

**DIVISION 819 CREDIT UNION  
AUTOMOBILE & MOTORCYCLE LOAN POLICY**

**\*\*\*All loans are subject to credit approval\*\*\***

**EMPLOYEMENT REQUIREMENT**

1. MINIMUM 90 DAYS ON PRESENT JOB UP TO \$20,000.00
2. ONE(1) YEARS OR MORE ON PRESENT JOB UP TO \$40,000.00
3. EMPLOYMENT HISTORY SUBJECT TO VERIFICATION.

**SECURITY REQUIREMENT**

1. TITLE WITH CREDIT UNION LISTED AS LIEN HOLDER
2. PROOF OF INSURANCE NAMING DIVISION 819 TRANSIT EMPLOYEES CREDIT UNION AS "LOSS PAYEE"
3. NO VEHICLE IS TO BE IN POSESSION UNTIL ALL REQUIRMENTS ARE MET, LOAN IS APPROVED, AND CREDIT UNION HAS WRITTEN A CHECK MADE PAYBALE TO THE DEALER.
4. NO LOAN SHALL BE PROCESSED UNTIL ALL REQUIRMENTS HAVE BEEN MET BY MEMBER.

**LOAN LIMITATIONS**

**A. NEW CARS / M.C**

- 1) LOAN LIMIT IS 100% OF LIST PRICE  
INCLUDING SALES TAX, PLATES, ECT.  
NOT TO EXCEED \$40,000.00
- 2) INTEREST RATE IS BASED ON CREDIT SCORE AS FOLLOWS:
  - 5% PER ANNUM (FICO SCORE 700 AND ABOVE)
  - 5.5% PER ANNUM (FICO SCORE 600-699)
  - 6% PER ANNUM (FICO SCORE 500-599)
  - 8%, 8.5%, OR 9% PER ANNUM (NO SCORE, Dependent on debt- to- income ratio)FICO SCORES BELOW 500 DECLINED  
ALL NEW CAR LOANS ARE FOR 5 YEARS (60 MONTHS).

**B. USED AUTOS ONLY**

- 1) LOAN LIMIT IS 100% OF N.A.D.A BOOK VALUE,  
INCLUDING SALES TAX, PLATES, ETC  
NOT TO EXCEED \$40,000.00 AND AUTO MUST

NOT BE MORE THAN 5 YEARS OLD

2.) INTEREST RATE IS BASED ON CREDIT SCORE AS FOLLOWS:

- 6% PER ANNUM (FICO SCORE 700 AND ABOVE)
- 6.5% PER ANNUM (FICO SCORE 600-699)
- 7% PER ANNUM (FICO SCORE 500-599)
- 9%, 9.5%, OR 10% PER ANNUM (NO SCORE, Dependent on debt- to- income ratio)

FICO SCORES BELOW 500 DECLINED

ALL USED CAR LOANS ARE FOR 5 YEARS (60 MONTHS).

Auto loans cannot be refinanced

**LOAN APPLICATION**

**A. NEW AUTO / M.C.**

- 1) SAME PROCEDURE AS FOR ANY OTHER LOAN
- 2) MUST OBTAIN YEAR, MAKE, MODEL, SERIAL NUMBER, PRICE, AND SPECIAL EQUIPMENT EITHER FROM THE SALES CONTRACT OR DIRECTLY FROM THE DEALER
- 3) IF INFORMATION IS OBTAINED FROM DEALER, NOTE DEALERSHIP NAME, SALESMAN NAME AND TELEPHONE NUMBER

**B. USED AUTOS ONLY**

- 1) SAME AS 2A ABOVE IF SALE IS MADE BY DEALER

**PERFECTING THE LIEN**

- A. THE LIEN MUST BE PERFECTED BY HAVING THE CREDIT UNION LISTED AS A LIEN HOLDER ON THE TITLE
- B. THE CREDIT UNION MUST RETAIN THE ORIGINAL TITLE UNTIL LOAN IS PAID OFF.

## **INSURANCE COVERAGE**

### **A. COMPREHENSIVE**

- 1) POLICY MUST COVER COLLISION, FIRE, THEFT, AND VANDALISM
- 2) POLICY MUST SHOW THE CREDIT UNION AS LOSS PAYEE

### **B. PROOF OF INSURANCE**

- 1) THE ACTUAL POLICY, OR A LETTER FROM THE INSURANCE BROKER GUARANTEEING THE COMPREHENSIVE COVERAGE (SHOWING THE CREDIT UNION AS LIENHOLDER, AND THE POLICY PERIOD), OR A RECEIPT FOR THE PAYMENT OF THE PREMIUM, MUST BE IN POSSESSION OF THE CREDIT UNION BEFORE ISSUING A CHECK FOR THE LOAN PROCEEDS.
- 2) FAILURE TO MAINTAIN INSURANCE CONSTITUTES A DEFAULT ALLOWING THE CREDIT UNION TO REPOSSESS THE AUTO OR M.C.