

### **Capital Reserve Procedures:**

- Client requests funds from their Capital Reserve Account. Customer Relations staff informs client that it can take a week to get the check once all the paperwork is submitted. Explain the signature requirement of all borrowers.
- Customer Relations Staff obtains balance in the clients Capital Reserve Account. If the account is serviced by Graystone, then the balance is obtained on-line. If the account is maintained in-house the balance is obtained on Capital Reserve spreadsheet maintained by finance.
- Customer Relations staff provides clients with one of three Capital Reserve forms depending on circumstances:
  - Mortgage Payments (*Capital Reserve Request Form for Mortgage*)
  - Home Repair (*Capital Reserve Request Form for Home Repairs*)
  - Other for other emergency needs (*Capital Reserve Request Form*)
- Sun Staff reviews request and makes a determination if adequate funds are available. SUN staff also requests additional information as listed below:
  - Mortgage Payments: Reviews and verifies hardship providing documentation when available and then makes a recommendation to Management for payment. If yes, management signs Form and then Sun Staff submits to finance department copying SUN management.
    - All borrowers should sign the request or some proof or acknowledgement that all borrowers agree to the withdrawal.
  - Home Repairs: In addition to signing the form the client will provide the following to the Customer Relations Staff:
    - Copy of the Contractor's license
    - Proof of insurance
    - Copy of the Contractor Agreement outlining the work to be completed and the payments to be made.
    - If the total project cost exceeds \$3,000, then a *Contractor Rider* must be included in the contract and signed by the contractor and homeowner.

# of payments: The number payments shall be at least two unless the project is to be completed in one day. An upfront payment is typically no more than 50% of the total project cost.

Checks: Checks are always made out to the homeowner and the contractor.

Inspections: No inspections are required to release funds but homeowner should provide some proof that the work was completed (e.g. signed-off permit).

If the homeowner requests reimbursement for an already purchased or completed work then a receipt must be obtained from the client.

- If the remaining balance in the capital reserve account is zero or low, then the Customer Relations staff should try to replenish the account by making extra payments to do so.