

## Cherokee Nation Economic Development Trust Authority Consumer Loan Programs

Consumer loan programs provide affordable access to financing and promote family self-sufficiency through budget counseling and credit counseling.

### Qualifications

**Employee Loan** – regular full or part time employees of the Cherokee Nation and its business entities, including the Housing Authority of the Cherokee Nation. Loan purposes vary.

**Automobile Loan** – regular full time or part time Cherokee Nation or HACN employees who have completed the initial probationary period. Loan can be used to purchase an automobile and must be payroll deducted.

**Tribal Loan** – Cherokee Nation citizens residing in the 14 counties which in whole or in part make up the Cherokee Nation jurisdiction. Loan purposes vary.

**Burial Assistance Loans** – Cherokee Nation citizens residing in the 14 counties which in whole or in part make up the Cherokee Nation jurisdiction.

**Foreclosure Prevention Loans** – Cherokee Nation citizens residing in the 14 counties which in whole or in part make up the Cherokee Nation jurisdiction who are facing foreclosure. Loans may be made for the purpose of paying off or catching up a delinquent mortgage.

### Loan Terms as of 06/15/2022 Prime Currently 4.75%

	Loan Size	Loan Term	Collateral	Interest Rate*	Closing Fees
<b>Employee</b>	\$100 to \$1,500	Up to 18 months	Pay check/signature	Prime + 7 (11.75%), fixed	2% new; 4% refinanced
<b>Automobile</b>	\$100 to \$25,000	Up to 60 months	Lien on Auto/payroll deduction	Prime+1,2,3, fixed	2% of loan
<b>Tribal Credit</b>	\$100 to \$100,000	Up to 30 years, based on the client's ability to repay, loan purpose and collateral's value/life	Real or personal property	Prime + 7 (11.75%), fixed	2% of loan
<b>Burial Assistance</b>	Up to \$3,000	Up to 30 years, based on the client's ability to repay, loan purpose and collateral's value/life	Real or personal property	2% fixed	2% of loan
<b>Foreclosure Prevention</b>	\$100 to \$100,000	Up to 30 years, based on the client's ability to repay, loan purpose and collateral's value/life	1 <sup>st</sup> or 2 <sup>nd</sup> Mortgage on home	Market Rate at date of closing, fixed for 3 years thereafter adjusted annually	2% of loan

\*all interest rates are based upon the New York Prime Lending Rate, as stated in the Wall Street Journal on the date of closing

### Approval Considerations

We assign a risk rating to each loan, which is used to determine approval amount, loan loss reserve rate, and monitoring frequency. Risk ratings are determined by

- Ability to repay debt as exhibited by debt to income rate less than 45% to 50% of gross
- Willingness to repay debt as exhibited by credit history – credit report or nontraditional credit references such as utilities, phone, insurance, etc.
- Type of collateral (ability to place lien and track whereabouts) and discounted collateral value as compared to loan value, special consideration for payroll deduction
- Employment stability
- Geographic stability – how long in residence, rent or own