

## Loan Meeting Notes

**April 21, 2022**

*Next planned meeting date: Thursday, May 19, 2022*

- **Medical Collections:** There will be changes coming to the way that medical collections report on credit reports in the coming months. Please see the [attached letter](#) for all the changes coming.
- **Share Secured Comments/Notes:** We used to want comments on all Share Secured loans and Visas, but we need to stop adding comments and start using the Collateral Tab for Share and CD Secured loans and the Notes feature for Share Secured Visas. Make sure to add the savings account in the Collateral tab on Share and CD Secured loans BEFORE you generate the loan docs so that the savings will populate on the Loan and Security Agreement and the Pledge Agreement. DO NOT use the collateral tab on a Visa, as it will cause problems within Forza. DO use the Secured Funds tab to secure the money for the Visa, then put a comment in Notes on the Visa with the limit and where the secured money is.
- **Easter Question Hunt:** As a little training exercise, there were questions hidden in the pages of the Intranet. Those who participated and correctly answered 5 questions earned \$25! The questions were:
  - **What is the longest term the GAP policy will cover?** Our GAP policy will cover up to 84 months.
  - **Do Boats qualify for RV or Toy rates?** Boats qualify for RV rates.
  - **What is the max amount of signature that someone with a 650 credit score can borrow?** \$5,000
  - **What does re-evaluation of the NADA mean?** This question was on the Blended Rate page. When a blended rate loan is done, it includes some of the member's unsecured limit. If they want to use some of that unsecured limit while the blended rate loan is still open, then the current value of the collateral needs to be determined to see if any of the unsecured limit can be released. If the value of the collateral is more than the loan balance, then all the unsecured can be released to be used for a new unsecured loan.
  - **What is the Commercial Lending Specialist's name?** Jeremy Dudley
  - **What is the only report you do not have to pull new for a HELOC modification?** The only report you can use from the original loan for a new modification is the Flood Certificate. The only time you do not have to pull this is for the modification of an existing HELOC. If we have reconveyed our lien and you are having to do a whole new Deed of Trust, then we need to pull a new Flood Certificate. If we have just done a First Mortgage and the member wants a HELOC, we will need to pull a new Flood Certificate.
  - **What is the difference between bumping a member for HELOCs vs Consumer Loans?** For Consumer loans, the member just has to be a member of the CU for at least 3 years and be within 15 points of

the next bucket. For HELOCs, the member has to have 3 years of LOAN history with the CU and be with 10 points of the next bucket.

- **Do Business Loans require Personal Guarantees from all Borrowers?** Yes, they do.
- **How can you tell if a home is a Manufactured Home?** We discussed this in the February loan meeting. We should be asking the members questions like, when was your home built? We can also see that it is a MH on the AVM/HVE.
- **Who can process Lot Land Loans?** The mortgage department can process Lot Land Loans.
- **How often can the rate change for HELOCs and how often for Visas?** HELOC rates can change quarterly (January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup>, and October 1<sup>st</sup>) and Visa rates can change twice a year (April 1<sup>st</sup> and October 1<sup>st</sup>).
- **Who can approve a value not found on NADA?** The CEO, VP of Lending, and the Credit Administrator can approve a value not found on NADA, eg: Comparison Market Value, MSRP, etc.
- **What are 2 reasons for doing a CD or Share Secured loan?** There are various reasons for doing these, but the most common reason is to build credit for new borrowers or after bankruptcy. Another could be one family member lending money to another and helping the borrower build credit.
- **What is the longest term for Share Secured loans?** There is no set limit for how long a Share Secured loan can be written for. Ten years is usually the longest we do, but they can go longer.
- **Can auto term be extended past 84 months for backend products?** Auto terms cannot be extended past 84 months. RV terms can only be extended for backend past 120 months with approval from the CEO or VP of Lending. This is only because we with the approval of the CEO or VP of Lending we can do up to 144 months on RVs.
- **What is needed to bump a member to higher bucket for an unsecured loan?** A second signature is needed to bump a member to a higher bucket for an unsecured loan, per Loan Review. This means that if a member is bumped on a Blended Rate loan, then a second signature is needed on that loan approval.
- **What is the gross debt ratio allowed for a C bucket borrower with \$7,000/month income?** 40% - For B, C and D bucket borrowers, the max Gross Debt Ratio is 40%. For A and A+ borrowers with a monthly income over \$6,000/month, the max Gross Debt Ratio is 45%.
- **What is the longest term we will allow a D bucket borrower on an RV?** 84 months
- **Can Blended Rates be done for RV and Toy loans?** Yes, they can be done on all close-ended collateral loans.

- **Tell me how the due date shows right after you book a credit card, before the first statement closes?** Before the first statement closes, the credit card due date will show as 01/01/1900. After the first statement closes, it will show as the 15<sup>th</sup> of the following month.
- **Does an existing signature loan count against a member when considering them for a Helping Hand loan?** No it doesn't, because these loans are only used if the member doesn't qualify for any other kind of loan. However, if they wanted a signature loan and had an existing Helping Hand loan, then the Helping Hand loan would count against their qualified unsecured limit.
- **Does an overdraft limit count toward the total unsecured limit a member qualifies for?** Yes, it is an unsecured loan and therefore, would count toward their available unsecured limit.
- **What are the loan terms available for signature loans?** 12 months, 18 months, 24 months and 36 months
- **Can thin files be bumped to the next bucket?** No. Thin files and recent bankruptcies cannot be bumped to the next bucket.
- **Where do you find the rates used for Blended Rates?** You find the rates on the corresponding rate sheets and the corresponding loan terms. The 36 months signature rate is always used for loans terms of 36 months or longer. If for some reason you were doing a 24 month loan, then you would use the 24 month signature rate and not the 36 month rate.
  - **2% Adds to Blended Rates:** If you are dealing with a member you would have to add 2% to the rate for thin file or Bankruptcy, remember to add the 2% to both the collateral and the signature rate. If they were asking for 2 different loans you would have to add that 2% to both loans and it actually only adds 2% to the blended rate.
- **Can GAP be added at any time or only at the origination of the loan?** It can be added at any time, but the LTV would need to be figured on the current value of the collateral.
- **Where do you turn in Skip A Pays?** You turn them in at S:\LOANS\SKIP A PAYS\\*\*Your Branch\*\*, which is either: IF, Firth Oly, Oak, Heyburn, TF – Jordy or BOISE BRANCHES ONLY – Evelyn.
- **Where is the spot on the disclosure to indicate the loan is covered by MLA?** There is a little box at the top left of the Loan and Security Agreement that needs to be checked to indicate that the loan is covered by MLA. We should verbally inform the member about this as well.
- **Who can okay an Extension?** If the payment is not more than 30 days past due, then any lender can okay and process an Extension. If the payment is over 30 days past due, it needs to go to the Collections Department. Also, the loan is only allowed 3 Extension for the life of the loan. These are separate from the Skip A Pay program.

- **Indirect Memberships:** Dealerships do the bare minimum and rarely know where the loan will go before it's finalized. They have the member sign a generic form, which is good only for the Indirect loan. Because of this, when a member who only has an Indirect loan wants to have any other products with the credit union, checking accounts, new loans, etc., then we must treat the membership like it is brand new and pull ChexSystems and OFAC and have them sign a new Signature Card. ALSO, remember to delete the comment on the account about needing a additional information for further credit union services.
  
- **HELOC signings outside of Branch:** When we are doing a HELOC for a member who cannot sign in the branch, we must send them the HELOC paperwork for them to have notarized, EVERYTHING except the documents in the HELOC APP pack need to be notarized. The member can take it anywhere to be notarized, but each page needs its own notary. We will need to receive the signed documents back before we can fund the loan. It is suggested that they overnight the paperwork, but it will be at their expense. If we do not receive the paperwork until after the 3 day right of rescission period, then they will need to wait until we have the paperwork back for funding. If you have one person signing remotely and another in branch, it might work best to have the remote person sign first and then once you have received the paperwork, have the one that can sign in branch come sign.
  
- **General Voicemail for the Loan Department:** There was a lot of discussion about the General Voicemail for the Loan Department. Some conclusions were:
  - **Answer the phone!** There are way too many calls going to the voicemail and not being answered. Answer the Loan Line whenever possible!
  
  - **Access:** If you do not have access to the voicemail for the Loan Department, let Shannon know so you can access those calls.
  
  - **Transfers:** Everyone agrees that if you transfer a voicemail to someone, call or email that someone to let them know you transferred it. 1) It's courteous and 2) they might be out of the office and not get that message for a day or two.
  
  - **Delete:** If you call someone back or otherwise take care of the message, delete it so no one else calls the member a second time.



## Medical Debt Collection Data

March 2022

As industry and consumer needs evolve, the nationwide Credit Reporting Agencies (“CRAs”) Experian, TransUnion, and Equifax continually seek ways to ensure the data we maintain on our consumer credit files is accurate and timely, thereby serving the needs of our business clients and consumers.

This communication is intended to provide details about changes to Medical Debt Collection Data reported by Collection Agencies and Debt Buyers. The CRAs agreed to three changes on medical collection accounts: no longer displaying paid accounts, waiting 1 year from the date of first delinquency to accept this data, and no longer accepting medical collections under at least \$500. Approximately 70% of medical collections will be impacted by these changes.

- **Effective July 1, 2022**, paid medical collection debt will no longer be included on consumer credit reports.
- **Also, effective July 1, 2022**, the time period before unpaid medical collection debt will appear on a consumer’s report will be increased from 6 months to one year.
- **In the first half of 2023**, medical debt collection accounts under a pre-defined minimum threshold (will be at least \$500 and published later this year) will no longer be included on consumer credit reports.

We suggest that your organization determine what impacts these reporting changes will have on your processes, if any. We realize your organization’s full understanding and readiness to any change is critically important. As such, we will continue to update you and respond to your questions and inquiries the best we can.

**Questions?** Additional communications will be provided on this transition effort as they become available. Should you have any questions, please contact:

- Equifax: [cust.serv@equifax.com](mailto:cust.serv@equifax.com)
- Experian: [DataReporting@Experian.com](mailto:DataReporting@Experian.com)
- TransUnion: [TUDAS@TransUnion.com](mailto:TUDAS@TransUnion.com)

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