

Kinecta’s Skip a Pay program offers members the flexibility to keep extra cash on hand for holiday shopping, summer vacation plans or any time unexpected expenses arise.

Q. What types of loans are eligible for the Skip a Pay program?

A. The Kinecta Skip a Pay program is only available for auto loans.

Q. When and how often can I apply for Skip a Pay?

A. You can request a Skip a Pay after your auto loan has been open for at least one year. You may apply again once every 12 months and up to 3 times over the life of your auto loan. You must submit a separate Skip a Pay Application each time you wish to skip a payment.

Q. What happens to my loan if I skip a payment?

A. If you are eligible for Skip a Pay, once your designated payment is skipped, your next due date will be extended one month to the next due date after the payment skipped, and your loan maturity date will also be extended one month.

Q. Will skipping a payment reduce my loan balance?

A. No, skipping a payment will not reduce the balance of your loan; instead, it changes the “next due” date. The amount you “skipped” will remain as part of your balance, and **interest will continue to accrue on your outstanding loan balance**. As a result, your final payment may be higher than your scheduled payment as a result of the daily accrual of interest.

Q. Is there a fee for Skip a Pay?

A. Yes. A \$25 fee will be charged for each loan each time that you skip a payment. This fee will be deducted from your Kinecta share account. If you do not have \$25 in your Kinecta share account you can mail a \$25 check or call in to complete a pay by phone. Please note that there is an additional charge of \$10 for this phone service.

Q. Who needs to sign the Skip a Pay Agreement?

A. The Skip A Pay Agreement must be signed by ALL signers on the auto loan.

Q. How do I apply for the Skip a Pay program?

A. Complete and sign a Skip a Pay Agreement following the following steps:

- Read and accept the terms of the Skip A Pay Agreement.
- Be sure to fill in your loan number on the Agreement.
- Be sure to fill in the month you wish to skip a payment.
- All signers on the loan must sign the Skip A Pay Agreement.
- The completed Agreement must be received by Kinecta 15 days prior to the due date of the payment to be skipped to ensure timely processing

Q. Where do I mail or fax my Skip a Pay Agreement for processing?

A. By Mail: Kinecta Federal Credit Union
1440 Rosecrans Ave, Mail Stop 77
Manhattan Beach, CA 90266
By Fax: 855.840.8640

PLEASE NOTE: Skip A Pay Agreements received by fax or mail will be processed by a Loan Servicing Specialist within 48 hours.

Q. How do I know if my Skip A Pay Agreement has been approved?

A. A confirmation letter will be sent to you when your Skip A Pay Agreement has been successfully processed and approved.

PLEASE NOTE: Until you receive confirmation that your Skip A Pay Agreement has been approved, you must continue to make all payments as scheduled in your original loan agreement.

Q. How do I skip a payment on a loan set for automatic payment transfer?

A. Please see below:

- If you have a transfer set up with a Kinecta checking or savings account, we will not process a payment transfer for the payment skipped. We will then reinstate payment processing commencing with the next (new) due date on your loan.
- If you have a recurring payment set up in Kinecta's Online Banking, you will need to cancel your transfer for the approved skipped month, and you will need to re-establish the payment for the next month.
- If you have a recurring payment set up for your auto loan through another financial institution, please ask them for instructions on how to stop the automatic payment for the payment skipped.
- Kinecta is not responsible for starting or stopping ACH transactions originated at another financial institution or for any fees that may be incurred for this service.

Q. What are the eligibility requirements for the Skip a Pay program?

A. The Skip a Pay program is offered to members who are in good standing with all of their Kinecta accounts. You are eligible if:

- The loan for which you wish to skip a payment is an auto loan with a minimum balance of \$1,000.
- Your auto loan is at least one year old.
- You have not skipped any payments on this loan during the previous 12 months (whether through this Skip a Pay program or otherwise).
- You have not already skipped and/or missed (3) payments over the life of the loan.
- You have not been 30 days or more past due for any payment on any credit account with Kinecta Federal Credit Union.
- You are not a debtor in any pending bankruptcy proceeding, or have not discharged in bankruptcy any part of any credit obligation you have or ever had with Kinecta.

Q. What effect will skipping a payment have on my Guaranteed Asset Protection (GAP)?

A. GAP claim coverage may not extend to the amount of payment(s) deferred. In addition, the coverage may not extend beyond the original maturity date. Please refer to your Gap policy guidelines.

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