

# Urbana Municipal Employees Credit Union

## Payday Alternative Loan (PAL) Policy

04/20/2016

The Payday Alternative Loan (PAL) is a quick and easy loan process designed to provide members of the Urbana Municipal Employees Credit Union with an alternative to high cost sources of credit. Any member, 18 years and older, is eligible for approval by a Credit Union Loan Officer.

Maximum Amount:	\$1,000 *(ONE YEAR EMPLOYEE OR MEMBER)	
Rate:	20.0% Fixed (Actually 10% as 6 mos. versus one year) 20.5% Fixed non-payroll deducted (Actually 10.25% as 6 mos. versus one year)	
Loan Application Fee:	\$25.00	
Repayment:	\$1,025.	13 b/w payroll deductions (one year) -\$83-\$84
	\$775.	13 b/w payroll deductions (nine mos.)
	\$525.	10 b/w payroll deductions (six mos.)
Security Required:	None	

### Applicant must supply:

- ✓ A current check stub with an income of no less than \$1000.00 per month
- ✓ Valid photo ID
- ✓ Valid home and work phone numbers (cell number if applicable)
- ✓ Purpose of the loan, for example: pay off a bill, car repairs, etc.
- ✓ Proof of eligibility with a member agency for at least 6 months.

### Requirements:

- Applicants must be a member of UMECU.
- Applicants will have no delinquent loans with UMECU in the past 6 months and no bankruptcy discharged within the past year.
- PAL applicants must sign a loan agreement & disclosure statement IN PERSON.
- Applicants may not have more than one PAL loan. A member must pay off a PAL loan completely before another PAL loan is issued. A PAL loan may not be refinanced or extended.
- Applicants who have been delinquent within 12 months on PAL loans will not be eligible for a new PAL loan.

Due to the nature of this loan, no credit check or debt ratio calculation is required. PAL loans may be distributed by a Loan Officer.