

## Loan Meeting Notes

July 20, 2023

*Next planned meeting date: August 17, 2023*

*Attendees: Brooke, Rhonda, Jade, Autumn, Jamie R, Jamie S, Gary, Steph T, Evelyn, Tara, Makayla, Jordy, Miguel, Cass, Dee, Maria, Misael, Cori, Matt, GinGar, Melissa, Andrea, Rusty, Aaron, Bo, Anali, Candida, Shannon, Laura Meza, Jamie S, Lacey, Laura H,*

- **Debt Ratio and Credit Cards:** If we are paying off a credit card with the loan, you *have* to include their minimum credit card payment, unless we are closing the credit card. Use the payment amount that reports on their credit report. If a creditor does not report a payment on the credit report, factor in a payment using 2.00% of the balance. If they have a revolving line of credit with us, factor in their maximum payment for each CCU line of credit.
  - **Joint Owner:** Cross check CCU accounts for them being joint on other accounts, those will not automatically populate in the Financial Data tab.
  - **Credit Card Closure Letter:** Is on the [Credit Card tab on the lending Intranet](#). This needs to be included in each credit line we are closing.
- **HELOC'S:** If your legal description has any special characters, do not put it in the collateral part of Forza. Try to avoid using special characters always. Copy the D&E legal description straight over to the DOT.
- **New Member Loans:** Do not open the account until the member is in the branch ready to sign. Have Chex Systems and OFAC pulled, but do not open until they are there. Hold the loan proceeds until we have **everything** we need.
- **Auto Loan Identification:** In order for us to do a loan on an auto, the member has to have a current valid **driver's license**. We cannot do a loan if they do not have a driver's license.
- **Straw Deal:** We cannot do a loan for someone, on behalf of someone else. We want a vested interest from the individual from the one borrowing the money. If we find one of our partnered dealerships has submitted a straw deal, then they will be reprimanded or possibly removed from the platform. The default rate on Straw Deals is a lot higher. Do not do Straw Deals! If we know this is a purchase for someone else, we need to find a way to decline it, or we need to add the person to the loan. There could be some gray area in house, if you have a situation where it could be a straw deal, get with GinGar or Steph to come up with a solution. Indirect is an automatic decline for straw deals.

- **Minors on Loans:** Minors can be on a loan, but they cannot be primary. The credit reporting on the minor may also not begin right away. We cannot legally obligate a minor for repayment at any time during the life of the loan if they were a minor when they signed the loan docs.
- **Collections on Credit Report:** If there is an open collection on a credit report Steph or GinGar *may* make an exception to allow a medical collection to remain open, rarely will they allow any other collection to remain open. Regardless, it will need to go to loan review. Even if a member states that they have a payment arrangement, we need to “Trust but Verify”. If we are paying off the collection, we need to include proof of that with the loan docs. We cannot use a letter stating they have set up a payment arrangement, we need proof that there has been follow through on the payment arrangement.
- **GAP and Debt Protection:** Reminder- GAP will cover up to 120% Loan to Value. If they add back-end products, and end up over 120%, GAP will likely not cover everything. Please explain this to your members!
  - We need to be transparent with debt protection with how the process work and how it will show up on their account. Explain that it works like the interest, as the balance goes down, you pay less, it is figured into your payment and it will show as a charge on the last day of the month.
- **Self Employed Borrowers:** After April 15<sup>th</sup> each year, we **have** to have taxes from the previous year. Make sure you are also asking for a profit and loss for the current year. Before April 15<sup>th</sup>, we will need a profit and loss for the previous year, preferably from their accountant.
- **Rate bumps for High Credit Discount:** If FICO is above 780, we can offer .25% off their rate. We *will* allow a bump *within 15 points* to get them the High Credit Discount.
- **Resolutions Reminder:** If someone is on reduced payments, and they come in for a new loan, the loan payment that is on reduced payments, will need to go back to the original payment amount. If you get a loan and they are on reduced payments, we need to consult with the Resolutions team before we do any new lending.
- **Training Videos and Presentations:** If anyone wants to volunteer to put together a training video or presentation, send it to Steph for approval and she will share it with everyone.