

## **Skip-a-Pay Program**

At Capstone Federal Credit Union, we understand that life can be unpredictable. Unexpected expenses can suddenly arise, putting a strain on your finances. That's why we offer the Skip-A-Pay program to our members!

With Skip-A-Pay, you have the freedom to skip an eligible monthly loan payment, providing you with some much-needed breathing room and alleviating any financial strain. Let's take a closer look at the ins and outs of this program, how it operates, and why we offer it so you can determine if it's the right solution for your current circumstances.

### **What is Skip-a-Pay?**

Capstone's Skip-A-Pay program is a flexible solution designed to help our members manage their finances better. This program allows eligible members to defer an existing loan payment, providing some much-needed breathing room for your budget.

### **How Does Skip-A-Pay work at Capstone?**

Our Skip-A-Pay program is user-friendly. To use it, your loan must have been active for at least 90 days, and you should be current on your payments. In digital banking, simply click on the Skip-a-Pay tab, then select the loan that is eligible. Your eligible loans will be displayed. Choose the loan payment you wish to skip and click button.

### **Is there a fee?**

Yes, there is a small fee of \$45.00 for using the Skip-A-Pay feature<sup>2</sup>. This fee is paid up front from the account that you choose.

### **Do I qualify for Skip-a-Pay at Capstone?**

Eligibility for our Skip-A-Pay program requires:

- You have an Auto Loan or Personal Loan (Unfortunately, credit cards, mortgages and Home Equity Lines of Credit (HELOC) are not eligible for the Skip-A-Pay program. If you need financial assistance for your mortgage or HELOC, please contact our loan department.
- You've had the loan for at least 90 days
- You're up to date with your payments
- The minimum loan balance must be \$150.00 or greater

You can skip one monthly payment per loan in a 12-month period, but not consecutively. Check your eligibility by clicking on the Skip-a-Pay tab in Online Banking. Your eligible loans will be displayed.

**QUICK TIP:** Remember, not all loans are eligible for Capstone's Skip-A-Pay. If you have any questions regarding this program - our Member Service Representatives are here to help! Contact us at 949-716-5746 or drop by our Branch. We're here to help you navigate your financial journey.

## **Is it worth skipping a payment at Capstone?**

Yes indeed! That's precisely why we offer it. We empathize with the fact that unexpected expenses can arise, and sometimes you may need assistance covering them. Skipping a payment can prove beneficial, particularly when dealing with emergency expenses or requiring extra cash. **The Skip-A-Pay program is designed for individuals who prefer not to borrow money to address unforeseen expenses.**

## **Does skipping a payment at Capstone affect your credit score?**

No need to worry about your credit score! As long as you're using the Skip-A-Pay program and not just skipping a payment on your own, you're in the clear. We report the loan as paid during the Skip-A-Pay period, so it won't have any negative impact on your credit score.

Many lenders generally report your loan as "current" if you have a payment arrangement in place, even if you're not making payments. If the lender isn't made aware of your payment arrangement, they may report the loan as "missed," which could negatively impact your credit score.

## **What if I have auto-pay set up for my loan?**

If your loan payment is coming from a different financial institution via ACH, you're going to have to cancel or put a pause on that payment for the month you want to skip. But don't forget to set a reminder to set up a new auto-pay once the skipped month is over so you can keep up with your payments on time! If you have AFT or ACH, you will need to let us know to update that record.

## **Capstone Skip-a-Pay Benefits**

By deferring your payment, you can:

- Gain some extra cash flow and remove some financial stress.
- Maintain your credit score by avoiding late payments.

## Capstone Skip-a-Pay Drawbacks

The primary drawbacks of skipping a payment are:

- **It's not a long-term solution**
- **There are restrictions:** Like the number of times, you can skip a payment on a loan at Capstone. On one hand, this can be a good thing because you could get ahead of interest accruing. On the other hand, if you have things on the loan like Guaranteed Asset Protection (GAP) on the loan, you will be limited to the number of times you can utilize Skip-A-Pay.
- **You will be extending the loan term by a month for every Skip-A-Pay you apply for.**

**DEFINITION:** GAP insurance, also known as Guaranteed Asset Protection, is a type of financial protection that covers the difference between the remaining loan balance and the payout from your auto insurance if your vehicle is stolen or deemed a total loss. It helps prevent you from having to pay the difference out of pocket.

Another restriction to keep in mind is at Capstone the **minimum current balance of the loan must be \$150.00 or more.**

- **Interest will continue to accrue:** This will happen during the skipped month, ultimately costing more over time.

Do you want to take a closer look at the benefits and drawbacks of the skip-a-pay program? This way, you can make a more informed decision about whether it's worth pursuing.

## Ready to give your wallet a break?

Keep in mind when doing Capstone's Skip-A-Pay program that this is not a long-term solution, but it is a way you can gain some extra cash flow and remove some immediate financial stress. And you can avoid hurting your credit score. It's easy to get started in Online Banking - simply click on the Skip-a-Pay tab, then select your loan. So, give your wallet a break and start enjoying some financial peace of mind today.