

Loan Meeting Notes

May 19, 2022

Next planned meeting date: Thursday, June 16, 2022

- **Income Verification:** Net income should mostly be used for fixed incomes like retirement or SSA. If you are going to use Direct Deposit, make sure you are confirming that the entire paycheck is deposited to that one account or find out where any other deposits go.
- **Overtime/Bonuses/Commission:** Income other than regular hourly pay can be considered but we should make sure it is consistent and provable. If you can see a history of the member working overtime hours, then it's reasonable to use it. If the member just started a job that pays strictly commission and they have never worked in that industry before, we want to be very careful with that loan.
- **Calculations:** When calculating the member's income, do not take the pay from the one pay period and multiply it by the number of pay periods in the year. This can skew the numbers drastically in the members favor or against it. It's always good to do some cross checking to make sure you are figuring the income accurately, does the Year-to-Date (YTD) add up to what you would expect for the hourly wage, etc:
 - If they don't get a lot of overtime or bonuses, you can find their base income by taking the member's hourly wage and multiplying it by 2080 hours (which is 40 hours X 52 weeks) to find their yearly wage and then dividing that by 12 to get their monthly wage.
 - You can take their YTD from their paycheck and divide it by how far into the year their pay period was, for example: if their pay period went from 5/1-5/15, then you would divide the YTD by 4.5 because 4 full months (Jan – Apr) and 1/2 of May have been paid, assuming they have been at that job since January 1st or earlier.
- **Second Signature:** If you are countersigning for someone, take the time to double check the number: income, DR, rate, term, etc. Make sure the loan is correct because you are verifying that you would do the loan too.
- **Loan Topic Index:** There is a Loan Topic Index on the Loan Meeting Notes tab on the intranet. When you click the button, it will open a document with links to all of the loan meeting note documents. If you push Ctrl and F it will open the search bar so you can search for different topics to find the notes from meetings that included those topics.
- **Financial Data Tab:** A payment or account must be in the Financial Data Tab before it will figure the monthly income from the Employment tab. If you are working with a new member who doesn't have any payments other than the new loan you are working on, then you will have to put something in the Financial Data Tab for the monthly income to populate. If they are living with family, you can add a \$0

payment and label it Living With Family – No Rent. After there is something in that tab, it will show the monthly income.

- **Variable Rate:** In Loan Management, when you click on the ★ Loan Application Type, by accident or on purpose, it can wipe out the variable rate information. ALWAYS double check in Account Adjustment on the Variable Rate Tab that the variable rate is keyed after you have booked your credit card or HELOC loan.

Loan Info.		Contact	Employment	Financial Data	Collateral	Disbu
Loan Information			<input type="checkbox"/> MAPR	Rep		
Request/Purchase Amt.	60000.00	Solve		<input type="checkbox"/> E		
Down Payment	0.00			Disb		
Lender Credits	0.00			Nurr		
Loan Fees/Services	0.00/0.00			Inte		
Points	0.00			Payr		
Loan Value	60000.00			First		
Loan Application Type	★ H2 HELOC-NEW			P+I		
APR	7.250	4.500% - 15.000% (Variable) (Intro. Rate)		Escr		
Insurance Options	- None Selected -			Sch		

- **Variable Rate Margins:** Make sure you are keying the variable rate margins as the member's qualify for them, regardless of the current rate. If a member qualifies for 1% plus the Prime Rate, even though the rate they qualify for is below the minimum of 4.5% for HELOC, if that 1% isn't keyed in the system, then when the Prime Rate goes to 3.75% or higher, the member will still be getting 4.5%, when they should be getting 4.75%.
- **Bills of Sale:** When giving a member a Bill of Sale, make sure to include Connections in the lienholder section before giving it to the member, if we are doing the loan for the purchase.
 - **Seller Section:** The DMV will sometimes return a Bill of Sale when it is not completed. Make sure to get the Seller Section completed with their address and phone number. Their address is already on the title (usually correct) and their phone number is important for any title issues.
- **Worksheets:**
 - **Unsecured Box:** When filling out the unsecured box on the worksheet, DO NOT include the current loan you are working on.
 - **LTV Section on Blended Rates:** Make sure you are not including the Signature portion in the LTV calculations on Blended Rates. You are doing a signature loan and an auto loan. They are 2 separate loans that you are blending together to get 1 rate and 1 payment, but they are still 2 separate loan types.
- **Adding/Removing DP After Booking a Loan:** Once you have the correct paperwork (explained below), you will need to contact either Stephanie, GinGar or Autumn to have it removed, or Stephanie or GinGar to have it added.

- **Adding:** When a member wants to add Debt Protection after a loan is booked, the borrower(s) will need to sign a DP contract. If you are changing the payment, then you will need to do a subsequent action and the member will need to sign it.
- **Removing:** When a member wants to remove the Debt Protection after a loan is booked, only one of the members needs to either sign the DP Removal form available on the CUNA page of the Intranet or give us the removal request in writing. Then you will need to contact either Stephanie or GinGar to get it taken off the member's loan. As always, please follow up to make sure the protection was removed so the member doesn't continue to get charged.
- **DP Contract Completion:** Make sure you are marking the box that says the member is working 25 hours a week or more because when the member makes a claim, if that box is not checked, the member will have to provide proof that they worked 25 hours a week at the time of the loan!
- **ODP vs Draft Protection:** There is a big difference between an ODP loan and an Overdraft Protection Line of Credit. ODP loans are offered by the Collections Department for checking accounts that are in the negative. They are closed end, so once they are paid off, they are closed. An Overdraft Protection LOC is a revolving line of credit attached to a checking account to keep the checking account from going in the negative. Make sure you are using the correct codes when creating an Overdraft:
- **CU Only Section of Application:** Always complete and sign the 3rd page of the application, whether the member signs in person or through Right Signature. If they sign through Right Signature, the application is the only document you will need to sign.
- **Adverse Action/Cancellation:** Remember to send out an Adverse Action every time we pull a credit report but do not open a loan. If you are cancelling the loan, use the other option in the first section of the form and simply type in that the loan application was cancelled due to never hearing back from the member or whatever the reason was. Then, scan the Adverse Action and whatever paperwork you have for the loan into Digital Docs, remembering to date any document you add to Dig Docs.
- **Signature Pads:** Everyone should have signature pads at their desks now. If yours is not working, please do a Help Desk ticket to get it fixed. By the next meeting, everyone should have tried to use the sig pads to see if there are any problems. We are trying to move toward paperless and we need to have everything in place for that in the future.
- **Closing Loans for Other Members:** There was some discussion about who should get credit for closing a loan when another lender started it. The consensus seemed to be that the lenders should discuss it, professionally and congenially, in each individual instance. If you are preapproving a member and discuss all of the debt protection and extra products, then you should get credit for the loan. If you talked the member and pulled their credit, but didn't put anything in the computer and whoever the member talks to next has to put everything in the computer and talk to them about the debt protection and extra

products, then the second lender should probably get the credit. But in the end, it's all about making sure the member gets great customer service and is taken care of to the best of our ability.

- **“No Loan” Comments/Escalating Debt:** We need to be careful with the comments we put on members' accounts pertaining to the member needing to wait before their next loan. The comments need to include something like “without VP review” or something like that because we cannot stop the member from applying for a loan. If a member wants to apply for a loan, but they have been opening too many accounts or we want to see some on time payments before a new loan is approved, we can have a frank conversation about the likelihood of approval or denial, but we cannot tell them they cannot apply.
- **ACH Payments:** When members request ACH payments, please make sure you are setting up the ACH payments for the correct payment amount and do not leave off the cents. Forgetting the cents will make the member be delinquent for only those cents.
 - **Solve for Term:** If you want the monthly payment to be an even amount, you can type in the payment you want it to be and clear out the term, then hit solve. The system will solve for the term and leave the payment amount the even number you typed in.