

July 19, 2017

Loan Operations Policy

Credit Exception Policy

Policy Date:7/18/17

Western Bancorp recognizes that there is an inherent credit risk in granting loans. Accordingly, all Western Bancorp Underwriters will exercise sound judgment and comply with established underwriting guidelines and standards when evaluating loan applications.

Western Bancorp recognizes that there may be circumstances where exceptions to published underwriting guidelines may be warranted. Underwriting exceptions can vary in magnitude and severity and will be considered on a case by case basis, at the sole discretion of Western Bancorp.

Western Bancorp Underwriters may only approve loan files that meet the published guidelines up to their delegated loan limit and product authority, but may recommend a loan file for guideline exception review and approval. All exceptions to the posted guidelines, must be reviewed and approved by one of the following employee delegates of Western Bancorp: Underwriting Manager, Operations Manager, and CEO or by majority vote of the Credit Committee.

It is the responsibility of the Underwriter to identify any and all exceptions to guideline for the loan program requested, and if recommending for loan exception approval, to escalate the loan file with all mitigating compensating factors to the appropriate management delegate for exception review and consideration.

Additionally, Western Bancorp Customer Service Representatives and Account Executives may also request a guideline exception on behalf of their assigned mortgage brokers, prior to and after loan submission in accordance with Credit Exception Request Procedure.