



CREDIT GRANTING CRITERIA

Any person has the right to make a loan inquiry and to file a written application for a mortgage loan or home improvement loan with Waterstone Mortgage Corporation and to receive a written response to the application. This pamphlet outlines the criteria used by Waterstone Mortgage for the approval or denial of a loan application.

CREDITWORTHINESS

It is the policy of Waterstone Mortgage to consider the creditworthiness of each applicant. The factors used to determine creditworthiness include the following:

- The applicant's ability to repay:
 - Debt ratio;
 - Past credit history;
 - Employment history;
 - Cash reserves;
 - Disposable income;
 - Amount of revolving debt in relation to credit limits.
- Collateral.
- Character, evaluated on the basis of consistency in residency, employment, financial habits, and a complete disclosure of all financial obligations.

MARKET VALUE

Market value is the most probable price the subject 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. Waterstone Mortgage will consider the market value of proposed property when evaluating loan applicant's request.

INTEREST RATES (Annual Percentage Rate)

Interest rates are based on the mortgage market in Michigan and the Federal National Mortgage Association (Fannie Mae) market. Please contact a Waterstone Mortgage loan officer for current rates.

TERMS

The loan programs and terms offered by Waterstone Mortgage are dictated by investor guidelines.

APPRAISAL

A written certified appraisal is required for all mortgage loans. The purpose of an appraisal is to determine whether the collateral is of sufficient value to cover the requested loan.

VERIFICATION OF FUNDS

Waterstone Mortgage reserves the right to verify funds that are indicated to be used for the earnest money deposit, down payment, and closing costs, if applicable.

PROPERTY IN FLOOD PLAIN

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

- The community must be participating in an approved flood program;
- Flood insurance must be obtained in the amount equal to the mortgage loan balance or the maximum amount available; and
- A copy of the insurance policy must be submitted to Waterstone Mortgage on or before closing.

CO-SIGNER / GUARANTORS

The following guidelines will be used when evaluating a co-signer or guarantor on a mortgage loan:

- Past and present credit history;
- Employment record;
- Length of residence;
- Debt ratio.

ADDITIONAL CRITERIA

All mortgage loan documents and policies will conform to the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal Housing Administration (FHA), Veterans Affairs (VA) or United States Department of Agriculture Rural Development (USDA) standards as much as possible. A homeowner's insurance policy, naming Waterstone Mortgage as loss payee is required for all mortgage loans. The amount of insurance must be sufficient to pay the mortgage balance off and to cover the value of the home. A title search will be performed on all loans prior to closing and Waterstone Mortgage must secure a commitment for title insurance prior to closing.

MORTGAGE CLOSING COSTS

Waterstone Mortgage will provide an estimate of closing costs when sufficient information regarding your mortgage loan is available and in accordance with all applicable laws and regulations.

If you have questions about the criteria outlined in this document, which is used by Waterstone Mortgage for the approval or denial of a loan application, please contact Info@WaterstoneMortgage.com.