

## RISK BASED LENDING

Effective November 1, 2008 the Utility District Credit Union implemented Risk Based Lending which involves a tiered pricing structure that assigns loan rates based on an individual's credit risk. The credit scores used in processing risk based lending is developed by the Fair Isaac Company (FICO). The basic concept is that the rate charged to an individual borrower is commensurate with the credit risk associated with that borrower. Credit scoring and meeting the required debt ratio will determine the loan decision and the initial rate to the borrower. The chart below illustrates the rates in relation to the FICO score.

### RATES EFFECTIVE January 10, 2025

NEW CAR LOAN							
RANGE	GRADE OF PAPER	RATE STRUCTURE	84 MONTHS	72 MONTHS	60 MONTHS	48 MONTHS	36 MONTHS
730+	A+	Base Rate - 0.50%	5.50	5.25	5.00	4.49	4.25
680-729	A	<b>Base Rate</b>	<b>6.00</b>	<b>5.75</b>	<b>5.50</b>	<b>4.99</b>	<b>4.75</b>
640-679	B	Base Rate + 1.00%	7.00	6.75	6.50	5.99	5.75
600-639	C	Base Rate + 2.50%	8.50	8.25	8.00	7.49	7.25
550-599	D	Base Rate + 6.00%	12.00	11.75	11.50	10.99	10.75
500-549	E	Base Rate + 9.00%	15.00	14.75	14.50	13.99	13.75

USED CAR LOAN						
RANGE	GRADE OF PAPER	RATE STRUCTURE	72 MONTHS	60 MONTHS	48 MONTHS	36 MONTHS
730+	A+	Base Rate - 0.50%	5.25	5.00	4.75	4.49
680-729	A	<b>Base Rate</b>	<b>5.75</b>	<b>5.50</b>	<b>5.25</b>	<b>4.99</b>
640-679	B	Base Rate + 1.00%	6.75	6.50	6.25	5.99
600-639	C	Base Rate + 2.50%	8.25	8.00	7.75	7.49
550-599	D	Base Rate + 6.00%	11.75	11.50	11.25	10.99
500-549	E	Base Rate + 9.00%	14.75	14.50	14.25	13.99

UNSECURED SIGNATURE LOAN					
RANGE	GRADE OF PAPER	RATE STRUCTURE	6-36 MONTHS	48 MONTHS	OPEN END LINE OF CREDIT
730+	A+	Base Rate - 0.50%	9.00	10.00	10.99
680-729	A	<b>Base Rate</b>	<b>9.50</b>	<b>10.50</b>	<b>11.49</b>
640-679	B	Base Rate + 1.00%	10.50	11.50	N/A
600-639	C	Base Rate + 2.50%	12.00	12.50	N/A
500-549	D	Base Rate + 4.00%	14.00	14.50	N/A

NEW MOTORCYCLE			
RANGE	GRADE OF PAPER	RATE STRUCTURE	36 MONTHS
730+	A+	Base Rate - 0.50%	8.50
680-729	A	<b>Base Rate</b>	<b>9.00</b>
640-679	B	Base Rate + 1.00%	10.00
600-639	C	Base Rate + 2.50%	11.50
550-599	D	Base Rate + 4.00%	13.00
500-549	E	Base Rate +5.00%	14.00

*\*Line of Credit (LOC) loan requires a FICO score of 680 and above. All loans are subject to a loan cancellation fee of \$25.00.*

Applicants with a FICO score below 600 © will be obligated to deposit 10% down on a car/motorcycle loan. They may also be requested to have a sponsoring member co-sign the loan.

No pre-payment penalty on any UDCU loan. All unsecured and auto loans are subject to a non-refundable refinance fee. All loans are subject to a \$25.00 cancellation fee.

The UDCU Board of Directors reserves the right to change the rates or policies at any time. Check with the Credit Union for loan specials.

