

# **SAN MATEO CITY EMPLOYEES FEDERAL CREDIT UNION**

**330 West Twentieth Ave.  
San Mateo, CA 94403**

## **Open-Ended Loan Program**

**(Effective 11/20/2007)**

**(Modified 07/01/2010)**

In order to better serve our Credit Union Members we have implemented a new loan program. This program called, the Open-Ended Loan Program, will replace the existing program.

1. What is an Open-Ended Loan Program?

The easiest way to describe this program is to think of it as you would think of a credit card. There is no maturity date. You only apply once to become eligible. When the 'program' is set up you simply ask an advance as you need the money. The payments will be based on 60 months and the highest balance you have had.

2. What is process to set up the program?

In setting up the program you will fill out an application and provide documentation on your income. We will then run a credit report and calculate your debt ratios. If you meet the minimum requirements you will then be set up in the program.

3. What if I want to buy a new car?

This program will no longer work for anything other than unsecured loans. Car, truck, etc types of loans will require the complete underwriting process. (new application, proof of income, etc)

4. How do unsecured loans work?

Unsecured loans require that a credit limit be established (current limit is \$20,000 or 3 times your monthly salary which ever is less). This will normally be done at the time the program is set up. Once this credit limit is determined you can simply contact the credit union and ask for an 'advance' against this credit limit. An advance must be at least \$1,000. There still will not be any paperwork required on your part. As you pay down the loan this amount again becomes available for advances.

5. What happens if I get a raise or change jobs?

Whenever you change jobs you should submit a new paystub to keep your program current or if you want to raise your limit if not at the maximum.

6. Do I need my spouse's paystub and signatures?

In California, a community property state, you do not need you spouse's paystub (but both are responsible for the loans). To have your spouse's wages considered when we do the debt ratio you must submit his/her paystub. If both spouses sign the application then either can request an advance or take out a new loan. If only one signs then that party is the only one that has access to the loan program.