

Family First Credit Union Lending Policy Loan Extension Policy

Purpose

The purpose of this policy is to outline when and under what circumstances loan extensions can be offered to member/borrowers experiencing financial hardships.

Policy Statement

Family First Credit Union will not discourage borrowers from applying for a loan extension on the grounds of any prohibited basis.

Qualifying Events and Approvals

In general, we will consider the following as qualifying events for loan extensions:

- Illness, temporary unemployment or loss of income, and extraordinary expenses. In response to these events, Branch Managers may consider and approve one-month extensions. The President or Vice President of Lending may consider and approve two-month extensions, on a justifiable exception basis.

The Vice President of Lending, Chief Financial Officer, President, or Branch Manager will approve extensions for all officials and employees.

Monthly Payment Reductions

In cases where a borrower's monthly income has been permanently reduced, we will consider reducing the borrower's monthly loan payment to an affordable amount. This reduced amount should not significantly add to the remaining repayment term of the loan.

Demonstration of Payments and Payment of Interest

We will not require that the member make a loan payment prior to being granted an extension, based on their inability to make the scheduled payment they are seeking the extension for. We will not require that the member pay accrued interest prior to being granted an extension.

Number of Extension Per Year/Per Term of Loan

In general, we will consider no more than two extensions per year.