

To All Members:

Due to sound investment and safe lending policies, our Credit Union is able to pass along to its Members, benefits and advantages that the banking industry, in general, cannot.

- FICO scores and Debt Ratio will be used to determine interest rate on all loans except fully secured loans.

INTEREST RATES	LOAN POLICY
<ul style="list-style-type: none"> • 6%, 7%, 10%, 12% , or 15% 	Based on individual applications, for unsecured loans.
<ul style="list-style-type: none"> • 5% 	For loans fully secured by shares.
<ul style="list-style-type: none"> • 7% 	Student loans (1 year loan)

LOANS CANNOT BE REFINANCED MORE THAN TWICE PER YEAR, AND ONLY WHEN 25% OF THE ORIGINAL LOAN HAS BEEN PAID OFF; providing you are qualified based on loan application requirements.

Loan applications are taken Monday through Friday from 9am to 3pm.

LOAN APPLICATION & APPROVAL POLICIES

APPLICANTS MUST (STRICTLY ENFORCED):

1. Be a member in good standing. (A member who has caused the credit union a loss is not a member in good standing.)
2. New credit union members/accounts must wait thirty (30) days before applying for a loan.
3. Re-opened credit union accounts must wait two (2) weeks before applying for a loan.
4. Have sufficient dollar amount, at time of application, to secure amount of loan applied for, plus \$100 for membership.
5. Income verification required. Current check stub (no disability, worker's comp, or vacation checks accepted). Only regular hours are acceptable. Overtime will not be calculated in the debt to income ratio. Bank statements are acceptable only to show proof of child support income.
6. Driver's license (Non-expired), State ID, or US Passport.

LOAN APPLICATION PROCEDURES

1. The debt that the member owes will be taken from the credit report and including any rent payments, and any outstanding loans with Division 819 Credit Union, as well as any civil judgments (example: payment plans or garnishments).
2. The formula for determining total monthly income is as follows:

$$\text{Hourly Rate} * \text{Regular Weekly Hours} * 52 / 12$$

Exception: Pension and Social Security are already paid on a monthly basis. Therefore, the gross amounts will be added to total monthly income.

3. Debt-to-Income-Ratio Worksheet will include new loan payment amount for new and refinanced loans.
4. Current notarized letters and/ or lease agreements may be required to show proof of rent/mortgage or auto payments. (rent receipts are not acceptable).

Experian

An Experian credit report with a FICO 08 must be ran for every application. All active debt including debt that is late will be added to the debt to income ratio worksheet. The credit union will not count deferred education payments, charge offs or collections as active debt. Any derogatory information on report must be explained in full (**STRICTLY ENFORCED**).

DEBT RATIO		CREDIT SCORE
LOW RISK	UP TO 25%	+20 POINTS
MEDIUM RISK	26% - 35%	NO CHANGE
HIGH RISK	36% - 45%	-20 POINTS
GREATER THAN 45%	DENIED	

CREDIT SCORE	INTEREST RATE
More than 740	6%
700 - 739	7%
630 - 699	10%
551 - 629	12%
500-550	15%
Below 500	Declined

1. For any civil judgment over \$250, we must have receipt of payments in full or the credit union will pay with loan proceeds. If any arrangements have been made with a creditor to pay any of the above and has been paid for at least 6 months consecutively, this will be acceptable.
2. Anyone without a FICO score will be subject to the following procedures:
 - A. Debt to Income Ratio
 - B. Three (3) or more collection accounts, the interest rate on the loan will be 15%.
Five (5) or more, the interest rate will be 15%, and will require a co-signer.
 - I. If collection accounts are five (5) or more, and if the collection accounts are paid down below five (5) with proceeds from the loan the Credit Union will not require a co-signer.
 - II. If a collection account has been settled, and is still showing on the credit report a letter of payoff will be required.

DEBT RATIO	PERCENTA	NO SCORE
LOW RISK	UP TO 25%	10%
MEDIUM RISK	26%-35%	12%
HIGH RISK	36%-45%	15%
GREATER THAN 45%	DECLINED	

3. All loan applications are not guaranteed to be approved due to the years of service with Local 819 members. Credit history is a major factor in the approval process of all loans.
4. Any member who becomes eligible for a loan cannot have any outstanding collection accounts in excess of three thousand dollars (\$3000.00).
5. Any member who becomes eligible for a loan and has five (5) or more collection accounts must pay collection accounts down to four (4) with the proceeds from the loan or out of pocket prior to receiving loan. Any additional outstanding collection accounts cannot exceed three thousand dollars (\$3000.00).

STUDENT LOANS

1. Interest rate for student loans is 7%.
2. Tuition statement from school required at time of application with address of school and student id number.
3. No security is required for student loans.
4. Loan payment will be made payable to the Department of Education, directly to the institution, or other financial institution.
5. Maximum Student Loan amount is \$5000.00.
6. Student loans can be used to pay any educational loan on their credit report.

HOLIDAY LOANS

1. Holiday loans are accepted between November 1st and the last Friday before Christmas each year.
2. No security is required for Holiday Loans.
3. Maximum holiday loan is \$2,500.00.
4. Holiday loans have a 12-month term.

Credit reports are required for all loans except for those fully secured by shares. These reports are obtained through Experian and your account will be charged \$5.00 at the time of application.

Members are eligible for a loan after 90 days of service with NJ Transit.

LOAN SCHEDULE

\$500.00 to \$999.00	\$50.00 Secured plus \$100.00 membership
\$1,000.00 to \$1,999.00	\$100.00 Secured plus \$100.00 membership
\$2,000.00 to \$2,999.00	\$200.00 Secured plus \$100.00 membership
\$3,000.00 to \$3,999.00	\$300.00 Secured plus \$100.00 membership
\$4,000.00 to \$4,999.00	\$500.00 Secured plus \$100.00 membership
\$5,000.00 to \$10,000.00	\$1000.00 Secured plus \$100.00 membership
\$10,001.00 to \$15,000.00	\$1500.00 Secured plus \$100.00 membership

90 days up to 1 year	Up to \$1,000.00
2 years of service	Up to \$3,000.00
3 to 4 years of service	Up to \$5,000.00

5 to 9 years of service	Up to \$7,500.00
10 to 14 years of service	Up to \$10,000.00
15 or more years of service	Up to \$15,000.00

SCHEDULED LOAN PAYMENTS

\$500.00 TO \$1,999.00	12-month term
\$2,000.00 to \$3,999.00	24-month term
\$4,000.00 to \$5,999.00	36-month term
\$6,000.00 to \$10,000.00	48-month term
\$10,001.00 to \$15,000.00	60-month term

All loan payments are due on the **15th** of every month. Refinanced loans scheduled payments are due by the 15th of either the month of the refinance or the 15th of the following month (or whichever comes first). New loan payments are due by the following month on the 15th.

New members of the Local 819 ATU can join the Credit Union in order to pay their Union initiation fee. The payroll deduction will be \$25.00 a week.

The maximum loan amount is \$15,000.00 (plus CDI if elected).

Years of service for loan qualifications for *Non- Local 819 Amalgamated Transit Union Members* will begin upon the date of joining the Credit Union.

DELINQUENT LOANS

If a member pays off all debt that they have incurred with the credit union (including interest and charged off loans), then they will be a member in good standing and able to apply for future loans with the credit union.

(See Collection Policy)

***The Credit Union can hold your Christmas Club check and security deposit to apply it to any delinquent loan balance.**

YOU ARE RESPONSIBLE FOR NOTIFYING THE CREDIT UNION IF:

YOUR ADDRESS CHANGES
YOUR NAME CHANGES
YOUR BENEFICIARY CHANGES
YOUR WORK LOCATION CHANGES
YOUR TELEPHONE NUMBER CHANGES
YOU ARE OUT SICK OVER 30 DAYS AND HAVE A LOAN
YOU NO LONGER WORK FOR THE COMPANY

CO-SIGNERS

If a member's score is less than 500 but greater than 480 a co-signer is acceptable with these conditions.

1. The Co-signer must show one form of photo identification, (IE Driver's license or passport,)
2. OFAC/FinCEN report will be run for the borrower and co-signer.

3. The Co-signer's credit report must show no public records or bankruptcies and have a credit score above 500.
4. When applying for a loan, the member's collections and the co-signer's collections together cannot have more than 4 and cannot total more than \$3,000.00.
5. A co-signer must fill out a separate application and a credit check will be made for the co-signer as well as a \$5 fee.
6. The debt to income ratio will be made with the member's debt and income combined with the co-signer's debt and income. All loans with co-signers will automatically have a 16% interest rate as long as debt/income ratio does not exceed the limit.
7. The proceeds will be made payable to the member. The co-signer is required to be present when the check is given and the loan documents signed by both parties.

BANKRUPTCIES

1. If a Bankruptcy comes up on a member's credit report it must have a status as of "Discharged".
2. If a bankruptcy comes up on a member's credit report with a status of "Dismissed" or "Filed" the loan will be denied.
3. If a bankruptcy comes up on a member's credit report with a status of "Dismissed" or "Filed" and the member would like to dispute the bankruptcy in order to be approved for the loan, the member must get a letter from the court system stating that the bankruptcy has been "Discharged". The letter from the court must show the matching docket number from the credit report.