

2024 Role Play Scenarios

- 1) **Wes** Borrower comes into the bank to apply for a 2nd mortgage. They have asked for \$15,000 to remodel their kitchen and owe \$65,000 on it previously at your bank. The home is valued at \$150,000 by your appraisal done two years ago. Their other debts are \$6,500 in credit card debt, a small \$1,000 unsecured note at the competitor bank and two auto loans of \$35,000 at GMAC and another bank ten miles away. What questions do you ask? How do you proceed? What transactions are best suited for this customer situation?
- 2) Borrower has applied for HEL. You have approved their loan. It has been three weeks since you informed the borrower they were approved. The borrower stops in and is upset – wondering why it has taken so long to “close the deal.” Beside it taking so long, I can’t believe you are charging fees. I shouldn’t have to pay anything if I knew it would take this long. How do you handle this?
- 3) A new teacher has come to town and her husband is a welder. They have been referred to your bank. They have found a house they like in town, but have not sold their other house yet. They also have one car loan and are car free/clear. They have very little debt left on their other home and have a small amount of student loans. What can be done? Are you interested?
- 4) **Kevin** Older couple has a few small notes (single pay) and comes in quite often for a new note of \$500. You assume that they have some assets and free/clear house. Is this the best loan product for them? Why do they borrow so frequently?
- 5) **Alek** A current customer has an auto loan with you. He is habitually past due and has not made a timely payment since the loan was put in place. He eventually pays and has been limping along, paying before the time of repossession. He finally has it paid down to a couple of thousand dollars, but he comes in looking to purchase a brand new vehicle. He recently obtained a new job and insists that things will be different now. How do you handle this and do you or do you not do the loan?
- 6) Consumer is in the beginning or middle of bankruptcy and they need money for a retainer. They also want you to re-finance their home equity loan. Their previous bank does not want to help them. After the bankruptcy, their attorney shows you how they will have better cash flow and have repayment ability. What do you do / proceed?
- 7) **Ashley** Turndown scenario: Borrower has requested to consolidate an existing loan; with a current balance of \$1,250.00 unsecured with new loan request of \$7,000.00. Borrower has had previous loans with you and always paid as pretty much agreed. But the loans have never been this large. You have become unsure of the borrower due to their self-employed status and they are having a hard time collecting their accounts receivables. What do you do? What do you ask for? You pull a credit bureau and it shows more debt than is shown on the application. The borrower is also married, but is applying for credit himself, not jointly.

- 8) **John** A good customer with several rental real estate loans with you comes in and asks if you will refinance one of his tenants. The tenant has an existing contract to purchase one of your customer's properties. You know he has sold the property on contract and the borrower has been making the loan payments but the property has been sold for more than you originally appraised it for. Where do you begin?
- 9) The applicant is shopping for a new vehicle and is an existing customer of the bank. They have already been in to discuss rates and terms with you. They find the vehicle they want and the dealer says, "Let me see what I can get you for a loan rate. We can get some very competitive rates." The dealer then quotes you a rate that is very good but it is from your existing bank and is much lower than you were quoted.
- 10) **Sara** A borrower comes into the bank looking for a \$5,000 personal loan, closed ended and doesn't put any collateral information on their application. Is this a loan that your bank would approve? How much does their credit score play into the decision?
- 11) **Lexie** Self-employed borrower – one income by hourly job & one by self-employment. They have stopped in to inquire about a motorcycle loan. They are not existing customers of your bank. What do you need to make a loan decision? Tax returns – how long back? Financial statements? W2's – How do you verify their income, etc.
- 12) **Katrina & Alayna** Zach came in to apply for an auto loan with his wife Wendy. He is wanting to trade in his 2021 Chevy Silverado for a 2023 Chevy Silverado for \$54,000. He currently owes \$34,000 on his truck with you guys. You go ahead and pull their credit and it shows an increase in debt since the last time. He has \$20,000 in student loans which he isn't having to make payments yet, \$35,000 in credit cards that totals to \$2,000 in monthly payments, two auto loans totaling to \$100,000, and their mortgage that is \$200,000 (bought the house 5 years ago for \$250,000). The dealership is only willing to give him \$28,000 for his truck that he owes \$34,000 on, additionally he doesn't have cash to put down. Zach makes \$65,000 annually and his wife makes \$45,000.

What are your next steps?

What are your recommendations?

How do you counsel someone in this situation?

- 13) **Sam & Lyndsay** Male and female come into the bank. Long-time customer, and ask if O.K. to buy a car? Their daughter is only 16. But, they want to have the car and note in her name. How do you handle this? Who borrows the money and who fills out the application? What pitfalls do you see here?
- 14) **Jesse** Rick, a single man of 68 who is on a fixed SSI income, comes into the bank needing a loan to repair a blown transmission on a 2014 traverse that he already has on loan at your bank. The auto loan is only \$1,200 away from being paid off, but the repair shop is quoting \$6,500 parts and labor to repair the transmission, as well as some other components that were damaged when it seized up. You look up the value JD Power places on a 2014 traverse with 186,000 miles and see that it books for \$6,195. You run Rick's credit and see that he has multiple delinquent loans and that it has impacted his credit score severely. Rick has a 411 credit score with 5 lines that are currently derogatory and another 5 that have been charged off in the past. You look up his loan history at your bank and see that he has paid 7 loans in full at your bank and has good standing repayment on his current auto loan (even pays extra). Would you consider lending Greg the requested \$6,500 to repair the vehicle that you have as collateral? What does your policy say? Would you have any other options for Greg?