

efforts, and any other factors potentially mitigating the effect of physical decline.

- H. Whether the property is in a flood hazard area, and if so, whether federal flood insurance is available.
- I. Title to property must be marketable and the mortgage title insurance obtainable for the amount of the loan.
- J. Applicant must own the property or have a binding purchase contract.
- K. Well and septic certification by the County Health Department if applicable.

Upon completion of our review, we will issue a loan commitment letter, which will be binding for 60 days, or a letter stating the reasons(s) for the denial of the application. The loan commitment letter may be extended at our discretion.

**NOTICE TO INQUIRERS
AND LOAN APPLICANTS**

You have the rights to submit a written application for a mortgage loan or a home improvement loan or request written information concerning typical loan terms that we are currently offering on mortgage loans and home improvement loans. It is illegal to establish.

a minimum mortgage amount of more than ten thousand and no/100 dollars (\$10,000.00) or a minimum home improvement loan of more than one thousand and no/100 dollars (\$1,000.00). It is illegal to deny a loan or vary the terms and conditions of a loan because of the racial or ethnic trends or characteristics of the neighborhood or the age of the structure, but not because of its physical condition. If your application for a loan is rejected, you have a right to a written statement for the reason for the rejection. If you are granted a loan but the amount required for down payment, the interest rate, term to maturity, application procedure, or other terms or conditions differ from those offered in your neighborhoods, you have a right to a written statement for the reasons for the variation. The rights described in this notice are set forth in and limited by Act 135 of the Michigan Public Acts of 1977. If you believe that your rights under this act have been violated you should contact the Compliance Officer at Fentura Financial Inc., 175 N. Leroy, Fenton MI 48430 or:

Department of Insurance and Financial Services
PO Box 30220
Lansing MI 48909-7720
Telephone Number: 517-284-8800 or
Toll-free at 877-999-6442

**MORTGAGE LOAN
And
HOME IMPROVEMENT LOAN
CREDIT GRANTING CRITERIA**

by The State Bank
a subsidiary of Fentura Financial, Inc.



Revised 2018

Commented [HF1]:

**MORTGAGE LOAN
and
HOME IMPROVEMENT LOAN
CREDIT GRANTING CRITERIA**

This pamphlet explains, in general terms, our criteria for the approval or denial of a Mortgage Loan or Home Improvement Loan application. A Mortgage Loan is defined as a loan (or refinancing of an existing loan involving an increase in the outstanding balance of the principal due) made for any purpose, which is secured by a mortgage on real estate designed for occupancy by four or fewer families, including individual units of condominiums and cooperatives. A Home Improvement Loan is defined as a loan, secured or unsecured to be used for the purpose of repairing, rehabilitating or remodeling an existing residential dwelling designed for occupancy by four or fewer families.

RESIDENTIAL MORTGAGE LOANS

We offer two (2) types of loans that require a first mortgage lien:

1. **CONVENTIONAL MORTGAGE LOANS:** Loans of up to 80 percent of the appraised value or purchase prices, whichever is less, on improved real estate without the support or guarantee provided by a governmental agency or private mortgage company.
2. **INSURED MORTGAGE LOANS:** Loans of between 80 and 95 percent of the appraised value or purchase price, whichever is less, on improved real estate supplemented by guarantee of a private mortgage company for that portion of the loan which exceeds the Bank's conventional loan to value ratio.

We may from time to time, to the extent permitted by law, take a junior mortgage lien as collateral for a new or previously made loan or loans.

HOME IMPROVEMENT LOAN PROGRAMS

We offer two (2) types of home improvement loans:

1. **SECURED LOANS:** When applicant does not fully satisfy all credit granting criteria detailed in the pamphlet or when the loan amount is greater than \$7,500.00, a mortgage lien may be requested.
2. **UNSECURED LOANS:** When application is for \$7,500.00 or less and other credit granting criteria

detailed in this pamphlet are met, a mortgage lien may not be required.

LOAN AVAILABILITY

Approval of Mortgage Loans and Home Improvement Loans is subject to the availability of funds.

VACANT LAND

Vacant and/or unimproved property will not normally be accepted as collateral for a Mortgage Loan or a Home Improvement Loan. Such property may be acceptable collateral for other types of loans described in this pamphlet.

GEOGRAPHIC AREA

The Geographic lending area of this Lender is based on an assessment area as defined by the Community Reinvestment Act. Please request to view the public file for the specific area map.

INTEREST RATES

Interest rates vary according to the terms and conditions of mortgage property value and condition, the applicant's overall financial strength, and credit history.

Interest rates estimated at time of application may change due to change in economic conditions.

ESCROW REQUIREMENTS

Monthly payments on mortgage loans may include principal and interest payments plus 1/12 of the annual tax amount as assessed on mortgage property and 1/12 of the annual premium amount of hazard insurance protecting subject property.

REVIEW CRITERIA

After receipt of a written and signed Mortgage Loan or Home Improvement Loan application, we will approve, counter offer, or deny the application based on the following criteria:

- A. Legal capacity of borrower and mortgagee.
- B. Verification of employment and income. Generally, two (2) years employment history is required. Verification may be a written form originating from our office, direct to employer and returned direct from employer to Bank. Child support, alimony and /or government support payment will be considered or government support payments will be considered only if voluntarily disclosed by the applicant.
- C. Probability of loan repayment is based on the following factors:
 1. Information provided by credit reporting agencies.
 2. Previous borrowing experience.
 3. The guidelines established for the total debt-to-income ratios is 43% of the applicants' Gross Monthly Income. The total debit includes the proposed monthly housing payment including taxes, and insurance; all installment loans with more than 10 payments remaining, leases and revolving accounts.
- D. Verification of funds necessary to pay the down payment, if any, and the loan closing costs.
- E. Appraised value of the real estate based on comparison of sales of similar properties, the physical condition and probable remaining useful life of the structure on the property.
- F. Co-signers or Guarantors will be considered on the same credit criteria as the applicant.
- G. Factors known to us, such as the presence of an active community or neighborhood organization, the presence of government, non-profit or private programs in the neighborhood intended to eliminate negative environment influences or revitalization