

DISTRICT #6 FEDERAL CREDIT UNION
107 Broadway
Hornell, New York 14843

DELINQUENCY RULES

1. A loan will be deemed delinquent at the end of the 15th day past the date that payment is due and at that time, any applicable late fees or penalties will be imposed.
2. If a loan is **over 15 days** in arrears, contact will be made by phone and/or a ***First Notice*** will be sent as a reminder. If no payment is received or contact made within 15 days from the date of the letter, any available shares, up to the amount of the loan payment, will be transferred to the loan.
3. If a loan is **over 45 days** in arrears, a ***Second Notice*** will be sent. If no payment is received or contact made within 15 days from the date of the letter, any available shares, up to the amount due on the loan, will be transferred to the loan.
4. If a loan is **over 60 days** in arrears, a ***Third and Final Notice*** will be sent. If no payment is received or contact made within 30 days from the date of the letter, any available shares will be transferred to the loan. The amount transferred will not exceed the amount in arrears, including any fees and penalties. The loan will be turned over to the Credit Bureau and if the loan is secured with collateral, repossession proceedings will be initiated. The Credit Union will suspend any sharedraft privileges and action may be taken to terminate membership, based upon Board action.

If a Co-Borrower or Co-Signer/Guarantor exists on the loan, they will receive a "courtesy copy" of any Notices sent. On the ***Third and Final Notice***, the Credit Union will inform the Co-Borrower or Co-Signer/Guarantor they will be liable for the loan payments.

If there is a response by the Member, each future action will be based on the individual response to each letter that is issued.

If a loan is severely delinquent and the member has started making regular payments in a six-month time period, the loan may be rewritten with Board approval.