HELOC – Procedure

I. How to Log In

1. Go to **[figure.com/leadportal]**

2. Use your **Loan Factory credentials** to log in.

    - Use your **Loan Factory email address**.
    - If you are already logged into the Loan Factory Dashboard, you'll be logged in automatically with **Single Sign-On (SSO)**.

3. Resources:
    - [Figure Log-In Instructions Google Doc]
    - [Log-In Video Link]
    - Figure HELOCs Resource

II. Important Notes When Working with Figure

- **Debt Payoff Eligibility**: Figure can pay off existing second liens or liens on properties, as well as credit cards, installment loans, personal loans, auto loans, and home improvement loans.

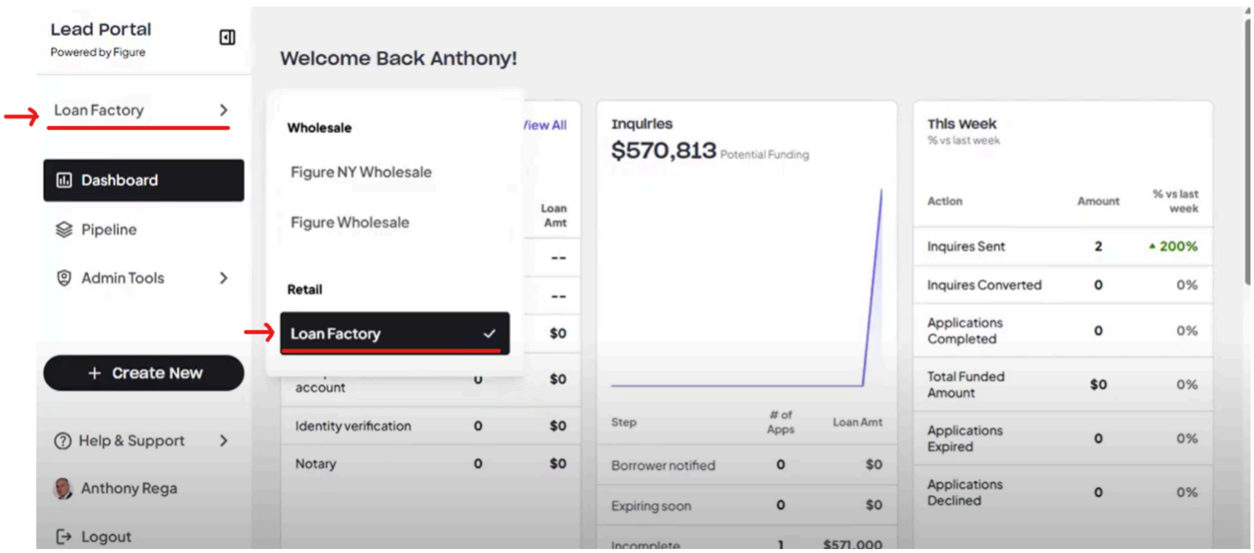
- **Loan Amount**: Up to **$750,000**.
- **Appraisal Requirement**:
    - Property purchase price **over $400,000** → Appraisal required.
    - Property purchase price **under $400,000** → No appraisal required. Automated AVM will be used.
- **Origination Fee**:
    - Options: **1.99%**, **3.99%**, or **4.99%**.
    - This is a one-time fee that covers loan processing.
    - The fee is **added to the loan amount** (no out-of-pocket cost).

- **Underwriting**: Figure does **not** use an underwriter. The system is fully automated → no manual negotiation with underwriting. Most likely link bank account for income calculation
- **Figure does not normally collect income documents like paystubs or tax returns**. Instead, they rely on **bank account linking** and system-driven verification to assess income and ability to repay. Only if there's a discrepancy would they issue a condition for

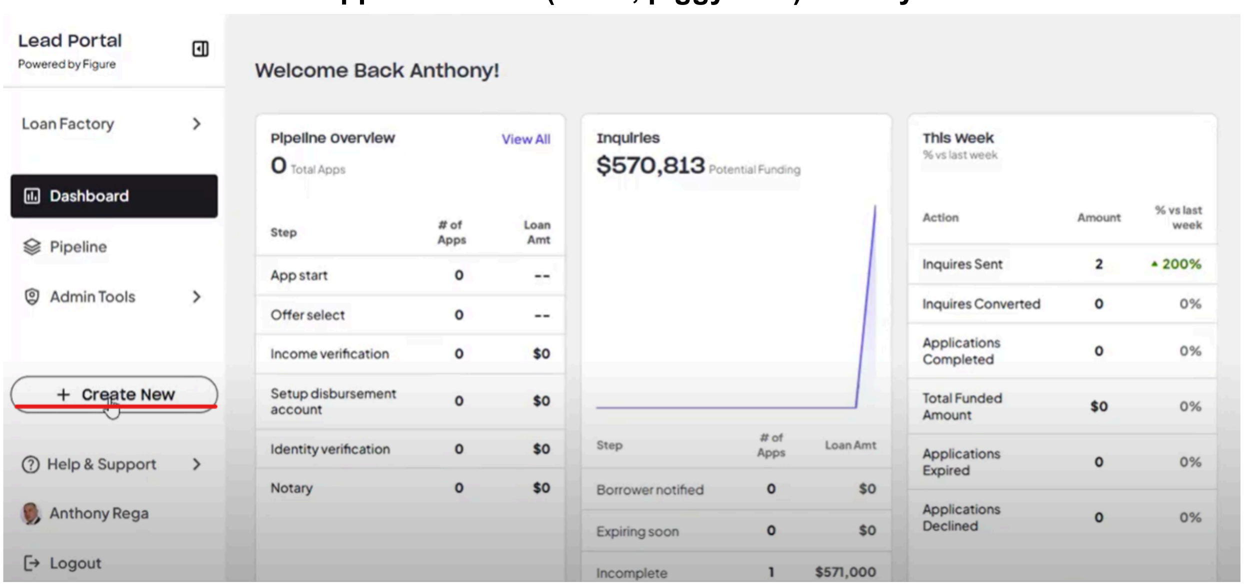
supporting docs.

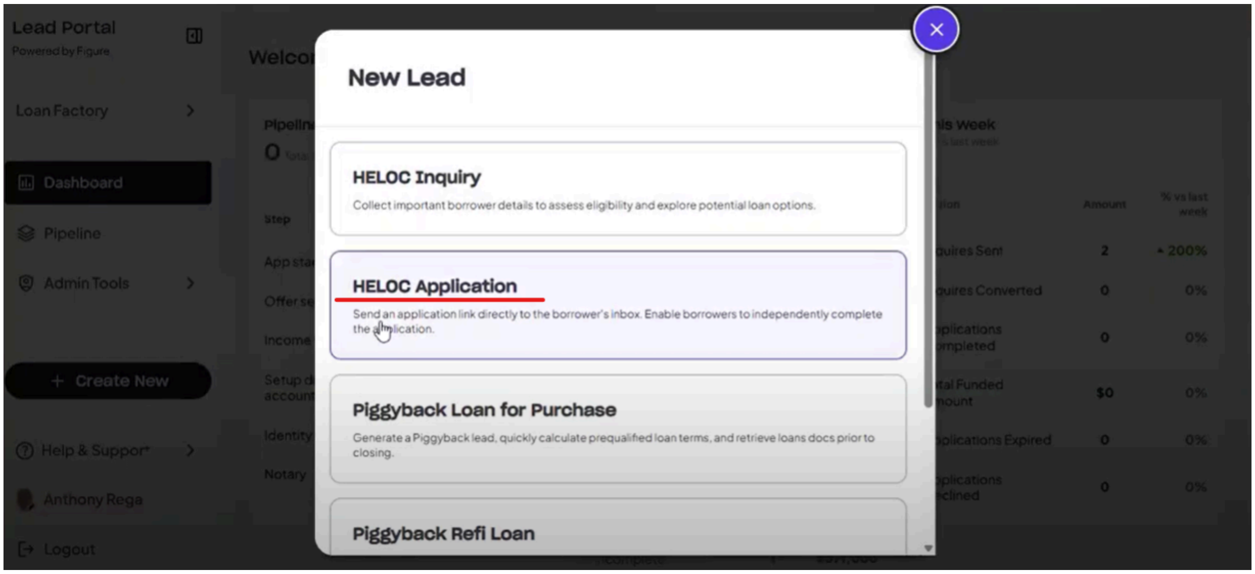
III. For New Leads

1. **Choose the correct lender**:
    - **New inquiries**: Go to **Dashboard → Choose Retail "Loan Factory"**.
    - **Existing pipeline**: It should appear under **"Figure Wholesale"**.



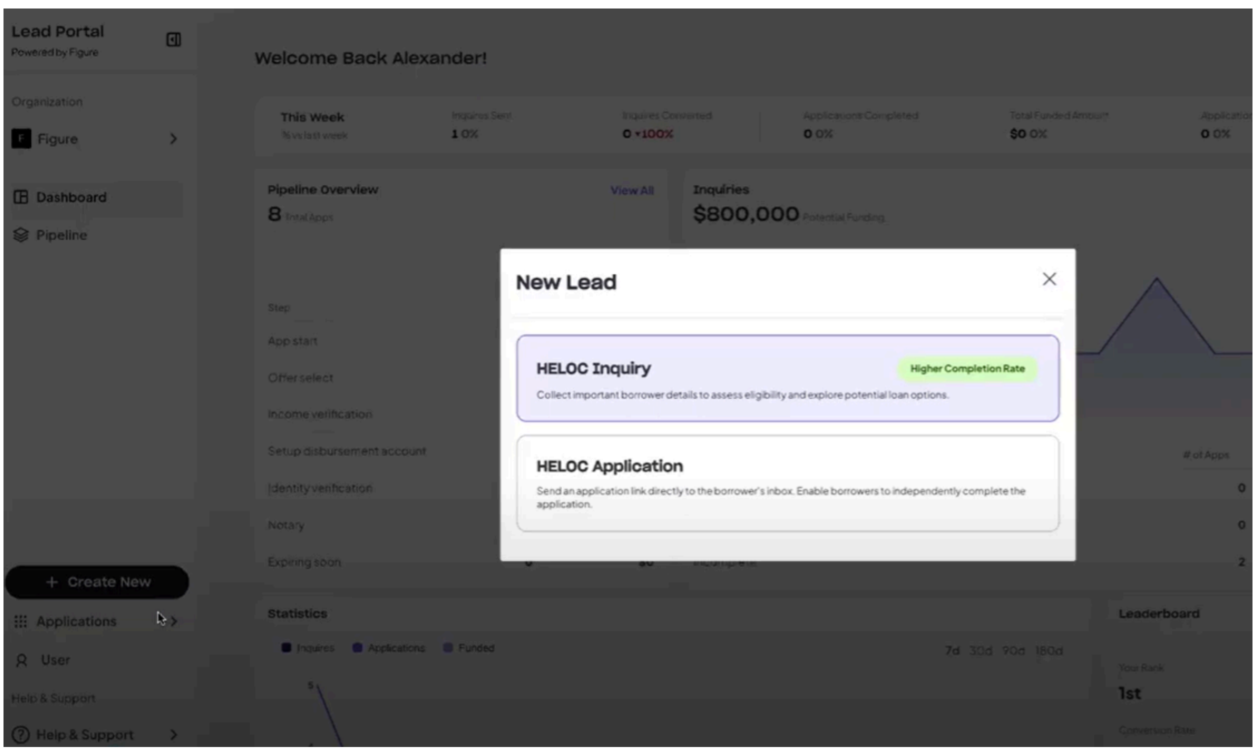
2. You can email the application link (heloc, piggyback) directly to the borrower.





3/ 2 main tools

- **Inquiry Tool:** LO enters borrower info → system performs a soft credit pull → displays available HELOC offers.
- **Referral Link:** Send a link directly to the borrower for them to enter their info. Useful for acquiring new clients.

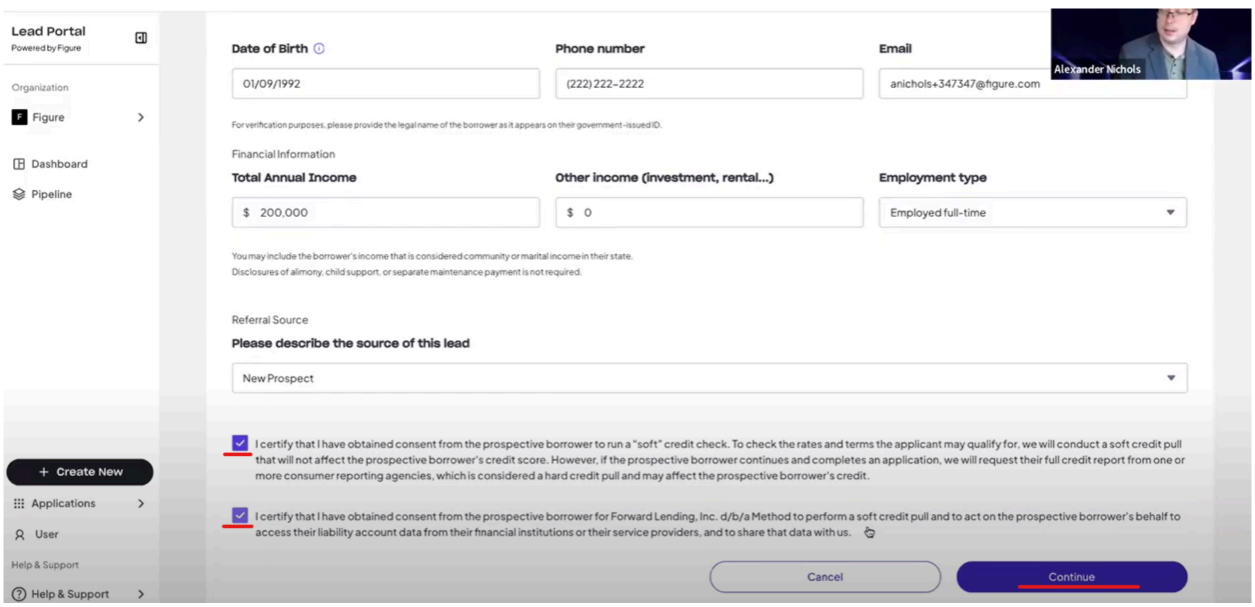


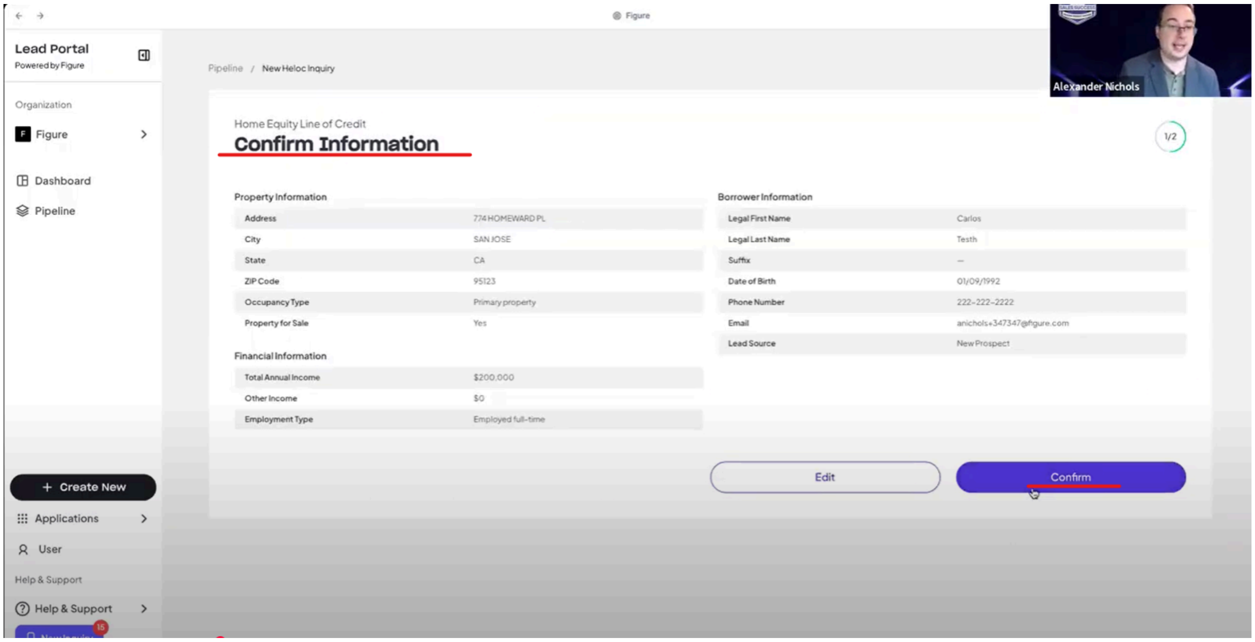
Inquiry Tool Option

Step 1: Complete page 1 of Inquiry tool - Enter Borrower Information (Inquiry Tool)

- Property Address: Must be exact for AVM (Automated Valuation Model) appraisal.
- Occupancy Type: Primary, Secondary, or Investment.
- Listing Status: Indicate if the property is listed or unlisted (We can not do loan for property that listed for sale)
- Borrower Name & Email: Use legal name from ID (include hyphenated or double last names).
- Financial Information:
    - Enter gross annual income (includes salary, bonus, overtime, rental, investment, retirement, and spouse's income if applicable).
    - Borrowers can link online accounts (checking, payroll, tax accounts) for automated verification. Figure take the highest out of what they link, If the borrower link up checking and it doesn't verify enough, but they link up their taxes and the taxes verify more, we'll go with the taxes

(You complete the both pages of the inquiry, it will then send them an email with your name on there inviting them to apply to the loan factory's heloc)



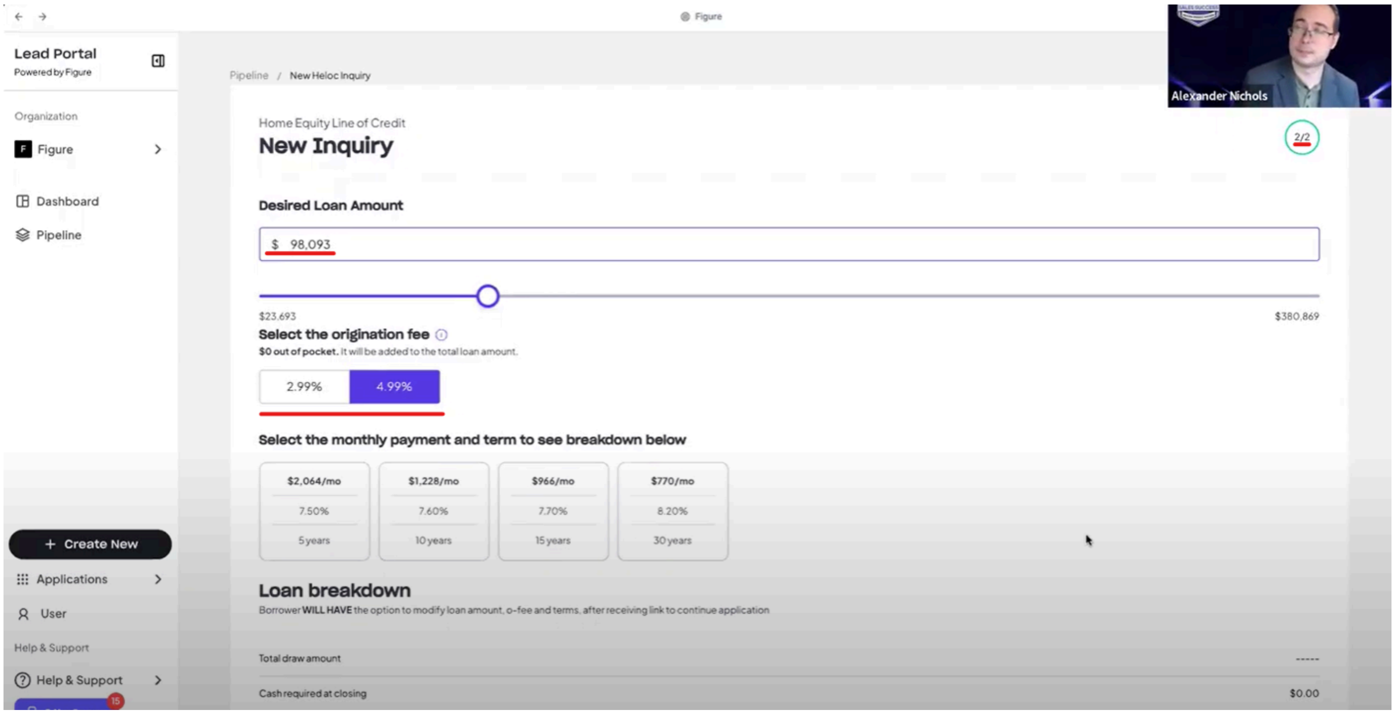


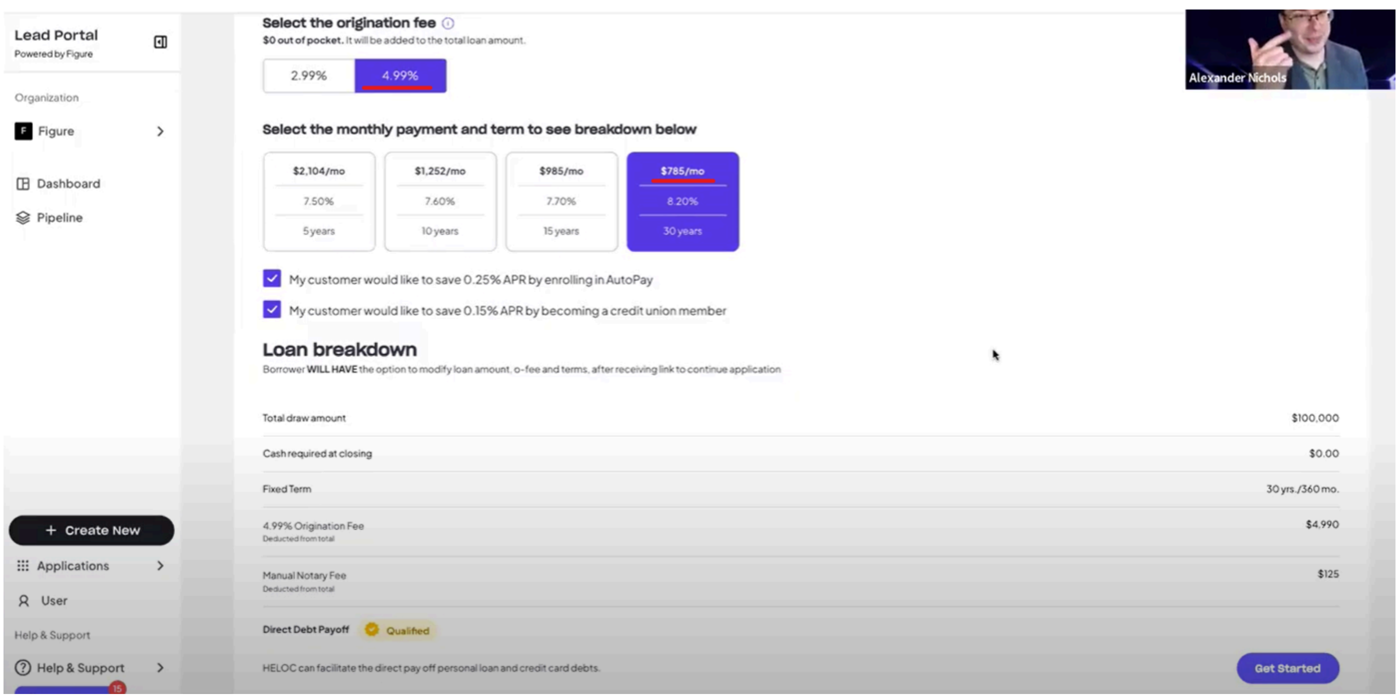
Step 2: Soft Credit Pull & Offer Generation

- Provide borrower's consent for a soft credit pull (Snippet above)
- The system runs through AUS and AVM (less than 20 seconds).
- LO immediately sees available HELOC offers with:
  - Loan amount, full disbursement.
  - Origination fee and real-time rate adjustments.
  - Fully amortized principal + interest payments.
  - Promotional discounts (autopay, partner credit union).

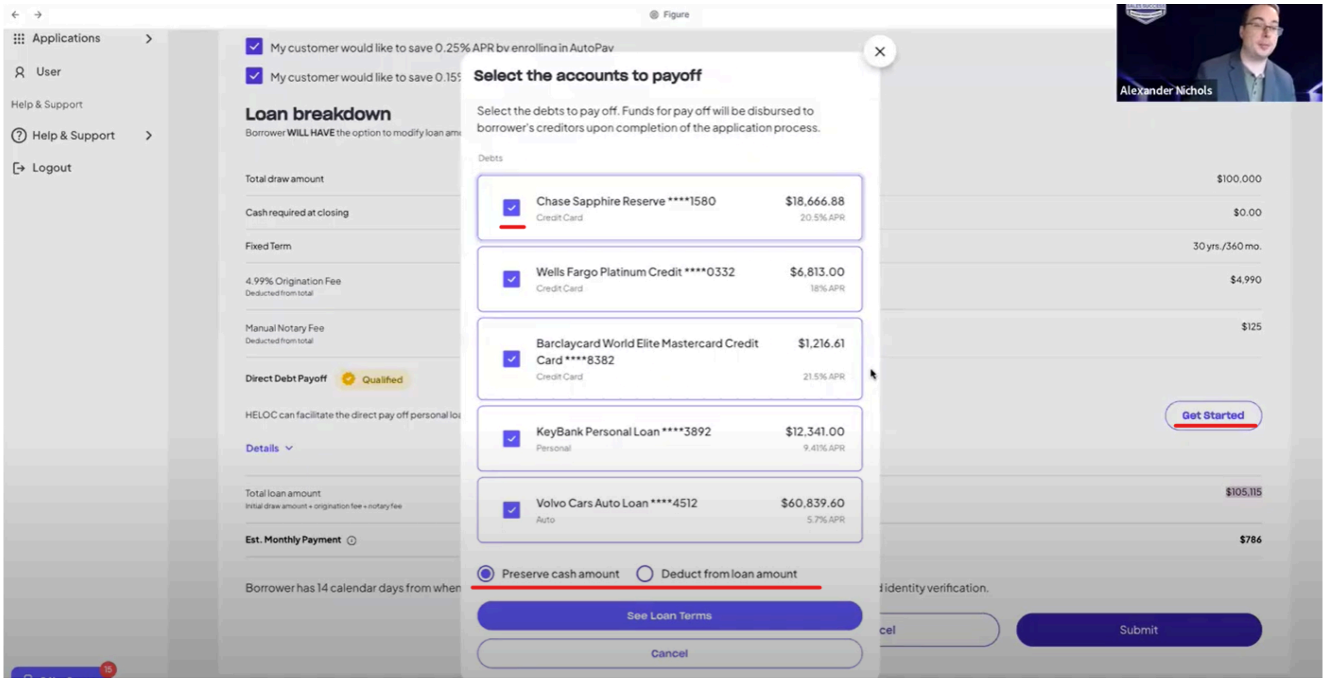
Step 3: Complete page 2 of the Inquiry tool - LO immediately sees available HELOC offers with:

- **Loan Amount:** Full disbursement at closing (typically $100k example).
- **Origination Fee:** This is not broker comp, this is Figure's standard fee that can be adjusted to change the interest rate.
  - Higher origination fee → lower interest rate
  - Lower origination fee → higher interest rate
- Fully amortized principal + interest payments.
- Promotional discounts (autopay, partner credit union).



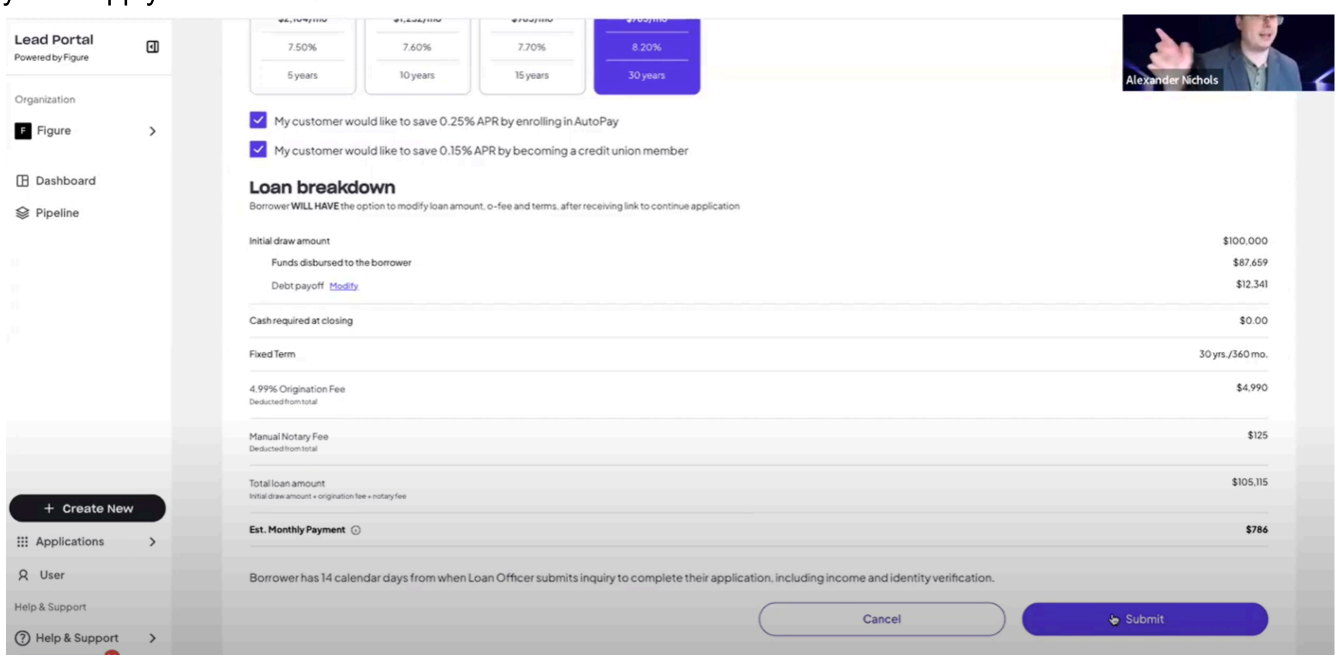


- **Hit get started and select the account to payoff:** This will show us every debt eligible to be paid off through the method. The key point here is that these debts come directly from the soft credit pull. You cannot manually enter them. They must appear on the screen in order to be eligible. Even better, the method handles the payoff automatically. Neither you nor your borrower need to take any action. Eligible debts include credit cards, personal loans, auto loans, and home improvement loans.



Step 4: Present Offers to Borrower

After completing 2 pages of the Inquiry tool => Click "Submit" it's going to send an email with your name on there. It's going to be a loan factory email saying, "Hello, "LO name" is inviting you to apply to a HELOC."



- The borrower can accept, modify, or complete the application online via any device.
- LO can assist, answer questions, or upload documents for borrowers if needed.

Referral Link Option

Referral Link (for New Clients)

- Share link via email, QR code, or website.
- Borrower completes initial info and sees potential offers before LO.
- Use for marketing and building a long-term client database.

Comparison between Inquiry Tool and Referral Link

Feature	Inquiry Tool	Referral Link
Best for	Existing / known clients	Attracting new clients
Pull-through rate	Higher (≈50% more successful)	Lower than Inquiry Tool
Who enters info	Loan officer → fewer mistakes	Borrower → may cause errors
Data accuracy	High	Moderate
Extra functionalities	AVM issues, lien verification, multi-properties	Not available
Offer visibility	LO sees results first	Borrower sees offers/declines first
Distribution method	Direct input by LO	Share via email signatures, QR codes, flyers
Recommended use	Precision + higher conversion with known clients	Lead generation + database building with new clients

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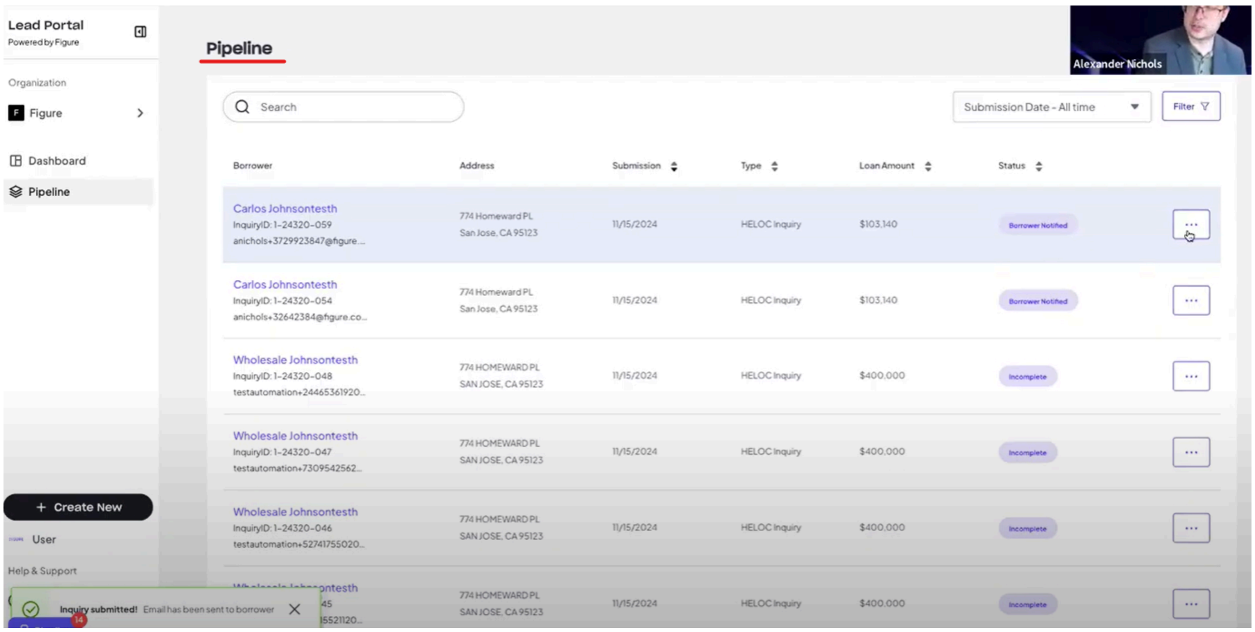
Monitoring & Profile Management

1. Pipeline & File Management

- Loan officers can view all files in the **pipeline**: inquiries, HELOC applications, and piggybacks.
- Each file shows borrower status (e.g., *“borrower notified”*), underwriting details, AVM, FICO, progress bar, property liens, and offers.
- Borrower and LO both receive milestone email notifications.



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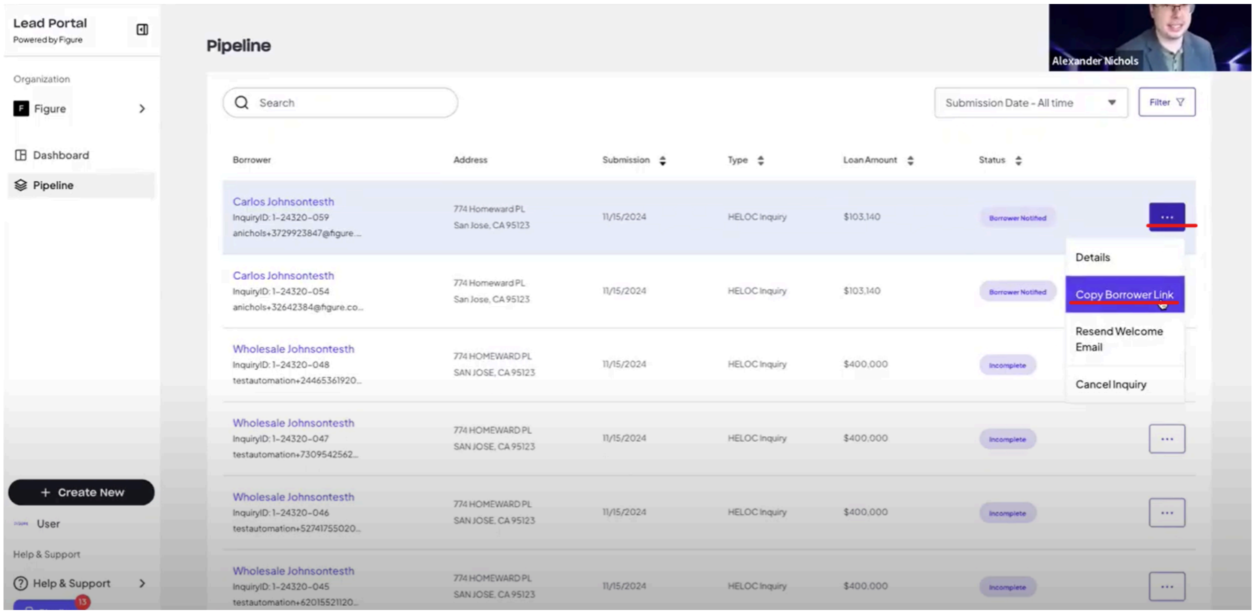
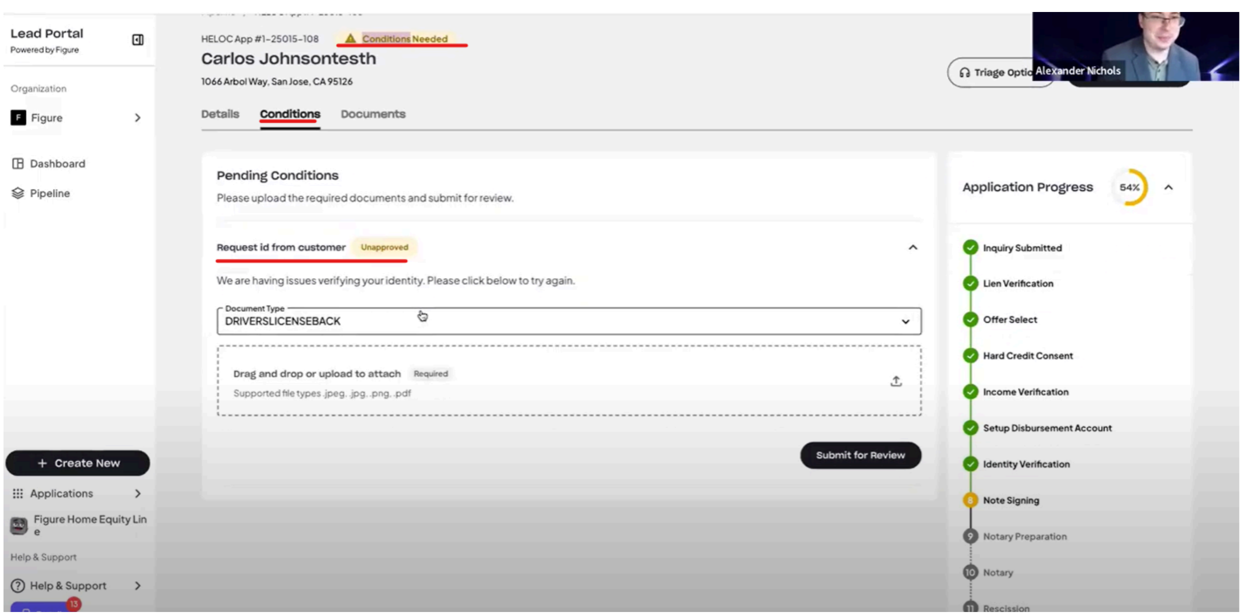
2. Borrower Links

- **Copy Borrower Link**: generate a direct application link to share via email or text.
- Works on mobile, making it easy to send personalized invites.



3. Conditions Handling

- If the system detects discrepancies, conditions are placed (e.g., need for updated ID or marriage certificate) => Borrower and LO are both notified.
- LO can upload documents on behalf of the borrower.



4. Profile Customization

- LO profile (name, photo, contact) displays in the borrower's application.
- Creates a personalized borrower experience.

5. Borrower Support

Borrowers have **phone & chat support**, staffed by customer operations (acting as Loan Factory employees). The borrower can call in or they can chat in (Chat is fastest, allows attaching documents)

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6. Texas-Specific Rules

- Primary residence only (no investment properties).
- **12-day cooling-off period** before notary.
- Notary must be at a **recording office**.
- No listed properties allowed.

⚡**In short**:

- **HELOC Workflow** = borrower-facing, with inquiry tool (preferred) or referral link, conditions handling, borrower/LO notifications, and support team assistance.

- **Piggyback Workflow** = LO-driven, streamlined, using LO's data, minimal borrower steps, supported by a calculator tool.

Piggyback Application Workflow

1. Start a New File
    - From dashboard → *Create New* → select **Piggyback for Purchase** or **Piggyback for Refi**.
2. Eligibility Check & Calculator
    - Eligibility criteria shown upfront.
    - Enter borrower info (FICO, purchase price, loan amount, etc.).
    - Use **calculator** to generate estimated rates (with/without autopay discount).
3. Strategize with Borrower
    - Share results during the borrower presentation.
    - Option to stop here (saved in pipeline) or continue if the borrower is interested.
4. Proceeding with the Application
    - From *Options Menu* → Continue.
    - Enter/update loan terms (closing date, DTI including 1st lien + piggyback, etc.).
    - Upload MSMO and borrower details.
    - Submit lead → borrower receives link to apply.
5. Borrower's Part
    - Borrower creates account, e-signs disclosures, reviews terms.
    - Provides autopay authorization.
    - Very short/streamlined process.
6. Rate Lock
    - LO can lock immediately or later.
    - 60-day lock option available.
    - Loan terms can be recalculated anytime.
7. Final Loan Terms
    - After borrower completes disclosures:
        - Verify actual closing date, DTI, property info, fees, and warranty deed.
        - Submit final loan terms → borrower signs **HELOC Credit Agreement**.
8. Tasks & Documentation
    - Additional docs required (funding date, deed, supporting docs).
    - Uploaded → reviewed by operations.

9. Key Product Features

- Full disbursement at closing (not revolving like credit card).
- Recast if borrower prepays ≥10%.
- Max CLTV: 90% (primary), 85% (investment).
- Loan amounts up to $800K.
- No appraisal or title fee (except small county/Tx exceptions).
- Origination fee only (varies by state/product).
- Comp: 2% standard, reduced if listed property.

10. Borrower Use of Funds

- No restrictions: home improvement, debt payoff, business, investment property down payment, etc.