

**TENNESSEE STATE UNIVERSITY
FEDERAL CREDIT UNION**

POLICY CHANGE

On all UNSECURED loans closing after January 1, 2017, the following will apply:

- (1) At least 10% of the loan balance MUST remain in the Share Account until the loan is satisfied
- (2) Funds can come from the proceeds of the new loan
- (3) In hardship cases, the member can work out an increase of payroll deductions for three months until at least 10% of the amount of the loan has been reached in the account
 - Members desiring a hardship exception must be able to document to TSUFCU the hardship that they are experiencing. This must be done by showing bills or other information that would indicate what is causing them to be unable to deposit the 10% at the time the loan is closed.
 - The 10% requirement is to remain in the account for the entire term of the loan. The amount does not decrease as the loan balance is reduced
- (4) The staff is expected to "flag" accounts in which loans have been issued after January 2017 to indicate that the account must always have at least 10% of the original loan balance on reserve. This is in addition to the required monthly payment that is owed at the end of each month
- (5) A refinance after January 2017 is considered a new loan and 10% of the loan amount must Remain in the share account until the loan is satisfied

Presented & Approved – TSUFCU to BOD 03/29/2017