

CREDIT COMMITTEE MEMBER DUTIES AND RESPONSIBILITIES POLICY

Credit Committee Member Application Packet

CATHEDRAL CREDIT UNION CO-PERATIVE SOCIETY LIMITED

Dear Applicant:

Thank you for your interest in becoming a Volunteer Credit Committee Member of Cathedral Credit Union.

Attached are the following:

- Credit Committee Member Duties and Responsibilities Policy
- Application to Serve as a Credit Union Credit Committee Member
- Areas of Expertise / Experience Assessment
- Skills and Capabilities Assessment
- Sample Candidate Statement
- Disclosure and Agreement

Credit Union members may seek election to open positions for the Credit Committee via one of the following methods:

Any member 18 years or older who is a member in good standing, and a member for at least three (3) months, may apply for nomination by submitting the enclosed “Application to Serve as a Credit Union Credit Committee Member” to the Nominating Committee. All applications and candidate statement information are due to the Credit Union 2 months prior to the annual general meeting. Please understand that the application process does not guarantee the applicant’s nomination.

The Credit Union Nominating Committee will review all applications and may contact candidates for an interview before completing the nomination process. The final decision rests with the Nominating Committee. Any member 18 years or older who is a member in good standing, and a member for at least three (3) months, may be nominated by obtaining the signature of one Credit Union member in good standing. All forms and are to be returned to the Credit Union by **4 September, 2026.**

The Credit Committee is elected by the members at the annual general meeting (AGM) and reports to the Board of Directors. Its purpose is to assist the Board in fulfilling its responsibilities by providing oversight of the CCU's policies and management activities relating to the identification, assessment, measurement, monitoring and management of the credit risk (oversight of the credit portfolio). The committee consists of seven (7) members – five (5) substantive and two (2) alternates. Three (3) substantive members constitute a quorum. Committee members choose a Chairman and Secretary at their first meeting after each AGM. Members shall serve no more than three consecutive terms but shall be eligible for re-election after the lapse of one (1) term.

Notwithstanding its basic function, the Credit Committee reviews annually and provides recommendation to the Board regarding the overall strategic plans and initiatives for CCU lending operations, including but not limited to consumer lending.

Credit Committee Duties and Responsibilities

These duties and responsibilities should be reviewed not only by prospective credit committee members, but no less than annually by the entire committee at the meeting immediately following the AGM and the review so noted in the committee minutes. The duties and responsibilities of the committee include:

- Approve or disapprove all member requests for credit;
- Rule on each application solely on the basis of a member's creditworthiness;
- Grant sound loans protecting the overall financial stability of the credit union;
- Promote thrift and wise credit management;
- Monitor ongoing lending activities;
- Monitor delinquency trends and collections strategies;
- Regularly review loan policy; securities policy; and loan delinquency policy;
- Recommend changes in policy, procedures and underwriting guidelines to the Board;
- Regularly analyze loan portfolio;
- Knowledgeable on collateral and securities;
- Report to members at the AGM;
- Implement internal controls recommended by the Board and/or supervisory committee;
- Ensure that no one is being discriminated against;
- Ensure compliance with laws and regulations (Co-operative Act, FIU Obligations, Bye-laws etc.);
- Serve as a court of appeals for members who dispute their loan decision;
- Promote or provide financial counselling as needed;
- Implement procedures for reviewing emergency loans;
- Monitor loans and overdrafts granted by Treasurer;

- The Committee shall document and maintain records of its proceedings, and shall make regular reports to the Board summarizing the matters reviewed and actions taken at each Committee meeting;
- Remain current on all personal credit obligations with CCU; and
- The Committee shall perform such other duties and responsibilities as may be directed by the Board.

How to be an Effective Credit Committee Member

- Have a complete understanding of the types of credit offered by CCU
- Fully understand all CCU's policies, procedures and underwriting guidelines
- Learn how to analyze credit requests
- Be acquainted with the various loan and deposit insurances
- Avoid allowing personalities to affect your decision-making
- Know your CCU's history, philosophy and bye-laws
- Review past credit committee minutes
- Study the laws and regulations that affect CCU and its lending policies
- Ask questions until you thoroughly understand all information regarding each loan
- Remember the "5 Cs" of credit extension
 - Character, Capacity, Collateral, Capital accumulation, Circumstances or Economic Conditions

Analysis of Loan Portfolio

An analysis of the Loan Portfolio must be conducted annually:

- Total loans approved
- Ratio of loans approved/applications received
- Average loan size
- Number and % of loans by type
- Ratio of borrowers/members
- Ratio of charge-offs/total loans
- Ratio of delinquent loans/total loans

Minimum Eligibility Requirements

- Must be a member in good standing;
- Must be at least 18 years of age;
- Must be a member of CCU for three (3) months;
- Must possess a Certificate of Good Character and professional background check;

CATHEDRAL CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

- Have no criminal record, no felony convictions or pending felony charges;
- Never had a judgment issued against you in a civil action based upon grounds of fraud, deceit or misrepresentation.
- Never caused this credit union to suffer a financial loss and have no financial obligations to any institution or company extending credit which is or has been delinquent more than three (3) consecutive monthly payments at any time during the past five years;
- Never been removed from office by any regulatory agency while acting as an officer, employee, consultant, or representative of any financial institution;
- Never been personally subject to an operating directive for cause while serving as an officer, director, or senior executive of any financial institution;
- Be free of any real or perceived conflict of interest that might reasonably be expected to prevent you from acting in the best interests of the credit union;
- Authorize and give approval to obtain a Certificate of Good Character, credit check and employment information; and
- Complete an Application, Areas of Expertise/Experience Assessment, Skill/Capability Assessment and a Disclosure Agreement and submit to the Nominating Committee two months prior to the month of the annual general meeting.

Educational Requirements

- Experience granting consumer type loans – such as share secured loans;
- Capable of evaluating a borrower's financial condition and their ability to repay;
- Capable of evaluating the value of collateral;
- Able to understand and comply with all laws governing the credit union and the granting of credit;
- Familiar with the CCU's lending and collection policies and procedures;
- Able to commit enough time to successfully complete all of the job duties and responsibilities; and
- Is able to work as part of a team.

Required Meetings

- The members of the Credit Committee shall meet weekly, every Wednesday in keeping with its duties and responsibilities. If more than two meetings are missed by any member, the Chairman will contact the committee member to discuss absenteeism. If three (3) consecutive meetings are missed without notice the committee member would be deemed to abscond his/her responsibilities and as such his/her position will be considered vacant;
- The Chairman or Secretary shall present the Credit Committee's Report at CCU's monthly Board of Directors Meeting;
- Annual General Meeting of the membership is generally held in April/May; and
- Other assigned committee meetings: generally held in CCU's Committee Room. Meetings vary depending on the specific committee.

Personal Liability

CCU carries Directors' and Officers' Liability Insurance. This policy protects CCU's directors, volunteers and employees from liability arising out of their duties performed for the Credit Union.

The following clause is expected to be reviewed and signed annually by each member of the Committee:

I understand that all loans I receive from the Credit Union must be approved by the Board and Supervisory Committee. I have read and understand the Credit Committee Duties and Responsibilities Policy. I agree to be bound to all requirements applicable to my duties as a Committee Member. If during my term of office I find that I cannot devote sufficient time and contribution to CCU's business and fully comply with the outlined duties and requirements, I will resign.

Credit Committee

Date

Nominating Committee Chairman

Date

APPLICATION TO SERVE AS A CREDIT COMMITTEE MEMBER

Biographical Data

Name: _____

Address: _____

Mailing Address (if different from above): _____

Account #: _____ Date Joined _____ Years: _____

1. ID/PP/DP No.: _____ Expiry Date: _____

2. ID/PP/DP No.: _____ Expiry Date: _____

Home Phone: _____ Cell Phone: _____

Personal E-mail Address: _____

Employment Data

Current Employer: _____

Current Position: _____

Address: _____

Work Phone: _____ Work E-mail Address: _____

Previous Employers Information and Reason for Leaving: *Please include this information on the resume that you submit.*

Educational Background and Field of Study: Please include this information on the resume that you submit.

Why do you wish to serve on the Committee?

Community Service

Do you now or have you ever held a position with any other credit union? Yes ☐ No ☐

If yes, please complete the following:

Credit Union Name _____

Position _____ Dates _____

Description of duties, responsibilities or experience: _____

With any other financial institution: Yes ☐ No ☐

If yes, please complete the following:

Institution Name _____

Position _____ Dates _____

Description of duties, responsibilities or experience: _____

Reference Name _____ Position _____

Phone _____

Any other experience you would like to share: (E.g.: Church treasurer, member of org. etc.)

Please return the completed Areas of Expertise/Experience Assessment, Skill/Capability Assessment, Disclosure & Agreement and this Credit Committee Member Application Form, along with your resume and biography two (2) months prior to the date set for annual general meeting.

Candidate Statement

Candidate statements will be used to communicate qualifications and reasons for candidacy to the membership of Cathedral Credit Union as part of our election process during the annual general meeting. A sample statement has been included in this packet for your reference, see below.

Certification

I certify that the information in this application is true and correct and I authorize you to investigate and verify any of the information. I authorize you to gather whatever employment information you consider necessary and appropriate. I authorize you to perform a consumer credit report from a reputable credit reporting agency and any background check you consider necessary and appropriate. I understand that you will retain this application whether or not I qualify for nomination, with the understanding that it will be held in the strictest confidence.

Candidate Signature _____ Date _____

Nominated By _____ Signature _____

Nominee Acct. # _____ Date _____

Address _____

Nominee Phone Contact _____

Sample Candidate Statement

John Doe is currently an employee at Bay View Society, where he has been the HR Assistant for the past 5 years. John received his Bachelor's Degree in Human Resources from Highway University. In his spare time he has volunteered for both Habitat for Humanity and The Salvation Army and also enjoys fishing. He feels his involvement in the community and his work experience would be advantageous as a Member of the Supervisory Committee at Cathedral Credit Union.

AREAS OF EXPERTISE / EXPERIENCE ASSESSMENT

Name: _____

Please indicate your area(s) of expertise/experience by indicating E (expert), V (very competent), K (knowledgeable) and NA (Not Applicable) next to the applicable items within the following list. See below for definitions of E, V, K and NA.

Areas of Expertise/Experience	Ratings
Credit Union Management, Officer, or Director	
Other Executive Experience in a Business Environment	
Other Board Experience	
Self-Employment	
Financial Management & Control (budgeting, accounting)	
Strategic Planning Experience	
Regulatory Environment Expertise (Policy)	
Information Technology Planning and Implementation Experience	
Legal Expertise	
Communication & Public Speaking	
Writing & Journalism	
Marketing and advertising	
Other areas of expertise/experience	

Notes

Definitions

Expert: You possess a degree/diploma/certificate in a skill area and/or have work experience in that same area.

Very Competent: You have direct, successful experience in an area as part of your work or volunteer activities.

Knowledgeable: You possess knowledge of the basic fundamentals and concepts that are encountered in this skill area.

Not Applicable: The area of expertise/experience does not apply to you.

Please explain above by providing details for your ratings. Attach a separate sheet, if necessary.

SKILL / CAPABILITY ASSESSMENT

Name: _____

Cathedral Credit Union expects that each Committee Member will bring to the Committee a certain level of knowledge and experience, demonstrate certain attributes, and adhere to certain principles. The following questions will help you to assess the extent to which you meet these expectations. Please indicate **yes** or **no** in the space provided.

1. Do you meet the Credit Committee Member Candidate's Minimum Eligibility Requirements? _____
2. To the best of your knowledge, are you free of any conflict of interest? _____
3. Do you have sufficient time and energy to devote to the performance of duties as a member of the Credit Committee? _____
4. Do you have good oral and written communication skills? _____
5. In your personal and professional dealings, do you demonstrate integrity, high ethical standards and respect of privacy and confidentiality? _____
6. Are you willing to assume the responsibilities associated with the role of Committee Member? _____
7. Are you financially literate (i.e. able to read and understand financial statements and financial reports, and assess the implications of these documents?) _____
8. Do you have experience serving on boards or committees of organizations that have large budgets and make complex decisions? _____
9. Can you distinguish between the Credit Committee's role and Management's role? _____
10. Can you recognize and assess business risks and strategic opportunities? _____
11. Do you have experience in accounting / auditing? _____
12. Do you demonstrate the ability to think, act and speak independently and with conviction and confidence? _____
13. Do you have experience demonstrating that you can conceptualize and think strategically and that you possess good problem solving and interpersonal skills? _____
14. Do you have access to a computer, printer and the Internet? _____

DISCLOSURES AND AGREEMENT

It is important that potential candidates understand that there is a risk of liability associated with acting as a credit union officer or director. The risk also involves a potential personal liability that could include recovery from the directors themselves (personally) rather than or in addition to the liability of the credit union.

The application information is confidential and will stay at Cathedral Credit Union. If you request, the credit union will tell you the name and address of any credit bureau from which it received a credit report on you.

If you are selected as a candidate, you may be required to attend a formal interview with the Nominating Committee.

Each Committee Member is expected to prepare for and attend regular scheduled meetings and the annual membership meeting. In addition, planning sessions or other credit union events may require attendance.

Non-adherence to the Supervisory and Nominating Committee Information may result in a candidate's disqualification.

Non-adherence to the Policies and Procedures of Cathedral Credit Union may result in a committee member's removal.

It is the intent of Cathedral Credit Union to do a background check on all potential candidates. By signing the disclosure below, you give your consent to providing a Certificate of Good Character as well as approval for the Nominating Committee to obtain employment information and credit reports in connection with this application and review.

Please review and complete the following:

I affirm that I have read and reviewed the Cathedral Credit Union Nominating Committee Information and Credit Committee Member Application Packet. I do meet the qualifications required. I have completed the Application, Areas of Expertise/Experience Assessment, Skill/Capability Assessment, and understand the above Disclosures and Agreement. I do consent and give my authorization for you to obtain employment information, background check and credit reports for your review and consideration in determining my qualifications for candidacy on the Credit Committee at Cathedral Credit Union.

My signature below verifies my understanding and acceptance of these statements.

Name (please print): _____

Signature: _____ Date: _____