



Applying for a Loan

You must be an existing CU member to apply for a loan. To become a member please see [Opening an Account](#).

Applying for a loan is four-step process. Each step is described in detail later.

- A. Review Loan Application Requirements
- B. Submit your Short Loan Application
- C. Receive Confirmation of Receipt of your Short Loan Application
- D. When asked by the CU, submit your Full Loan Application

Please contact the CU if you have any questions. [Contact information](#) is available on the CU website, JafariCU.com.

Loan Fees

Short Loan Application Fee: \$25 per application. This fee is **non-refundable**.

Full Loan Application Fee: \$50 per application. This fee is **non-refundable**.

Lien Recording Fee: The CU will charge any fees incurred by the CU for recording the title lien for a vehicle. The current title fee in Texas is \$35-\$45 and \$75-\$85 for Florida.

Late Payment Fee: The CU will charge a fee of \$10 once per month if the borrower's full monthly payment is not received by the due date. This fee will be deducted from the member's CU Share Savings account.

STEP A – REVIEW LOAN APPLICATION REQUIREMENTS

This section describes the general requirements for a loan application. Please review these requirements before you submit a Short Loan Application. Note: *The Short Loan Application Fee and the Full Loan Application Fees are **non-refundable**, whether your loan application is approved or not.*



Loan Eligibility Requirements

Your loan application must meet the following general eligibility requirements.

1. You must be a current member of the CU to apply for a loan. **NOTE:** If you have a **joint** CU Savings account but want to apply for a loan on your own you must first open your own, separate CU Savings account.
2. The CU provides **refinancing** of a member's existing loans only. Your existing loan must be one of the following:
 - a. An Auto/Car loan that is the primary vehicle for the member(s)
 - b. A US college student loan for the member(s)
 - c. A primary or secondary mortgage loan for the member's primary residence. **Note:** the CU loan will not be secured by the underlying real estate.
3. You must have made at least 6 monthly payments for the existing loan. And, your three most recent monthly payments must be full payments paid on time – i.e. no late or partial payments in most recent three months.
4. A credit file must be available for the member applying for the loan.
5. The interest rate of your existing loan must be equal to or higher than the current Minimum Interest Rate announced by the CU. You can see the current Minimum Interest Rates for secured loans and unsecured loans in the **Latest Loan Limits** section below.

Loan Amount Limits

The maximum amount the CU can loan is limited based on the type of loan, the member's credit history and income, and the member's existing debt obligations.

Credit Tier

Each loan application is assigned a Credit Tier based on the member's credit score, as shown below.

Credit Score	Credit Tier
750 and above	A+
700 to 749	A
650 to 699	B
600 to 649	C
550 to 599	D
549 and below	E

Collateral

You may provide collateral to the CU to secure your loan. In some cases, the CU may require you to provide collateral to issue the loan. Currently, the CU accepts the following types of collateral only:

1. An auto/car owned by the member. The CU will place a lien on the title of the auto. Currently the CU can accept only autos titled within the state of Texas or Florida. The auto must be no older than 15 years.
2. Shares. These are funds that you deposit with the CU and the CU will return these funds back to you as your CU loan is paid back. The collateral amount will be the amount of your loan.

Credit Limits for Secured Loans

The loan amount for loans secured by collateral are shown below.



Collateral	Maximum Loan Amount
Auto less than 2 model years old	90% of value of auto for Tier B and above, up to \$20,000 90% of value of auto for Tier C, up to \$15,000 90% of value of auto for Tier D, up to \$10,000 90% of value of auto for Tier E, up to \$5,000
Auto between 2 and 15 model years old	Same as for Auto less than 2 model years old above
Shares Secured Loans	\$30,000

The CU generally uses the www.NADAGuides.com's **Average Trade-In Total Base Price** value. The Credit Union may also choose to use 80% of the **Clean Retail Total Base Price** value or 80% of Kelly Book Value, www.kbb.com, Used Car Price, Buy From a Dealer, **Fair Purchase Price**.

Credit Limits for Unsecured Loans

For loans that are not secured by collateral the maximum CU loan amount is determined using the member's Credit Score and the member's Gross Monthly Income.

Each loan application is assigned a Credit Tier based on the member's credit score, as shown below.

Credit Tier	Maximum Unsecured Loan Amount
A+	3 times Gross Monthly Income, up to \$10,000
A	3 times Gross Monthly Income, up to \$9,000
B	2 times Gross Monthly Income, up to \$8,000
C	2 times Gross Monthly Income, up to \$4,000
D	1 times Gross Monthly Income, up to \$2,000
E	1 times Gross Monthly Income, up to \$1,000

For example,

1. If a member's Credit Tier is C and the member's Gross Monthly Income is \$1,500, the maximum loan amount will be \$3,000: 2 x \$1,500.
2. If a member's Credit Tier is B and the member's Gross Monthly Income is \$4,000, the maximum loan amount will be \$8,000: 2 x \$4,000 = \$8,000 but B loans are limited to a maximum of \$8,000.

If a member can provide an auto/car as collateral for an unsecured loan, the Maximum Loan Amount will be increased by 90% of the value of the collateral. If Shares (funds) are provided as collateral, the Maximum Loan Amount will be increased by 100% of the value of the collateral.

Existing CU Loans

If a member already has any existing loans from the CU the Maximum Loan Amount for the new loan will be reduced by the amount of the existing CU loan(s).



CU Total Loan Limits

The total amount of loans the CU can issue, to all members, generally depends on the amount of deposits the CU has as well the CU’s Net Worth (capital). The CU’s Loan Policy includes the following limits on the loans issued by the CU:

1. The total amount of all loans that can be issued by the CU.
2. The total amount of all loans that can be issued for each of the Credit Tiers C, D and E specifically. Credit Tiers are described above.
3. The total amount of unsecured loans that can be issued by the CU.
4. The total amount of unsecured loans that can be issued for each of the Credit Tiers C, D and E specifically.
5. The total amount the CU can loan to a member, whether issued as one loan or more than one loan, secured or unsecured, cannot exceed 10% of the CU’s Net Worth.

How can the CU Total Loan Limits affect your loan application?

The CU cannot issue a new loan if issuing the loan will cause the CU to exceed any of the CU Total Loan Limits. For example, if the CU Total Loan Limit for Unsecured Credit Tier C loans is \$40,000 and the CU has existing Credit Tier C total unsecured loans for \$39,000, the CU can approve only \$1,000 for a new unsecured Credit Tier C loan.

Latest Loan Limits

This section shows the latest Loan Limits published by the CU:

CU Loan Limits As of 12/01/2017		
Minimum Interest Rate - Unsecured Loans	3.25%	
Minimum Interest Rate - Secured Loans	3.25%	
Total Loans Limit per Member (NCUA 10% rule)	23,793	
	UnSecured	All loans
Total Loans Limit - All Credit Tiers	197,201	711,476
Existing Loans	118,486	212,564
Funds available for New Loans	78,715	498,912
Total Loans Limit - Tiers C,D,E combined	59,160	213,443
Existing Loans - Tiers C,D,E	3,733	3,733
Funds available for New Loans - Tiers C,D,E	55,427	209,710
Total Loans Limit - Tiers D,E combined	39,440	142,295
Existing Loans - Tiers D,E	-	-
Funds available for New Loans - Tiers D,E	39,440	142,295
Total Loans Limit - Tier E	19,720	71,148
Existing Loans - Tier E	-	-
Funds available for New Loans - Tier E	19,720	71,148



Document Requirements

When asked by the CU, the member must provide the following documentation:

1. Loan statement for the existing loan, showing the loan's current balance, interest rate, monthly payment and the most recent 6 months of payment history.
2. Recent proof of income (e.g. pay stub, recent federal income tax return and recent business bank statements for self-employed)
3. Three months of recent bank statements for bank/credit union accounts other than this CU. The statements must demonstrate the member's income and also the member's payments for the existing loan.
4. If the collateral is an automobile the member must provide proof of insurance and payoff statement from the current lender. Also, please provide a picture of the car and a picture of the odometer (current miles).
5. If the collateral is member shares (funds) the member(s) providing the collateral amount must show a recent bank/credit union statement showing funds are available.

The CU's Credit Committee may ask for additional information, if needed.

Please **don't submit these documents** until you are asked to do so by the CU. These documents are not required when you submit your Short Loan Application.

Other Requirements

Your loan application must meet these requirements as well.

1. A member can submit a new Short Loan Application only **once every three months**. If you submitted a Short Loan Application in the past please wait at least three months before you submit a new Short Loan Application.
2. A member whose CU Loan Application was denied because the member did not meet the CU's credit and income criteria for the borrower must **wait at least 6 months** from the date the CU loan application was denied before submitting a new Short Loan Application.
3. A member who was asked to provide a Full Loan Application but did not provide one in a timely manner must **wait at least 6 months** from the date the CU loan application was denied before submitting a new Short Loan Application.
4. A member who has received a CU loan must **wait at least 6 months** from the date the CU loan was issued before submitting a new Short Loan Application.
5. A member who is behind on payments for an existing CU loan cannot get a new CU loan.
6. A member who has caused loss to the CU cannot get a new CU loan.

STEP B – SUBMIT YOUR SHORT LOAN APPLICATION

Please review the **STEP A- LOAN APPLICATION REQUIREMENTS** described above and email or call the CU if you have any questions. Note: *The Short Loan Application Fee and the Full Loan Application Fees are **non-refundable**, whether your loan application is approved or not.*



The Short Loan Application consists of basic loan and income information. This information is used to determine if your loan meets some of the CU's loan eligibility requirements. The Short Loan Application Fee is **\$25** and is **non-refundable**.

The following information must be provided about your loan in the Short Loan application:

1. Loan Type: The type of your existing loan. E.g. Auto/Student/Mortgage
2. Loan Amount: The approximate loan balance for your existing loan. Round up to nearest dollar.
3. Interest Rate: The interest rate for your existing loan. Round up to nearest tenth of percent. E.g. 5.5% if 5.452%.
4. Monthly Payment: The monthly payment for your existing loan. Round up to nearest dollar.
5. Gross Income: Your monthly gross income. This is your income before any payroll and tax deductions. Round up to nearest dollar.
6. Collateral: If you choose to provide any collateral, indicate the type of collateral. E.g. Auto/Shares. Please leave this blank if you are not providing any collateral.
7. Collateral Value: If you are providing collateral, please provide your best estimate of the value of the collateral. Round up to nearest dollar. Please leave this blank if you are not providing any collateral. **Note:** *The CU will verify the value of the collateral. The value is generally determined using: the www.NADAGuides.com's Average Trade-In Total Base Price value. The Credit Union may also choose to use 80% of the Clean Retail Total Base Price value or 80% of Kelly Book Value, www.kbb.com, Used Car Price, Buy From a Dealer, Fair Purchase Price.*

The Short Loan Application must be submitted to the CU's Houston office. Also, you must authorize the CU to deduct the Loan Application Fee from your Savings Account. The loan application fee is required and is **non-refundable**. Please ensure your Savings Account has sufficient funds to pay the fee.

The Short Loan Application and the Fee Payment Authorization can be submitted via the CU's Online Banking website. You can also submit your Short Loan Application in person or by mail – please see the instructions below.

Submitting the Short Loan Application via Online Banking

Send Secure Mail for Short Loan Application

You can submit your Short Loan Application using the Online Banking's **Secure Mail**. Please see the CU's [Online Banking Help](#) about how to use Secure Mail. When sending the Short Loan Application please type **Short Loan Application** in the message's **Topic**, and provide the following information in the **Message** section: (you can copy/paste the text below and fill out the information):

Loan Type:
Loan Amount: \$
Interest Rate: %
Monthly Payment: \$
Monthly Gross Income: \$
Collateral (if any):
Collateral Value: \$
FEE: I authorize the CU to deduct the Short Loan Application Fee of **\$25** from my Savings account.



Submitting Short Loan Application in Person or by Mail.

If you want to submit the loan application in person or by mail, please print or write the following information on a plain piece of paper, and sign it. **NOTE:** Co-Applicant information is required for joint applications only.

JAFARI NO-INTEREST CREDIT UNION SHORT LOAN APPLICATION	
CU Account Number:	Date:
Applicant Name:	Co-Applicant Name:
Loan Type:	Loan Amount: \$
Interest Rate %:	Monthly Payment: \$
Monthly Gross Income: \$	Collateral: Collateral Value: \$
FEE: I/We authorize the CU to deduct the Short Loan Application Fee of \$25 from my/our CU account.	
Applicant Signature:	Co-Applicant Signature:

Please deliver the Short Loan Application in person to CU Houston office, during the CU’s normal office hours, or mail your Short Loan Application. [Contact information](#) is available on the CU website, JafariCU.com.

STEP C – RECEIVE CONFIRMATION OF RECEIPT FOR YOUR SHORT LOAN APPLICATION

The CU will send you an email or an Online Banking Secure Mail to confirm the receipt of your Short Loan Application. This may take 7-10 days. Please contact the CU if you don’t receive the confirmation after 10 days.

STEP D – WHEN ASKED BY THE CU, SUBMIT YOUR FULL LOAN APPLICATION

The CU’s Credit Committee will evaluate your Short Loan Application. If your loan application meets the general eligibility requirements, the CU will contact you and ask you to submit a Full Loan Application. Along with your Full Loan Application you will also be asked to provide the documents listed in the **Document Requirements** section above.

This may take 1-2 weeks. Please contact the CU if you don’t hear from the CU in 2 weeks.