

# Interviewing Skills

*...The key to having an outstanding loan department*

## Webinar 27

*Hosted by A. Rex Johnson*



# It All Starts With the Interview

**If you are really good at it, you will:**

- *Find a way to make the loan.*
- *Separate yourself from your competitors who stay within the box.*
- *Make the ultimate decision makers' job so much easier.*
- *Move up in the credit union faster by showing management how good you are.*
- *Have the members saying, "Wow, they really care about me & took the time to listen and make it happen."*





# Attributes of a Good Interviewer

## 1. Positive Attitude

- Your voice must reflect that you are excited the member came to the credit union and gave the credit union the opportunity
- We really want to make you a loan
- This is going to be easy

## 2. Body Language

- Research has shown that between 60-70% of all meaning is derived from the non-verbal
- What does the member see when you approach them:
  - A smile
  - You are focused on them
- Look the member in the eye
- Your energy level is high



### 3. High Confidence Level

*Many members and non-members have concerns:*

- *Doubts that you or anyone else can help them*
- *A belief that you are going to judge them*
- *Fear that you won't really listen to them*
- *Be like all other financial institutions. Ask yourself can the member see a difference in me and the bank?*
- *Have you already made up your mind once you look at their credit report and loan application or are you willing to dig deeper?*

### 4. Love a Challenge

- *Good interviewers are able to get the member to open up without thinking you're getting too personal*
- *They love the challenge of being able to put all the pieces of the puzzle together*
- *Can convince the ultimate decision maker to look beyond the obvious and see what they see*



## 5. I'm the Member's Last Hope

A good interviewer knows that their interview and write-up will ultimately determine if that member gets a loan. They know that many members need help and that I am going to make it happen. They can say to themselves when its all over, that the member was lucky: "They got me. I did not let them down and I'm not just a data collector."



# Presentation Skills

## Data Collectors Simply:

- *Take the application*
- *Order a credit bureau report*
- *Sometimes review it with the member*
- *Forward it to someone empowered to make the decision*
- *Sometimes give their recommendation to the decision maker by typing in their notes, focusing on the negative first. Their notes tend to tell the decision maker what concerns they have and why they may not want to approve the loan (i.e. the story behind the collections and public records). Other times they will point out what's positive and why they might want to approve the loan, but that's usually after you have already convinced the decision maker to say "no."*

**I have found that many are far more focused on what's wrong versus what is right. As a result, some credit unions are rejecting over 50% of their applications.**

The following is a loan example of a member that applied for an auto loan directly with the credit union. The member was denied. He went to a car dealer who happened to finance with the credit union. The car dealer sent the new application back to the credit union and it was approved.

We should find it interesting that we had the member right in front of us and said “no”, and then the dealer got it approved through our indirect department. I have often seen this happen and I believe I have figured out why. The reasons:

***Our data collectors often tell us why we should not make the loan  
and  
The dealers tell us all the reasons we should approve the loan***

If you want to get loans approved, you must get passionate about why it should be approved and it's must reflect in your notes and voice. Always begin with what you like, not with what you don't like.

Car dealers get paid for convincing the indirect department to approve the loan and buy the deal. They are very passionate. Our employees get the same salary, regardless of the outcome. If they take a risk and the loan becomes delinquent or is charged off, most credit unions track charge offs and delinquencies by loan officers, so there is almost a disincentive to take the risk. That's why car dealers are far more successful in selling the deal than credit union data collectors are.

# Indirect Department Said "Yes"

## *After the Direct Department Said "No"*

<b>Member Information</b> Name: <b>Rod D</b> Address: United States Addr Chg: Chg Days: Usual: Age: <u>42 Years, 9 Months</u> TIN: ID Verification: Verified		<b>Credit Union Information</b> Class: Personal Branch: MSR: Effective: 1/12/2010 Status: Active <b>Contact Information</b> Home Phone: Ext.: Business Phone: Ext.: Mobile Phone: Ext.: Pager Number: Pin: Primary Email:			
<b>Account Summary Criteria</b> <input checked="" type="radio"/> Primary <input type="radio"/> Secondary <input type="radio"/> External <input type="radio"/> All <input type="checkbox"/> Show Acct Titles <input checked="" type="checkbox"/> Show Acct Nickname <input type="checkbox"/> Include Closed					
Account	Class	Nickname	Current	Available	Ownership
SAV -	Savings/Asset Builder	Savings/Asset Builder	\$32.57	\$7.57	Primary
IND -	801 - Used Auto	2007 Chevrolet Truck	\$20,749.86	\$0.00	Primary
Total Deposits: \$32.57 Deposit AWR: 0.000 %		Total Loans: \$20,749.86 Loan AWR: 10.000 %		Total Available Loans: \$0.00 Total Accts: 2	

*This is the new loan*



Stage: <b>Decisioning</b>	App Date: <b>11/1/2010</b>	Rqst Amt: \$22,500.00	LTV: 0.92
Decision: <b>Denied</b>	Elapsed: <b>14 days</b>	Loan Amt: \$22,500.00	Curr D/I: <b>0.12</b>
Status: <b>Decisioned</b>	Assignee:	Amt Fin: \$22,500.00	Proj D/I: 0.21
Queue: <b>Denied</b>	Branch:	Rate: 8.750	Proj Uns D/I: 0.00
Product: <b>Auto</b>	PRM Score: <b>594</b>	Term: 54 mo	Rev Burden: <b>0.00</b>
Purpose: <b>Purchase</b>	Custom Score: <b>0</b>	Payment: \$553.59	Tot Income: <b>\$6,089.20</b>
<b>Notes</b>		<a href="#">View All</a>	

*Handwritten notes:*  
 72,000 <sup>10</sup> YR  
 GOOD INCOME / NO DEBTS

Loan Details	
Requested amount: \$22,500.00	Cash Price: \$22,500.00
PaymentType: <input type="text" value="Installment"/>	Taxes: \$0.00
Payment Frequency: <input type="text" value="Monthly (12/yr)"/>	Down Payment: \$0.00
Round Payment? <input type="checkbox"/>	Net Trade In: \$0.00
Loan Amount: \$22,500.00	Rebate: \$0.00
Term: <input type="text" value="48"/>	Other Discount: \$0.00
Rate: 11.500%	Additional Amount: <input type="text"/>
Payment: \$635.90	Fees from Proceeds (4,6): \$0.00
Final Payment: \$635.46	Add-Ons from Proceeds (4,6): \$0.00
Amount Financed: \$22,500.00	Borrower Proceeds: \$22,500.00
	Loan Amount: \$22,500.00

:: ROD		:: Auto			
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Queue: <b>Denied</b>	Branch:	<b>Rate: 8.750</b>	<b>Proj Uns D/I: 0.00</b>		
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Notes <a href="#">View All</a>					

  

Collateral			Links
Overview			
Category	Value	LTV	
Titled Goods	\$24,525.00	0.92	
Totals	\$24,525.00	0.92	

  

Titled Goods						
Name	Year Make	Model	Style	Mileage	Lien	Value
Auto - Used	2004 FORD TRUCK	F250 Super Duty-V8	Crew Cab Lariat 4WD	89935	Not Filled	\$24,525.00

This may be a stretch.

I am requesting credit in the amt. of \$22,500.00 Purpose Purchase  
 Length of Repayment Requested 54 Freq Monthly (12/yr)  
 Collateral (if applicable) 2004 FORD TRUCK F250 Super Duty-V8

Pay Method

- ☐ Periodic Payment  
☐ Payroll Deduction  
☐ Self Pay

## A. BORROWER

SOC. SEC. NO.

NAME (Last, Jr/Sr, First, Initial)		
ROD, D.		
CURRENT STREET ADDRESS		
645	YRS	OWN/RENT
	15 yrs 0 mo	Own
CITY	STATE	ZIP
	IA	
FORMER STREET ADDRESS		
	YRS	OWN/RENT
	YRS MO	
CITY	STATE	ZIP
HOME PHONE NO.		CELL PHONE NO.
DATE OF BIRTH		Complete for joint, secured credit or if you live in a community property state
2/15/1968		<input checked="" type="checkbox"/> MARRIED <input type="checkbox"/> UNMARRIED <input type="checkbox"/> SEPARATED
		No. of Dependents (Excluding Self)
		1

## B. CO-BORROWER

NAME (Last, Jr/Sr, First, Initial)		
SHARON, A.		
CURRENT STREET ADDRESS		
645	YRS	OWN/RENT
CITY	STATE	ZIP
	IA	
FORMER STREET ADDRESS		
	YRS	OWN/RENT
	YRS MO	
CITY	STATE	ZIP
HOME PHONE NO.		CELL PHONE NO.
DATE OF BIRTH		Complete for joint, secured credit or if you live in a community property state
5/5/1968		<input checked="" type="checkbox"/> MARRIED <input type="checkbox"/> UNMARRIED <input type="checkbox"/>

## A. BORROWER

EMPLOYER			
WINDOW AND DOOR			
ADDRESS		CITY	STATE
			IA
POSITION OR JOB TITLE	EMP. STATUS		
TEAM LEADER	Full Time	20 yrs	
TELEPHONE NO.	STARTING DATE	MO.	SALARY
	2/1/1990		\$3,120.00
FORMER/SECOND EMPLOYER			
ADDRESS		CITY	STATE
POSITION OR JOB TITLE	SUPERVISOR	MO.	SALARY
TELEPHONE NO.	STARTING DATE	ENDING DATE	

## B. CO-BORROWER

EMPLOYER			
Freightways			
ADDRESS		CITY	
POSITION OR JOB TITLE	EMP. STATUS		
Clerical	Full Time		
TELEPHONE NO.	STARTING DATE		
	11/1/2000	10 yrs	
FORMER/SECOND EMPLOYER			
ADDRESS		CITY	
POSITION OR JOB TITLE	SUPERVISOR		
TELEPHONE NO.	STARTING DATE		

**Note:** Members who have great job stability, direct deposit, good LTV on cars they are purchasing, it's their primary transportation - should usually always be approved.

Borrower	ROD D		SSN		DOB	02-15-1968		
Current Address								
<b>Credit Report Summary</b>								
Bureau	Score Name				Borrower			
EFX	Beacon 5.0				642			
Account Summary				Public Records				
Account Type	# of Accts	Current Balance	Est Monthly Payment	Type	Last Reported	Count	Amount / Status	
Mortgage	2			Bankruptcies	9 / 2008	1	3 - Discharged	
Installment	19	\$3,882	\$160	Foreclosures		0	\$	
Revolving	19	\$0		Repo's		0	\$	
Open / Other	0			Total Count of Public Records			1	
Monthly Oblig			\$160	Inquiries			Count	
Total Rev. Limit				Inquiries with in 3 months			0	
Rev. Credit Avail	100%			Inquiries with in 6 months			0	
				Inquiries with in 12 months			3	
Late Payment History	Mortgage			Installment			Revolving	
	30	60	90+	30	60	90+	30	60
00-12 Months	0	0	0	0	1	0	0	0
13-24 Months	0	0	0	0	0	0	0	0
25+ Months	0	0	0	0	0	0	0	0
<b>Tradeline History</b>								
Total # of Tradelines	40			# of Months Mortgage History			106	
Total # of Derog Trades	12			# of Months Installment History			161	
Total # of Open Trades	1			# of Months Revolving History			258	
Total # of Rated Trades	1			# of Months Since Oldest OPEN Trade				
Total # of As-Agreed Trades	24			Total # of Collection Records			1	
<b>Identification</b>								
Bureau	SSN	Name		Spouse SSN	Spouse Name			
SSN Match	Date of Birth / Age	Date on File	Fraud	Date Last Act	Date Deceased	Drv Lic #		
EFX	RODNEY							
	02-15-1968	05-01-1989		02-14-2010				
<b>Misc Alerts</b>								
Bureau	Comments							
EFX	FACTA: Address Discrepancy. No substantial difference occurred							
EFX	SAFESCANNED: Your inquiry has gone through our SAFESCAN data base							
<b>Public Records</b>								

## Bankruptcy

### Discharged 2/09

1. Had been living off of inflated income
2. Not much debt in the last 1½ years
3. Paid great before bankruptcy

Ecoa	Court # / Name		Docket		Dispute	Amount	Assets / Liabilities		
Exempt	Garnishee	City	State	Kob	Date Verified	Repay %	Adjust %	Vol / Invol	Orig Date
EFX	BPIA BK Inc. Discharged CH-7 I A				Bkpt Disc. 4/09		09-2008		
J					02/09				

  

Tradelines													
Account Name		Date Open		Last Paid		Balance		Date Rep		Past Due		Status	
Account Number	Kob	Limit	Paymt	High Credit	Subscriber #	Profile Start	30	60	90+	MR			
Repository	Type	ECOA	Date Closed	Cond	Dispute	Freq	Monthly Payment History						
Max Del Amount	Max Del	Date Max Del	Del Rate 1	Date Del 1	Del Rate 2	Date Del 2	Del Rate 3	Date Del 3					
Past Due #	Date Balance	Date Status	Date Last Act	Date Verif	Date Pay Due	Loan Type							
Pay Status	Type Code	Terms											
		05-2005	09-2005	\$0	09-2005	\$0	CP Paid						
EFX, EFX	R	YC	\$816										
		09-2005	05-2004										
Comment	GS	Medical											
GEMB/JCP		07-1989	\$0	10-2010	1 - Pays account as agreed								
	DC		\$224	09-2010	1								
EFX	R	J	*****										
Post Bkpt													
Comment	FA	Closed or Paid Account/Zero Balance											
Comment 2	SW	Account closed by credit grantor											
	C U	12-2009	\$160	\$4,779	\$3,882	10-2010	1 - Pays account as agreed						
EFX	I	I	*****										
		10-2010											
Comment	AO	Auto											
Comment 2	EP	Fixed rate											
WFF CARDS													
	ON	CAR											
EFX	R	J	MKTG! MKTG! MKTG!										
		09-2008											
Comment	IL	Bankruptcy Chapter 7											
Comment 2	CW	Account closed by credit grantor											
WFF CARDS		11-2007			10-2010	Z - Included in Bankruptcy							
	ON				09-2010								
EFX	R	I											
		09-2008											
Comment	IL	Bankruptcy Chapter 7											
Comment 2	FE	Credit card											
WELLSFARGO		04-2006			09-2010	Z - Included in Bankruptcy							
	BB				08-2010								
EFX	R	J											

What did we finance? Did we plant the seed for the next loan?  
How many former bankrupts need car loans?

Comment	IL	Bankruptcy Chapter 7									
Comment 2	CW	Account closed by credit grantor									
	<b>CU</b>		05-2001			10-2008		1 - Pays account as agreed			
		FC	\$500			09-2008				88	
EFX	R	S						*****			
					10-2008						
Comment	CV	Line of credit									
Comment 2	AZ	Amount in H/C column is credit limit									
	<b>CHASE</b>		08-2006			10-2008		Z - Included in Bankruptcy			
		ON				09-2008					
EFX	R	I						-----			
					08-2008						
Comment	IL	Bankruptcy Chapter 7									
Comment 2	CW	Account closed by credit grantor									
	<b>BK OF</b>		03-2004		\$0	08-2007		1 - Pays account as agreed			
		BB		\$40,910		07-2007				20	
EFX	I	S						++++			
					07-2007						
Comment	FA	Closed or Paid Account/Zero Balance									
Comment 2	AO	Auto									
	<b>CFMC</b>		08-2005		\$0	05-2006		1 - Pays account as agreed			
		FP		\$30,000		04-2006				6	
EFX	I	J						+++++			
					04-2006						
Comment	FA	Closed or Paid Account/Zero Balance									
Comment 2	CE	Refinanced									
	<b>CL FED</b>		03-2004		\$0	11-2005		1 - Pays account as agreed			
		BB		\$40,910		10-2005				19	
EFX, EFX	I	J						*****			
					10-2005						
Comment	BC	Account transferred or sold									
Comment 2	EE	Secured									
	<b>LND</b>		03-2004		\$0	09-2005		1 - Pays account as agreed			
		HF	\$4,500			08-2005				15	
EFX	R	S						*****			
					08-2005						
Comment	AV	Charge									
Comment 2	AZ	Amount in H/C column is credit limit									
	<b>BK</b>		10-2002		\$0	09-2005		1 - Pays account as agreed			
		BB		\$10,000		08-2005				34	
EFX	R	J						*****			
					07-2005						
Comment	FA	Closed or Paid Account/Zero Balance									
Comment 2	CV	Line of credit									
	<b>RADIO/CBSD</b>		03-1995		\$0	06-2005		1 - Pays account as agreed			

Notice their  
payment  
history before  
bankruptcy

Comment	FA	Closed or Paid Account/Zero Balance					
	<b>CU</b>	05-2001		\$0	09-2001	1 - Pays account as agreed	
	FC		\$2,650		08-2001		3
EFX	I	S				++++	
		07-2001					
Comment	FA	Closed or Paid Account/Zero Balance					
	<b>CU</b>	03-1999		\$0	09-2001	1 - Pays account as agreed	
	FC		\$24,500		08-2001		29
EFX	I	S				+++++	
		06-2001					
Comment	FA	Closed or Paid Account/Zero Balance					
	<b>CU</b>	07-2001		\$0	08-2001	0 - Too new to rate; Approved but not used	
	FC		\$25,042		07-2001		
EFX	I	S				-	
		07-2001					
Comment	FA	Closed or Paid Account/Zero Balance					
	<b>CU</b>	10-2000		\$0	06-2001	1 - Pays account as agreed	
	FC		\$5,500		05-2001		7
EFX	I	S				+++++	
		04-2001					
Comment	FA	Closed or Paid Account/Zero Balance					
	<b>COM</b>	04-1999		\$0	12-2004	1 - Pays account as agreed	
	FC		\$1,400		11-2004		68
EFX	R	J				+++++	
		09-2004					
Comment	IR	Account closed at consumer's request					
Comment 2	FA	Closed or Paid Account/Zero Balance					
	<b>CAP ONE</b>	05-2002		\$0	10-2004	1 - Pays account as agreed	
	BB		\$0		09-2004		29
EFX	R	J				+++++	
Comment	IR	Account closed at consumer's request					
Comment 2	FA	Closed or Paid Account/Zero Balance					
	<b>AMTRUSTSVG</b>	01-2002		\$0	09-2004	1 - Pays account as agreed	
	BB		\$32,350		08-2004		31
EFX	I	J				+++++	
		03-2003					
Comment	FA	Closed or Paid Account/Zero Balance					
	<b>THENTNLBK</b>	08-2001		\$0	04-2004	1 - Pays account as agreed	
	BB		\$13,895		03-2004		31
EFX	I	J				+++++	

		03-2003			
<b>USBANK</b>		02-2003	\$0	03-2004	1 - Pays account as agreed
	BB	\$36,650		02-2004	13
EFX	I	J		+++++	
		03-2004			
Comment	AO	Auto			
<b>BK</b>		01-2002	\$0	09-2003	1 - Pays account as agreed
	BB	\$77,900		08-2003	19
EFX	M	J		+++++	
		08-2003			
Comment	IE	Fannie Mae account			

*Look @ Spending*

Credit Risk Score Detail / Explanations		
Bureau	Risk Score Name	Score
EFX	Beacon 5.0	642
00038 - Serious delinquency, and derogatory public record or collection filed		
00018 - Number of accounts with delinquency		
00013 - Time since delinquency is too recent or unknown		
00016 - Lack of recent Revolving account information		

Inquiries				
Bureau	Date	Inquirer / Creditor	Member #	KOB
EFX	10-14-2009	KROLLFD		
EFX	12-23-2009	VERIDIANIL		FC
EFX	12-23-2009	CITIZENS C		FC
EFX	12-23-2009	C U		FC

Aka's / Aliases					
Bureau	Name	SSN	# Times Reported	Verified	Date of Birth
EFX		478-96-9305			

Address History						
Bureau	Date Since	Date Rep	Street	City	State	Zip
Current / Former			Phone	Phone Date	Dwell Type	Census Geo
Status						
EFX		07-2005				
Current						
EFX		01-1990				
Former						
EFX						
2nd Former						



Spouse

Comment		CBL	Chapter 7 Bankruptcy		NaN			
<b>WELLS FARGO</b>			04-13-2006			10-03-2008		UR - Bankruptcy
	B			\$20,474	B0159T036			
TU		C	10-03-2008					
					01-09-2009	10-03-2008		NT Note Loan
			NaN					
Comment		CBL	Chapter 7 Bankruptcy					
<b>BANK</b>			08-12-2003	09-26-2008		09-26-2008		UR - Bankruptcy
	B			\$85,000	B0536Q002			
TU	M	C	09-26-2008					
					12-22-2008	09-26-2008		CV Conventional Real Estate Mortgage
			NaN					
Comment		CBL	Chapter 7 Bankruptcy					
<b>GMAC MORT.</b>			05-11-2006	09-26-2008		09-26-2008		UR - Bankruptcy
	F			\$44,100	F02672002			
TU	M	C	09-26-2008					
					07-31-2009	09-26-2008		SM Second Mortgage
			NaN					
Comment		CBL	Chapter 7 Bankruptcy					
<b>HSBC/BSTBY</b>			03-12-1995	10-16-2007		10-16-2007		UR - Bankruptcy
	B			\$2,313	B0109V300			
TU	R	C	10-16-2007					
					10-16-2007			CH Charge Account
			NaN					
Comment		CBL	Chapter 7 Bankruptcy					
<b>BANK</b>			09-01-2002		\$0	10-01-2002	\$0	UR - Unrated
	B			\$5,500	B0536Q002		0 0 0 1	
TU	I	C	10-01-2002					
					10-01-2002			AU Automobile
			2M					
Comment		CLO	Closed					
<b>Credit Risk Score Detail / Explanations</b>								
Bureau	Risk Score Name						Score	
TU	FICO Risk Score, Classic 98						584	
038 - Serious delinquency, and public record or collection filed								
013 - Time since delinquency is too recent or unknown								
016 - Lack of recent revolving account information								
018 - Number of accounts with delinquency								

# HYLS liked the deal. HYLS is a Tremendous Training Tool.

## Scorecard for: Rod

Date: 11/22/2010 11:42:06 AM

Member Name: Rod

Loan Officer Name:

### Top Positive Factors

- 7. Length of Time the Member has been Employed at their Current and Previous Jobs
- 6. Length of Time the Member has Lived at their Current and Previous Addresses
- 22. Total Outstanding Unsecured Debt Versus Annual Gross Income (AGI)
- 3. Number of Current and Prior Satisfactory Loans in excess of \$500 with the Credit Union
- 13. Total Dollar Amount Past Due With All Creditors

### Top Negative Factors

- 11. Number of Open or Closed Trade Lines as a Percentage of Members Age
- 5. Direct Deposit or Payroll Deduction
- 14. Payment History on the Most Recent Open Vehicle Loan

Total Positive Point 180

Total Negative Point -70

Total Factor Points 110

Credit Score 642

Adjusted Credit Score 752

- 1. Number of Years as an Active Member: 0 to 5 years
- 2. Total Dollar Amount on Deposit with the Credit Union: Less than \$250
- 3. Number of Current and Prior Satisfactory Loans in excess of \$500 with the Credit Union: 1-2
- 4. Highest Dollar Loan Amount the Member has ever had with the Credit Union: \$100-\$5,000
- 5. Direct Deposit or Payroll Deduction: No Direct Deposit
- 6. Length of Time the Member has Lived at their Current and Previous Addresses: 10.1+ Years
- 7. Length of Time the Member has been Employed at their Current and Previous Jobs: 20.1+ Years
- 8. Valid Credit Score: 640-679
- 9. Credit Score with No Credit Flaws (living on inflated income): Credit with Flaws or Not a Valid Credit Score
- 10. Inquiries in the Past 24 Months: 0-5
- 11. Number of Open or Closed Trade Lines as a Percentage of Members Age: 81%+
- 12. Number of New Trade Lines Opened in the Past 24 Months with a Balance: 0-2
- 13. Total Dollar Amount Past Due With All Creditors: \$0
- 14. Payment History on the Most Recent Open Vehicle Loan: Delinquent 1-2 Times
- 15. Payment History on the Last Prior Vehicle Loan: Current for 13-24 Months
- 16. Loan to Value on Vehicle Loan Request : 91% to 100%
- 17. Number of Vehicle Loans Opened in the Past 5 Years: 0-1
- 18. Loan Amount Versus Term (consumer loans only): Within Guidelines
- 19. New Vehicle Loan Being Purchased Versus Annual Gross Income (AGI): 0-50% of AGI
- 20. Total Secured Loan Balances Outstanding Versus Annual Gross Income (AGI): 0-50% of AGI
- 21. Debt to Income Ratio: 21-30%
- 22. Total Outstanding Unsecured Debt Versus Annual Gross Income (AGI): 0-10% of AGI
- 23. Total Unsecured Dollar Amount Outstanding: \$0-\$5,000
- 24. Total Mortgage Debt Versus Annual Gross Income: Not a Homeowner
- 25. Number of Late Payments on Open Mortgage Loans: Not a Homeowner
- 26. Available Equity in Real Estate: Not a Homeowner
- 27. Cashing Out Real Estate Equity (living on inflated income with real estate equity): Not a Homeowner

## Your application takers and decision makers will:

1. Be far more confident
2. Take a better application
3. Be more focused on what's really important

# The Difference Between the HYLS Guide & the Traditional Models

Factors	Traditional Model	HYLS
1. Number of <u>years as an active member</u>	No	Yes
2. Total <u>dollar amount on deposit</u> with the credit union	No	Yes
3. Number of <u>current &amp; prior satisfactory loans</u> in excess of \$1,000 with the CU	No	Yes
4. <u>Highest dollar loan amount the member</u> has had with the credit union	No	Yes
5. <u>Direct deposit</u>	No	Yes
6. <u>Length of residence</u>	No	Yes
7. Length of <u>employment</u>	No	Yes
16. <u>Loan to value</u> on vehicle loan	No	Yes
18. Loan amount versus <u>term</u>	No	Yes
19. <u>New vehicle</u> loan being purchased <u>versus annual gross income</u>	No	Yes
20. Total <u>secured loan</u> balances outstanding <u>versus annual gross income</u>	No	Yes
21. <u>Debt to income</u> ratio	No	Yes
22. Total outstanding <u>unsecured debt</u> versus annual gross income	No	Yes
23. Total <u>unsecured dollar amount</u> outstanding	No	Yes
24. Total <u>mortgage debt</u> versus annual gross income	No	Yes
26. Available <u>equity</u> in real estate	No	Yes
27. <u>Cashing out</u> real estate equity	No	Yes

When it comes to decision making, all factors need to be answered. While we are not finding fault with the credit bureau models, we believe these other factors are overlooked and certainly would impact the decision.

**If you don't use HYLS, you should still get your application takers and decision makers to focus on these factors.**

# Questions We Fail To Ask That Are Not On the Application

**The key is not only asking the right questions, but ask them the right way.**

- What motivated the member to apply and why now? (Motivation is key)
- How did they get their last job?
- Do they like their job and why?
- Does the job like them and how do they know?
- What motivated them to buy a car now?
- How long did it take them to pick out the car they are buying?
- Do they know the value of the car they are buying?
- Do they have money to pay down?
- Do they have a trade-in?
- What is the mileage and condition of their trade?
- Do they have insurance? If not, what is it going to cost?
- How do they get around now if they do not have a car?
- How long did they have the car they are trading in?
- If the member's debt ratio is too high, how will they make the payments? Do they even know what the required payment is? What payment will their budget allow?
- If they never paid anyone or they struggle to pay on time, what makes them think we would be comfortable in loaning them money?
- If they are loaded with unsecured debt and probably are not going to make it, will we still get paid if they go bankrupt?



# Making the Loan Everyone Else is Turning Down

## Weak FICO Score, but HYLS says “YES”

### Bankrupt Loan

- *The opportunity was there*
- *We get a good yield*
- *She appears to have learned from the bankruptcy*
- *Very stable*
- *Show her how to get a good deal*
- *She knows a lot of people*

