

Northern Kentucky Federal Credit Union
Policy Manual
Skip-A-Payment Loan Policy/Procedures

The credit union will offer a Skip-A-Payment program, during promotional times of the year. The promotional times will be decided by the board of directors. This program is separate from the "Extension Agreement" policy.

To be eligible to skip a payment, the following conditions must be met:

1. The member must be current on all loans with the credit union.
2. The member's accounts with the credit union must be in good standing.
3. The member must not currently be in bankruptcy.
4. The member must never have caused a loss to the credit union.
5. The member must sign a form agreeing to extend the terms of the loan.
6. The skip a payment will be denied, if the member has ever had a loan with the credit union that was two or more months delinquent.

This product will be available on car loans, recreational vehicle loans, signature loans, share secured loans, and CD secured loans. It will not be available on home equity line of credit loans, second mortgage loans, or visa credit cards. Loans with less than six consecutive, monthly payments are ineligible. Loans with collection activity within the past twelve months are ineligible.

Each qualified member will be allowed to skip a monthly payment up to a maximum of three times per loan. Interest will continue to accumulate on the loan during the month the payment is skipped. The term of the loan will be extended by one month for each skip pay requested.

The credit union will charge a \$25.00 processing fee for this service. The fee will be deducted from the member's savings/checking account or paid in cash. It will not be added to the loan. The fee must be paid before the month the payment will be skipped.

The credit union reserves the right to deny the skip payment, if the conditions above are not met.

Date Adopted: June 17, 2014
(Included in the Board of Directors' minutes on June 17, 2014)