

**Lloyd Community Development Corporation Loan Funds**  
**(LCDC)**  
**Collections Standard Operating Procedures**

All payments are due on the 1<sup>st</sup> of the month. Late fees of 5% of the total monthly payment are automatically assessed if payment is not received by the 15<sup>th</sup> of the month for all late payments. Collection letters are sent to Loan Projects within a week after the 15<sup>th</sup> of the month.

The Aging and Collections Report is generated during the first week after the close of the month and included in any reports made to the LCDCRLF Loan Committee, the LCDC Finance Committee, and the LCDC Audit Committee.

At 30 days past due, a Loan Project will be sent a collection letter from the Controller.

At 60 days past due, if the Loan Project has not responded to the 30 day letter, they will get a collection phone call from the Controller and a registered letter from the President wherein the Loan Project will be asked to come in for a meeting with LCDC Staff.

At 90 days past due, if the Loan Project has not responded to the 60 day actions, they will be referred to LCDC's attorney by the Controller to have an attorney letter mailed to them by LCDC's attorney within 5 business days.

At 120 days past due, if the Loan Project has not responded to the attorney letter, the Controller will instruct LCDC's attorney to begin legal proceedings to secure our collateral within 10 business days. If LCDC's attorney advised that collection efforts are not expected to succeed, the matter is referred to the appropriate loan committee for approval to write-off.

Any Loan Project can request a revised payment plan and can work with LCDC Staff to formulate a revision that can be presented to the appropriate loan fund committee for review and approval/disapproval. Once a revised plan is approved, a meeting will be held by LCDC Staff with the Loan Project. The LCDC President and the Loan Project's owner will sign agreement to the new plan. No new late fees will be assessed if the revised plan payments are met by the Loan Project. If the Loan Project misses a payment on their new plan, the Controller will instruct LCDC's attorney to begin legal proceedings and will follow the procedure for 120 days past due.