



## **Mortgage Information**

### **To Our Members and Those Eligible to Become Members**

MSUFCU wants you to know that with respect to mortgage loans and Home Improvement Loans the following policies are utilized:

- That any person has the right to make a loan inquiry.
- That any person has the right to file a written loan application for a mortgage loan or Home Improvement Loan with MSUFCU.
- That any person has the right to receive a written response to an inquiry or application.

### **Establishing Creditworthiness**

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

- A. Applicant must be a member in good standing with MSUFCU.
- B. The applicant's income is sufficient to repay the loan according to its terms.
- C. The applicant's total debt load will not impair repayment of the loan requested.
- D. The debt ratio of housing expense to income will not impair the repayment of the loan requested.
- E. The applicant's past credit history with MSUFCU and other credit grantors has been satisfactory.
- F. The applicant's job history and time lived at current address show stability.

### **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.

MSUFCU will consider the market value of proposed security when evaluating a loan application.

### **Community Organizations**

The presence of an active community group will be taken into consideration for home mortgage and Home Improvement Loans in neighborhoods which are historic or in physical decline.

### **Lending Area**

Home mortgage loans must be located in MI, AL, AZ, CO, FL, GA, IL, IN, KY, MN, MO, NC, OH, OR, PA, SC, TN, VA, WA, or WI. Home Improvement Loans are made throughout the United States.

### **Insurance**

Regular residential properties require Private Mortgage Insurance (PMI) where the Loan-to-Value Ratio (L-T-V) exceeds 80% of the lesser of the market value or purchase price.

### **Rate Changes**

Rates initially quoted are subject to change during the period prior to closing due to changing economic conditions.

### **Minimum Loan Amounts**

The minimum home mortgage loan amount is \$10,000. The minimum Home Improvement Loan amount is \$1,000.

### **Security**

Real estate located within MI, AL, AZ, CO, FL, GA, IL, IN, KY, MN, MO, NC, OH, OR, PA, SC, TN, VA, WA, or WI will be considered for home mortgage loans. Multiple units, up to four, will be considered for first mortgage loans and home equity lines of credit/second mortgages provided that one of the units is owner-occupied.

The residence must have an acceptable appraisal and useful life of not less than the length of the amortization period for the mortgage. The property must have all the usual improvements necessary to sustain acceptable living standards and meet zoning ordinances and laws required for occupancy.

Home Improvement Loans may be granted on an unsecured basis or with the various types of collateral acceptable to MSUFCU.

**Special Circumstances**

During periods in which there is a shortage of loanable funds, MSUFCU will process all loan applications in the order they are received.

**Loan Approvals**

With the exception of loans to officials of MSUFCU, the loan officers and underwriters have the responsibility for granting and denying loans to members subject to the restrictions set forth by the board of directors, the bylaws of MSUFCU, and the laws which govern its operation.

**Title**

MSUFCU requires proof of clear title to the security being offered. Home mortgage loans will require title searches with the appropriate level of title insurance issued through a member company of the American Land Title Association (ALTA).

**Appraisal**

The objectives of an appraisal are:

- A. To establish a current market value.
- B. To establish that the security offered does exist.
- C. To establish that the property offered as a security does have all the usual improvements necessary to sustain acceptable living standards and meets zoning ordinances and laws required for occupancy.
- D. To establish that the residence does have a useful life not less than the amortization period for the mortgage.

The appraisal may affect the amount of the down payment required. The required down payment is based on the lesser value of the purchase price or the market value as established by the appraisal.

**Verification of Funds**

Certain fees may be involved in applying for a mortgage loan, such as appraisal and rate lock commitment fees. In addition, if the mortgage loan is approved, there will be settlement fees which must also be paid.

MSUFCU reserves the right to verify funds necessary to make the required down payment and cover closing costs.

**Ancillary Collateral**

Collateral other than real estate being purchased or refinanced will not be considered for home mortgage loans. Collateral for Home Improvement Loans, if required, will be evaluated on its individual merit and market value.

**Property in a Flood Plain**

Flood insurance is required on all home mortgage loans where real estate is located in a designated flood hazard area.

Flood insurance is available through the National Flood Insurance Program.

**Cosigners/Guarantors**

Cosigners/Guarantors are not acceptable on home mortgage loan applications.

Cosigners/Guarantors for Home Improvement Loans must meet the same creditworthiness criteria as the applicant. However, the cosigner/guarantor needs not be a member of MSUFCU.

**Additional Criteria**

- A. The member's signature and/or collateral is sufficient to cover the loan requested.
- B. The loan purpose is provident and productive.
- C. The applicant is of good character.
- D. Property surveys may be required as a condition of issuance of a title insurance policy.
- E. Adequate homeowners/hazard insurance is required on all secured loans and maintained for the term of the loan.