



## Helping Hand Loan

There are times when members of the Credit Union make a loan request but do not qualify within normal policy guidelines (DTI, open collections, bad credit, etc). On occasion, and on a case-by-case review, we would like to be able to help members out of a tight spot and approve a loan for them. We have created a special loan type for such loans to be approved. Only a lender with full lending authority can approve these loan types on their own. Lenders with limited approval authority will need one lender with full approval authority as an approval signature.

- Loan is unsecured and processed with the Helping Hands purpose type.
- The Credit Union will allocate no more than \$25,000 at a time to be outstanding in these special purpose type loans as an aggregate total. (*50 loans @ \$500*)
- Only a lender with full lending authority can approve these loan types on their own. Lenders with limited approval authority will need one lender with full approval authority as an approval signature.
- Members must have an established membership with the Credit Union for a minimum of 6 months.
- Loan amounts are limited to \$500 but could be as low as \$100.
- Loan Terms may not exceed 12 Months (No extensions for adding Debt Protection).
- All Interest Rates for this purpose type are a fixed rate of 18%.
- Members may not have more than one of these purpose types open at the same time with the Credit Union.
- Only one Helping Hand per household at a time.
- Members may not have more than two of these purpose type loans within a 12-month period of time and the waiting period between payoff of old loan and opening a new loan with this purpose type will be 6 months.
- No extensions or holiday skips allowed on these loans.
- Members who are granted a waiver of income on these loans, must sign an Ability to Repay Statement.
- No prior loss to Connections Credit Union.
- Applications for members with an existing ODP loan must be reviewed by the Resolutions Department and their approval must be noted on the worksheet.
- Exceptions to any of the above items must be approved by the Credit Manager, Senior LO, CLO, or CEO with valid reasoning and comments on the worksheet.