



## Budget Drafting Program

Budget Drafting is a convenient program that may help to reduce your interest charges, build equity more quickly, and pay off your loan early. When enrolling in the budget drafting program, you authorize the initiation of a debit from your bank account, every other Friday, for half of your recurring scheduled monthly loan payment. A full monthly payment is posted to your loan account on the next business day following the second half payment draft. Twice a year a third 1/2 payment will be drafted and posted to your account as a principal payment. **To participate in this program your loan account must be paid ahead by one month.**

- **What are the steps for setting up an account on budget draft?**
  - The Customer completes a Budget Draft Authorization Form and returns it to our Drafting Department with a voided check, encoded deposit ticket, or a letter of verification
  - The loan will need to be paid one month ahead (see below)
  - The Customer receives our confirmation letter, which will confirm the bank information, total draft amount, and the draft start date. It is necessary for the Customer to continue making payments as they had previously until this date arrives
  - The Customer will need to allow 48 hours' notice before the next draft day in the event that they need to suspend, terminate, or change any draft information

- **Are there any stipulations?**

Draft days cannot be changed in the Budget Draft Program. Additionally, the same stipulations as a normal ACH draft will apply.

- **How are the payments applied?**

Half of the total draft amount is deducted from the specified bank account every other Friday. The first half payment is held in suspense until the second half arrives, at which point the total amount is applied as the monthly payment. Since the process takes four weeks, the loan needs to be paid one month in advance. Twice a year, a third half-payment will be drafted and posted to the account as a principal payment. This is due to some months having three Fridays. Budget Draft is different from a true bi-weekly in that it must be set up at the time the loan is originated.