

Loan Meeting Notes

May 22, 2025

Next planned meeting date: June 19, 2025

Attendees: Aaron, Andee, Candida, Gary, GinGar, Jade, James, Jamie S, Karissa, Kimberly, Lacey, Laura H, Laura M, Lindsay Liz F, Makayla, Maria, Matt, Rhonda, Shannon H, Shantell M, Stephanie, Tara, Yessi.

- **Income Verification Reminders:**

- When verifying income with direct deposits, **a minimum of two months must be used**, but you should include as many deposits as possible. The more data included, the more accurate and reliable the income calculation will be—**limiting the number of deposits can lead to an incorrect calculation.**
- **1099 Employees:** 1099 contracted employees are considered self-employed, and tax returns are required to verify income.
- **Self Employed Borrowers:** Income verification requires three years of tax returns. If the application is submitted after the current year's tax deadline, a year-to-date profit and loss statement must also be provided.
 - On a case-by-case basis, we may allow the use of a self-employed spouse's income to cover half of a mortgage payment. This must be approved by GinGar or Stephanie.

- **Loan Quality Specialists:** If you have any questions about the corrections requested by the Loan Quality Specialists, feel free to reach out to both the LQS and GinGar for clarification.
 - **Front LTV:** The Front LTV is calculated by dividing the loan amount (excluding backend products) by the value of the collateral. Only the collateral value that should be used in this calculation—signature portions of blended rate loans must never be included in the LTV.
 - When responding to an email from a specialist regarding corrections, please use "Reply All" and include GinGar in the response, so we are all on the same page.

- **Collateral Codes:** Make sure you are utilizing the correct collateral code. If you accidentally book the loan with the incorrect collateral code, this can be corrected in account adjustment.
- **Post Close Errors:** Post-close errors will result in a deduction on the loan rubric, even if identified before the audit. However, errors caught prior to the audit will receive a smaller deduction than those discovered during the audit.
- **Updated Radian Self-Employed Calculator:** GinGar has updated the Radian Self-Employed Calculator on the intranet to support entry of three years of tax return income, automatically calculating both yearly and monthly averages.
- **Unsecured Household Aggregate Amount:** The unsecured credit limit is based on the total amount per household, which includes co-borrowers only; children in the household are not included in the household's unsecured credit aggregate.
- **Adding a Minor as a Cosigner:** Minors may be added to installment loans as cosigners for credit-building purposes; however, they can never be held liable for the loan, even after turning 18. The minor must sign a power of attorney and be entered into FDI.
- **JD Power Values:** Make sure you are utilizing the correct value as listed in policy guidelines for collateral.
 - New Collateral (Never Titled): Invoice value per JD Power or from Dealer. Any exceptions to this must be approved by Lindsay, GinGar or Stephanie.
- **502s for Refinances/ Title Loans:** In Section 3, the gross sales price should be the amount we are sending to the other financial institution (not including backend products). For example, if a member has an auto loan that they are refinancing with CCU for \$28,000 and are borrowing an additional \$2,000 from the equity, the gross sales price should be listed as \$28,000. See example below:

V		55,400	5/25/2025	<input checked="" type="checkbox"/> Actual	<input type="checkbox"/> In Excess	<input type="checkbox"/> Not Actual	<input type="checkbox"/> No Device	<input type="checkbox"/> Exempt
Section 3 Sale	Idaho Sellers Permit No. (required for leasing or rental companies) 1409-0330-S			Purchase Date 5/25/2025		<input type="checkbox"/> Lease <input type="checkbox"/> Rental <input type="checkbox"/> Tax Not Included <input type="checkbox"/> Tax Exempt Sale <input type="checkbox"/> Tax Exempt Form		
	Gross Sales Price.....\$			28,000.00		Dealer Sales Additional Information Qualifying Rebates\$ Trade-In Allowance\$ Adjusted Gross Sales Price.\$		
	Net Idaho Sales Tax Due\$			REFI				
	Net Idaho Sales Tax Collected\$			REFI				
Primary Lienholder Name		Mailing Address			City		State	Zip+4

- **Community Property:** When a spouse is purchasing a vehicle from their spouse, indicate "community property" in the sales tax due section of Section 3 on the 502 form.

- **½ Add Ons Reminder:** For recreational vehicles and toy loans, only ½ of add-on options can be included in the value to increase it. Please be cautious when adding options and ensure they are the accurate options on the collateral.
- **Credit Builder Loans:** Loan amounts should be at least \$200, with an ideal term of 18 months to support strong credit history development. No upfront funds are required—loan proceeds are deposited into the member’s savings account and held as secured funds.
- **Rate Bumps:** Please ensure consistency when bumping members into a higher credit tier. Applying the same criteria to all members helps prevent any perception of bias or discrimination.
 - Unsecured loans being rate bumped require a “second set of eyes” under the Loan Review Process as outlined in policy.
- **Overtime Income Usage:** Overtime should not be included in income calculations unless necessary and shown to be consistent and ongoing; if used, a W-2 from the previous year should be collected, if possible.
- **Postmortem Loan Reviews:** We’ve begun conducting postmortem reviews of charged-off loans to use them as learning tools, helping us identify missed factors and improving our processes moving forward.