



# **LENDING RULES**

**EFFECTIVE ON JULY 1, 2012**



## TYPE 1 LOANS

Guaranteed by your savings and shares in the Cooperativa

- Maximum amount that can be requested: the sum of your shares and savings
- Interest rate:
  - 5.50% up to \$25,000.00  
(maximum term for repaying: 7 years)
  - 5.00% up to \$100,000.00  
(maximum term for repaying: 10 years)
  - 4.50% over \$100,000.00  
(maximum term for repaying: 10 years)

## TYPE 3 LOANS - DEMAND LOAN

Guaranteed by your savings and shares in the Cooperativa

On-demand loan, payment is to be completed at maturity. (Every three months the accrued interests will be deducted from the savings account at the Cooperativa)

- Maximum amount that can be requested: the sum of your shares and savings
- Interest rate:
  - 5.50% up to \$25,000.00  
(maximum term for repaying: 7 years)
  - 5.00% up to \$100,000.00  
(maximum term for repaying: 10 years)
  - 4.50% over \$100,000.00  
(maximum term for repaying: 10 years)

## DOCUMENTS REQUIRED FOR THE TYPE 1 & 3 LOAN

- Loan Application (Cop-10A)
- Driver's license or Passport
- Debit Authorization\* (Demand Loan)

*\* To avoid overdrafts in the savings account. If you do not have available in your savings balance interest receivable quarterly, the amount will be debited from the account authorized.*



## TYPE 2 LOANS:

### BASED ON CREDIT HISTORY AND PAYMENT CAPACITY. GUARANTEED WITH OR WITHOUT CO-SIGNER

- Maximum amount that can be requested: \$25,000.00
- Interest rate:
  - 6.50% to \$13.45%
- A total of 10% of the amount requested will be pledged in available stock.
- The stock required for granting the loan will be held as collateral for the term of the loan.
- If no free-of-liens stock is available, the amount will be deducted from the proceeds of the loan.
- Automatic deduction from payroll. You can make additional payments or by check or money on behalf of the Cooperativa (optional).
- To request without cosigner should complete the membership requirement, as applicable:
  - 6 months for loans up to \$5,000.00
  - Having excellent credit
  - A list of payments not to exceed 60% of compromise income.
- DOCUMENTS REQUIRED FOR THE TYPE 2 LOAN
  - Loan Application (Cop-10A)
  - Driver's license or Passport
  - Last two pay slips
  - Utility Bill
  - Evidence of other Income (if necessary)

## COSIGNER

- A co-signer may be any person who meets the lending norms and parameters established by the Board of Directors. He or she may be a member of the Cooperativa.
- You must file a good credit history and not exceed 60% of income involved.  
It can be a member of the Cooperativa.
- If a spouse's income is used to qualify for this loan, he or she will be considered a co-applicant, not a co-signer.
- Any member applicant, co-applicant and cosigner must sign a document containing the terms (amount, terms, installments) by which the loan will be disbursed.



## PROPORCIONAL AMOUNT THAT CAN BE REQUESTED BASED ON YEARS OF MEMBERSHIP:

- 6 months as a member, up to \$5,000 and \$500 in liens-free stock. Maximum term of financing is 7 years. *\*With his sole signature, without co-signer, if the member meets the established loan rules, with excellent credit and with salary / income commitment not to exceed 60%.*
- 12 months as a member, up to \$10,000 and \$1,000 in liens-free available stock. Financing up to a maximum of 7 years.
- 24 months as a member, up to \$20,000 and \$2,000 in liens-free stock. Financing up to a maximum of 7 years.
- 36 months as a member, up to \$25,000 and \$2,500 in liens-free stock. Financing up to a maximum of 7 years.

**Members must meet the required membership time in order to qualify.**

The Credit Committee will evaluate loans declined by the Cooperativa's Credit Officers. It also reserves the right to require additional conditions, such as:

1. The endorsement of a co-signer or co-applicant for this loan.
  2. If the original loan was approved without a co-signer because of excellent credit, and when requesting its renewal, the credit history is negatively affected, one or more co-signers may be required.
  3. Evidence of canceled accounts that appear in the credit report may be required.
- To renew this type of loan, the member must have met the obligations of at least 26 installment payments or 1 year. Any renewal application will be considered and evaluated as a new application in each of its terms and conditions. If the renewal application is for a greater amount, the percentage of shares to be pledged will be the difference between the amount already pledged for the current loan and the amount of the new loan. If necessary, the difference will be deducted from the loan disbursement.
  - To speed up the process, it is important to submit the required documents with a duly completed application.



- Regulatory and insurance agencies require certain identifications, such as driver's license, social security, etc. In addition, copy of documents that ascertain the residential address, such as: bills for water resources, electric power and cable-TV. Also, evidence of income, such as employment certification and/or payroll stubs from both the member and the co-signer.
- Any member applicant, co-applicant and co-signer must sign a document accepting the terms (amount, installments, term, etc.) by which the loan will be disbursed.
- The Cooperativa will issue checks to the order of the creditors for any approved loan whose purpose is debt consolidation.
- All loans will be reported to the Credit Bureau.
- Any loan application whose payment relationship exceeds 60% of income committed:
  - It will be considered as an exception, it will be presented to the Credit Committee and it will evaluate it objectively considering all the merits and will have the power to approve or deny as it understands as the most fair, reasonable and legal.
  - Must document the reason that justifies or supports its decision.
  - The Credit Committee will recommend and consider whether the loan should have co-applicant.
  - The interest rate is fixed at 13.45%.
  - It will not be considered, whether a partner, have excellent credit to submit a reconsideration to the Board of Directors.
  - We will not consider that a member has excellent credit to submit reconsideration to the Board of Directors.
- **Please avoid alterations or erasures in the information submitted. Applications that do not comply with the established parameters will be returned unprocessed.**



## **TYPE 5 LOANS**

**GUARANTEED BY: BANK DEPOSIT CERTIFICATE OR POPULAR, INC SHARES)**

### **GUARANTEED BY BANCO POPULAR CERTIFICATES OF DEPOSIT**

**Interest rate:**

- 5.50% up to \$25,000
- 5.00% up to \$100,000
- 4.50% over \$100,000

**Maximum amount that can be requested:** Depending on the guarantee or collateral

**Maximum financing terms:** 7 years

**Required Documents:**

- Loan Application (COP-10A)
- Banco Popular Certificate of Deposit
- The Pledge Document and Authorization (NA-474)
- Driver's license or Passport
- Last two pay slips
- Utility Bill
- Evidence of other Income (if necessary)

### **GUARANTEED BY POPULAR, INC. SHARES**

**Interest rate:** 6%

**Maximum amount that can be requested:** Depending on the guarantee or collateral

**Maximum financing terms:** 7 years

- We grant 100% of the lowest value reached for the shares and has been registered in the last 52 weeks.
- The member must qualify for the DRIP (Dividend Reinvestment Plan) and the shares acquired through reinvestment of dividends obtained, further adding to the collateral of the loan.
- The new certificates issued quarterly by Fiduciary Services will be under the custody of the Cooperativa and stored in vault.

**Required Documents:**

- Loan Application (COP-10A)
- Popular, Inc. Stock Certificate
- Driver's license or Passport
- Last two pay slips
- Utility Bill



## OTHER TYPES OF LOANS

**Eligibility:** Be a member of the Cooperativa A/C Rafael Carrión, Jr.

Type of Loan	Interest Rate	Financing Terms
Professional Attire	5.50%	6 at 18 months (12 a 36 installments)
Summer Camp or Leaders' Institute	5.50%	6 at 12 months (12 a 24 installments)
Loans for Computers	7.95%	6 at 36 months (12 a 72 installments)

### OTHER LOANS

#### **LOAN: TYPE 6 SPECIAL LOANS FOR EMERGENCIES**

Because of catastrophic events, such as hurricanes, storms or flooding.

**Interest rate:** 5.50%

**Maximum financing terms:** 5 years

**Maximum Amount:** May vary

#### **Required Documents:**

- Loan Application (Cop-10a)
- Last two pay slips
- Evidence of damage and expenses to cover.
- Driver's license or Passport
- Last two pay slips
- Utility Bill
- Evidence of other Income (if necessary)

#### **LOAN: TYPE 7 COMPUTERS**

Acquire personal computers and related equipment (desktops, laptops, printers, scanners, etc.)

**Interest rate:** 7.95%

**Maximum financing terms:** 36 months

**Maximum Amount:** Reasonable and justified amount to be determined by the equipment to acquire.

#### **Required Documents**

- Loan Application (Cop-10a)
- Last two pay slips
- Price quote of the equipment to be bought and/or purchase order
- Driver's license or Passport
- Last two pay slips
- Utility Bill
- Evidence of other Income (if necessary)

Once approved, the check is issued to the order of the vendor. The member is responsible to make the corresponding payment.



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**LOAN: TYPE 9**  
**PROFESSIONAL ATTIRE**

**Maximum Amount:** The amount of the loan varies from \$200 to \$600

Loans for the purpose of acquiring uniforms for employees of Banco Popular de Puerto Rico, its Subsidiaries or Companies

**Interest rate:** 5.50%

**Maximum financing term:** 18 months

**Required Documents:**

- Loan Application (Cop-10a)
- Copy of the order of pieces and/or additional accessories.
- Last two pay slips
- Driver's license or Passport
- Last two pay slips
- Utility Bill
- Evidence of other Income (if necessary)

**Prerequisite:** Completion of the first three months on the job and have passed the probationary period.

The approval will be determined based on a credit report.

**Examples of Loan Terms and Payments:**

FINANCE	12 INSTALLMENTS	26 INSTALLMENTS	36 INSTALLMENTS
\$200.00	\$17.00	\$ 9.00	\$ 6.00
\$300.00	\$26.00	\$13.00	\$ 9.00
\$400.00	\$34.00	\$18.00	\$12.00
\$500.00	\$43.00	\$22.00	\$15.00
\$600.00	\$51.00	\$26.00	\$18.00

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**LOAN: TYPE 11**  
**HOME PROTECTION LOAN**

**Maximum Amount:** \$5,000.00

Acquire storm shutters, power generators, water tanks, water filters, etc.

**Interest rate:** 7.95%

**Maximum financing term:** 5 years

**Required Documents:**

- Loan Application (Cop-10a)
- Last two pay slips
- Price quote of the equipment to be acquired and/or purchase order
- Driver's license or Passport
- Utility Bill
- Evidence of other Income (if necessary)

Once the loan is approved, the check is issued to the order of the vendor. The member is responsible for paying the company.





**LOAN: TYPE 12  
SUMMER CAMP, CHRISTMAS CAMP OR  
LEADERS INSTITUTE**

**Interest rate:** 5.50%

**Maximum financing term:** 1 year

**Maximum Amount:** Depends on the enrollment evidence.

**Required Documents**

- Loan Application (Cop-10a)
- Driver's license or Passport
- Last two pay slips
- Utility Bill
- Evidence of other Income (if necessary)
- Quote of the cost of Camp or Institute

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**OUR COMMITMENT IS WITH YOU,  
YOUR COMMITMENT IS  
WITH THE PRUDENT USE OF CREDIT**