



Skip-A-Payment

Frequently Asked Questions

Edwards Federal Credit Union believes that one of the greatest benefits we can offer our members is flexibility when unexpected events occur. Our Skip-A-Pay program generally allows you to skip a payment twice every calendar year. Some guidelines apply.

1. How often may you skip a payment?

You may skip a payment on any qualifying account up to twice a year, as long as you have not skipped a payment in the last three (3) calendar months and the loan was funded at least six (6) months ago.

2. What types of credit accounts qualify for the Skip-A-Pay program?

The Skip-A-Pay program does not apply to any loan secured in whole or in part by real property or VISA Credit cards.

3. What happens if you choose to skip a payment?

If you choose to skip a payment, your "next due" date will be advanced one month forward, just as if you had paid; and your loan maturity date will be advanced one month forward. Skipping a payment won't reduce the balance of your loan; it just changes the "next due" date. Instead, the amount you "skipped" will remain part of your balance, and interest will continue to accrue on the principal part of that balance. As a result, your final payment may be higher than your scheduled payment due to the daily accrual of interest.

4. What happens if you skip a payment on a loan set up for automatic payment transfer?

If your loan has an automatic payment transfer feature and you skip a payment, we will do one of the following, depending on the type of transfer you have:

- a. If you have a transfer set up from your Edwards Federal Credit Union checking or savings account, we will not process a payment transfer until the next (new) due date on your loan.
- b. If you have a direct deposit coming into an Edwards Federal Credit Union checking or savings account from your payroll or other source that generates a transfer to your loan, we will advance the next transfer date one month forward. This will cause the directly deposited funds to remain in your checking or savings account.
- c. If we generate an ACH transfer from your account at another financial institution, we will advance the next transfer date one month forward.
- d. If you have an ACH transfer from your account at another financial institution which you set up with them, you will need to notify them to stop the ACH transfer.
- e. Edwards Federal Credit Union is not responsible for starting or stopping ACH transactions originated at another financial institution or for any fees that may be incurred for overdrawn accounts or late payment fees assessed.

5. Is there a fee to skip a payment?

Yes. A \$30.00 fee will be charged each time that you skip a payment. This fee is deducted from your checking account or

savings account at the Credit Union. If you wish, you may pay this fee by check or money order.

6. Do you need advance approval from the Credit Union before skipping a payment?

The Credit Union usually permits members in good standing to skip a payment as frequently as described under item 1 (How often may you skip a payment?). However, you must obtain approval because the Credit Union reserves the right on some occasions not to permit a payment skip when, in our subjective judgment, it appears to us that to allow the skip would place the Credit Union at risk. In the event your Skip-A-Pay request is denied written notice will be sent to your address of record.

7. How do you ask for request a Skip-A-Pay from the Credit Union?

Submit a properly completed and signed Skip-A-Pay form along with \$30.00 for each loan request. You may obtain the Skip-A-Payment form at either branch or online at <https://www.edwardsfcu.org>

8. Under what circumstances might you be refused permission to skip a payment?

The Skip-A-Pay program is offered to members who are in good standing with all of their accounts at Edwards Federal Credit Union and with respect to all other credit obligations they owe. Your request to skip a payment under this program may be denied if:

- a. The loan for which you wish to skip a payment is secured by real property. The Skip-A-Pay program is not available with respect to any credit obligation that is secured in whole or in part by real property such as a mortgage, home equity obligation, or VISA credit card.
- b. You have not made six regular, on-time payments on this loan.
- c. You have already skipped a payment (whether through this Skip-A-Pay program or otherwise) once during the last three (3) calendar months or twice in the same calendar year as the due date for the payment you wish to skip.
- d. You are now past due for any payment on any credit account owed to the Credit Union.
- e. You have been thirty (30) days or more past due for any payment on any credit account owed to the Credit Union within the past twelve (12) months.
- f. You are a debtor in any pending bankruptcy proceeding, or you have discharged in bankruptcy any part of any credit obligation you have or ever had to Edwards Federal Credit Union.
- g. The original loan terms have been previously modified and/or subject to collection workout.
- h. The Credit Union, in its subjective judgment, believes it would pose an unacceptable risk for the Credit Union to allow the payment to be skipped.

9. May this program be cancelled by the Credit Union?

Yes. Edwards Federal Credit Union reserves the right to cancel or modify this program at any time.