

Loan Meeting Notes

February 22, 2024

Next planned meeting date: March 21, 2024

Attendees: Aaron, Anali, B, Candida, Dalethea, Evelyn, Gary, GinGar, Jade, Jake, Jamie R, Jamie S, Karissa, Lacey, Laura H, Laura M, Lindsay, Liz F, Makayla, Matt H, Michael B, Miguel, Misa, Rhonda, Ryan, Salena, Shannon H, Shannon L, Shantell, Stephanie, Tara, Victoria, Whitney

- **Loan Folders:** If your branch needs loan folders for member document copies, email GinGar.
- **Preapprovals/Indirect:** If you have preapproved a member and the member goes through indirect, email the indirect department (indirect@connectidaho.org) to ensure the branch receives the credit for the loan. Inform the member about back-end products offered by CCU during the preapproval process (GAP, MRC, DP).
 - Please allow the member to decide how they would like to proceed with closing the loan, whether that be at the branch or through indirect at the dealership.
 - Do not remove backend products from the dealership's purchase order.
- **Helping Hand:** Stephanie will let the team know when we are close to our concentration limit for this loan type.
 - If the loan fits within all the guidelines for Helping Hand loans, a lender with full lending authority can approve it on their own. A lender with limited lending authority will only need one lender with full lending authority to sign for approving the loan.
 - If the loan request is outside of Helping Hand guidelines it will require an approval from the Credit Manager, CLO, or CEO. For example:
 - Members with a membership of less than six months.
 - Loan amounts less than \$100 or more than \$500.
 - Less than six months since last Helping Hand Loan has been paid off.

- **HELOC Reminders:**

- **Minimum Monthly Payment/ Principal Balance:**

With current interest rates, it's crucial to explain the potential for negative amortization to members. This occurs when the 1% minimum payment doesn't cover monthly interest, leading to a stagnant principal and increasing payoff. We should utilize the Quick Amortization feature in Forza to show members the minimum payment needed to pay off the balance within 10-15 years, enabling them to grasp what's required to reduce their principal effectively.

- **First Payment Calculation:** After the first draw on a HELOC, the system will reflect the minimum payment due as 1% of the HELOC limit amount (only 1% of the balance will be due for the minimum monthly payment). The system will recalculate the next month to reflect the correct minimum monthly payment of 1% of the balance. Please verify this information with your members.

- **Vesting:** The marital status should be included on the deed and encumbrance report. If you have any questions regarding the vesting, contact the title company.

- **Subordinate Liens on HELOCs:** If there is a second mortgage such as down payment assistance, we will subordinate as third lienholder on a case-by-case basis. These HELOCs will need to be approved and signed on by Stephanie.

- **Credit Application/ Credit Union Use Section** If you are refinancing a loan or doing a debt consolidation, make sure you are including the payments in the before debt-to-income ratio to reflect an accurate before and after DTI.

CREDIT UNION USE ONLY					
DATE	<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DECLINED <small>(Adverse Action Notice Sent)</small>	APPROVED LIMITS: \$	SIGNATURE	LINE OF CREDIT \$	CREDIT CARD \$
		DEBT RATIO/SCORE: BEFORE	AFTER		OTHER \$

- **Loan Worksheets:** Please type on the loan/HELOC worksheet instead of handwriting the information.

- **Second Signature/ Approval:** If you are signing as a second signature, you need to make a notation of what you approved in the notes section of Forza.

- **Signatures on Worksheet:** GinGar is working on adding a second approval signature line to the loan worksheet to make it cleaner and clearer. It will look like this:

Processed by:	
Processor Sig:	Date:
Approved by:	/
Approval Sig:	Date:
2nd Approval:	Date:

- **Financial Data Tab:** Make sure you include the maximum minimum monthly payments for Visa credit cards/lines of credit. If you book the loan, there is not a way to add it later and you will have to run a debt tape to correct it.
- **Notes Tab in Forza:** If you make a note in Forza under the primary borrower, it will not show under the coborrower's note tab, and vice versa.
- **End of Month Payment/ Payment Frequency:** If the member wants their payment date to be the 29th-31st you need to key their payment date as the last day of the current month and the payment frequency to "Monthly-End of Month". This will allow the member's payment to be due on the last day of the month. This helps ensure skip payments and other reports are not adversely affected. For example, if the member wants their payment due date to be March 30th, please explain that we will need to set their first payment as March 31st to ensure that their payment is due at the end of each subsequent month.

Repayment Information			
	Amort. Term	Term Date	Amount Due
<input type="checkbox"/> Balloon Loan	0	01-Jan-1900	139.97
Disbursement Date	03/12/2024	Close Date	
Number of Payments	60	Skipped Payments	
Interest Only Payments	0		
Payment Frequency	Monthly - End of Month		
First Payment Due	03/31/2024		
P+I Payment	140.72		
Escrow Payment	0.00		
Scheduled Payment	140.72		
Final Payment	139.97		

- Please note that if you select the payment frequency as "Monthly-End of Month" but choose a first payment date that is not the last day of that month, the system will automatically schedule two payments for that month.

Repayment Information

	Amort. Term	Term Date	Amount Due
<input type="checkbox"/> Balloon Loan	<input type="text" value="0"/>	01-Jan-1900	138.88
Disbursement Date	<input type="text" value="03/12/2024"/>	Close Date	
Number of Payments	<input type="text" value="60"/>	Skipped Payments	
Interest Only Payments	<input type="text" value="0"/>		
Payment Frequency	<input type="text" value="Monthly-End of Month"/>		
First Payment Due	<input type="text" value="03/29/2024"/>		
P+I Payment	<input type="text" value="138.89"/>		
Escrow Payment	<input type="text" value="0.00"/>		

Payment	Payment Date	Scheduled Payment	Principal Paid	Interest Paid	Credit Life
1	29-Mar-2024	138.89	95.38	43.51	0.00
2	31-Mar-2024	138.89	133.86	5.03	0.00
3	30-Apr-2024	138.89	65.13	73.76	0.00
4	31-May-2024	138.89	63.56	75.33	0.00
5	30-Jun-2024	138.89	66.84	72.05	0.00

- **VIN Inspection/ Dealerships:** We need to ensure the vehicle is in running condition. Conduct a VIN Inspection on private party sales and dealerships that are not well known.
- **Payoffs on Real Estate Loans:** Route these through the mortgage department whenever possible.
- **Titles:**
 - Send titles to Michael "Mike" B. at the Oak Street branch.
 - Please verify the ownership of the title (registration/ photo of the title)
 - Lease Buyouts- Contact Mike to ensure we have the correct documentation filled out.
 - Please do not write on the title and let Mike do the title work when possible.
 - In FDI, fill out all information for the borrower. In the branch section, please put your name instead of your branch.