



Flanagan State Banks

Guide to FHA Disclosures

This reference guide outlines the packet that is provided for Initial Disclosures when using FSB Mortgagebot for disclosing. The documents are listed in the order the system prints the forms.

Form Name	Description	Required for
Acknowledgment of Receipt of RESPA's Homeownership Counseling Organization List	<p>The purpose of this disclosure is to confirm that the borrower received a copy of the Homeownership Counseling List. The list provides them with Homebuyer Education available to them in the area they live in.</p> <p>**Please note that this form requires the LO to complete 2 sections by hand. 1) Please circle Lender or Broker in the 2nd paragraph and 2) complete the date on the Read and acknowledged line above the signature lines.</p>	Correspondent & Broker
FHA Loan Underwriting and Transmittal Summary	<p>This is the equivalent of a 1008 Transmittal Summary that is provided on Conventional Loans. The borrower does not need to do anything with this form</p>	Correspondent & Broker
HUD/VA Addendum to Uniform Residential Loan Application	<p>Also known as the 92900-A form. This is a 5 page document that will require signatures as follows:</p> <p>Page 1 of 5: <i>Loan Officer will sign, provide title and date.</i> Loan Officer is signing as FSB's agent for the purposes of the FHA loan</p> <p>Page 1 outlines if the borrower is a First Time Homebuyer and the purpose of their loan</p> <p>Page 2 of 5: <i>Borrower(s) will sign in the middle of the page.</i> This signature provides the Lender consent to verify their Social Security Number, if needed. Part V shows if the borrower has sold a home that was HUD/FHA previously and to confirm if the home may be rented or located in a dominant rental area. The bottom of the page notifies the borrower of their legal obligation to the mortgage.</p> <p>Page 3 of 5: <i>Borrower(s) will sign at the bottom of the page.</i> They are attesting the occupancy of the new home, and confirming the appraised value of the home as it is known at the time of the document.</p> <p>Page 4 of 5: This is for the Lender's Underwriter only. No borrower signatures are required.</p> <p>Page 5 of 5: <i>Borrower(s) signatures are required at the top section of the page.</i> They are confirming that they do not have any outstanding obligations in connection with mortgage transactions and that they intend to occupy the home. The final statement for this section confirms that the funds used in the transaction were legally obtained per FHA guidelines. <i>The bottom section requires the Loan Officer to sign, provide their title and company name.</i> Again, the LO is our agent for FHA transactions.</p>	Correspondent & Broker



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Notice of Intent to Proceed with Loan Application	The confirms from the borrower(s) that they have received a copy of the Loan Estimate and wish to proceed with the loan.	Correspondent & Broker
Uniform Residential Loan Application a/k/a 1003	This is the borrower(s) information that is presented to underwriting. Please insure it is fully completed. The date showing on the LO signature line is the official date of the application and use this to measure the 3 day disclosure rule according to RESPA	Correspondent & Broker
Additional Details for Services You Can Shop For a/k/a Service Provider Form	This form coordinates and draws its information from the Loan Estimate. The fees will match or should match the fees listed in the “Services Borrower Can Shop For” section of the LE. If any fees are missing, it is because a provider was not listed in that section. We will require all fees shown to have a provided listed.	Correspondent & Broker
Borrower Certification and Authorization	This form allows the borrower(s) to provide their permission for the company showing in line 1 of the form to verify information that pertains to the loan information as included in the application or the process of the loan. This form is sent with any request for information to confirm that the borrower is aware that this information is needed for the loan process and that the requesting company has their permission to provide.	Correspondent & Broker
Request for Transcript of Tax Return a/k/a 4506T	This form allows for the originating company to request 2 – 3 years of tax transcripts from the IRS for the borrower. This request must go through a third party vendor only and not directly to the IRS. This form is information sensitive and the IRS will reject the form if any of the borrower’s information (name, address, previous address, etc) is not what is on file with the IRS.	Correspondent & Broker
Borrower’s Identity of Interest Certification	FHA Disclosure. The purpose of this form is to confirm that the borrower does not have a relationship with the owner of the property. If the borrower is purchasing a home from a relative, they do have an identity of interest. In addition, if the borrower is purchasing a home they have been renting or occupying, they also are considered as having an identify of interest relationship with the Landlord/Owner of the home. Specific requirements will be required for Identity of Interest transactions and the FHA Matrix section on this topic should be reviewed. Each borrower will have their own form.	Correspondent & Broker
Broker Compensation Acknowledgment and Agreement	This form identifies how the broker is being paid on the transaction. The options are intentionally left blank and must be completed by the LO or Processor before the file is sent to underwriting.	Broker
Credit Authorization Form	This form is to be used for appraisal payments, as needed. This is an optional form only and may be used by the originating company as they decide.	Correspondent & Broker



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<p>Credit Inquiries</p>	<p>All credit inquiries for both borrowers are to be listed on this form for the past 120 days. The form will print out blank and the information must be added to the form.</p>	<p>Correspondent & Broker</p>
<p>Disclosure Notices</p>	<p>This disclosure covers several topics.</p> <p>Occupancy Statement: The borrower is certifying how they will occupy the property.</p> <p>Fair Credit Report Act: Notifies the borrower(s) that the Lender will investigate their credit standing through a variety of sources. If their credit is deemed not satisfactory for a loan, they will be provided with the source of the credit information in the denial notice they will receive.</p> <p>Equal Credit Opportunity Act: This Act prohibits discrimination against applicants for a variety of reasons including, but not limited to, race, color, religion, national origin, sex, etc. It also states that income from alimony, child support or separate maintenance does not need to be disclosed to a creditor unless the borrower chooses to do so. Income from these sources or other part time employment will not be used to discriminate against the borrower</p> <p>Right to Financial Privacy: This notice is presented by VA and HUD/FHA in relation to those loan types. They are notifying the borrower(s) that they reserve the right to access and analyze without additional notice than this any financial records held by financial institutions. This only applies to the records needed for the purpose of obtaining a mortgage loan.</p> <p>Information Disclosure Authorization: The borrower(s) are providing additional authorization to the Lender/Broker to gather any information needed to provide approval for a mortgage loan.</p> <p>Anti-Coercion Statement: The borrower(s) have the right to choose their homeowners insurance company. The Lender/Broker may not require them to use a specific company. The Lender may designate certain requirements to the insurance policy, but may not require certain companies.</p> <p>Flood Insurance Notification: If the property the Borrower is purchasing is located in a flood zone, they will be notified and will be required to obtain flood insurance as provided by FEMA.</p> <p>Your Home Tool Kit Booklet: The borrower is signing this form and acknowledging they have received a copy of the booklet titled “Your Home Tool Kit Booklet”</p>	<p>Correspondent & Broker</p>



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E-Sign Disclosure	This form is specific to Flanagan State Bank and states that the borrower gives permission for the Lender/Broker to deliver forms to them electronically.	Correspondent & Broker
Evidence of Joint Application	This form serves to confirm that the borrowers clearly understand they are applying for a mortgage that will be on both their credit reports	Correspondent & Broker
Mortgage Fraud Is Investigated By The FBI	The form notifies the borrowers that Mortgage Fraud is a crime investigated by the FMI and has serious repercussions if committed. The form briefly outlines what may be included as fraud and the penalties that could come from such actions.	Correspondent & Broker
Federal Equal Credit Opportunity Act Notice	Notification is provided to the borrower(s) that it is illegal to discriminate against an applicant for a variety of reasons. Those reasons are shown in the form and it is listed which agency would be the contact for any complaints pertaining to discrimination.	Correspondent & Broker
FHA Amendatory Clause	FHA Disclosure. This form is required on all FHA loans. This is allowing the borrower to state that they have not received a statement of appraised value prior to the purchase contract. In addition, this form the form states that the buyer has the right to not be obligated to the contract terms if the home does not appraise for the purchase price. The buyer may proceed once the appraised value is known if they would like, but are not under obligation to do so and will be entitled to a return of their Earnest Money if they choose not to proceed due to lower appraised value. All parties must sign this document, including the Seller and Real Estate Agents.	Correspondent & Broker
FHA/VA Notice To Applicants	FHA Disclosure. The form state they are notifying the borrower(s) that they reserve the right to access and analyze without additional notice than this any financial records held by financial institutions. This only applies to the records needed for the purpose of obtaining a mortgage loan.	Correspondent & Broker
Flood Disaster Protection Act	The Act notifies the borrower(s) that if the home they are purchasing or refinancing is ever found to be in a flood zone, either through our loan process or in the future, the borrower(s) will purchase the appropriate flood insurance.	Correspondent & Broker
For Your Protection: Get A Home Inspection	FHA Disclosure. HUD advises all borrowers using their program that a home inspection is recommended by their department. It is not mandatory for FHA loans to have a home inspection, but HUD has this form on hand for every loan to insure the borrower understands they have the right to request one at their choice.	Correspondent & Broker



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Housing Counselors Near You	This is a 6 page document (may be more or less, depending on the information shown) that is provided by the CFPB. The purpose of the information is to advise all borrowers of the opportunity for Home Buyer Education. Any borrower/applicant may take the offered classes. If an underwriter or program requires the borrower to take a Homebuyer Class on an FHA loan, this is the list the borrower must work off of to choose a class.	Correspondent & Broker
HUD Appraised Value Disclosure	FHA Disclosure. Notification to the borrower that they have the right to cancel the transaction if the home does not appraise for the purchase price, at a minimum or if repairs are required that the borrower will be responsible for. Responsibility for repairs is determined by negotiations between the seller and buyer, not the Lender.	Correspondent & Broker
State Documents	Our package will print of state specific documents that are required. If the state regulations require a document, then the package will provide any documents that are on the “books” as a required piece. For detailed information on the state documents, please contact mtgsupportcenter@flanaganstatebank.com . Please note: State auditors may waive the requirement for a specific document, but we will need this in writing from the office that oversees mortgage professionals	Correspondent & Broker
USA Patriot ACT	The borrower is attesting that they will provide their Driver’s License or other type of identifying document (ID) to allow us to verify that they are not involved in any way with terrorism, money laundering or other illegal activity.	Correspondent & Broker
Important Notice to Homebuyers	FHA Disclosure. This form contains many pieces of information that relate to an FHA loan. Each section is described: Condition of Property: The borrower is attesting that they understand HUD/FHA is not responsible for the condition of the property. They do not warranty the property in any way nor do they guarantee any value of the property. Interest Rate and Discount Points: HUD advises in this section that they do not set rates or discount points in any way. This is the job of the lender. Don’t Commit Loan Fraud: In this section, HUD advises on what not to provide as it will be construed as fraudulent information. They also identify the penalties for Loan Fraud and that it will be reported to the proper authorities. Discrimination: If the borrower feels they have been discriminated against, HUD provides a direct phone number to contact.	Correspondent & Broker



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About Prepayment Penalty: There are no prepayment penalties on HUD loans and the borrower may make any extra payments they wish above their normal payment.

FHA Mortgage Insurance Information: If an FHA loan is paid off early in the life of the loan, the borrower may be due a refund of the Upfront Mortgage Insurance Premium. This does not apply when an FHA mortgage is assumed. If the new loan is a Streamline (FHA-FHA Loan) the old premium will be applied to the new loan.

Monthly Insurance Premiums: Identifies the basic terms of the monthly insurance that is required on FHA loans.

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<p>Informed Consumer Choice Disclosure Notice</p>	<p>FHA Disclosure. This form shows a generic comparison between FHA financing and Conventional Financing. It puts similar terms side by side on a generic \$100,000 purchase price to show borrowers that FHA financing is competitive.</p>	<p>Correspondent & Broker</p>
<p>Loan Estimate</p>	<p>This document identifies the terms of the loan and the fees associated with the loan.</p>	<p>Correspondent & Broker</p>
<p>Notice to Homeowner</p>	<p>FHA Disclosure. This clarifies the obligation of the borrower for FHA loans. The borrower is legally obligated to make their payment, this is an owner occupancy program, and there are certain restrictions that must be met when using the assumability portion of the loan. If a borrower will transfer their property by allowing a buyer to assume the loan, they must go through the proper steps to obtain a Release of Liability</p>	<p>Correspondent & Broker</p>
<p>Privacy Policy</p>	<p>Top of form reads: FACTS: What does Flanagan State Bank do with your personal information?</p> <p>This form is the standard privacy policy that all companies are required to use.</p>	<p>Correspondent & Broker</p>
<p>Rate Lock Agreement/Disclosure Form</p>	<p>This form is required in most states and due to this, it has become a very standard form in our packet. The form will be updated with every float, lock or extension of the rate. The form identifies the rate, loan type, loan amount and if the rate is locked or floating. If locked, it will show how long the lock is for and the lock in date.</p>	<p>Correspondent & Broker</p>
<p>Risk Based Pricing Notice</p>	<p>The disclosure identifies the credit reports that were used to obtain credit reporting information and credit scores. It informs the consumer of how we will use the report and how they can get a copy of the report</p>	<p>Correspondent & Broker</p>



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Tangible Benefit Worksheet – for refinance transactions only	A Question and Answer format for the borrower(s) to complete to insure that there is a benefit to the refinancing of their existing loan.	Correspondent & Broker
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If a form is in the packet that prints from your file that is not listed here, please contact Mortgage Support Center for assistance in a description of the document. You may reach our Support Team at mtgsupportcenter@flanagansatebank.com.