

Cambridge Municipal Employees Federal Credit Union



Founded 1939

cambridgefcu.com

New/Used Car Loan Application Process

The credit union uses risk base lending to determine the interest rate (see attached) for up to 100% of cost for new/used vehicles. The maximum term for repayment is 72 months for vehicles up to three years old and 60 months for vehicles older than three years but not older than 7 years. Used vehicle loans for 60 months must be \$13,000 or greater. A new vehicle is defined as a current/future year vehicle not more than one year old that has never been titled.

Complete Credit Union Loan application. Include proof of income (ie recent paystubs from all jobs, proof of Social Security income, proof of retirement income).

If **Purchasing** New or Used car, **provide copy of Purchase & Sale Agreement** which lists Cambridge Municipal Employees Credit Union as lienholder. The Credit Union lienholder number is **C01159**, Address is **795 Massachusetts Avenue, Cambridge MA 02139**.

If **Refinancing** **provide copy of Payoff notice from current financing entity** which includes vehicle information. If refinancing vehicle that was purchased as a new (not used) vehicle within the prior 6 months, also provide proof of purchase.

Purchase & Sale or Payoff amounts will be compared to the Kelley Blue Book value of the vehicle. The member will be responsible for covering any difference between the sale/refinancing amount and Kelley Blue Book value if requested loan amount is higher than Kelley Blue Book value.

Credit Union will run Experian credit report and calculate debt ratio (income/expenses) for applicant (which must be no greater than 45%). Interest rate will be determined by the member's credit score.

Comprehensive and Collision Insurance (not more than a \$1,000 deductible) is required for the duration of the loan and **an insurance binder is required when the loan is taken out**. The insurance policy must list the Credit Union as the loss payee.

Monthly loan payment will be determined based on final loan amount, length of loan (based on age of car), interest rate (based on credit score). If the loan recipient is receiving a paycheck from the City of Cambridge, the Cambridge Health Alliance (Cambridge Hospital), or the Cambridge Housing Authority, or if the loan recipient is receiving a pension payment from the Cambridge Retirement Board, the loan recipient is required to authorize automatic deductions from those payments to cover the monthly cost of the loan.

The Credit Union as lienholder retains the title of the vehicle until the loan is paid off. For vehicles that are being refinanced through the credit union, a \$25 change fee will be charged to the member's account in order to process change in lienholder on the vehicle's title.