



# *HELOC Procedure*

keying in FORZA

Updated 9.2025

# HELOC: *Home Equity Line of Credit*



•A HELOC is an open-end line of credit secured by the equity in the home.



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 **AND** go before the Manufactured Home Review Committee for Final Approval.

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

# *Best Practice*

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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.

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# *Repayment*

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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.

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## 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	Approving Officer:		
Co-Applicant Name:	Jane Smith	2nd Approving Officer:		
Applicant(s) Address:	123 Apple Street Meridian, ID 83642			
Purpose of HELOC:	New Furnace	Limit Request: \$	Limit Approved: \$	Comb LTV Approved: <input type="text"/> %

**Step One: Application Provided to applicant(s) with the following:**

<input type="checkbox"/> Letter with Checklist for Member	<input type="checkbox"/> HE 1st Position	<input type="checkbox"/> HE 2nd Position
<input type="checkbox"/> Signed Receipt of Disclosure	<input type="checkbox"/> Modification (also mark the loan type!)	
<input type="checkbox"/> Application for HELOC STAMP w/CCU & Lender NMLS #s		
<input type="checkbox"/> Signed Borrower's Certification & Authorization Form		
<input type="checkbox"/> Early Disclosure		
<input type="checkbox"/> What You Should Know About Home Equity Lines of Credit Disclosure		
<input type="checkbox"/> 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

The screenshot displays the 'Member Services' interface. On the left is a vertical menu with various options. The 'Generate Loan Documents' option at the bottom of this menu is highlighted with an orange box. An orange arrow points from this menu item to a dialog box titled 'Generate Loan Document' that is open in the foreground. This dialog box contains several fields and options: 'Include Member Information' (radio button), 'SSN/TIN' (text field with a 'Load' button), 'Specific Account' (checkbox), and 'Blank Documents' (radio button, which is selected and highlighted with an orange box). Other fields include 'Address', 'City', 'Region' (set to 'Alabama'), and 'Postal Code'. The background interface shows sections for 'Account', 'Status', and 'Contact Information'.

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

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- Signed HELOC Application
- Receipt of Disclosure



- Borrower's Authorization
- HMDA Forms



- Income Verification
- Homeowner's Insurance Policy information

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## Step Two:

### Step Two: Preliminary Review for Credit Worthiness once Application is Returned and Signed

Borrower's Credit Score:  Co-Borrower's Credit Score:  Combined Credit Score:   
Qualified Rate: Prime Rate:  % Margin:  % Final Rate:  % \*Floor rate = 4.5% and Ceiling rate = 15%  
Loan Term:  \* Max term 120 months for limits under \$100,000 or 180 months for \$100,000+  
Due date set to 15th of the next Month: ☐  
Debt to Income Ratio:  % Gross ☐ Net ☐

#### Complete income verification:

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

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## Step Three:

Step Three: Review for Property Value / Equity / Lien Position - Gov. Monitoring

Max Qualified LTV Percentage:	%
Other Liens Against Property:	\$
Value Rating Used (Low, Avg, High):	LOW
Value and Condition Report OR Appraisal Value	\$ Value from HVE or Appraisal
Total Equity Available*:	\$

\* Avail. Equity = (Prop. Val \* Qual. LTV Percentage) - Other Liens Against Prop

### Home Value Explorer (HVE) and Property Condition Report (PCR):

- 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:

1. Select **Loan Management**

2. Click **New Application**

4. Under **Loan Purpose** you will select either **HOME EQUITY FIRST** (1st position) or **HOME EQUITY SECOND** (if it is a 2nd position)

3. Under **Loan Category** select **HOME EQUITY**

5. Under **LOAN TYPE** select either **H1** or **H2**

H1=1st Lien Position  
H2=2nd Lien Position

FORZA - LINDSAY KIERNAN: 172.16.2.53 : CLUD2\_PC : Friday, January 10, 2025

User Workstation Help

Back Teller Services **Loan Management** Reports

Options:

- New Application**
- Edit Application
- Delete Application
- Transfer Application
- Import AGTA File
- Quick Amortization
- New/Refinanced History
- Disbursement History
- Last Application
- Application Fee Descriptions
- Generate Loan Documents
- Copy Open Ended Disbursement

Applications by

Loan Officer: KIERNAN, LINDSAY

Applicant Tax ID: [Search]

Application Filters

- ☒ Loan Status: New - Not Assigned
- ☐ Application Type: Commercial
- ☐ CU Application #

Applications on file

Application Date	Applicant Name	Application Type	Status
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**New Application**

Please select from one of the loan categories below and click the Accept button.

☒ Loan Application ☐ Credit Card Application

Loan Category: Home Equity

First Mortgage  
Home Equity  
Line of Credit  
New Vehicle  
Other Member Loans  
Recreation Equipment  
Second Mortgage  
Share Secured  
Unsecured  
Used Vehicle

Accept Cancel

**New Application**

Please select from one of the loan categories below and click the Accept button.

☒ Loan Application ☐ Credit Card Application

Loan Category: Home Equity

Loan Purpose: HOME EQUITY FIRST

HOME EQUITY FIRST  
HOME EQUITY SECOND  
NOT FOR  
INDIRECT LP NEW  
INDIRECT LP USED  
INDIRECT NEW  
INDIRECT USED  
ITIN NEW AUTO  
ITIN SIGNATURE

Accept Cancel

**Loan Application Worksheet**

Application Number: 108 CU App # 30954

Select Loan Type

Description	Loan to Value	Maximum Value	Loan Rate
H1 HELOC-NEW	No Requirement	Not Limited	4.500% - 15.000%
H2 HELOC-NEW	No Requirement	Not Limited	4.500% - 15.000%

Accept Cancel

# Loan Information in FORZA

**Loan Application Worksheet**

Application Number - 10 CU App # - 70329

**Applicant** John Smith  
123 Apple Street  
Meridian, ID 83642

**Application Date** 08-Jan-2025

**Application Status** Assigned - Open (Update)

**Phone Number** 208-123-4567 **Tax ID** 123-45-6789 **Birth Date** 01/01/1980

**Applicant Account List** 123456

**Co-Borrower** [Dropdown] Show Applicant Data

Add | Remove | Edit | Show Data

**Application Tasks**

- ☐ NON-BRRWNG SPOUSE- SIGN ON RTC\_DO
- ☒ 3 DAYS BETWEEN APP AND SIGNING
- ☒ DUE DATE SET TO THE 15TH
- ☒ 1-2 REFERENCE(S) PER BORROWER
- ☒ PROOF OF INCOME

**Loan Info.** | Contact | Employment | Financial Data | Collateral | Disbursement | Notes | Credit Score | References

**Loan Information**

Request/Purchase Amt. 45000.00 Solve

Down Payment 0.00

Lender Credits 0.00

Loan Fees/Services 0.00/0.00

Points 0.00

Loan Value 45000.00

Loan Application Type H2 HELOC-NEW

APR 7.750 4.500% - 15.000% (Variable) (Intro. Rate)

Insurance Options - None Selected -

**Loan Application Summary**

Total Finance Charges 0.00

Total Insurance Charges 0.00

Total Amount Financed 45000.00

Total of Payments 0.00

Modified APR/MAPR 7.750/0.000

**Maturity Date** 15-Jan-2035 + 7= January 15th 2042

**Repayment Information**

Amort. Term Term Date Amount

☐ Balloon Loan 0 01-Jan-1900 0.

Disbursement Date 01/10/2025 Close Date

Number of Payments 120 Skip Payments

Interest Only Payments 0

Payment Frequency Monthly

First Payment Due 02/15/2025

P+I Payment 450.00

Escrow Payment 0.00

**Scheduled Payment** 450.00

**Final Payment** 0.00

Payment Method Payroll

Late Fee LATE FEE

Check boxes **AFTER** task has been completed

**120 Months**  
\$5,000-\$99,999

**180 Months**  
\$100,000+

**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

**Account Adjustment**

Account Number: 123456 Account Suffix: 205- HOME EQUITY SECOND ☐ Closed Accounts

Branch Information  
Opening Branch:  
Account Branch:

Transactions | Share Account | CD Account | Loan Account | **Loan Statistics** | Loan Variable Rate | Safe D

Transaction Description: **CORRECTING MATURITY DATE**

☐ Current P&I Amount: 420.96 ☐ Open Date: 01/21/2025  
☐ Partial Payment: 300.00 ☐ Accrual Date: 09/04/2025  
☐ Disbursement Limit: 45000.00 ☒ Maturity Date: 01/15/2042  
☐ Final Payment: 0.00 ☐ Draw Period: 01/21/2032  
☐ Number Payments Made: 6 ☐ Review Date: 07/21/2031  
☐ Total Number Payments: 120 ☐ Next Payment Date: 09/15/2025 Monthly  
☐ Interest Only Payments: 0  
☐ Interest Rate: 7.500  
☐ Introductory Rate:   
For ☐ Months ☐ Weeks ☐ Days  
☐ Check Digit: 0 Calculated Check Digit = 0  
☐ Adjust YTD Fines/Fees Charged  
☐ Late Fines ☐ Other Fines  
☐ Decrease Fines Month: No Selectio

☐ Loan Purpose  
☐ AIRES Code  
☐ Late Fee Group  
☐ Collateral Code  
☐ Payment Monito  
ADVANC  
☐ Interest Calculat  
365 Calc  
☐ Payment Matrix  
Default:  
Available:  
Category  
Escrow

In the **transaction description** ALWAYS state what is being completed.

Keep the maturity date month and day the same. Since Forza cannot calculate the 7-year draw period, update the year manually.

Double check that the draw period is 7 years.

The review date should be set to 6 months before the draw period ends.

# Collateral Tab

Loan Info. | Contact | Employment | Financial Data | **Collateral** | Disbursement | Notes | Credit Score

Collateral Information

Collateral Type	Collateral Description	Collateral Status	Collateral Value
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**New Collateral Item**

Please select a type of collateral to add.

☐ Vehicle

☐ Stock

☒ **Property**

☐ Miscellaneous

☐ Account

Accept Cancel

New Edit Remove

Total Collateral

1. Click **NEW** and then select **PROPERTY** under the New Collateral Item

2. Complete all highlighted areas in **PROPERTY INFORMATION**

\*\* **Lot Description**- please only type in "see loan docs" instead of copying and pasting the legal description.

**Collateral Property**

Property Info | Tax Info | Property Costs

**Property Information**

Property Address 123 APPLE STREET Value Pledged 45000.00

City MERIDIAN Region Idah Postal Code 83642

Country USA County ADA

Property Value 246800.00 Value Source AVM OR HVE

☒ Appraised ☐ Estimate

Lot Description see loan docs

Title Holder

Received Title/UCC ☐ Title Location OAK ST BRANCH

**Insurance Information**

☐ Insurance ☐ Flood Insurance

Vendor Policy Number

No Insurance on File

Insurance Vendor BUREAU MUTUAL INS Add

Insurance Policy Number

Policy Expiration 01/13/2025

Apply Cancel

**Additional Information**

1st Mortgage Value 19238.00 2nd Mortgage Value

Hebc Position

☐ First ☒ Second or ☐ Third position

Apply

# Rate Determination: Risk Based Pricing Model

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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.

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