

Life Assistance Loan (Employer Sponsored)

Purpose:

To provide S.E.G. Employer employees who have non-prime credit (including those with limited credit experience as well as those with a negative credit history) with an affordable, simple, and safe alternative to predatory lending products such as payday and car title loans.

Responsibility:

Consumer Loan Specialist would normally perform all or some of the process.

Loan qualifications:

- Employer has been approved by Consumer Lending Manager, Vice President of Lending, SVP/CXO or CEO, and has executed a valid Memorandum of Understanding relative to the program
- Employed by a participating Select Employer Group for a minimum of 12 months, and in good standing
- Of legal age to enter into a binding contract (age 18 or greater)
- Not currently in Bankruptcy or in the process of filing Bankruptcy
- The Credit Union has not suffered a loss from the applicant in the past. Any exceptions to be approved and noted by the Consumer Loan Manager or VP or Lending.

Specifications of Loan:

- Loan Category is a Signature Loan (43), set-up on the Closed-end Note
- Minimum loan amount of \$500, maximum amount of \$1,500
- Loan terms of up to 12 months
- 16.99% Interest rate, no loan fees
- Existing Life Assistance loan to be paid in full before applying for a new Life Assistance loan, no refinances or add-ons.
- Payment to be set-up automatically from employer direct deposit or allotment

Application Process:

- Email received from an Employer Partner with an attached Life Assistance Request Form (Attachment A)
- A Consumer Loan Specialist will contact the employee to complete a loan application
In CU* Answers Gold system:
 - a. Input the loan application Tool #53, action code LR (loan request) and select Prod # 79 (Life Assistance Loan).
 - b. Security Code to be 69 (Life Assistance Loan)
 - c. A credit report will be pulled to verify that there is no current Bankruptcy, to identify other opportunities, and when applicable to establish membership. The credit report will not be used to underwrite the loan request.

Account Opening

- For non-members, request a copy of a valid state ID or Driver's License.
- Open the New Membership under Reason Code -02 (Employer Referral) and use the appropriate Department Sponsor code. (ex 09 =Graceworks).
- Use the ProDoc New Member Account package to send the membership documents for e-sign
- The \$5 membership may be deducted from the loan proceeds

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Underwriting and Disbursement:

1. Loan request is automatically approved with Employer referral and borrower meeting the qualifications.
Use underwriter code LA (Life Assistance)
2. When creating the loan in Gold, select the Life Assistance loan package in ProDoc. The required documents will be:
 - Application (APPL)
 - Price you Pay for Credit (XRVH)
 - Closed-end loan note (NOTE)
 - Life Assistance Request Form
 - Life Assistance Direct Deposit form (attachment B)
3. Set first payment to be 30- 45 days from date of loan
4. *Send an Encrypted email to the Employer Partner:*
 - *stating the loan term, Bi-weekly payment amount, first full payment due date*
 - *attach the completed Authorization for Direct Deposit form (Loan section should always be completed)*

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Memorandum of Understanding and Agreement

Between Day Air Credit Union (DACU)

And

Life Assistance Loan Partner (Partner)

Parameters:

- 1) **Partner** will review requests from staff for Day Air Credit Union and will confirm eligibility for their employees. Employees who have had a minimum of 12 months of continuous services and are in good standing, will be eligible for the Life Assistance Loan with DACU.
- 2) **Partner** will initiate a referral by e-mailing LN_Call @dayair.org and attach a completed Life Assistance Request Form. Minimum loan amount of \$500, maximum of \$1500. Loan term not to exceed 12 months.
- 3) **Partner** will instruct the employee that a valid, government issued photo identification and \$5 minimum balance will be required to establish a Day Air membership. The \$5.00 may be funded through the Life Assistance Loan .
- 4) DACU will educate the new member about the products and services offered by DACU and will attempt to identify any other areas DACU can financially help the employee.
- 5) After the loan documents have been completed, DACU will send an encrypted e-mail to the Partner (same email that initiated the request) with the monthly payment amount, loan term, first payment date and will attach the completed Authorization Agreement for Direct Deposit.
- 6) **Partner** will set- up a direct deposit or payroll deduction to DACU for the payment amount.
- 7) DACU requests that the **Partner** notify Day Air if the employee has left employment.
- 8) DACU will track yearly loan numbers as well as the total amount of charged off loans (if any). Day Air Credit Union will meet annually with the Partners to monitor the success of the program and to make any changes desired by both organizations.
- 9) Each **Partner** will pay a one-time initial start-up fee of **\$50.00** to Day Air Credit Union.
- 10) Either party upon delivery of written notice may terminate this agreement immediately.

Day Air CU

Date

Life Assistance Loan Partner

Date

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LIFE ASSISTANCE LOAN



Employer Group: _____

Date: _____ Amount Requested: _____

Employee Information

Name: _____ Hire Date: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

For HR Use Only

Employer Contact: _____

Employer Contact Phone: _____

Employer Email: _____

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Authorization Agreement for Direct Deposit

Please review and complete the following information. Return this form to your employer's human resources office.

Direct Deposit Authorization:

Name: _____ Social Security Number: _____

Address: _____

City: _____ State: _____ Zip: _____

I wish to have my payroll or an allotment of my payroll deposited to Day Air Credit Union, Routing # 242277808.

Deposit Instructions:

- Deposit entire amount to Savings Account: _____ - 000
- Deposit entire amount to Checking Account: _____ - _____
- Deposit an allotment of my payroll of _____ to my:
 - Saving Account: _____ - 000
 - Checking Account: _____ - _____
- Loan _____
 - Start with next bi-weekly paycheck \$ _____
 - Future deposits will go to savings when loan is paid in full. ☐

Day Air Credit Union
P.O. Box 292980
Kettering, OH 45429-8980
Transit/ABA # 242277808

I hereby authorize:

- Above listed entity to initiate deposit of my funds to my Day Air Credit Union Checking or Savings Account.
- Day Air Credit Union to credit my account(s).
- This authorization to remain in full force and effect until I send a written notice of change or cancellation.

Signature: _____ Date: _____