



# Role Play

*The following exercise is intended to illustrate the do's and don'ts of a loan interview. Following the interview is a brief discussion of what questions cannot be asked.*

Ms. Jones: Good morning. My name is Penny Jones, and I would like to apply for a loan.

A. L. Lender: Fine, have a seat. I'm A. L. Lender- nice to meet you. First I'll need to get a little information from you. (pause to get out the credit application) Let's start with how much you would like to borrow?

Ms. Jones: About \$5,000 – for personal expenses.

A. L. Lender: What are you going to use for collateral?

Ms. Jones: Well, actually I was hoping to have an unsecured loan. I don't really have any collateral that I want to use.

A. L. Lender: Well, we usually require collateral.....so this is probably a waste of your time.

Ms. Jones: But I would like to go ahead and apply. I *can* pay this loan back.

A. L. Lender: (pauses) OK, but....well, anyway. Let's just start with the basics. What is your address?

Ms. Jones: 195 4<sup>th</sup> Street, Pottstown, PA 19464

A. L. Lender: Social Security Number?

Ms. Jones: 123-45-6789

A. L. Lender: Birth date?

Ms. Jones: 5-20-68

A. L. Lender: Employer?

Ms. Jones: Right now I work part-time for Mary's Gift Shop- about 25 hours a week.

A. L. Lender: (hesitates) What is your current salary?

Ms. Jones: \$5.15 an hour, but I'm going to get a raise next month.

A. L. Lender: Hmmm. OK. I assume that you are married?

Ms. Jones: Actually I'm separated now. My divorce will be final next week. I really need the money to pay my lawyer.

A. L. Lender: Do you have any children?

Ms. Jones: Only one.

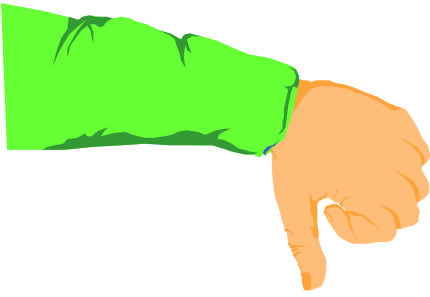
A. L. Lender: So you will probably be receiving alimony and child support?

Ms. Jones: We're still arguing about the alimony payment. My father is trying to help me out some now. You probably know him – Rich Mann – he's one of your customers.

A. L. Lender: Rich Man! Well why didn't you say so! He's one of our largest depositors. This loan won't be any problem at all. We'll just put your father down as a cosigner and I'll go ahead and complete all of the paperwork. You and your father can come in this afternoon and sign all of the loan papers.

Ms. Jones: That was easy enough. We will see you this afternoon. Thank you very much.

*The End*



## ***What the Interviewer should NOT have said.....***

- ✓ “Probably a waste of time”. This is prescreening or prejudging an applicant. A bank cannot refuse to accept an applicant’s application. Everyone has the right to apply.
  
- ✓ “I assume that you are married?”. This question cannot be asked when a person makes an unsecured credit request.
  
- ✓ “...alimony and child support...”. The amount of an applicant’s alimony and child support needs to be given only if the applicant wishes to use it as a basis for repaying the loan.
  
- ✓ “...We’ll just put your father down as a cosigner...”. A lender cannot specify a particular cosigner. The applicant has to determine who will cosign on the loan.