

TURN DOWN
 GREAT HYLs EXAMPLE
 666 FICO
 AFTER HYLs 796 HYLs

NOTE: \$ 20,000 @ 7.49 @ 60 mos = \$ 4,039.84
 @ 1.81 @ 60 mos = 933.72

LOANLINER

Application

Married Applicants: May apply for a separate account.
 Individual Credit: You must complete the Applicant section about yourself and the Other section about your spouse if:
 1. you live in or the property pledged as collateral is located in a community property state (AK, AZ, CA, ID, LA, NM, NV, TX, WA, WI),
 2. your spouse will use the account, or
 3. you are relying on your spouse's income as a basis for repayment. If you are relying on income from alimony, child support, or separate maintenance, complete the Other section to the extent possible about the person on whose payments you are relying.
 Joint Credit: Each Applicant must individually complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.
 Guarantor: Complete the Other section if you are a guarantor on an account/loan.

LOANLINER Account/Loan:
 (Including ATM/Debit/Card Access to the Account if Available)
 Amount Requested \$ 20,000.00
 Purpose/Collateral USED AUTO
 Repayment: CASH

PAYMENT PROTECTION Are you interested in having your loan protected? If you answer "yes", when the credit union will disclose the cost of this voluntary payment protection to you. A separate election form discloses the terms and conditions must be signed for protection to be effective.

APPLICANT

NAME EMILY	OTHER NAME
MOTHER'S MARDEN NAME	MOTHER'S MAIDEN NAME
ACCOUNT NUMBER	ACCOUNT NUMBER
SOCIAL SECURITY NUMBER	SOCIAL SECURITY NUMBER
DRIVER'S LICENSE NUMBER/STATE	DRIVER'S LICENSE NUMBER/STATE
AGES OF DEPENDENTS	AGES OF DEPENDENTS
EMAIL ADDRESS	EMAIL ADDRESS
BIRTH DATE 05/24/1979	BIRTH DATE
HOME PHONE	HOME PHONE
BUSINESS PHONE	BUSINESS PHONE
PRESENT ADDRESS 15 SUMMER	PRESENT ADDRESS
LENGTH AT RESIDENCE 7Y 2M	LENGTH AT RESIDENCE
PREVIOUS ADDRESS	PREVIOUS ADDRESS
LENGTH AT RESIDENCE	LENGTH AT RESIDENCE
COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:	COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:
MARITAL STATUS:	MARITAL STATUS:
EMPLOYMENT/INCOME: \$ 40,237.50 PER ANNUALLY	EMPLOYMENT/INCOME: \$ PER ANNUALLY
NAME AND ADDRESS OF EMPLOYER HIGH SCHOOL	NAME AND ADDRESS OF EMPLOYER
TITLE/GRADE SECRETARY	TITLE/GRADE
START DATE 01/2006	START DATE
HOURS AT WORK	HOURS AT WORK
SUPERVISOR'S NAME	SUPERVISOR'S NAME
IF SELF EMPLOYED, TYPE OF BUSINESS	IF SELF EMPLOYED, TYPE OF BUSINESS

NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME MUST BE REPORTED

\$ 3,106.12

LOSS OF INCOME

OUR CR. CARD

Does she have anything picked out?

What is she doing for STABLE INCOME?

1570-12/10/06
 SALES EMPLOYEE
 SALES NOT

4 YR JOB

COULD ANYWHERE

3353RD

37 YRS

File Toolbar Transactions Help

Tran Mode: OTC

Email: [redacted] 45 Summer [redacted] SSN: [redacted] OB: 05/24/79 Opened: 02/08/10

0 Comakers 0 Payrolls 1 Plastics 0 Comments 0 Joints 0 Misc Codes Relations 1 Applications Score:

? \$ \$ LN [icons]

\$ In [icons] \$0.00 0 @ \$0.00

\$ Out [icons] \$0.00 0 @ \$0.00

Misc. Funds Buy/Sell Bonds Adjust Shr/Loan

New Certificate Send \$ to Another

Summary of Actions

From	To	Amount

Post Repeal Undo Cancel

2 Shares for Total of \$3,005.07

ID	Description	Rate	Balance	Available	Hold	Hold Amt
S1	S1-primary Shares	0.2%	\$5.00	\$0.00		\$0.00
S17	17-free Checking	0%	\$3,000.07	\$2,733.07		\$0.00

Good Deposit!

0 Loans for Total of \$0.00

ID	Description	Balance	Available	Payment	Freq	Due Date	Ding Amt

0 Certificates for Total of \$0.00

Number	Description	Balance	Maturity Date	Rate	Earn Date	Hold

Always look at how a member handles checking!

CURRENT EMPLOYER AND ADDRESS
 HIGH SCHOOL
 EMPLOYER ADDRESS NOT AVAILABLE
 FORMER EMPLOYER AND ADDRESS
 SYST
 EMPLOYER ADDRESS NOT AVAILABLE

PSTN/INCM

EMPDATE/RPTD
 07/2010R

04/1999R

MODEL PROFILE

SCORE STATUS FOR PRODUCT 00P02. DEFAULT PRODUCT DELIVERED
 FICO CLASSIC 2004 SCORE: +666. FACTORS: 038 013 016 018
 38=Serious delinquency, and public record or collection filed
 13=Time since delinquency is too recent or unknown
 16=Lack of recent revolving account information
 18=Number of accounts with delinquency

"B"
 THIS IS AN OUTSTANDING SCORE
 FOR A 16 MO OLD BKPT

NOTE: Pymt
 HISTORY B/4 BKPT

TRADES

SUBNAME	SUBCODE	OPENED	HIGHCRED	TERMS	MAXDELO	PAYPAT	1-12 MOP
ACCOUNT#		VERIFIED	CREDLIM	PASTDUE	AMT-MOP	PAYPAT	13-24
ECOA COLLATRL/LOANTYPE		CLSD/PD	BALANCE	REMARKS			MO 30/60/90
<u>BK OF AMER</u>	B	<u>03/2001</u>	\$10545				
		06/2007A	\$8900	\$0			R09
I Credit Card		10/2006P	\$0	Purchases by Another Lender			
<u>CHASE</u>	B	<u>01/2002</u>	<u>\$2556</u>				
		08/2007A	\$2000	\$0			B9P
I Credit Card		07/2007P	\$0	Closed By Customer			
<u>CHASE</u>	B 0	<u>01/2001</u>	<u>\$1505</u>				
		06/2007A	\$1500	\$0			{ 111111111111 R01
I Credit Card		10/2004P	\$0	Acct Closed by Grantor			{ 111111111111 48 00/00/00
<u>CITI</u>	B	<u>09/2004</u>					
		01/2007A	<u>\$2400</u>	\$0			{ 111111111111 R01
I Credit Card		10/2005P	\$0	Acct Closed by Grantor			{ 111111111111 28 00/00/00
<u>SOVEREIGN BK B</u>		04/1999	<u>\$10223</u>	60M			
		07/2004A		\$0			{ 11111 I01
1 Automobile		07/2004C	\$0	Closed			{ 05 00/00/00
	B	04/1999	\$10223	60M221			
		01/2004A		\$0			{ X111111111111 I01
I Secured		01/2004C	\$0	Transferred Account			{ 111111111111 45 00/00/00

Handwritten notes and arrows pointing to specific rows in the table, including circled values and symbols like 'R01', 'I01', and 'X111111111111'.

Pymt. History

TD BANK N.A. B	04/2001	\$2000	18M127		
I Unsecured	10/2002A	\$0	\$0		
	10/2002C	\$0	Closed By Customer		
ACS/B OF A B	0/1997	\$2625	29M50	X11111	I01
I Student Loan	10/2000A	\$0	\$0		
	10/2000C	\$0	Closed		06 00/00/00
GEMB/OLDNAVY C	0/2001	\$2105			
I Charge Account	07/2010M	\$3650			RUR
	10/2008P		Chapter 7 Bankruptcy		
DSNB MACYS D	04/2003				
I Charge Account	06/2010M				RUR
	07/2008P		Included in Bankruptcy		
BK OF AMER E	0/2005	\$20778			
I Line of Credit	12/2008M	\$18000			RUR
	09/2008P		Included in Bankruptcy		
LANE BRYANT C O	6/2004	\$1143			
I Charge Account	11/2007A	\$400			RUR
	11/2007P		Chapter 7 Bankruptcy		

111111111111 I01
111111111111 I01
26 00/00/00

I N Q U I R I E S		ECOA	SUBCODE	SUBNAME	TYPE	AMOUNT
DATE						
07/26/2010	I					

too much credit and monthly payments...

CREDIT SUMMARY: TOTAL HISTORY

#PUB REC	#COLL	#INQ	#NEG TRADES	TOT NEG	NEG HIS	R/CC	INS	MRTG	OPN ACC
1	1	1	0	12	6	0	8	4	0

CREDIT SUMMARY DESCRIPTION

ACC. TYPE	HI CREDIT	CREDIT LMT	BALANCE	PAST DUE	MTHLY PMT	%AVAIL
TOTALS						

COLLECTIONS

T/D RMK MP CURR BAL	ORIG BAL	VERIF'D VI	CLOSED CI	PAID	OPENED
O/I CBL UR	\$713	12/2008 M		06/2008	07/2007
AGENCY: CREDIT		MEM CD:		IND CD: X	
CREDITOR: MEDICAL				ACCOUNT#:	

PUBLIC RECORD

SOURCE	ECOA	DATE	REP	LIAB	ASSETS	PAY DAT	DOCKET	PLANTIFF/ATTORNEY
Z	I	11/2008	\$0	\$0		03/2009		

CORD TYPE: Chapter 7 Bankruptcy Discharged

NOTE: DISCHARGED 3/09

HYLS Underwriting Guide

[Home](#) | [Reporting](#) | [Log Off](#)

Scorecard for: Emily

Date: 8/31/2010 12:39:55 PM

Member Name: Emily

Loan Officer Name:

Top Positive Factors

- 14. Payment History on the Most Recent Open Vehicle Loan
- 22. Total Outstanding Unsecured Debt Versus Annual Gross Income (AGI)
- 2. Total Dollar Amount on Deposit with the Credit Union
- 6. Length of Time the Member has Lived at their Current and Previous Addresses
- 13. Total Dollar Amount Past Due With All Creditors

Total Positive Point 140
 Total Negative Point -10

Total Factor Points 130
 Credit Score 666

Top Negative Factors

- 3. Number of Current and Prior Satisfactory Loans in excess of \$500 with the Credit Union
- 4. Highest Dollar Loan Amount the Member has ever had with the Credit Union

Adjusted Credit Score 796

-
- 1. Number of Years as an Active Member: 0 to 5 years
 - 2. Total Dollar Amount on Deposit with the Credit Union: \$1,001-\$5,000
 - 3. Number of Current and Prior Satisfactory Loans in excess of \$500 with the Credit Union: 0
 - 4. Highest Dollar Loan Amount the Member has ever had with the Credit Union: No Prior Loans
 - 5. Direct Deposit or Payroll Deduction: Less Than 1 Year
 - 6. Length of Time the Member has Lived at their Current and Previous Addresses: 5.1 to 10 Years
 - 7. Length of Time the Member has been Employed at their Current and Previous Jobs: 2.1 to 5 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: 31-40%
 - 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: Current for 37+ Months
 - 15. Payment History on the Last Prior Vehicle Loan: No Prior Vehicle Loan
 - 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): No Outstanding Vehicle Loans
 - 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

What Can We Learn From Emily?

- There are lots of Emily's out there.
- She paid her bills before the bankruptcy.
- Her score would have been in the 700+ range before the bankruptcy.
- She has no new debt in over a year.
- Only one inquiry.
- Good job and stability.
- Money in her checking.
- Would have gladly paid you a good rate.
- Needs a credit card.

Ask yourself:

- *Will you loan money to members who cause you a loss?*
- *Are you marketing to former bankrupts?*
- *Do you get a list from the bankruptcy court of discharged bankruptcies?*
- *Would your employees have said "no" (as this credit union did) if Emily's score was "796"? We think 796 more accurately reflects true risk.*

Relationship Lending

- *Everybody pays somebody*
- *Give the member a reason to pay you*

Most members will continue to need credit after they go bankrupt:

- *Auto loans*
- *Credit cards*
- *Possibly a mortgage*

**Credit unions should be looking for a lifetime relationship, not one and done.
Credit unions that teach employees to focus on relationship lending will prosper, while others struggle.**

HYLS Loan Application

<p style="text-align: center;">Applicant</p> <p>Motivation Purpose _____</p> <p>Loan Amount Term \$ _____</p> <p>Year, Make Model Retail Value _____ LTV% _____</p>	<p style="text-align: center;">Joint Applicant or Co-Signer (please circle one)</p>
<p>Membership</p> <p>Account Number _____ Member Since _____</p> <p>Checking \$ _____ Savings \$ _____</p> <p>Balances with credit union _____ Number of loans with credit union _____ Highest loan amt with credit union _____</p> <p>Direct Deposit with CU _____ How long? _____</p>	
<p>Name _____</p> <p>SS# _____ Date of Birth _____</p> <p>Driver License # _____ Expiration Date _____</p> <p>Current Address</p> <p>Street Address _____</p> <p>City _____ State _____ Zip _____</p> <p>Rent or Own (circle one) _____ Month/Year Moved In _____</p> <p>Landlord/Mortgage Company _____ Payment _____</p> <p>Previous Address</p> <p>Street Address _____</p> <p>Rent or Own (circle one) _____</p> <p>City _____ State _____ Zip _____</p> <p>Phone Numbers _____ Month/Year Moved In _____ AND MOVED OUT _____</p> <p>Home _____ Cell _____</p> <p>E-Mail Address</p> <p>Personal E-mail Address _____</p>	<p>Name _____</p> <p>SS# _____ Date of Birth _____</p> <p>Driver License # _____ Expiration Date _____</p> <p>Current Address</p> <p>Street Address _____</p> <p>City _____ State _____ Zip _____</p> <p>Rent or Own (circle one) _____ Month/Year Moved In _____</p> <p>Landlord/Mortgage Company _____ Payment _____</p> <p>Previous Address</p> <p>Street Address _____</p> <p>Rent or Own (circle one) _____</p> <p>City _____ State _____ Zip _____</p> <p>Phone Numbers _____ Month/Year Moved In _____</p> <p>Home _____ Cell _____</p> <p>E-Mail Address</p> <p>Personal E-mail Address _____</p>

Make sure to connect the dots

Employment 	<hr/>	Employment	<hr/>
	Name of Employer	Name of Employer	
	<hr/>		<hr/>
	Street Address	Street Address	
	<hr/>	<hr/>	
	City State Zip	City State Zip	
	<hr/>	<hr/>	
	Date of Employment month/year	Date of Employment month/year	
	<hr/>	<hr/>	
	Position Title	Position Title	
	<hr/>	<hr/>	
	Salary Hourly Weekly Annual	Salary Hourly Weekly Annual	
	<hr/>	<hr/>	
	Phone	Phone	
	<hr/>	<hr/>	
	Work E-mail Address	Work E-mail Address	
	<hr/>	<hr/>	
Previous Employer (if less than 5 years at current employer)	<hr/>	Previous Employer (if less than 5 years at current employer)	<hr/>
	Name of Previous Employer	Name of Previous Employer	
	<hr/>	<hr/>	
	Street Address	Street Address	

<p>City _____ State _____ Zip _____</p> <p>Date of Employment month/year _____</p> <p>Position Title _____</p> <p>Salary Hourly Weekly Annual</p> <hr/> <p>Assets</p> <p>Checking \$ _____ Savings \$ _____</p> <p>Name of Financial Institution _____</p> <p>Checking \$ _____ Savings \$ _____</p> <p>Name of Financial Institution _____</p> <p>Auto #1 _____</p> <p>Year, Make, Model _____ Mileage _____</p> <p>Insurance Information _____</p> <p>Company Name _____ Agent Name _____</p> <p>Address _____ Phone _____</p> <p>Real Estate Value _____ Purchase Price _____</p> <p>Balance Owed _____ Cash Paid Down _____</p> <p>LTV% _____ Real Estate vs. AGI _____</p> <hr/> <p>Miscellaneous</p> <p>Child Support (received or paid amount) _____</p>	<p>City _____ State _____ Zip _____</p> <p>Date of Employment month/year _____</p> <p>Position Title _____</p> <p>Salary Hourly Weekly Annual</p> <hr/> <p>Assets</p> <p>Checking \$ _____ Savings \$ _____</p> <p>Name of Financial Institution _____</p> <p>Checking \$ _____ Savings \$ _____</p> <p>Name of Financial Institution _____</p> <p>Auto #1 _____</p> <p>Year, Make, Model _____ Mileage _____</p> <p>Insurance Information _____</p> <p>Company Name _____ Agent Name _____</p> <p>Address _____ Phone _____</p> <p>Real Estate Value _____ Purchase Price _____</p> <p>Balance Owed _____ Cash Paid Down _____</p> <hr/> <p>Miscellaneous</p> <p>Child Support (received or paid amount) _____</p>
<p>References (To be completed only if loan is approved) ONLY COMPLETE IF YOU'RE GOING TO MAKE THE LOANS.</p>	
<p>Two Closest Living Relatives 1 _____</p> <p style="margin-left: 100px;">Name Address Phone Number</p> <p>2 _____</p> <p style="margin-left: 100px;">Name Address Phone Number</p>	
<p>Two Closest Personal References 1 _____</p> <p style="margin-left: 100px;">Name Address Phone Number</p> <p>2 _____</p> <p style="margin-left: 100px;">Name Address Phone Number</p>	
<p>Landlord's Information _____</p> <p style="margin-left: 100px;">Name Address Phone Number</p>	
<p>Supervisor's Information _____</p> <p style="margin-left: 100px;">Name Address Phone Number and Extension</p>	

YOU NEED THIS INFORMATION!

Saving You Money with HYLS

Predicting What Is Going to Happen

HYLS vs. Traditional Scoring Model

It would be very difficult to predict the outcome of a loan based on:

- *Past credit history*
- *Current credit history*

There are many other factors we have just discussed which will give you a better overall picture.

Loan Example

On the following pages is a loan example on a member who wanted to borrow \$31,732. The credit bureau score was 758 or A++ business. The HYLS score was 498 or “E- - -.” Why would the scores be so far apart? Let’s take a look at the loan application, credit bureau report and interviewer notes and then you decide which score best represents the risk you are taking.

Note: Focus on the interview and the write-up notes. This credit union gets it!

"TUENAND" INTERVIEWING SKILL.
Federal Credit Union
"Proud To Serve"
GREAT CLOS :)

OUTSTANDING

non-member

LOANLINER.

Application

Married Applicants: May apply for a separate account.

Individual Credit: You must complete the **Applicant** section about yourself and the **Other** section about your spouse if:

1. you live in or the property pledged as collateral is located in a community property state (AK, AZ, CA, ID, LA, NM, NV, TX, WA, WI),
2. your spouse will use the account, or CREATE example of AIR ISSAC 758 vs HYL 498
3. you are relying on your spouse's income as a basis for repayment. If you are relying on income from alimony, child support, or separate maintenance, complete the **Other** section to the extent possible about the person on whose payments you are relying.

Joint Credit: Each Applicant must **individually** complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.

Guarantor: Complete the **Other** section if you are a guarantor on an account/loan.

LOANLINER Account/Loan:

(Including ATM/Debit Card Access to the Account if Available)

Amount Requested \$ 31,732.00

Purpose/Collateral:

Repayment:

DEBT CONSOLIDATION

KNOWS WHAT WANTS. MOTIVATION
WHY NOW, WHY US?

PAYMENT PROTECTION If you answer "yes", then the credit union will disclose the cost of this voluntary payment protection to you. A separate election which discloses the terms and conditions must be signed for protection to be effective.

AREN'T WE CURIOUS ENOUGH!

APPLICANT

NAME
MATT

MOTHER'S MAIDEN NAME ACCOUNT NUMBER

SOCIAL SECURITY NUMBER DRIVER'S LICENSE NUMBER/STATE

AGES OF DEPENDENTS EMAIL ADDRESS

BIRTH DATE HOME PHONE BUSINESS PHONE/EXT.
10-22-1968

PRESENT ADDRESS

0
LENGTH AT RESIDENCE
3

PREVIOUS ADDRESS

LENGTH AT RESIDENCE

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:

MARITAL STATUS:

EMPLOYMENT/INCOME \$ 57,500.00 PER A G

NAME AND ADDRESS OF EMPLOYER W. AND SONS

TITLE/GRADE START DATE HOURS AT WORK
ACCOUNT EXEC. 07-09-1999

SUPERVISOR'S NAME IF SELF EMPLOYED, TYPE OF BUSINESS

NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.

OTHER INCOME \$ PER SOURCE
\$ PER SOURCE
\$ PER SOURCE
\$ PER SOURCE

WHAT DOES THIS MEAN?

OTHER

NAME

MOTHER'S MAIDEN NAME ACCOUNT NUMBER

SOCIAL SECURITY NUMBER DRIVER'S LICENSE NUMBER/STATE

AGES OF DEPENDENTS EMAIL ADDRESS

BIRTH DATE HOME PHONE BUSINESS PHONE/EXT.

PRESENT ADDRESS

LENGTH AT RESIDENCE

PREVIOUS ADDRESS

LENGTH AT RESIDENCE

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:

MARITAL STATUS:

EMPLOYMENT/INCOME \$ PER

NAME AND ADDRESS OF EMPLOYER

TITLE/GRADE START DATE HOURS AT WORK

SUPERVISOR'S NAME IF SELF EMPLOYED, TYPE OF BUSINESS

NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.

OTHER INCOME \$ PER SOURCE
\$ PER SOURCE
\$ PER SOURCE
\$ PER SOURCE

DID WE GOOGLE?

Note: This credit union is marketing to public to get rid of their credit card debt.

*MATTHEW P SS: E: W SON
 DOB: 01/19/68 RPTD: 12-99 TO 8-09 U
 RPTD: 10-07 TO 8-09 U 9X E: W AND SONS
 LAST SUB: RPTD: 5-08 TO 1-10 I

* MARTIN AVE
 RPTD: 1-07 TO 8-07 U
 *36 RD
 RPTD: 1-05 TO 1-07 U 1X

*MATT P MATTHEW, MAT

----- FRAUD SHIELD SUMMARY -----
 INPUT SSN ISSUED 1981-1984
 FROM 7-01-10 INQ COUNT FOR SSN=1
 FROM 7-01-10 INQ COUNT FOR ADDRESS=2

----- PROFILE SUMMARY -----
 PUBLIC RECORDS-----0 PAST DUE AMT-----\$0 INQUIRIES--11 Satis ACCTS--33
 INST/OTH BAL---\$51,247 SCH/EST PAY----\$1,341 INQS/6 MO---1 NOW DEL/DRG---0
 R ESTATE BAL--\$283,774 R ESTATE PAY----\$1,508 TRADELINE--33 WAS DEL/DRG---0
 TOT REV BAL--\$33,777 TOT REV AVAIL-----52%+ PAID ACCT--22 OLD TRADE--5-92

----- SCORE SUMMARY -----
 FICO RISK SCORE 2 = 758

SCORE FACTORS:
 10 RATIO OF BALANCE TO LIMIT ON BANK REVOLVING OR OTHER REV ACCTS TOO HIGH OF
 08 TOO MANY INQUIRIES LAST 12 MONTHS
 06 TOO MANY CONSUMER FINANCE COMPANY ACCOUNTS
 05 TOO MANY ACCOUNTS WITH BALANCES
 +++++ MORE WHAT THIS IS TELLING YOU DIFFERENCE IN
 IS THE MBS'S SPENDING PATTERNS HYS & F.I.C.O
 MAR Agree w/us.
 HAVE CHANGED

PAGE 2 DATE 10-22-2010 TIME 15:08:31 V201 TNYH

----- TRADES -----

SUBSCRIBER	OPEN	AMT-TYP1	AMT-TYP2	ACCTCOND	PYMT STATUS
SUB# KOB TYP TRM ECOA BALDATE	BALANCE	PYMT LEVEL	MOS REV	PYMT HISTORY	
ACCOUNT #	LAST PD MONTH PAY	PAST DUE	MAXIMUM	BY MONTH	
*CITIFINANCIAL MORTGAGE	8-03	\$70,000-0		REFINANC	CURR ACCT
FP R/C 30Y 1	1-31-05		1-05	(6)	BCCCC
	1-05				

** ACCOUNT CLOSED DUE TO REFINANCE **

FEDERAL	9-02	\$20,000-L	\$20,000-H	PAID	CURR ACCT
FC H/E LOC	1 7-23-04		7-04	(23)	B0CCCCCCCCCCC CCC-CCCCC
** ACCOUNT CLOSED AT CONSUMER'S REQUEST **					
FEDERAL	11-03	\$15,000-O		PAID	CURR ACCT
FC UNS	60 1 6-25-04		6-04	(8)	BCCCCCCC
SARATOGA NATIONAL BANK	9-02	\$22,602-O		PAID	CURR ACCT
BB AUT	66 1 5-31-04		5-04	(21)	BCCCCC-CCCCC CCCCCCC
BAC HOME LOANS SERVI	11-98	\$54,700-O		PAID	CURR ACCT
BM R/F 30Y	1 9-30-03		9-03	(58)	BCCCCCCCCCCC CCCCCCCCCCC
FEDERAL	12-99	\$3,500-O		PAID	CURR ACCT
FC REC	36 1 10-25-02		10-02	(35)	BCCCCCCCCC-C CCCCCCCCCCC
FEDERAL	3-99	\$33,078-O		PAID	CURR ACCT
FC AUT	72 1 9-20-02		9-02	(43)	BCCCCCCCCC-CC CCCCCCCCCCC-
*CHASE BANK USA, NA	6-02	\$3,000-L	\$2,500-H	PAID	CURR ACCT
BC CRC REV	1 8-26-02		8-02	(3)	BC0
** ACCOUNT CLOSED AT CONSUMER'S REQUEST **					
FEDERAL	7-07	\$3,000-O		PAID	CURR ACCT
FC UNS	60 1 7-19-02		7-02	(1)	B
*AMEX	5-92	UNK		PAID	CURR ACCT
BC CRC	1 1 12-05-01		12-01	(1)	B
** ACCOUNT CLOSED AT CREDIT GRANTOR'S REQUEST **					
THD/CBSD	7-06	\$10,000-L	\$1,019-H	OPEN	CURR ACCT
BC CHG REV	1 10-22-10	\$197	10-10	(52)	CCCCCCCCCCCC CCCCCCCCCCCC
	10-10	\$10			
GEMB/GE MONEY BANK LOW	10-01	\$3,500-L	\$2,352-H	OPEN	CURR ACCT
LZ CHG REV	1 10-20-10	\$142	10-10	(99)	CCCCCCCCCCCC CCCCCCCC0000
	10-10	\$15			
SEARS/CBSD	12-96	\$14,700-L	\$9,910-H	OPEN	CURR ACCT
BC CRC REV	1 10-09-10	\$7,576	10-10	(99)	CCCCCCCCCCCC CCCCCCCCCCCC
	10-10	\$173			
ZALES/CBSD	12-07	\$5,000-L	\$1,403-H	OPEN	CURR ACCT
ZR CHG REV	1 10-09-10	\$0	10-10	(34)	0000CCCCC000

ONEWEST BANK	5-10	\$20	0000000000
FB R/C 30Y	5-06	\$288,000-0	OPEN CURR ACCT
	10-05-10	\$283,774	(43) CCCCCCCCCCCC
	9-10	\$1,508	CCCCCCCCCCCC
MCYDSNB	12-97	UNK	OPEN CURR ACCT
DZ CHG REV	1 10-01-10	\$0	(50) 0000000000
	7-10	\$5	0000000000
TOYOTA MOTOR CREDIT	7-09	\$25,320-0	OPEN CURR ACCT
FA AUT 84	1 9-30-10	\$22,400	(15) CCCCCCCCCCCC
	9-10	\$396	CC

Cashed out owed 87,000 \$65

NOTE: This is

NOTE TERM! NO IMPACT ON SCORE

5x's SCORE!

2/1x is

MAX

FACTS, Any EQUITY?
Will MBR Keep This or Should we

TNYH HPM

MATT

CONSIDER FINANCING A NEW CAR?

WE SHOULD DO ONE OR THE OTHER DEPENDING ON VALUE AND MEMBER DESIRE.

- 1 WE CAN MAKE \$
- 2 WE CAN BUILD A LIFETIME RELATIONSHIP

PAGE 5 DATE 10-22-2010 TIME 15:08:31 V201 TNYH

SUBSCRIBER	OPEN	AMT-TYP1	AMT-TYP2	ACCTCOND	PYMT STATUS
SUB# KOB TYP TRM ECOA BALDATE	BALANCE	PYMT LEVEL	MOS REV	PYMT HISTORY	
ACCOUNT # CASHED OUT LAST PD	MONTH PAY	PAST DUE	MAXIMUM	BY MONTH	
CHARTER ONE NA	2-07	\$30,000-0		OPEN	CURR ACCT
BB HEI 300	1 9-30-10	\$28,847	9-10	(44)	CCCCCCCCCCCC
	9-10	\$220			CCCCCCCCCCCC
HSBC/BSBUY	2-02	\$4,600-L	\$2,979-H	OPEN	CURR ACCT
ZR CHG REV	1 9-29-10	\$1,706	9-10	(99)	CCCCCCCCCCCC
	9-10	\$18			CCCCCCCCCCCC
DISCOVER FIN SVCS LLC	3-07	\$13,300-L	\$10,747-H	OPEN	CURR ACCT
BC CRC REV	1 9-26-10	\$10,747	9-10	(43)	CCCCCCCCCCCC
	9-10	\$215			CCCCCCCCCCCC
FEDERAL	3-98	\$20,000-L	\$17,887-H	OPEN	CURR ACCT
NU CRC REV	1 9-21-10	\$13,409	9-10	(86)	CCCCCCCCCCCC
	8-10	\$269			CCCCCCCCCCCC

3 Close The DEAL WHILE THE MBR IS IN THE OFFICE

2 You DON'T WANT THIS

2 Bet They lose \$!

INQUIRIES			
FIRST AMERICAN CREDCO	10-14-10	FR	R/E
FEDERAL	1-07-10	FC	UNK C/G
DISCOVER FINANCIAL SER	8-29-09	BC	
TOYOTA MOTOR CREDIT	7-11-09	FA	
CREDCO	7-11-09	ZA	AUT
FEDERAL	7-01-09	FC	UNK C/G
FEDERAL	5-22-09	FC	UNK C/G
DISCOVER FINANCIAL SER	4-09-09	BC	
CREDSTAR/QUICKEN LOANS	3-12-09	FR	UNK R/E
PRESTIGE AUTOMOBILES	2-06-09	AN	AUT
PRESTIGE AUTOMOBILES	11-28-08	AN	AUT

HYLS Underwriting Guide

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Scorecard for: Matt

Date: 10/25/2010 10:12:36 AM

Member Name: Matt

Loan Officer Name:

Top Positive Factors

- 25. Number of Late Payments on Open Mortgage Loans
- 7. Length of Time the Member has been Employed at their Current and Previous Jobs
- 8. Valid Credit Score
- 13. Total Dollar Amount Past Due With All Creditors
- 14. Payment History on the Most Recent Open Vehicle Loan

Total Positive Point 150

Total Negative Point -410

Total Factor Points -260

Credit Score 758

Top Negative Factors

- 21. Debt to Income Ratio
- 22. Total Outstanding Unsecured Debt Versus Annual Gross Income (AGI)
- 23. Total Unsecured Dollar Amount Outstanding
- 24. Total Mortgage Debt Versus Annual Gross Income
- 10. Inquiries in the Past 24 Months

Adjusted Credit Score 498

-
- 1. Number of Years as an Active Member: New Member
 - 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: 0
 - 4. Highest Dollar Loan Amount the Member has ever had with the Credit Union: No Prior Loans
 - 5. Direct Deposit or Payroll Deduction: No Direct Deposit
 - 6. Length of Time the Member has Lived at their Current and Previous Addresses: 2.1 to 5 Years
 - 7. Length of Time the Member has been Employed at their Current and Previous Jobs: 10.1 to 20 Years
 - 8. Valid Credit Score: 730-774
 - 9. Credit Score with No Credit Flaws (living on inflated income): 720+
 - 10. Inquiries in the Past 24 Months: 11-15
 - 11. Number of Open or Closed Trade Lines as a Percentage of Members Age: 61-80%
 - 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: Current for 13-24 Months
 - 15. Payment History on the Last Prior Vehicle Loan: Current for 13-24 Months
 - 16. Loan to Value on Vehicle Loan Request : Not a Vehicle Request
 - 17. Number of Vehicle Loans Opened in the Past 5 Years: 2-3
 - 18. Loan Amount Versus Term (consumer loans only): Within Guidelines
 - 19. New Vehicle Loan Being Purchased Versus Annual Gross Income (AGI): This is Not a Vehicle Loan Request
 - 20. Total Secured Loan Balances Outstanding Versus Annual Gross Income (AGI): 0-50% of AGI
 - 21. Debt to Income Ratio: 61%+
 - 22. Total Outstanding Unsecured Debt Versus Annual Gross Income (AGI): 36% and above of AGI
 - 23. Total Unsecured Dollar Amount Outstanding: \$30,001-\$50,000
 - 24. Total Mortgage Debt Versus Annual Gross Income: 3.6 Times AGI and above
 - 25. Number of Late Payments on Open Mortgage Loans: No Delinquency in the Past 24 Months
 - 26. Available Equity in Real Estate: \$0-\$50,000
 - 27. Cashing Out Real Estate Equity (living on inflated income with real estate equity): Cashed Out 1 Time in the Past 5 Years

ACCOUNTSUF	PP	CommentDate	ENTRY TIME	COMMENT 60
1		10/25/2010	90039	MEMBER IS <u>LOOKING FOR DEBT CONSOLIDATION</u> LOAN FOR THE
1		10/25/2010	90039	<u>MAXIMUM 30K TO CONSOLIDATE HIS CREDIT CARD AND UNSEC DEBT</u>
1		10/25/2010	90039	<u>INTO ONE MONTHLY PAYMENT.</u> <i>with us, why now!</i>
1		10/25/2010	90245	HE IS AN <u>ACCOUNT MANAGER</u> FOR AN <u>INDUSTRIAL SUPPLY COMPANY</u>
1		10/25/2010	90245	AND THE <u>ECONOMY HAS HIT HIS BUSINESS</u> PRETTY HARD, HE SAYS
1		10/25/2010	90245	HE HAS <u>LOST 7 OF HIS 10 LARGEST ACCOUNTS</u> AND SINCE MUCH OF
1		10/25/2010	90245	HIS <u>SALARY IS FROM COMMISSION</u> , HE HAS TAKEN A <u>PRETTY SEVERE</u>
1		10/25/2010	90246	<u>PAY CUT</u> . HE IS <u>ADJUSTING TO MAKING ABOUT 30K LESS</u> THAN HE
1		10/25/2010	90246	<u>DID 2 YEARS AGO</u> , AND HE WANTS TO GET HIS DEBT UNDER
1		10/25/2010	90246	<u>CONTROL.</u> <i>(Nice job & write up).</i>
1		10/25/2010	90432	HE <u>BUILT HIS OWN HOME</u> , WHICH IS WHAT THE <u>MAJORITY OF THE</u>
1		10/25/2010	90432	<u>UNSEC DEBT</u> COMES FROM. FOR EXAMPLE, THERE WERE
1		10/25/2010	90432	<u>UNEXPECTED BUILDING COSTS</u> FOR THE SEPTIC TANK AND THE FOUNDATION (HE
1		10/25/2010	90432	HIT BEDROCK), SO <u>MANY OF HIS EXPENSES WERE BEYOND HIS</u>
1		10/25/2010	90432	<u>CONTROL</u> , HE STATES.
1		10/25/2010	90538	HIS WIFE CONTRIBUTES <u>600/MO</u> TO THE HOUSEHOLD, HE SAYS 400
1		10/25/2010	90538	GOES TO <u>THE MTG</u> AND THE REST TOWARD <u>UTILITIES</u> . HE <u>DOES NOT</u>
1		10/25/2010	90538	<u>WANT TO ADD HER ONTO THE APPLICATION</u> BECAUSE HER INCOME IS
1		10/25/2010	90538	<u>NOT SUFFICIENT AND NOT REPORTABLE.</u> <i>WHAT. WHAT GOT TO DO WITH ADDING</i>
1		10/25/2010	90638	HE IS CURRENTLY IN THE PROCESS OF <u>RENEGOTIATING HIS</u> <i>HER</i>
1		10/25/2010	90638	<u>MORTGAGE</u> WITH FANNIE MAE. HE QUALIFIES FOR <u>THEIR MORTGAGE</u>
1		10/25/2010	90638	<u>RELIEF PROGRAM</u> BUT HIS APPLICATION IS STILL BEING PROCESSED
1		10/25/2010	90638	AND HAS BEEN FOR A FEW MONTHS.
1		10/25/2010	110605	<u>HIGH DTI @ 75%</u> . <u>UNSEC VS AGI</u> IS AN ALARMING <u>59%</u> , SEC VS
1		10/25/2010	110605	<u>AGI IS 39%</u> .
1		10/25/2010	111437	<u>HYLS SCORE -260 PTS</u> . POSITIVES: <u>NO LATE PAYS ON MTG LOANS</u> ,
1		10/25/2010	111437	<u>LENGTH OF TIME AT CURR/PREV JOB</u> , <u>VALID SCORE</u> , <u>MO PAST DUE</u> ,

These are great notes!!!

ACCOUNTSUF	PP	CommentDate	ENTRY TIME	COMMENT	60
1	10/25/2010	111437		<u>PMT HISTORY ON MOST RECENT VEHICLE LOAN. NEGATIVE:</u> DTI,	
1	10/25/2010	111437		<u>UNSEC VS AGI, UNSEC AMOUNT OUTSTANDING, MTG DEBT VS AGI,</u>	
1	10/25/2010	111437		<u>INQUIRIES IN PAST 24 MOS.</u>	
1	10/25/2010	111723		THIS MEMBER APPEARS TO BE <u>OVEREXTENDED</u> . I UNDERSTAND A	
1	10/25/2010	111723		RECENT CHANGE IN CIRCUMSTANCES AND A DECREASE IN PAY HAS	
1	10/25/2010	111724		HURT HIS BOTTOM LINE PRETTY SEVERELY, I DONT KNOW THAT THIS	
1	10/25/2010	111724		MEMBER EVER HAD THE CAPACITY TO REPAY THE AMOUNT OF	
1	10/25/2010	112755		UNSEC. HE HAS INCURRED. FOR EXAMPLE, EVEN WITH THE AMOUNT HE SAYS	
1	10/25/2010	112755		HE LOST IN SALARY RECENTLY (30K TOTAL, BRINGING SALARY TO	
1	10/25/2010	112755		<u>APPK 87K</u>), DTI 40%, UNSEC VS AGI IS 39% AND MTG DEBT VS AGI	
1	10/25/2010	112755		IS STILL 3.5X AGI. I FEEL THIS MEMBER IS <u>HEADED FOR</u>	
1	10/25/2010	112755		<u>TROUBLE, AND I DON'T KNOW THAT THIS LOAN WILL HELP HIS</u>	
1	10/25/2010	112755		SITUATION. FOR ONE THING <u>WE CANNOT CONSOLIDATE ALL HIS</u>	
1	10/25/2010	112755		CARDS AND LINES AS THEY TOTAL 33,700, SO HE WILL STILL HAVE OPEN	
1	10/25/2010	112755		CARDS TO PAY DOWN ON HIS OWN. HE SAYS THAT HIS SALARY HAS	
1	10/25/2010	112755		<u>LEVELED OFF</u> AND HE IS NO LONGER LOSING ACCOUNTS, BUT HE IS	
1	10/25/2010	112755		STILL <u>HEAVILY LEVERAGED</u> . THIS MEMBER MAY BE HEADED FOR BK.	
1	10/25/2010	112755		I AM GOING TO RECOMMEND DENIAL ON THIS LOAN ON THE BASIS	
1	10/25/2010	112755		THAT THIS IS A <u>NON MEMBER</u> WHOSE UNSEC IS 59% AGI, HAS A	
1	10/25/2010	112755		MORTGAGE THAT IS MORE THAN 5X HIS AGI, AND DTI IS 75%. HE IS	
1	10/25/2010	112755		IN THE <u>PROCESS OF WORKING DOWN HIS MORTGAGE PAYMENT</u> , AND	
1	10/25/2010	112755		WOULD SAY IF HE CAN LOWER THAT PAYMENT AND BRING HIS UNSEC	
1	10/25/2010	112756		TO UNDER 30K <u>WE CAN REVISIT</u> . FORWARDING TO FXF.	
1	10/25/2010	114137		I <u>AGREE WITH CRY</u> . THIS MEMBER IS <u>WELL OVEREXTENDED</u> AND A	
1	10/25/2010	114137		<u>BANKRUPTCY CANDIDATE</u> . THERE IS NO PLAN OF ACTION THAT	
1	10/25/2010	114137		WOULD MAKE ME FEEL COMFORTABLE WITH THIS LOAN OTHER THEN	
1	10/25/2010	114137		<u>BANKRUPTCY IN THE SHORT TERM</u> . MEMBER CAN KEEP HIS HOME	
1	10/25/2010	114137		AND START WITH A CLEAN SLATE. <u>IF HE DOES SO, WE CAN GIVE HIM A</u>	

*Day Stub**Did we discuss BK?**AND LIFE**AFTER BK?*

ACCCUNTSUF_PP	CommentDate	ENTRY TIME	COMMENT 60
1	10/25/2010	114137	FRESH START WITH A SMALL UNSECURED LOAN. DENIED DUE TO
1	10/25/2010	114206	MEMBER BEING SUFFICIENTLY INDEBTED, HAS NO CAPACITY.
1	10/26/2010	91022	CALLED MEMBER TODAY, L/M REGARDING DECISION. WILL WITHDRAW
1	10/26/2010	91022	AT THE END OF THE DAY IF I DON'T HEAR BACK
1	10/26/2010	94239	DISCUSSED BANKRUPTCY WITH THIS MEMBER, HE WAS RECEPTIVE
1	10/26/2010	94239	<u>TO</u> IT. I TOLD HIM THAT IF HE DOES GO THROUGH THE PROCESS TEG
1	10/26/2010	94239	<u>WOULD HELP HIM OUT ON THE OTHER SIDE.</u>



Now you're talking!

WHAT'S STORY ON TRANSPORTATION?

We should have either:

- o Paid off his existing car loan considering the equity.

OR

- o Financed a new car where he'll have equity and will reaffirm with us + we keep the relationship



Loan Officer Notes

The credit union does an outstanding job with their notes. A++! Most of you are saying “There’s no way, we don’t have time.” This loan was a \$31,732 decision with an “A++” score. This member is a prime bankruptcy candidate - maybe we do have time. Ask yourself, would these notes have made your decision easier?

Solutions

This credit union did a great job; however, to insure the relationship you might have paid off the existing auto loan (if there was equity) or financed a new auto loan. If they got a great deal on a new auto, you would get a re-affirmation.

Loan Application

Begin the process with a good application.

Review



Good Interviewers are:

- *Very passionate*
- *Positive*
- *Confident*
- *Friendly*
- *Like people*
- *High energy*
- *Driven*
- *Curious*
- *Great listeners*
- *Don't give up*
- *Good at knowing how to make it happen*

By the way, they often end up as C.E.O.s, I can attest to that.

