

Effective November 1<sup>st</sup> 2008 the Utility District Credit Union will be implementing *Risk-Based Lending* which involves a tiered pricing structure that assigns loan rates based upon an individual's credit risk. The credit scores used in processing Risk- Based Lending is developed by the Fair Isaac Company (FICO). The basic concept of Risk-Based Lending is that the rate charged to an individual borrower is commensurate with the credit risk associated with that borrower. Credit Scoring and meeting the required Debt Ratio will determine the loan decision and the initial rate to the borrower. The chart below illustrates the rates in relation to the FICO score.

### Rates Effective December 1<sup>st</sup> 2009

#### RISK BASED LENDING RATE CHART

##### NEW AUTO LOANS

RANGE	GRADE OF PAPER	RATE STRUCTURE	NEW AUTO 72 MONTHS	NEW AUTO 60 MONTHS	NEW AUTO 48 MONTHS
730+	A+	Base Rate – 0.50%	6.49%	6.00%	5.49%
680-729	A	<b>Base Rate</b>	<b>6.99%</b>	<b>6.50%</b>	<b>5.99%</b>
640-679	B	Base Rate + 1.00%	7.99%	7.50%	6.99%
600-639	C	Base Rate + 2.50%	9.49%	9.00%	8.49%
550-599	D	Base Rate + 6.00%	12.99%	12.50%	11.99%
500-549	E	Base Rate + 9.00%	15.99%	15.50%	14.99%

##### USED AUTO LOANS

RANGE	GRADE OF PAPER	RATE STRUCTURE	USED AUTO 60 MONTHS	USED AUTO 48 MONTHS
730+	A+	Base Rate – 0.50%	6.00%	5.49%
680-729	A	<b>Base Rate</b>	<b>6.50%</b>	<b>5.99%</b>
640-679	B	Base Rate + 1.00%	7.50%	6.99%
600-639	C	Base Rate + 2.50%	9.00%	8.49%
550-599	D	Base Rate + 6.00%	12.50%	11.99%
500-549	E	Base Rate + 9.00%	15.50%	14.99%

Used Auto Loans Available On Cars Up To Three Years Out Of The Blue Book **07.99%**

##### UNSECURED SIGNATURE LOANS

RANGE	GRADE OF PAPER	RATE STRUCTURE	UNSECURED LOAN 6-36 MONTHS	UNSECURED LOAN 48 MONTHS	OPEN END LINE OF CREDIT
730+	A+	Base Rate – 0.50%	10.49	11.49	11.49
680-729	A	<b>Base Rate</b>	<b>10.99</b>	<b>11.99</b>	<b>11.99</b>
640-679	B	Base Rate + 1.00%	11.99	12.99	12.99
600-639	C	Base Rate + 2.50%	13.49	14.49	14.49
550-599	D	Base Rate + 5.00%	15.99	16.99	16.99
500-549	E	Base Rate + 6.00%	16.99	17.99	17.99

##### RECREATIONAL VEHICLES

RANGE	GRADE OF PAPER	RATE STRUCTURE	NEW RV 120 MONTHS	USED RV 72 MONTHS
730+	A+	Base Rate – 0.50%	7.25	8.00
680-729	A	<b>Base Rate</b>	<b>7.75</b>	<b>8.50</b>
640-679	B	Base Rate + 1.00%	8.75	9.50
600-639	C	Base Rate + 2.50%	10.25	11.00
550-599	D	Base Rate + 6.00%	13.75	14.50
500-549	E	Base Rate + 7.00%	14.75	15.50

RANGE	GRADE OF PAPER	RATE STRUCTURE	New Motorcycle 36 Months
730+	A+	Base Rate – 0.50%	12.49
680-729	A	<b>Base Rate</b>	<b>12.99</b>
640-679	B	Base Rate + 1.00%	13.99
600-639	C	Base Rate + 2.50%	15.49
550-599	D	Base Rate + 4.00%	16.99
500-549	E	Base Rate + 5.00%	17.99

Applicants with a "FICO" score below 600 (C) will be required to put down 10% towards Car loan, RV loan & Motor cycle loan.