



Skip-a-Payment Frequently Asked Questions

CBC 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 once every calendar year. Some guidelines apply.

1. How often may you skip a payment?

You may skip a payment on any qualifying account once every calendar year, as long as you have not skipped a payment within the last three calendar months.

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

The Skip-a-Pay program applies to closed-end credit accounts (accounts with a fixed repayment term) that are not secured by real property. The Skip-a-Pay program does not apply to open-end credit accounts (such as credit card accounts or lines of credit) or to any loan secured in whole or in part by real property.

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 as a result of 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 CBC 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 a CBC 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. CBC 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 \$35.00 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. Until you receive confirmation that your Skip-a-Pay request is approved, you must make all payments as scheduled in your credit agreement.

7. How do you ask for approval from the credit union?

There are two ways:

- a. You may ask for approval in person at one of our branch locations.
- b. You may ask for approval over the telephone by calling CBC Federal Credit Union at 805-988-2151.

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 CBC 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 not a closed-end loan. The Skip-a-Pay program is not available on open end credit obligations.
- b. 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 or a home equity obligation.
- c. You have not made six regular, on-time payments on this loan.
- d. You have already skipped a payment (whether through this Skip-a-Pay program or otherwise) once during the same calendar year as the due date for the payment you wish to skip.
- e. You are more than 15 days past due for any payment on any credit account owed to the credit union.
- f. You have been 30 days or more past due for any payment on any credit account owed to the credit union within the past 12 months.
- g. 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 CBC Federal Credit Union.
- 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. CBC Federal Credit Union reserves the right to cancel or modify this program at any time.