

Being prepared has never been this economical!

Member Credit Protection (MCP)

Member Credit Protection is a product that allows you to pay a one-time fee, and have the comfort of knowing that your assets are protected in a time of loss. MCP forgives your outstanding Lone Star CU auto loan if one of two events occur:

- you total your vehicle, resulting in a shortfall
- you die during the term of the loan.

Member Credit Protection is convenient, economical, and usually costs less than purchasing similar products separately.

Here are some of the benefits:

- MCP is a Lone Star CU-administered product, so all interactions are with people you know and trust.
- MCP helps protect your credit rating.
- It reduces or pays off your covered loan balance, up to the policy maximum.
- MCP requires no complicated enrollment forms or physical exam.
- You may conveniently include the cost in your loan payment.
- You can take advantage of cost savings over purchasing GAP and Credit Life Insurance coverage separately.
- You will have one less thing to worry about should a covered event occur.

Event #1

If your vehicle is stolen or totaled, your insurance company may not pay off the entire loan balance. That's because your settlement is based on the vehicle's cash value. Because vehicle values decline over time, your loan balance might be higher than the actual cash value. You could end up having to pay off a loan for a vehicle you can no longer drive!

Member Credit Protection (MCP) is designed to eliminate your unpaid auto loan balance in the event your vehicle is totaled or stolen. MCP supplements, but does not replace, your primary auto insurance coverage.

For example: If your vehicle is declared a total loss and the outstanding balance on your loan is \$29,000, the comprehensive insurance payout figure may be less. Because your vehicle has depreciated since you purchased it, you only receive \$25,000, leaving you with a deficit. With MCP, Lone Star CU would pay the outstanding balance (shortfall) of \$4,000.

Protecting your Assets and your Credit	
Original loan balance	\$32,000
Loan after one year	\$29,000
Insurance Settlement covering vehicle's current value	\$25,000
MCP cancels the debt on the shortfall between payoff and outstanding loan balance	\$4,000

Event #2

There is no way to predict an accident or your unexpected death, but you can take steps to make sure your family is not financially burdened if the unforeseen were to happen.

Member Credit Protection (MCP) allows Lone Star CU to cancel your outstanding loan balance and your estate receives the title, free of any liens or encumbrances from the credit union.

For example: If you contracted an illness or experienced an accident that caused your death after the original date of the loan, Lone Star CU would cancel your outstanding balance of \$35,000 and release your vehicle's title to your beneficiaries, relieving your loved ones of the burden of repaying your loan.



Protecting your Family	
Original loan balance	\$48,000
Two years later you have an unexpected illness or accident that takes your life and your outstanding balance is	\$35,000
Lone Star forgives the debt	
Total MCP Benefit	\$35,000