

# HELOC Procedure keying in FORZA

Updated 9.2025

### HELOC: Home Equity Line of Credit







We are currently offering HELOCs on Primary Residence- Owner Occupied ONLY! (Owner Occupied= Member resides in home.)

**ALL** Manufactured Homes **MUST** meet the minimum requirements outlined within the Manufactured Homes Guidelines <u>AND</u> go before the Manufactured Home Review Committee for Final Approval.



Loan Officers and Loan Processors processing Home Equity Line of Credit loans shall have a clear understanding of the lending process.

#### Best Practice

For convenience and accuracy best practice is to complete information in FORZA and generate the application AFTER information is entered and verified and have member sign. This will create a smoother process and better experience for our members.

## Repayment

During the 7-year draw period, the payment calculation will be figured at 1.0% of the monthly balance (figured on last day of month in Forza) or \$100, whichever is greater.

Repayments following the initial 7-year draw period will be amortized for the remaining 120-month or 180-month term.

Rates remain variable throughout the entire term of the HELOC, including both the draw period and repayment term.

Payment due dates need to be set for the 15th of the month for every HELOC.

## Step 1:

Mark the applicable boxes when you have received each document within the HELOC Application Packet, signed back from the member(s). The Application packet should be generated in Forza under the member's Forza profile and provided to the member(s).

Member Account #:	123456	Processing Lender:				
Applicant Name:	John Smith					
Co-Applicant Name:	Jane Smith	Approving Officer:				
Applicant(s) Address:	123 Apple Street Meridian, ID 83642	2nd Approving Officer:				
Purpose of HELOC:	New Furnace	Limit Request:	\$	Limit Approved: \$	Comb LTV Approved: %	
Step One: Application Provided to applicant(s) with the following:  Letter with Checklist for Member Signed Receipt of Disclosure Application for HELOC STAMP w/CU & Lender NMLS #s Signed Borrower's Certification & Authorization Form Early Disclosure What You Should Know About Home Equity Lines of Credit Disclosure HMDA/Demographic/Gov Monitor (Required for each borrower)(Can be done at signing)						

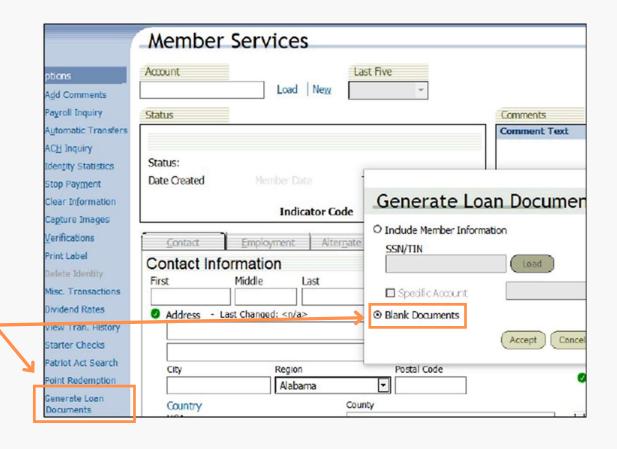
Stamp OR type NMLS for CCU and Lender on HELOC application

#### LOAN DOCUMENTS

Loan Documents are updated often and generating the documents from Forza **EVERY TIME** ensures each member is receiving the most up to date documentation when applying.

#### **Blank Applications:**

Can be produced in FORZA, under GENERATE LOAN DOCUMENTS



## Before moving to the next step collect the following information:



- Signed HELOC Application
- Receipt of Disclosure



- Borrower's Authorization
- HMDA Forms



- Income Verification
- Homeowner's Insurance
   Policy information

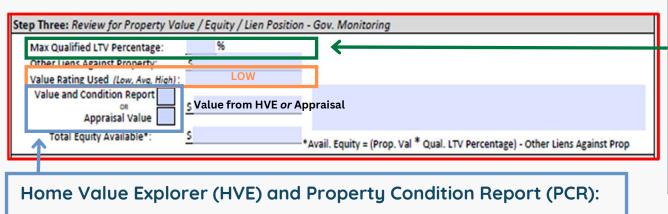
## Step Two:

Step Two: Preliminary Review for Credit Worthiness once Application is Returned and Signed							
Borrower's Credit Score:		Co-Borrower's Cree	dit Score:	Combin	ed Credit S	core:	
Qualified Rate:	Prime Rate:	% Margin	%	Final Rate:	%	*Floor rate = 4.5% and Ceiling rate = 15%	
Loan Term:	• 1	Max term 120 months f	or limits under	\$100,000 or 180 mg	onths for \$10	0,000+	
Due date set to 15th of the next Month:							
Debt to Income Ratio:	%	Gross	et				

#### Complete income verification:

Ensure supporting documentation is included in loan file (include whether Debt Ratio is **GROSS** or **NET**)

## Step Three:



 These reports are pulled through COVIANCE. We use the LOW valuation from the HVE.

#### **Appraisal Value:**

- This takes place of HVE and PCR
  - \*Real Estate Valuation Policy Home Equity Lines over \$100,00 MUST be approved by the CLO or CEO
  - Real Estate secured loans over \$250,000 will require a **FULL** appraisal in all cases, unless waived by **CLO** or **CEO**

## Qualified **LTV** based on Credit Score and Lienholder Position:

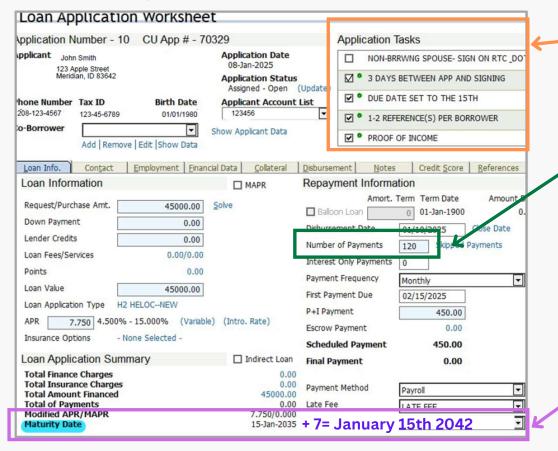
FICO	1st Position	2nd Position
701 +	80% LTV	75% LTV
671-700	80% LTV	75% LTV
640-670	75% LTV	75% LTV
600-639	70% LTV	70% LTV
599 or LESS	70% LTV	70% LTV

Creating the application in FORZA: 3. Under **Loan Category** select **New Application** @ <u>\*\*\*</u> 0 (2) J Please select from one of the loan categories b **HOME EQUITY** 1.Select Loan O Credit Card Application Loan Manageme Loan Application pplications by Application Filters Loan Category Management ⊙ Loan Officer ☑ Loan Status Home Equity KIERNAN, LINDSA' New - Not Assigned Commercial O Applicant Tax ID ☐ Application Type Home Equity 2. Click New moort ARTA File Commercial Ouide Amortizatio ☐ CU Application # **Application** New Vehicle Other Member Loans Recreation Equipment Second Mortgage Applications on file · Last Application Share Secured Application Date Application Fee Descriptions Unsecured Used Vehicle Generate Loan Documents Copy Open Ended Disbursement Accept Cance **New Application** Please select from one of the loan categories below and click the Accept button. Loan Application O Credit Card Application 4. Under Loan Purpose Loan Category Loan Application Worksheet -Home Equity you will select either 5. Under LOAN TYPE Loan Purpose Select Loan Type **HOME EQUITY FIRST** HOME EQUITY FIRST ₹ select either H1 or H2 (1st position) or HOME HOME EQUITY SECOND **EQUITY SECOND** (if it is H1=1st Lien Position INDIRECT LP NEW INDIRECT LP USED <u>L</u>oan a 2nd position) H2=2nd Lien Position INDIRECT NEW INDIRECT USED ITIN NEW AUTO ITIN SIGNATURE Loar Poin Accept Cancel

Loar

Accept Cancel

## Loan Information in FORZA



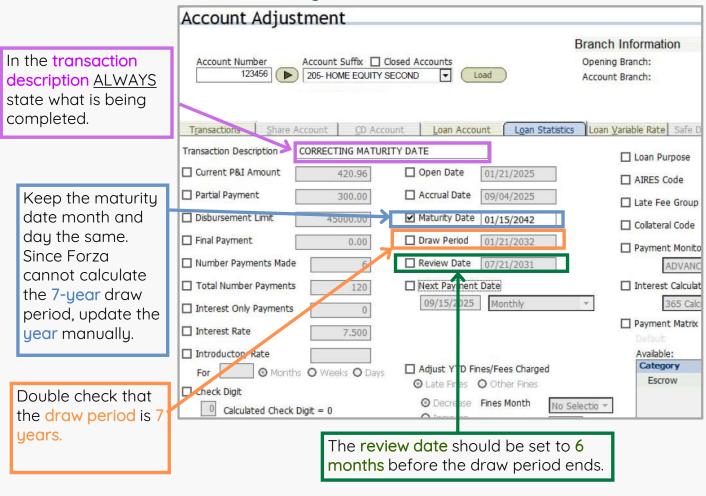
Check boxes **AFTER** task has been completed



ADD 7 to the year in the Loan Info Tab in FORZA

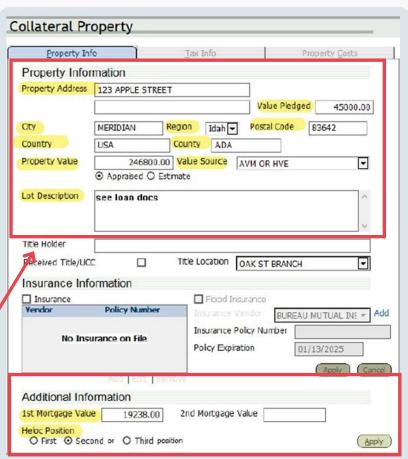
\*\*The month and day of maturity date should stay the same. FORZA is not able to calculate in the 7-years draw period

## Account Adjustment in FORZA



#### Collateral Tab





## Rate Determination: Risk Based Pricing Model

FICO 701+	Prime + 0%
FICO 671-700	Prime + 1%
FICO 640-670	Prime + 2%
FICO 600-639	Prime + 3%
FICO 599 or below	Prime + 4%

Members within 10 points of a higher category, at least 3 years of loan history with Connections, and no delinquency, can be bumped to the higher credit category.

Exceptions to these limits may be granted with approval of the CLO or CEO.

ALL HELOCS are variable rate and are adjusted on Jan. 1, April 1, July 1, and Oct. 1. The rate for home equity loans is indexed to the Prime Rates as published 20 days prior to the quarterly rate change date. The final rate is determined by adding the index (prime) and the margin together, as shown in the table above. The margin is determined by credit score. A floor rate (4.50%) and ceiling rate (15%), as set by the Board of Directors will be used for all HELOC loans.

The member borrower is notified in the quarterly newsletter within 30 days following the adjustment.