



# WC FINANCIAL

NMLS# 55279

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Last Updated: January 17, 2023

## **FAIR LENDING POLICY**

### **Policy Statement**

The management of Warsaw Capital, LLC, is committed to compliance with all fair lending laws and regulations. It is the policy of this company to make credit products available to all applicants in a fair and consistent manner commensurate with safe and sound business practices. It is the Company's policy to treat all applicants consistently in compliance with Fair Lending Laws, through the loan process, from application to closing, including post-closing, as may be applicable. We conduct business in the State of New York as WC Financial, in lieu of true name Warsaw Capital, LLC (hereafter "WC" or "Company")

WC's services are delivered without regard to race, color, religion, national origin, sex, sexual orientation, gender identity, marital status, disability, familial status, age, receipt of public assistance, or the exercise of legal rights under the federal Consumer Credit Protection Act (15 U.S.C. §§ 1601 et seq.), the Title VIII of the Civil Rights Act of 1968 Fair Housing Act (FHAct), the Equal Credit Opportunity Act, and all fair lending laws.

WC is committed to implementing policies that ensure compliance with all fair lending laws, including but not limited to New York Executive Law § 296-a and New York's Gender Expression Non-Discrimination Act (GENDA).

This Fair Lending Policy aligns with WC's Equal Credit Opportunity Act Policy, WC's Compliance Procedures and Compliance Management System Policy, and other policies and procedures of WC, which promote fair lending.

## **I. ACCOUNTABILITY AND MONITORING**

### STRUCTURAL ORGANIZATION

WC's commitment to fair lending is reflected in its belief in the shared responsibility for compliance with fair lending laws at every level of the organization. The Managing Member is responsible for approving, adopting, and implementing the Fair Lending Plan.

WC's Management is responsible for ensuring that WC's business practices comply with its Fair Lending Plan in the following ways:

- Communicating WC's fair lending policies to the applicable business unit management;
- Allocating, on an ongoing basis, sufficient resources to ensure the successful implementation of this Plan;
- Obtaining input and guidance from its Compliance Counsel on significant business decisions that have potential fair lending impact; and
- Monitoring results and recommending corrective action where necessary.

WC's Managing Member and Chief Compliance Officer, Michael Warshaw, along with Vice President of Operations, Lori Brunelle, implement the policies outlined in this Plan in the following ways:

- Monitoring implementation of and compliance with fair lending policies and procedures
- Reviewing and addressing fair lending complaints

- Monitoring, as appropriate, WC's loan application and underwriting process as well as its pricing policies
- Reviewing, on a regular basis, the fair lending plan to determine that it accurately reflects the procedures followed by WC and conforms to applicable federal and state laws and regulations
- Maintaining training materials to keep current with changes in laws, regulation, and judicial interpretation, and
- Providing annually, updates on fair lending issues to all WC employees involved in loan origination activities; (WC does not service mortgage loans)

In conducting its business, the Company takes applications and reviews and processes loan applications in accordance with the federal Fair Housing Act and Equal Credit Opportunity Act, and all applicable state laws in states where WC is licensed to conduct business as a lender and broker. It is the Company's goal to provide consumers with equal access to credit. WC complies with all fair lending laws and regulations, including the Equal Credit Opportunity Act (ECOA), the Home Mortgage Disclosure Act (HMDA), the Fair Credit Reporting Act (FCRA), the Fair Housing Act.

Specifically, the Company will refrain from the following practices, which may be perceived as discriminatory in nature:

- Failing to provide information or services or providing different information or services to applicants in any aspect of the lending process, including credit availability, application procedures, or lending standards
- Discouraging or selectively encouraging applicants with respect to inquiries about or applications for credit
- Refusing to extend credit or using different standards in determining whether to extend credit to applicants based on a prohibited basis

- Refusing to extend credit or using different standards in determining whether to extend credit to applicants based solely on whether they have placed a fraud or military alert on their credit bureau report
- Varying the terms of credit offered, including the amount, interest rate, duration, or type of loan based on a prohibited basis
- Using different standards to evaluate collateral offered by applicants based on a prohibited basis
- Steering borrowers to a particular loan based on the compensation that will be received by the loan originator

## **II. FAIR LENDING OVERVIEW**

The legal aspects of fair lending are contained in several federal and state laws. The purpose of these laws is to ensure that fair and equal treatment is provided to individuals seeking financing.

**The Federal Equal Credit Opportunity Act** (ECOA) (15 U.S.C. §§ 1691 et seq.) and its implementing regulation, Regulation B (12 C.F.R. Part 1002), prohibit discrimination in any aspect of a credit transaction. The prohibited bases of discrimination under the ECOA are the following: race; religion; national origin; sex; sexual orientation, gender expression, marital status; age; the applicant's receipt of income through a public assistance program; and the good faith exercise of the applicant of a right under the federal Consumer Credit Protection Act (15 U.S.C. §§ 1601 et seq.).

**The Fair Housing Act** (FHA) (Sec. 805. [42 U.S.C. 3605]) prohibits discrimination in Residential Real Estate-Related Transactions. In general, it shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or

in the terms or conditions of such a transaction, because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.

The term "residential real estate-related transaction" means any of the following:

- The making or purchasing of loans or providing other financial assistance,
  - i. for purchasing, constructing, improving, repairing, or maintaining a dwelling; or
  - ii. secured by residential real estate
- The selling, brokering, or appraising of residential real property

Various state laws also govern fair lending, including New York Executive Law § 296-a, which makes it an unlawful discriminatory practice for any creditor or any officer, agent or employee thereof to discriminate in the case of applications for the granting, withholding, extending, renewing of credit or in the fixing of interest rates, terms or conditions of any form of credit on the basis of race, creed, color, national origin, age, sex, marital status, disability, sexual orientation, familial status or military status; to use any form of application for credit or use or make any record or inquiry which expresses, directly or indirectly, any limitation, specification, or discrimination as to a prohibited basis; to make any inquiry of an applicant concerning his or her capacity to reproduce, or his or her use or advocacy of any form of birth control or family planning; to refuse to consider sources of an applicant's income or to subject an applicant's income to discounting, in whole or in part, because of a prohibited basis or childbearing potential; or to discriminate against a married person because such person neither uses nor is known by the surname of his or her spouse.

### **GENDER Expression Non-Discrimination Act (GENDA)**

On February 24, 2019, the Gender Expression Non-Discrimination Act (GENDA) became effective in the state of New York. GENDA bars discrimination, harassment, and retaliation on the basis of "gender identity or expression," which is defined as "a person's actual or perceived gender-related identity, appearance, behavior, expression, or other

gender-related characteristic regardless of the sex assigned to that person at birth, including, but not limited to, the status of being transgender.”

As with conduct based upon an individual’s age, race, creed, color, national origin, sexual orientation, military status, sex, disability, predisposing genetic characteristics, familial status or marital status, the state of New York now:

- prohibits employers or licensing agencies from “refusing to hire or employ or to bar or to discharge from employment” an individual because of an individual’s gender identity or expression
- prohibits discrimination “in compensation or in terms, conditions or privileges of employment” because of an individual’s gender identity or expression
- prohibits employment agencies from “acting upon an application for its services or in referring an applicant or applicants to an employer or employers” because of an individual’s gender identity or expression
- prohibits employers or employment agencies from printing or circulating statements, or from utilizing applications or making inquiries “which express directly or indirectly, any limitation, specification or discrimination” based upon gender identity or expression; • makes it unlawful to deny or withhold admission to or participation in any “occupational training or retraining program” because of an individual’s gender identity or expression; and
- makes it unlawful to discriminate against a person in the terms, conditions or privileges of such programs based upon gender identity or expression

WC complies with the Gender Expression Non-Discrimination Act and ensures that all employees refrains from discrimination, harassment, and retaliation on the basis of gender identity or expression.

### **III. TREATMENT OF APPLICANTS - PROHIBITED CONDUCT**

The Company's employees may not engage in behavior, based upon a prohibited basis.

A "prohibited basis" includes the following: race or color, national origin, religion or creed, sex, marital status, familial status, age, handicap or disability, or the fact that all or part of the applicant's income is derived from any public assistance program, or the fact that the applicant has in good faith exercised any right under the federal Consumer Credit Protection Act (or any similar state law for which the Federal Reserve Board has granted an exemption). Persons who have one or more of the factors listed above often are referred to in this Fair Lending Plan as members of a protected class.

Examples of prohibited conduct include:

- Refusing to assist with certain individuals who inquire about credit
- Discouraging inquiries by indirect methods such as delays, discourtesy or other means, or selectively encourage applicants
- Inquiring about an applicant's capacity to reproduce or his/her use or advocacy of any form of birth control or family planning
- Providing different, incomplete or misleading information to applicants
- Failing to provide information or services regarding any aspect of the lending process (including credit availability, types of loan products, application procedures, or lending standards)
- Discussing or considering only certain types of loan products (such as only FHA loans or sub-prime loans)
- Encouraging or providing more assistance to certain applicants
- Referring certain applicants to other lenders for the sole purpose of refusing to offer credit
- Waiving or granting exceptions to procedures or credit standards for certain applicants and not others

- Using different procedures or standards to evaluate applications
- Using different procedures or standards to obtain or evaluate appraisals
- Providing certain applicants and not others, the opportunity to explain or correct adverse information or to provide additional information.
- Requiring co-signers for certain applicants and not others
- Unfairly varying the terms of credit offered, including the amount, interest rate, term or type of loan
- Offering less favorable credit terms to certain applicants

It is the Company's policy to provide equal access to credit to all applicants, without regard to the area in which the applicant resides or in which the mortgaged property is or will be located. So long as the Company is appropriately licensed to make a loan in the geographic area where the property is located and offers the type of loan the applicant is seeking, all applications will be accepted. Subject to these limitations, employees are prohibited from discouraging applications or refusing to take a loan application based upon the location of the mortgaged property or the applicant's current residence. Employees who do not comply with the policies stated in this Fair Lending Plan may be subject to disciplinary action, which may include termination of employment.

## **MORTGAGE APPLICATION PROCESS**

The following process flow applies where WC's loans are underwritten by third-party creditors to which WC delivers mortgage loans, whether as a broker or a non-delegated correspondent lender in accordance with the licenses granted to WC in the states where the Company originates such mortgage loans. Under the third-party origination process, major fair lending responsibilities, including underwriting and credit decisions, are the responsibility of the creditor in the transaction; however, WC's origination practices must comply with applicable fair lending laws and regulations.

### **A. Meeting with Applicants**

Loan Originators must treat applicants consistently without regard to their race or color, national origin, religion, sex, sexual orientation, gender expression, marital status, familial status, age, or handicap, or any other prohibited basis. Loan Originators are expected to make the Company's products available to all consumers, including members of protected classes and low and moderate-income consumers. Loan Originators must provide appropriate loan related guidance and information to all applicants and must not discourage an applicant from applying for a mortgage loan. Loan Originators must offer the applicant consistent credit terms that are as favorable to the terms offered to other consumers with similar qualifications. When taking a mortgage loan application, Loan Officers are prohibited from inquiring about the applicant's race, color, religion, national origin, or sex except to collect and retain certain information about applicants for certain dwelling-secured loans under Regulation B which implements the Equal Credit Opportunity Act (ECOA) and Regulation C, 12 CFR part 1003, which implements the Home Mortgage Disclosure Act (HMDA). There are no exceptions on inquiring about other forms of prohibited factors, as outlined in this policy.

### **B. Processing**

Loan Processors play an integral role in expediting the consumer's mortgage application and must process all applications consistently without regard to their race or color, national origin, religion, sex, sexual orientation, gender expression, marital status, familial status, age, or handicap, or any other prohibited basis.

### **C. Underwriting**

When the Company acts a lender and underwrites a loan application, all applicants shall be subject to the same underwriting criteria in accordance with the loan product the applicant

selects and based upon applicable Company and/or investor requirements. All loans which may be underwritten by the Company in the future shall be sold to investors. The Company does not intend to retain loans in portfolio. Accordingly, the Company shall originate loans that meet the guidelines established by respective investors. Underwriting practices are consistent with federal and state regulations, agency rules and investor guidelines. Where investors or insurers permit, non-traditional credit and sources of income shall be considered.

#### **D. Adverse Actions - Denials, Counteroffers, Credit Score Exceptions**

Denials, counteroffers, credit score exception and other adverse actions on a mortgage loan application, are subject to review by Management. Credit Score exceptions are based on agency rules and investor guidelines. scores/grades require the concurrence of management and the underwriter. Before denying an application or making a counteroffer, management and underwriters shall consider alternative loan programs for which an applicant may qualify. Adverse Action notices are delivered to consumers no later than thirty days after the date of the application.

#### **IV. COMPENSATION PRACTICES, LOAN PRICING, AND ANTI-STEERING RULES**

WC complies with the compensation rules for mortgage loan originators set forth in Regulation Z, 12 CFR 1026.36, "The Loan Originator Rule", which generally regulates how compensation is paid to a loan originator in most closed-end mortgage transactions, including:

- Prohibiting a loan originator's compensation from being based on the terms of the transaction or a proxy for a transaction term
- Permitting certain methods of compensating loan originators using bonuses, retirement plans, and other compensation plans that are based on mortgage-related profits

- Prohibiting loan originators in a transaction from being compensated by both the consumer and another person, such as a creditor

Loan Originators are prohibited from steering consumers to loan products that yields a higher commission to the loan officer. WC complies with the anti-steering rules under 12 CFR 1026.36(e) (Regulation Z). Loan Originators may enjoy a safe harbor if they offer consumers a product with the following features for each type of transaction in which the consumer expresses an interest:

- The lowest interest rate for which the consumer qualifies;
- The lowest points and origination fees; AND
- The lowest rate for which the consumer qualifies for a loan with no risky features, such as a prepayment penalty, negative amortization, or a balloon payment in the first seven years.

Loan originators may present up to three but not more than four loans per type of transaction. The "type of transaction" means fixed-rate loans, variable-rate loans, or reverse mortgages.

Consumers may select the type of loan they wish to obtain, provided they meet applicable requirements. Loan Originators assist consumers in making decisions about the type of loan that is appropriate for the consumer based upon the consumer's income, debt ratio, assets to close, assets available after closing, and financial needs, credit and ability to repay the loan requested. Loan Originators must (a) provide sufficient information to consumers to enable them to make an informed decision as to the type of loan they would like to receive; (b) explain to consumers the requirements for various types of loans, explaining how and why an applicant may qualify for one type of loan, but not another type of loan, and also explaining whether the consumer meets the underwriting standards that typically would qualify him/her for a conventional or a conforming loan product; and (c) attempt to determine the consumer's needs, both short-term and long-term, and

explain how different products may impact the consumer's credit goals and ability to repay the loan requested.

## **NONTRADITIONAL MORTGAGE PRODUCTS**

WC does **not** offer any mortgage products covered by the *Interagency Guidance on Nontraditional Mortgage Product Risks*. Such products include "interest-only" mortgage and "payment option" adjustable-rate mortgages, interest-only and negative amortization mortgages, with the exception of home equity lines of credit.

## **V. UNFAIR DECEPTIVE ABUSIVE ACTS OR PRACTICES (UDAAP)**

### **Advertisements**

All advertisements are subject to compliance review and approval. Advertisements may not contain any words, phrases, photographs, illustrations, symbols or forms that indicate protected classes are less desirable applicants or that the Company is unwilling to lend to members of any protected class. An advertisement may also not be targeted in an inappropriate manner to members of a protected class, for example, the promotion of a more expensive loan product to a select group of applicants.

Advertising or other conduct considered to be an unfair, deceptive, or abusive acts and practices (UDAAPs) can cause significant financial injury to consumers, erode consumer confidence, and undermine the financial marketplace. WC employees are prohibited from engaging in UDAAPs in connection with any transaction with any consumer. As such, the Company reviews advertisements to ensure that they are fair, and do not increase the difficulty of consumer understanding of the overall costs or risks associated with any mortgage related transaction, which includes evaluation under the Federal Trade Commission's "four Ps" test to evaluate whether a representation, omission, act, or practice

is likely to mislead the consumer.

- i. Prominent - Is the statement prominent enough for the consumer to notice?
- ii. Presentment - Is the information presented in an easy-to-understand format that does not contradict other information in the advertising and at a time when the consumer's attention is not distracted elsewhere?
- iii. Placement - Is the placement of the information in a location where consumers can be expected to look or hear?
- iv. Proximity - Is the information in close proximity to the claim it qualifies?

WC is aware that the representation, omission, act, or practice must be considered from the perspective of the reasonable consumer. In determining whether an act or practice is misleading, WC also considers whether the consumer's interpretation of or reaction to the representation, omission, act, or practice is reasonable under the circumstances. In other words, whether an act or practice is deceptive depends on how a reasonable member of the target audience would interpret the representation.

As such, WC is aware that when representations or marketing practices target a specific audience, such as older Americans, young people, or financially distressed consumers, the communication must be reviewed from the point of view of a reasonable member of that group.

WC is also aware that a representation may be deceptive even if the majority of consumers in the target class do not share the consumer's interpretation, so long as a significant minority of such consumers is misled. Under the Dodd-Frank Act, when an advertisement conveys more than one meaning to reasonable consumers, one of which is false, the advertiser is generally liable for the misleading interpretation. (Dodd-Frank Act, Title X, Subtitle C, Sec. 1036; PL 111-203 (July 21, 2010).

The Dodd-Frank Act also informs that practice or act is unfair when:

- It causes or is likely to cause substantial injury to consumers;
- The injury is not reasonably avoidable by consumers; and
- The injury is not outweighed by countervailing benefits to consumers or to competition

## **VI. THIRD-PARTY PROVIDERS**

It is the policy of WC to require third-party vendors engaged by WC to perform mortgage and business-related services to comply with this fair lending policy.

## **VII. TRAINING**

It is the policy of WC to train all employees and management regarding fair lending guidelines annually. Topics will be developed by senior management or the delegated trainer and will include this policy and changes in applicable laws, regulations and interpretive guidelines.

## **VIII. RECORD RETENTION**

The following lending records will be retained by WC for a period of 5 years:

- Loan applications packages, including consummation documents
- Real estate appraisals
- Adverse action notices
- Complaints and Management response and remediation

## **IX. REGULATION B: EQUAL CREDIT OPPORTUNITY ACT POLICY AND THE FAIR HOUSING ACT**

### ECOA - PROHIBITED ACTIVITY

No officer, employee, or other agent of WC shall discourage any applicant from applying for or seeking credit on the grounds of any prohibited basis. All applications, whether individual or business, written or oral, in person or by telephone, will be similarly and fairly evaluated. All application evaluation systems used by WC will not discriminate among applicants by using any of the prohibited bases as variables. Further, WC will not discriminate on the basis of any of the prohibited factors in any aspect of the loan application, servicing, or collection process.

As required by the ECOA, WC may not, on a prohibited basis:

- Fail to provide information or services or provide different information or services regarding any aspect of the lending process, including credit availability, application procedures, or lending standards.
- Discourage or selectively encourage applicants with respect to inquiries about an application for credit.
- Refuse to extend credit or use different standards in determining whether to extend credit.
- Vary the terms of credit offered, including the amount, interest rate, duration, or type of loan,
  - i. Use different standards to evaluate collateral.
  - ii. Treat a borrower differently in servicing a loan or invoking default remedies.
  - iii. Use different standards for pooling or packaging loans in the secondary market.
  - iv. Express, orally or in writing, a preference for or against protected applicants.
  - v. Discriminate because of a person associated with a credit application.
  - vi. Discriminate because of the present or prospective occupants of the area where property to be financed is located

## FHAct - PROHIBITED ACTIVITY

As required by the Fair Housing Act, it shall be unlawful for any person or entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available loans or other financial assistance for a dwelling, or which is or is to be secured by a dwelling, because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.

WC may not perform the following, on a prohibited basis but are not limited to:

- Failing or refusing to provide to any person information regarding the availability of loans or other financial assistance, application requirements, procedures or standards for the review and approval of loans or financial assistance or providing information that is inaccurate or different from those provided others, because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin
- Providing, failing to provide, or discouraging the receipt of loans or other financial assistance in a manner that discriminates in their denial rate or otherwise discriminates in their availability because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin
- Conditioning the availability of a loan or other financial assistance on a person's response to harassment because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin
- Subjecting a person to harassment because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin that affects the availability of a loan or other financial assistance

WC will not discriminate in the terms and conditions for making available loans or other financial assistance.

WC may not, on a prohibited basis

- Engage in the making of loans or in the provision of other financial assistance relating to the purchase, construction, improvement, repair or maintenance of dwellings or which are secured by residential real estate to impose different terms or conditions for the availability of such loans or other financial assistance because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.

WC will not participate in the following unlawful conduct:

- Using different policies, practices or procedures in evaluating or in determining creditworthiness of any person in connection with the provision of any loan or other financial assistance for a dwelling or for any loan or other financial assistance which is secured by residential real estate because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.
- Determining the type of loan or other financial assistance to be provided with respect to a dwelling, or fixing the amount, interest rate, cost, duration or other terms or conditions for a loan or other financial assistance for a dwelling or which is secured by residential real estate, because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.
- Offering financial assistance with respect to dwellings in a manner that discriminates or providing such loans or financial assistance with other terms or conditions that discriminate, because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.
- Conditioning an aspect of a loan or other financial assistance to be provided with respect to a dwelling, or the terms or conditions thereof, on a person's response to

harassment because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin.

- Subjecting a person to harassment because of race, color, religion, sex, sexual orientation, gender expression, handicap, familial status, or national origin that has the effect of imposing different terms or conditions for the availability of such loans or other financial assistance.

## **X. NOTIFICATION REQUIREMENTS**

WC is required to notify one of the applicants on the credit application of WC's decision, to the extent WC is the lender on the transaction, or in the alternate, the decision of the lender, favorable or adverse, with respect to a completed application within 30 days of receipt of the completed application at WC. If any applicant has not furnished WC with all of the information requested on the application or that is normally received for the type of credit being requested, the application will be considered incomplete and the applicant will be notified within 30 days that additional information will be needed. A notice of favorable or adverse action will be provided.

### **NOTIFICATION OF FAVORABLE ACTION**

- Notification is to be given in the form of a notice of the loan approval and at closing, disbursement of the loan proceeds.

### **NOTIFICATION OF ADVERSE ACTION**

- Notification is to be given to the applicant in a written notice containing a statement of the action taken, the name and address of the lender on the transaction, the ECOA notice contained in paragraph 1002.9(b)(1) of Regulation B, and one of the following:
  - i. A statement of the specific reasons for the action taken

- ii. Disclosure of the applicant's right to receive such a statement within 30 days of the applicant's request (in the latter event, the applicant's request must be received within 60 days of the adverse action notice)
- iii. The name, address, and telephone number at which the statement of specific reasons for the adverse action may be requested

## INCOMPLETE APPLICATIONS

- If an application does not contain all the information needed to make a credit decision and the lender on the transaction does not choose to deny the application on this basis, WC will provide the applicant with a notice within 30 days as provided by the lender on the transaction, after receipt that the application is incomplete. This notice must contain, at a minimum, the following:
  - i. An itemized list of the information needed to complete the application
  - ii. A reasonable time frame for providing the information
  - iii. A notice that failure to provide the additional information will result in WC not considering the application for credit

## **XI. REGULATION C: HOME MORTGAGE DISCLOSURE ACT POLICY**

The Home Mortgage Disclosure Act (HMDA), which Congress enacted in 1975, requires certain financial institutions to collect, record, report, and disclose information about their mortgage lending activity. Regulation C implements HMDA and sets out specific requirements for the collection, recording, reporting, and disclosure of mortgage lending information.

The data-related requirements in HMDA and Regulation C serve three primary purposes:

- i. To help determine whether financial institutions are serving their communities' housing needs;
- ii. To assist public officials in distributing public investment to attract private investment; and

- iii. To assist in identifying potential discriminatory lending patterns and enforcing antidiscrimination statutes.

## COLLECTION OF GOVERNMENT MONITORING INFORMATION

Government monitoring information (GMI) refers to the loan applicant demographic data creditors must collect under Regulation B, which implements the Equal Credit Opportunity Act (ECOA), and Regulation C, which implements the Home Mortgage Disclosure Act (HMDA), when consumers apply for certain mortgage loans.

## GOVERNMENT MONITORING INFORMATION DATA UNDER CURRENT HMDA Rule

All reportable data will be recorded within thirty (30) calendar days after the end of each calendar quarter. WC employees will collect the following required data for each reportable loan:

- An identifying number for the loan or loan application;
- The date the application was received;
- The type of loan or application
- The property type to which the loan or application relates;
- The purpose of the loan or application;
- The owner-occupancy status of the property based on the loan or application;
- The amount of the loan or the amount applied for;
- Whether the application is for a preapproval and whether it resulted in a denial or in an origination;
- The type of action taken;
- The date action was taken;
- The location of the property that relates to the application;
- The ethnicity, race, and sex of the applicant and each co-applicant;

- The gross annual income relied on in making the credit decision for transactions involving a 1-4 family dwelling;
- The type of entity purchasing a loan the institution originates or purchases and then sells within the same calendar year;
- Loan pricing rate spread information;
- HOEPA status; and,
- Lien status.

## **XII. FAIR LENDING COMPLAINTS**

WC considers consumer complaints seriously and if received, the Company will take the following steps to address and resolve the complaint:

- All complaints will be referred to the Compliance/Fair Lending Officer
  - Provide immediate acknowledgement of the complaint to the consumer and resolve immediately, if possible
  - If the complaint cannot be resolved immediately, inform the consumer what measures will be taken to investigate and provide a timeframe for response
  - If applicable, respond to, or notify the appropriate regulator about the complaint and ongoing measures to resolution, noting that a formal response will be forthcoming
  - Conduct the investigation or escalate to senior management if appropriate
- The Compliance/Fair Lending Officer will maintain complete documentation concerning the complaint and the results of the Company's investigation.

- When the investigation is complete, the Company will notify the consumer of the results of its investigation and all management action, response and resolution and determine whether the response satisfies the consumer's concerns
- All complaints will be resolved in not later than 30 days from the date the Company received the complaint from the consumer, or regulator, as applicable
- Complaints, resolutions and other applicable matters, shall be retained for a period of no less than five years
- If an investigation reveals discriminatory or unfair lending practices, the Company will take appropriate corrective action as recommended in question number 6 of the Joint Policy Statement on Discrimination in Lending, dated March 1994; and as republished in the FHFA's Policy on Fair Lending, July 9, 2021. This action may include but is not limited to the following:
  - i. Identifying customers whose applications may have been inappropriately processed, offering to extend credit if they were improperly denied, compensating them for any damages, both out-of-pocket and compensatory, and notifying them of their legal rights
  - ii. Correcting any institutional policies or procedures that may have contributed to the discrimination
  - iii. Identifying, and then training and/or disciplining, the employees involved
  - iv. Considering the need for community outreach programs and/or changes in marketing strategy or loan products to better serve minority segments of the lender's market
  - v. Improving audit and oversight systems to ensure that there is no recurrence of the discrimination

### **XIII. TRAINING**

WC will ensure its employee training addresses discrimination based upon gender identity or expression, for all managerial, supervisory, and other employees about specific conduct that is prohibited, as well as behaviors that are expected, to promote lawful treatment of all individuals regardless of their gender identity or expression. The training will include conduct that constitute gender stereotyping, and the applicability of existing anti-harassment and anti-retaliation prohibitions to conduct based upon an individual's gender identity or expression. Additionally, training will educate employees and agents about the prohibitions against withholding or denying the loan applications based upon gender identity or expression.

Any employee who violates this policy will be subjected to disciplinary action up to and including termination of employment.

### **XIII. ADOPTION**

Management Statement of Approval: The Management of WC adopts and approves this Fair Lending Policy as reasonably designed to enable WC Management to remain compliant with Fair Lending and CRA laws and regulations through robust management of lending activity, awareness, and training.

### **XV. POLICY REVISIONS**

WC reviews this policy periodically to determine whether it remains responsive to our Compliance Management System.

- **Management's Last Policy Review:** January 17, 2023