

Family First Credit Union Lending Policy Equal Credit Opportunity Act Policy

Purpose

The Equal Credit Opportunity Act (ECOA) prohibits discrimination on the basis of certain factors in consumer and business credit transactions. As implemented by the Federal Reserve Board's Regulation B, ECOA prohibits discrimination against credit applicants or co-applicants on the basis of race, color, religion, national origin, sex, marital status, age, receipt of income from a public assistance program, or the good faith exercise of any right under the federal Consumer Credit Protection Act.

Regulation B imposes certain obligations to assist efforts to monitor compliance with ECOA and the regulation. Certain information relating to some of the prohibited bases for discrimination may be requested from residential real estate loan applicants for the purpose of monitoring credit practices related to discrimination in all phases of lending practices. It is the policy of Family First Credit Union to comply with the Equal Credit Opportunity Act and Regulation B.

Policy Statement

Family First Credit Union will not discourage applicants from applying for credit on the grounds of any prohibited basis. All applications will be considered on neutral credit factors such as ability to pay or credit history. Nor will it take into account any of the prohibited bases.

Notification Requirements

Family First Credit Union will notify the applicants of each loan decision reached by the Credit Union for any application that is received, and will strictly comply with the notification and Adverse Action Notices required by the Equal Credit Opportunity Act and Regulation B.

Under ECOA, Family First Credit Union must notify applicants of the decision that was reached on their loan application. The notification may be written or oral, but must be given within 30 days of the credit decision. With respect to applicants who are declined, within 30 days Family First Credit Union must provide an applicant with the reasons for the denial. All adverse action notices will be in writing containing the specific reasons the loan was denied. Within 10 days, Family First Credit Union will notify applicants of the requirements of a counteroffer or of information needed to complete an incomplete application.

Real Estate Appraisals and Reviews

In compliance with NCUA's Non-discrimination Regulation, Family First Credit Union will notify each applicant of his or her right to receive a copy of any appraisal used in connection with an applicant's real estate loan application. The appraisal will be available for a period of 25 months after the applicant has received a notice of action taken by the Credit Union on the real estate-related loan application.

Family First Credit Union utilizes our own internal appraisal review report to evaluate and document appraisals. These reviews will be completed upon receipt of the completed appraisal from appraiser and placed in members credit file. In the event Family First Credit Union finds it necessary to obtain another appraisal or evaluation of a property, we will select the most credible appraisal or evaluation, rather than the appraisal or evaluation that states the highest value. Upon receipt of this appraisal a separate appraisal review report will be completed and placed in members credit file.

Family First Credit Union will periodically review these procedures to ensure that their current status matches the necessary qualifications of the Credit Union.

Record Retention

Family First Credit Union will maintain all documents used in the decision-making process for at least 25 months (12 months for business credit). This will follow the date the Credit Union notifies an applicant of the action taken on the request or of incompleteness. This will also follow the date the Credit Union receives an application for which it's not required to comply with Regulation B's notification requirements.

The record file will contain the following:

- The application and the information obtained for purposes of monitoring compliance with anti-discrimination statutes.
- Any written information used in evaluating the request.
- Other documentation used by the Credit Union to reach the decision
 - Credit reports
 - Verifications
 - Appraisals
- A copy of the notification provided to an applicant and a statement of specific reasons for any adverse action.

If Family First Credit Union receives letters alleging discrimination in its lending practices, these letters and the record of the responses and action taken will be kept for at least twenty-five months from the date the letter was received.