

Underwriting

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| Overview | The underwriter has the ultimate responsibility for approving or denying loans based on specific guidelines. A good underwriter is objective in decision making, yet understands there is some flexibility in the guidelines. The following document provides an overview of the underwriting phase. |
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| File Examination | The underwriter examines the file and completes a full risk review. To do this, the underwriter uses the 5 Cs of qualifying: credit, capacity, collateral, capital, and characteristics. The first four qualifying factors are the same ones the HMC/Banker reviewed in the originating phase. However, the underwriter looks at the characteristics of the chosen loan type as well. |
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During the file examination, the underwriter also determines if there any compensating factors that would offset some of the risk. Each loan file is unique, with strengths and weaknesses that in some cases offset each other.

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| Loan Decision | The underwriter has the ultimate responsibility of loan approval or denial. A detailed review of the loan file enables an underwriter to draw a final conclusion. |
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If the loan application is approved, it is sent back to the Processor to complete the pre-closing tasks.

If the loan is denied, the Underwriter will:

- Forward file to National Decisioning Services Group (NDS) or Branch Underwriting Manager.
 - After the second level review (a review by an additional designated underwriter or an underwriting manager on all loans that are being considered for denial or approval on terms other than requested by the borrower. This process is in place to ensure that WFHL has made all efforts to provide financing to borrowers who are creditworthy), the loan is returned to the processor to either complete the pre-closing tasks or send the denial letter.
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