



## CDFI Economic Development Tuition Loan Plan

### Tuition Loans

#### Purpose

- Provide education funding for high-demand occupations in SWLA.
- Education to be completed within 12 months of financing.
- Optional loan repayment deferral until completion of the borrower's certification available.

#### Underwriting Criteria

- Borrower to provide the following:
  - Proof of enrollment
  - Estimated course hours needed to complete education/certification
  - Estimated graduation date
  - Funds needed to complete education/certification
- Debt ratio no greater than 45%
- Will consider eligibility for Daycare Voucher Assistance
- Max unsecured debt equal to 3x monthly gross income
- Income verification consistent with normal Consumer Loan Policy
- Will not consider medical collections
- Denials must go through Program Coordinator, COO, or Loan Manager
- All loan officers will exercise good judgment. Factors including, but not limited to, credit history, payment history, employment and income stability, level of indebtedness, loan type, loan term, and net worth must be taken into account as a part of credit judgment. **The credit union will focus more on the probability the member will pay the credit union and lesser on how the member has paid others.** The credit score is just one of many tools the credit union will use.

#### Loan Terms

- Max term is 60 months
- 12.00% Interest Rate
- Check to be made payable to "School"
- Payments are capped at 10% of borrower's gross monthly income
- Deferment Options:
  - Payments start 30 days after loan date. Interest accrues immediately.
  - Defer payments and interest until graduation date.
  - Defer payments and interest until 90 days after graduation.
  - **\*\*Total Deferment cannot exceed 12 months from loan origination date**