

ABEFCU LOAN MODIFICATION PROGRAM DETAILS

The ABEFCU Loan Modification Program is offered on eligible loans to members of ABE Federal Credit Union who are experiencing a financial hardship situation. It allows for temporarily reduced monthly payments for terms up to 6 months. There are several important factors to note about the Program:

1 - It is required that the member submit a "Hardship Request Letter" answering the questions that are in the requirements letter. This enables the Loan Modification Committee to get a better idea of your current situation and how we can best assist you.

2 - A credit report will be run to ascertain the status of other financial obligations and your present credit score.

3 - Your ABE Loans cannot be over 60 days delinquent in the month your request is approved for entry into the Plan.

4 - ****IMPORTANT**** If you cannot bring your accounts to a current status before starting the Plan, then that level of delinquency (meaning days delinquent) will "follow" the loans throughout the term of the Plan, and when you resume regular contracted payments, the loans will be at the same level of delinquency as when you entered the Plan. We cannot artificially make your loans "current" when you are approved for a Loan Modification Plan, but we can accept a lesser monthly payment and manually advance your due date to the next month as if you had made the regular required monthly payment. It is important to understand that if your loan is over 30 days delinquent at month end, even throughout the time your loan is on the Plan, that information is reported to Experian and TransUnion Credit Reporting Agencies as part of our normal reporting process.

5 - After approval, the reduced payment is required to be paid monthly, before the last business day of the month.

6 - Any OPEN credit lines that you have with ABE Federal Credit Union (Credit Cards; Checking Line-of-Credit account; Member Privilege attached to a share draft account; etc.); will be shut down and access to any additional credit will not be allowed.

7 - If your Loan Modification request is for a Credit Card or a Checking Line-of-Credit attached to your Share Draft account, after you come off the Plan, if you wished to reopen your credit limit, a fully completed Loan Application along with proof of income is required to be submitted to the Lending Department for review before the credit line can be reopened.

8 - Late charges are suspended when you have an active loan on a Loan Modification Plan.

9 - The Loan Modification Committee will strive to reduce your payment to the lowest possible amount that we reasonably can.

10 – While you are on the Plan, we will mail you one (1) letter, mid-month, to simply remind you that your payment is due before the last business day of that month. However, it is the members' responsibility that the payment is received and posted timely as required.

This program has been extremely beneficial to our membership and has assisted many members who are experiencing temporary difficulty in meeting their financial obligations. It helps to retain a better credit standing, even if not current, rather than allowing loans to go severely delinquent; it avoids assignment to outside collection agencies where additional costs could be incurred; and it enables those who successfully complete the Plan and resume regular payments to maintain a "member-in-good standing" status with ABE Federal Credit Union for future usage of all our financial products and services.