

## **To our members and those who are eligible to become members**

Your credit union wants you to know that with respect to Mortgage Loans and Home Improvement Loans the law guarantees:

Any person has the right to make a loan inquiry of the credit union.

Any person has the right to file a written loan application with the credit union.

Any person has the right to receive a written response to your inquiry or application.

We also want you to know:

The credit union makes First and Second Mortgages for the purpose of purchasing property, or for refinancing owner-occupied property for any provident purpose.

The credit union makes Equity Line of Credit Loans and Home Cash Equity Loans.

We have listed our criteria for these types of loans to help you with your financial needs.

Please review this information and if you should have any questions, the credit union mortgage staff will be glad to assist you.

## **Loan policies relative to portfolioed mortgage and home improvement loans**

1. We only grant mortgages on owner-occupied and second/vacation homes in Michigan.
2. The maximum loan-to-appraised value ratio is 80%, 70% on vacant land adjacent to improved road and utilities.

The maximum loan-to-appraised value ratio is 95% when private mortgage insurance (PMI) is provided.

The maximum loan-to-value ratio on home cash loans is 80% of double the state equalized value (SEV) or 100% of the appraised value.

The maximum loan-to-value ratio on equity lines is 80% of double the state equalized value (SEV) or 100% of the appraised value.

3. First and second liens on one to two family dwellings will be considered for primary residences. Second liens are also available on single family second homes. Only first liens will be considered on vacant land. Other home improvement loans may be secured or unsecured. A home improvement loan secured by collateral other than a mortgage or shares on deposit cannot exceed \$100,000.
4. The maximum length of time provided to repay the first mortgage loans shall not exceed 30 years.

The maximum length of time provided to repay second mortgage loans and home cash equity loans shall not exceed 20 years.

The maximum length of time provided to repay equity line of credit loans shall not exceed 25 years.

The maximum length of time provided to repay unsecured home improvement loans shall not exceed 5 years. The maximum length of time provided to repay home improvement loans secured with collateral other than a mortgage will be determined by the useful life of the collateral being offered.

5. The minimum line of credit on an equity line is \$5,000 and the maximum is \$250,000.

The minimum loan amount for home cash loans is \$5,000 and the maximum is \$250,000.

6. All real estate loans and home improvement loans not approved by loan officers can be appealed to the management committee.
7. Regarding real estate purchase transactions, the seller should have clear title to the property being sold. There will be problems completing any transaction where liens, assessments or judgments exist.
8. Appraisals will be required to determine if the property value is sufficient to cover the requested loan amount, except home cash loans and equity line of credit loans, which allow for other means of determining property value, such as: using the SEV and a drive-by inspection.
9. We reserve the right to verify the deposit of all funds that are indicated to be used for down payment and closing costs.
10. Loans secured by property in a flood zone must obtain a flood insurance policy for the loan balance or the maximum amount available, whichever is less.
11. A co-applicant is evaluated using the same general factors for establishing credit worthiness and their income is generally combined with the applicant's income to calculate a joint debt-to-income ratio.

### **General Factors for establishing credit worthiness**

1. The applicant is of good character.
2. The loan purpose is prudent.
3. The applicant's income is sufficient to repay the loan according to its terms.
4. The applicant's total debt load will not impair repayment of the loan requested. No more than 40% of applicant's gross monthly income is needed to meet monthly installment obligations or no more than 36% of gross when applying for a PMI insured mortgage.
5. The applicant's housing expense as compared to total income is such that it will not impair repayment of the loan. No more than 28% of applicant's gross monthly income is required to make the monthly mortgage payments and allow for property taxes, hazard insurance and private mortgage insurance (PMI).
6. The applicant's past paying habits with all creditors are satisfactory.
7. The applicant's employment history and time residing at current address illustrates stability.
8. The applicant's signature and/or collateral offered are sufficient to cover the loan request.
9. The credit union will consider the market value of the proposed security when evaluating a loan application. "Market Value" is the most probable price a property should bring in a competitive and open market under all conditions required for a fair sale, assuming the price is not affected by undue stimulus.

### **Community Organizations**

The presence of an active community group such as **ACORN** will be taken into consideration for home mortgages and home improvement loans in neighborhoods which are historic or in financial decline.

### **We do business in accordance with Federal Fair Lending Laws**

Under the Federal Fair Housing Act, it is illegal, on the basis of race, color, national origin, religion, sex, handicap, or familial status (having children under the age of 18), to:

- Deny a loan for the purpose of purchasing, constructing, improving, repairing or maintaining a dwelling or deny any loans secured by a dwelling, or

- Discriminate in fixing the amount, interest rate, duration, application procedures or other terms or conditions of such a loan, or in appraising property.

If you believe you have been discriminated against under the Federal Fair Housing Act, you can file a complaint online by going to:

**HUD.GOV**

Or you can send a letter to:

**Office of Fair Housing and Equal Opportunity  
Department of Housing & Urban Development  
Room 5204  
451 7<sup>th</sup> St SW  
Washington, DC 20410-2000**

For processing under NCUA regulations you would send to:

**National Credit Union Administration  
Office of Examination and Insurance  
1775 Duke Street  
Alexandria, VA 22314-3428**

**Under the Equal Credit Opportunity Act, it is illegal to discriminate in any credit transaction:**

- On the basis of race, color, national origin, religion, sex, marital status or age.
- Because income is from public assistance, or
- Because a right was exercised under the Consumer Credit Protection Act.

If you believe you have been discriminated against, you should send a complaint to:

DIFS  
PO Box 30220  
Lansing, MI 48909-7720

(DIFS stands for Department of Insurance and Financial Services within the State of Michigan.)

**Wildfire Credit Union  
6640 Bay Road  
PO Box 3285  
Saginaw, MI 48605-3285**

**989-249-8200 or 800-227-2328**