Risk Based Lending

Effective: October 24, 2025

Starting November 1, 2008, Utility District Credit Union (UDCU) began using a Risk-Based Lending approach to help ensure fair and responsible loan pricing. This means that loan rates are based on each member's individual credit profile, including their credit score and debt-to-income ratio. We use credit scores developed by the Fair Isaac Corporation (FICO) to help determine the rate that best matches a member's financial situation. Members with stronger credit histories and qualifying debt ratios may receive lower rates, while those with higher credit risk may be offered rates that reflect that risk. This tiered structure allows us to offer competitive rates while maintaining the financial health of UDCU. The chart below shows how loan rates correspond to FICO score ranges, so you can see how your credit profile may impact your rate. If you have questions or want help understanding your credit score, our team is here to support you.

🚗 New Auto Loans

FICO Range	Grade	Rate Structure	84 Months	72 Months	60 Months	48 Months	36 Months
730+	A+	Base - 0.50%	4.75%	4.50%	4.00%	3.75%	3.50%
680-729	A	Base Rate	5.25%	5.00%	4.50%	4.25%	4.00%
640-679	B	Base +1.00%	6.25%	6.00%	5.50%	5.25%	5.00%
600-639	C	Base +2.50%	7.75%	7.50%	7.00%	6.75%	6.50%
550-599	D	Base +6.00%	11.25%	11.00%	10.50%	10.25%	10.00%
500-549	E	Base +9.00%	14.25%	14.00%	13.50%	13.25%	13.00%

🚙 Pre-owned Auto Loans

FICO Range	Grade	Rate Structure	72 Months	60 Months	48 Months	36 Months
730+	A+	Base - 0.50%	5.00%	4.75%	4.25%	4.00%
680-729	A	Base Rate	5.50%	5.25%	4.75%	4.50%
640-679	B	Base +1.00%	6.50%	6.25%	5.75%	5.50%
600-639	C	Base +2.50%	8.00%	7.75%	7.25%	7.00%
550-599	D	Base +6.00%	11.50%	11.25%	10.75%	10.50%
500-549	E	Base +9.00%	14.50%	14.25%	13.75%	13.50%

💳 Personal Loan (Signature)

FICO Range	Grade	Rate Structure	6-48 Months
730+	A+	Base - 0.50%	9.00%
680-729	A	Base Rate	9.50%
640-679	B	Base +1.00%	10.50%
600-639	C	Base +2.50%	12.00%
550-599	D	Base +4.00%	14.00%

🔄 Personal Loan (Line of Credit-Cash Flow)

FICO Range	Grade	Rate Structure	Open End
730+	A+	Base – 1.00%	10.00%
680-729	A	Base Rate	11.00%

🏍️ New Motorcycle Loans

FICO Range	Grade	Rate Structure	36 Months
730+	A+	Base - 0.50%	5.50%
680-729	A	Base Rate	6.00%
640-679	B	Base +1.00%	7.00%
600-639	C	Base +2.50%	8.50%
550-599	D	Base +4.00%	10.00%
500-549	E	Base +5.00%	11.00%

Disclosures & Special Conditions

- Line of Credit (Cash Flow) requires a FICO score of 680 or above.
- Applicants with a FICO score below 600 must provide 10% down on an auto/motorcycle loan and may need a sponsoring member to co-sign.
- No pre-payment penalties on any UDCU loans.
- All loans are subject to a $25 cancellation fee and a non-refundable refinance fee.
- Check with the UDCU for loan specials.
- The UDCU Board of Directors reserves the right to change the rates or policies at any time