

## **FAQ's about ELF**

### **Who is Eligible?**

- Full time, active UMaine faculty, salaried and hourly employees
- Are under no active disciplinary action
- Must have an unanticipated event that creates a financial emergency
- Have at least 1 year continuous, successful employment\*
- Have no current or previous unpaid ELF loans
- Show evidence to improve personal financial situation
- Have exhausted all other financial avenues
- Have an in-person Human Resources session if within an hour drive of UMaine

The promissory note with original signature must be received before a check is mailed.

*\*New employees may be eligible for up to \$350 loan prior to receiving the first paycheck. Full repayment amount will be deducted from first paycheck.*

### **How Much Money Can Be Borrowed?**

- Maximum of \$750 per year
- Maximum number of 3 loans per 10-year period
- Generally a minimum of 12 months between requests
- First time applicants take priority over repeat applicants
- Must pay off each loan in full before applying for another loan
- Checks are made out to up to 2 vendors

### **How Are Loans Paid Back?**

A promissory note is signed authorizing automatic payroll deductions. All loans are typically repaid in six months but in severe circumstances are repaid within 12 months. It is preferred that loan payment is completed before work scheduled breaks, such as summer break.

Upon resignation or termination from employment with UMaine, the balance on the loan becomes immediately due and payable and will be deducted from the final paycheck. Unpaid loans will be referred to the Bursar's Office for collection.

### **What Types of Situations Might Be Appropriate For the ELF?**

This is not simply a loan fund but exists mainly to help employees who have no other way to pay for financial emergencies.

Examples of unseen or unexpected situations that may create a financial emergency (not inclusive):

- Accident, car or otherwise
- Lay-off, illness or death of someone who contributes to household finances
- Major household emergency repairs, e.g. furnace, sewer back-up
- Substantial increase in medical bills due to major illness
- Relocation expenses associated with new employee (\$350 maximum)
- Need counseling, cannot pay for uninsured portion when services are rendered.

### **What Might Not be Appropriate for the ELF?**

The ELF is not intended to be used in situations where discretionary (non-essential) spending has contributed to the financial emergency.

### **What Information Is Needed To Apply For the Loan?\***

The process is similar to that of a bank loan, and therefore personal finances are examined. The following information is required:

- Documentation of income from all household members
- Monthly budget (including debts, included on the UMaine website)
- Bank statements within past 7 days of balances in all checking and savings accounts
- Bill for which funds are requested (vendor)
- If for repair, a minimum of two estimates Signed document attesting that all information on application is complete and accurate and that financial emergency is genuine.
- Application containing misleading or false information will not be considered.

*\*Once application made, all documentation must be submitted within 5 working days or application is void.*

### **What should I bring to the ELF Session?**

- Monthly budget (including debts, PDF)
- Documentation of income for all household members
- Documentation from each bank of amount of money in all accounts within the past 7 days
- Bill(s) from vendor(s)
- Check-list for ELF (PDF available on UMaine website)

### **Who Grants Approval?**

Three Advisory Council members, not an employee in Human Resources, approve the loan. During a conference call with three (3) members of the Advisory Council, the Human Resources employee presents the following information:

- Reason for the emergency
- Amount of money requested and name of vendor
- Financial information regarding income, balances in bank accounts, monthly budget, outstanding debt, etc.
- Evidence of an effort to correct the issue (when appropriate)
- A prepayment plan

Names, gender, work place, or other identifiers are NOT provided.

The Advisory Council is composed of two faculty members, two salaried, three hourly employees selected by their respective representative bodies, one representative from Facilities Management and one from Cooperative Extension, and ex-officio, the Vice President of Human Resources or his/her designee. Approval by two of the three members is needed for a final disposition of a loan request. If a request is turned down, the applicant may resubmit additional evidence to support need.

### **How Confidential Is This Process?**

No names are presented to the Advisory Council members to insure confidentiality. Information regarding the specifics of an application that might identify the applicant also remains confidential. such as gender, department, etc. Certain staff members must have knowledge of the employee's name and contact information, but they do not have access to background information regarding the need for the request. These include the Human Resources/Payroll (for payroll deduction).

**How Long Will It Take For A Decision To Be Reached?**

A decision on each request is reached within three (3) working days after the submission of a complete application.

**If Approval Is Granted, How Is The Money Received?**

The employee will be informed immediately of the decision. If approval is granted, the check(s) can usually be picked up at the Human Resources office within 24 hours. All checks are made payable to the vendor. No checks will be written to the employee.