

Loan Request Memorandum

Date: 5/8/22
Borrower: IV
Amount: \$22,500
Request Type: Bank Guarantee
Collateral: Accessible Van
Terms: 5.00% / 72 months / \$368 per month
Credit Score: n/a
DTI: 34%
County: Brevard

Purpose: IV's daughter is 9 years old and has CP along with a rare genetic disorder. An accessible van will allow them greater freedom of movement, a safer way to get her around the community, and reduced stress. Per IV the freedom and peace of mind an accessible van would provide her is "priceless and no words can describe the change this would bring to our lives." The proposed van is being purchased from Mike Erdman Mobility and is a van that has been given back by the family of a deceased FFAST bank guarantee borrower. The van is a 2013 Toyota Sienna with less than 80,000 miles on it. The purchase price is \$35,000 but IV has a \$12,500 private donation grant to reduce the cost.

Credit Summary:

IV does not have a credit score. She has 1 collection account from a prior landlord for \$800 from 2017. No other derogatory items are listed on her credit report. Currently IV has 1 open credit card with a \$139 balance and a scheduled payment of \$39 – this account is being paid as agreed. There are no other active/open accounts on her credit report. Prior accounts include 2 prior credit cards, a joint auto loan of \$17,000, and an installment account from a furniture rental company. These accounts all show as paid as agreed with no late payments and zero balances.

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IV has stated income of \$2,123 per month between her SSA and her daughter's SSI. Rent, stated at \$320 per month, along with the credit card payment and proposed FFAST loan create total debt obligations of \$727.

Debt-to-income ratio is 34%.

Strengths

- Debt-to-income ratio of 34% is well below program guidelines
- No derogatory items on credit report since 2017 (5 years)
- Increased independence, quality of life and stress reduction for IV and her daughter

Weaknesses

- No credit score reported although there are both current and historical credit accounts that show paid as agreed.

Recommendation

With a debt-to-income ratio of 34% and debt obligations paid as agreed, IV meets the criteria for a loan. The new vehicle will provide greater safety and independence for IV and her family. The recommendation is to send the loan to the bank partner and if they do not accept the loan due to the lack of a credit score, it is recommended that FFAST provide a direct loan for a five-year (60 month) term which would increase the DTI to 37% and the monthly payment to \$429.

The loan is recommended for approval with secondary recommendation for an internal FFAST loan if necessary.

Committee Member Vote

Name:

Approve

Decline

Request further information from Program Director

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Request Committee meeting to discuss

Loan Request Memorandum

Date: 5/8/22
Borrower: NPC
Amount: \$17,000
Request Type: Bank Guarantee
Collateral: Vehicle
Terms: 5.50% / 60 months / \$324 per month
Credit Score: 628
DTI: 33%

Purpose: NPC has bi-polar disorder and a visual impairment and a vehicle will assist her in being able to seek additional employment and be more active in the community. The only adaptation that she states she needs for a vehicle is a backup camera. Total modifications would cost below \$500 and modifications could take place after a vehicle purchase. The vehicle price is the price NPC has requested and is trying to remain within that budget.

Credit Summary:

NPC has a credit score of 628. She has 1 collection account from 2016 from a retail provider for \$500. She also has 5 credit cards listed as charge-off all in 2017. Per NPC these charge-offs were due to an extended illness at the time. There are no additional derogatory items since 2017.

NPC has 2 open credit cards with combined balances of \$800 and scheduled payments of \$57. Both accounts are listed as paying as agreed. NPC lists her rent as \$400 per month.

NPC lists income of \$99 per month from SS1, \$762 from SSA and \$1,473 in employment wages for a total of \$2,334. She works as a customer service representative. Total debt obligations, including the proposed FFAST loan are \$781 for a debt-to-income ratio of 33%.

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Strengths

- Credit score of 628 is above program guidelines
- Debt-to-income ratio of 33% is below program guidelines
- Ability for NC to have better independence

Weaknesses

- NPC has five charge-off account from 2017 which she states resulted during a time of extended illness.

Recommendation

Given the debt-to-income ratio and credit score are well within program guidelines and no derogatory items on credit in last 5 years NPC meets the underwriting criteria of the program. For committee to consider is whether the loan request meets the requirements of the program regarding funding for AT. This loan seems to be in a grey area as far as whether the back-up camera would meet the funding for AT needs in relation to funding the entire vehicle cost or if only the funding for the back-up camera would meet the program needs.

Committee Member Vote

Name:

Approve

Decline

Request further information from Program Director

Request Committee meeting to discuss