



## FedStar CU's Lucky 7 Loan

This loan product is a payday alternative loan. This loan is designed to help members rebuild their credit through systematic payments and used for emergency financial stress or out of the ordinary expenses.

### Loan Terms:

Members may be eligible to borrow up to \$777.00

This loan will be set up with 7 monthly Payments at 21.00% APR interest rate, maximum term 6 months.

If the loan is paid in full 30 days before the term maturity, the credit union will deposit \$7.00, as an incentive rebate back into the member's share account.

Members may only have one Lucky 7 loan at one time.

### Qualification Guidelines:

Must be a credit union member for at least one year

Must have proof of income and be on the same job for at least 7 months

No credit report required to obtain this loan.

Renewable once every 180 Days, renewal fees of \$20.00 will apply.

**\$ 20.00** Application Fee, to be collected at the time of the loan origination from member shares.

Many borrowers find themselves in cycles where their loans roll over repeatedly, incurring even higher fees. These borrowers are often unable to break free of this unhealthy dependence on payday loans. This dependence often reflects or exacerbates other financial difficulties payday loan borrowers are experiencing. Thus millions of Americans are trapped in a downward spiral of debt which is difficult to escape.

## Lucky 7 Loan

Our Payday Alternative Loan program has all of the features of traditional payday loans. However, we offer a low fixed interest rate that is significantly lower than the national average for all payday loans, and the service and comfort you are used to from FedStar Credit Union.

### Use our Lucky 7 Loan and you can count on:

- Low interest rate of 21.00% APR\*
- No monthly service fee
- No prepayment penalty
- Low monthly payments
- Use it at your convenience

### Convenient Payment Process

We strongly encourage you to set up automatic payments that come out of your share or checking account on the 15th of every month. You can choose to make additional payments to your loan at any time, or choose another convenient payment.

### How do I Qualify?

Members who maintain all of the below criteria may be eligible for FedStar's Lucky 7 Loan:

- Have been a member of FedStar Credit Union for more at least one year
- Open a personal checking account in good standing with a positive balance and no frequent overdrafts
- Maintain a positive FedStar Credit Union loan and credit payment history with no charge offs
- Provide proof of income and be on the job for at least 7 months

**Note:** Access to the Lucky 7 Loan program can be discontinued if the above criteria are not continually being met.

\*APR is Annual Percentage Rate. Rates and terms are subject to change.

For more information on Payday loans, go to:

<http://www.mycreditunion.gov/what-credit-unions-can-do/Pages/payday-loans.aspx>