

Lending Information



about

Mortgage and Home Improvement Loans

Your credit union wants you know that with respect to mortgage and home improvement loans the following policies are utilized:

Any person has the right to make a loan inquiry.
any person has the right to file a written loan application for a mortgage loan or home improvement loan.

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

1. Establishing Creditworthiness

It is the credit union's policy to consider the creditworthiness of an applicant. The general factors used for establishing creditworthiness include:

- a. The applicant's income is sufficient to repay the loan according to its terms.
- b. The applicant's total debt load will not impair repayment of the loan requested.
- c. The applicant's past credit history with this credit union and other credit grantors has been satisfactory.
- d. The applicant's job history and time lived at current address illustrate stability.
- e. The applicant's signature and/or collateral are sufficient to cover the loan requested.
- f. The applicant has an established credit rating.

2. Market Value

Market Value is the most probable price a property should bring in a competitive and open market under all conditions for a fair sale, assuming the price is not affected by undue stimulus. The credit union will consider the market value of proposed security when evaluating a loan application.

3. Community Organizations

The presence of an active community group which could potentially mitigate the effect of physical decline, will be taken into consideration for home mortgage and home improvement loans in neighborhoods which are historic or in physical decline.

4. Loan Limits

Home Equity loans and First Mortgages will be granted on property located in Michigan. Home improvement loans will be granted anywhere in the United States or Canada.

5. Insurance

The maximum loan-to-appraised value with insurance is 97%. A copy of the insurance policy must be submitted to the credit union annually.

6. Minimum Loan Amounts

The minimum home equity loan or first mortgage amount is \$10,000.00. There is no minimum amount for home improvement loans.

7. Security

Home improvement loans may be granted on an unsecured basis or with various types of collateral. Home equity loans are granted with first and second liens on member's principal residence or summer home in Michigan. First mortgages are granted with first liens on a member's home in Michigan.

8. Special Circumstances

During periods in which the credit union is experiencing a shortage of loanable funds, we will place a maximum limit on home improvement loans.

Home equity advances of credit can be obtained for 5 years (the "draw period"). At the end of each draw period, we reserve the right to renew or extend the draw period for an additional 1 (one) year period.

The credit union may temporarily prohibit you from obtaining additional extensions of credit on the home equity loans if a regulatory agency has notified us that continued advances would constitute an unsafe business practice.

9. Credit Union Rules

The credit committee and loan officers have the responsibility for granting loans to members, subject to the restrictions set forth by the Board of Directors, the by-laws of this credit union and the laws which govern its operation.

Loan rejections: The credit committee and officers appointed by them have the sole responsibility for refusing an applicant's loan request.

10. Title

The mortgagor should have clear title to the property being sold. There will be problems completing any transactions in which liens, assessments, or judgments exist.

11. Appraisal

The objective of the appraisal is to determine if the collateral is of sufficient value to cover the requested loan. Different rates will be charged for different loan-to-appraised value ratios on home equity loans.

12. Ancillary Collateral

Ancillary collateral will be evaluated for:

- Current market value
- Blue book value

13. Property in Flood Plain

Loans secured by property in a flood plain area must meet the following requirements:

- a) The community must be participating in an approved flood program;
- b) Insurance must be obtained in an amount equal to the loan balance or the maximum amount available, whichever is less;
- c) A copy of the insurance policy must be submitted to the credit union annually. Flood insurance is available from various agencies in our lending area.

14. Cosigners/Guarantors

The following guidelines will be used when evaluating a cosigner or guarantor on a loan:

- Past credit history
- Employment record
- Length of residence
- Income is sufficient to repay the loan
- Total debt loan will not impair repayment of the loan requested

Note: A cosigner or guarantor need not be a member of the credit union.

We Also Want You To Know:

This anti-redlining brochure is a requirement of state laws. We have listed our criteria for these types of loans to help with your financial needs.

Please see our member service officers today for further information. We're here to help you.

Main Office
1220 County Center Drive, West
Waterford, Michigan 48328
(248)332-9171

Lakeland Office
5701 Dixie Highway
Waterford, Michigan 48329
(248) 623-9855

Waterford/White Lake Office
1375 N. Oakland Blvd.
Waterford, Michigan 48327
(248) 886-0144

www.oaklandcountycu.com