

Family First Credit Union Lending Policy Loan Incentive Policy

Purpose

Family First Credit Union has an incentive program for employees in connection with loans made by the Credit Union. The Credit Union offers incentives to build loan volume and to reward employees.

Incentives

- Guaranteed Auto Protection: Incentives are earned by selling Guaranteed Auto Protection Insurance for automobiles, motorcycles and boats. The sale of the product earns an employee \$15.00. All Loan Officers and Branch Managers are eligible to receive incentives. There is no limit to the number of products that can be sold.
- Extended Warranty: Incentives are earned by selling Guaranteed Auto Protection Insurance for automobiles, motorcycles and boats. The sale of the product earns an employee \$15.00. All Loan Officers and Branch Managers are eligible to receive incentives. There is no limit to the number of products that can be sold.
- Needs Analysis: The purpose of the Needs Analysis is to obtain permission to pull a credit report so that we can offer our products and services to our new members in an attempt to save the member money on their current financial obligations. Our products and services are to provide added value to our members' lives. For each successful loan, the Loan Officer or Branch Manager will be paid the following incentives:

New checking account	\$15.00
Auto refinance	\$25.00
Boat or RV	\$25.00
New credit card	\$15.00
Unsecured loan over \$2,000.00	\$15.00

The member service representative will earn \$5.00 for each Needs Analysis that they obtain from a new member.

- Lending Referral Program: The purpose is to offer products and services to our potential members through referrals given by satisfied members of our credit union. The referrals will drive loan growth while adding value to our members' lives. For each successful referral, the loan officer or branch manager will be paid the following incentives:

New Account	\$10.00
New Checking Account	\$15.00

The Branch Manager will track the new accounts based on the "Share the Value of Membership" forms that have been turned in. The forms have to be turned in before contacting the potential members. The referral incentives are for only the new members where you initiated the new relationship by a referral from a current member.

Policy Statements

The Loan Incentive Policy will be reviewed annually by the board of directors for compliance, internal controls and effectiveness. The Branch Manager or a designee will balance the general ledger at months' end and submit the report to the Chief Financial Officer for approval. The incentive will be added to the payroll for the upcoming pay period. Senior management is ineligible to receive incentives. Senior management would include the President, Chief Financial Officer and Vice President of Lending.