

POTENTIAL LOSS

EFFECTIVE NOVEMBER 2025

ACCOUNT # _____

STAFF INITIALS _____

TO DETERMINE THE POTENTIAL LOSS OUR CREDIT UNION IS WILLING TO TAKE PER BORROWER/CO-BORROWER, THE FOLLOWING FORMULA WILL BE USED IF AGGREGATE LOAN BALANCES OWED TO MUSKEGON FEDERAL CREDIT UNION WILL EXCEED \$50,000.00.

SECURED DEBT

1. FIRST MORTGAGE WITH MFCU

MORTGAGE APPRAISAL	a	_____
FIRST MORTGAGE CURRENT LOAN BALANCE	b (-)	_____
TOTAL	c	_____
25% X B	d	_____
C-D = POTENTIAL LOSS	e	_____

2. HOME EQUITY WITH MFCU

MORTGAGE APPRAISAL	a	_____
FIRST MORTGAGE CURRENT LOAN BALANCE (IF SAME HOME AS #1)	b (-)	_____
SECOND MORTGAGE ORIGINAL LOAN AMT	c (-)	_____
TOTAL	d	_____
(B + C) X 50%	e	_____
D-E = POTENTIAL LOSS	f	_____

3. SECURED VEHICLE LOAN WITH MFCU

SALE PRICE OR NADA RETAIL X 90%	a	_____
CURRENT LOAN BALANCE	b (-)	_____
TOTAL	c	_____
50% X C	d	_____
C-D = POTENTIAL LOSS	e	_____

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4. SECURED OTHER LOAN WITH MFCU

SALE PRICE OR NADA RETAIL X 90%	a	_____
CURRENT LOAN BALANCE	b (-)	_____
TOTAL	c	_____
50% X C	d	_____
C-D = POTENTIAL LOSS	e	_____
POTENTIAL LOSS ON SECURED LOANS = (1e + 2f + 3e + 4e)	f	_____

UNSECURED DEBT

5. UNSECURED DEBT WITH MFCU

VISA	a	_____
OTHER UNSECURED LOAN	b (+)	_____
TOTAL	c	_____
POTENTIAL LOSS ON UNSECURED LOANS	d	_____

AGGREGATE POTENTIAL LOSS (5d + 4f) = _____

WE WILL NOT ALLOW THE TOTAL POTENTIAL AGGREGATE LOSS TO EXCEED \$50,000.00 WITHOUT A WRITTEN EXPLANATION AS TO WHY AND THE APPROVING INITIALS OF EITHER THE PRESIDENT OR THE BOARD OF DIRECTORS.

_____ PRESIDENT/BOARD INITIALS