Name] is optional and will not affect your application for credit or the terms of any credit agreement required to obtain a loan. Certain eligibility requirements, conditions, and exclusions may apply. Please contact your loan representative, or refer to the contract for a full explanation of the terms. You will receive the contract before you are required to pay for [DP Program Name]. You may cancel the protection at any time. If you cancel protection within 30 days you will receive a full refund of any fee paid.

If member declines:

Congratulations on your new loan. I have attached the final paperwork, including your declination of our optional <DP Program Name>.

<DP Program Name> is designed to help ease the financial burden of delinquency, default, or repossession by canceling your loan payment or loan balance if a protected life event unexpectedly happens to you. If you decide you want to add optional protection in the future, just let me know.

Your loan details are as follows:

Amount Financed: <\$X>

Term: <\$X>

Rate: <\$X>

Payment: <\$X>

Please carefully review the loan documents and **sign and return** the following:

<List and describe applicable loan documents.>

Member Agreement – Your signature confirms you are declining protection.

The following should be **retained for your records**:

<List applicable loan documents.>

Member Agreement – Sign and retain the Member Copy

If you have changes or corrections to the paperwork or have any questions, do not hesitate to contact me at <XXX-XXXX>. Thank you again for giving me the opportunity to assist you with your loan. If you know anyone else who is looking for assistance with a loan, please feel free to give them my name and contact information

After you receive the signed documents:

- Validate the member completed, signed, and returned all pages of the credit union's copy of the Member Agreement. (If anything is missing or incorrect, contact the member.)
- Review and verify the member information on the credit union copy of the Member Agreement.
- Close and code the loan with Debt Protection, if applicable.