



Fair Lending Policy

Horizon Bank will make its credit products available to all qualified applicants without discrimination on the basis of race, ethnicity, color, religion, sex, marital or familial status, age, national origin, handicap, receipt of income from public assistance, or good faith exercise of rights under the Federal Consumer Credit Protection Act (herein "Prohibited Bases"). It is and shall be the Bank's policy not to discourage, in advertising or otherwise, the completion of an application for credit by any applicant and ensure equitable treatment of all applicants in negotiating the interest rate and points. Any advice, counseling, or other assistance offered to any credit applicant shall be offered to all credit applicants regardless of any Prohibited Bases.

The Bank will have a "second review" by another loan officer for all home equity and mobile home applications that have been denied. The second officer will note the results of his/her second review by date and initial.

On a monthly basis, the Mortgage Loan Underwriting Supervisor will review and document a minimum of 10% of denied files prior to the adverse action notice being mailed to the customer. The written report will be reported to Mortgage Banking Committee; in addition, the Vice President of Mortgage Operations will conduct a review of 100% of denied closed files to determine compliance with the Bank's procedures as defined in Mortgage Loan Policy – Approvals / Adverse Actions.

The Bank will design its advertising and other public communications to make clear that the Bank does not discriminate on any Prohibited Bases, and that the Bank welcomes an opportunity to have a banking relationship with every member of the community. The Bank's Senior Compliance Analyst or Compliance Officer will review advertising submitted by Marketing to ensure that no advertisement expresses, implies, or suggests a discriminatory preference or a policy of exclusion in violation of the Fair Lending laws. The Internal Audit department will incorporate a review of advertising in compliance testing.

The Bank shall provide appropriate training and education to lending and branch personnel regarding applicable laws, rules, and regulations that pertain to this policy. The Bank's Senior Compliance Analyst or Compliance Officer will work with managers to establish the annual training requirements of each lending advisor and the Learning and Development department will monitor each lending advisor's progress toward meeting their training requirements. Additionally, the Bank's Board of Directors will receive annual Fair Lending training.

The President is responsible for implementing this policy. The President and the Senior Compliance Analyst or Compliance Officer will ensure that each lending area develops adequate procedures and internal controls to comply with the requirements and intent of this policy and all applicable laws, rules, and regulations. In addition, all lending areas must require their vendors (for example, auto dealers, appraisers and title companies) to comply with all applicable laws, rules and regulations. The Compliance Committee will assist the Senior Compliance Analyst or Compliance Officer in carrying out his/her duties and provide communication among the various loan departments.

Internal Audit will perform periodic reviews and data analysis to identify possible discriminatory lending patterns. All audit and examination findings pertaining to Fair Lending shall be promptly reported to the Board Audit Committee.