

Credit

LOX (Letters of Explanation)

Any and all derogatory credit must be addressed in a LOX FROM THE BORROWER. The letter must be signed and dated. The letter must reference in detail, what happened to create the negative information, how it was resolved and what the borrower has done to ensure the situation will not happen again.

The borrower must also provide supporting documentation to validate the letter of explanation. The supporting documentation and explanation must be consistent with other credit information in the file.