



FLANAGAN *State Bank*



Important Announcement

10/7/2016

This announcement includes notices regarding updates for Flanagan State Bank's Correspondent and Wholesale Accounts.

This will reference:

Columbus Day

USDA Updates – Brokered loans

Turn Times

Underwriting Notes & Updates

Columbus Day

Flanagan State Bank offices will be closed on Monday, October 10 for Columbus Day. This date will not count for Trid Disclosure or Rescission period. Please check lock expiration dates to accommodate for this holiday.

USDA Updates

The new fees for USDA are now in effect. Any loans that are brokered with FSB that had not received commitment by 10/1/2016 have been updated and re-disclosed in our system with the new fees in anticipation of being sent to USDA. The updated LE/COC packet can be found in Imageflow of the file.

We are funding all USDA loans at this time. We do not anticipate any delay in funding or closing of loans as long as a commitment is received from USDA.

Email for Customer Support (aka Pam and Toni)

We do ask that for all questions regarding loan conditions, approval, status, income questions, scenarios (you can also use scenarios@flanaganstatedbank.com) system questions, password resets, transcript questions, program questions, etc. please use this email to insure our fastest response that is available to you.

The new email address to use is mtgsupportcenter@flanaganstatedbank.com

Update: For those that are using this email, it is working extremely well. Pam and Toni are able to communicate more efficiently and respond in a much faster manner using this email address.

Turn Times

Please note that our turn times are slightly above the 48 hours we prefer. We are closer to 60 hours for our turn times at this time. We do not anticipate this lasting long and predict that we will be back at 48 hours by mid next week.

Underwriting Notes & Updates

Our underwriting team would like to pass on these updates that they have seen coming from the agencies on clarification of certain topics. If there are ever questions on program guidelines, please feel free to email us at mtgsupportcenter@flanagansstatebank.com. Please note these items for future files.

FHA Identity of Interest – If a borrower moves into the home they are purchasing prior to closing, this does create an Identity of Interest situation. This will cause the LTV to be lowered to 85% or the borrower must meet the Identity of Interest criteria to be allowed max financing. If this is identified during the process that the borrower has moved into the home at any time prior and up to closing date, this will have to go back to underwriting to adjust to the Identity of Interest guidelines.

Student Loans – on all programs require 1% of the balance to show as the payment. This applies to tradelines that do not reflect a payment and tradelines that the payment is below the 1% of the balance amount. The only exception to this is if the LO can provide documentation of the fully amortized payment direct from the creditor. Then we can utilize that payment amount in lieu of the 1% of the balance.

Excluded/Omitted Debt – please provide a note stating why the debt is to be excluded and supporting documentation. If you are waiting on supporting docs, please put that in the note

Assets – AUS (DU & LP) are now requiring the most recent statements at time of final submission. Please watch the dates of your documentation and include the most recent statements accordingly.

Check for large deposits. For FHA - any deposit that is greater than 1% of the purchase price; For conventional – AUS findings will be followed but generally gives the requirement of any deposit greater than 50% of the monthly income

Income – Provide a VOE on all files as it clarifies income, provides dates of employment as compensating factors, and identifies continuation of employment.

AUS systems are now stating provide most recent paystubs. If paystubs are older than 30 days, we will need updated paystubs

LOX – the underwriting team uses your notes to UW and appreciates the information that is provided. Please include notes on any situation that is not easily identifiable regarding credit, work history, employment, income, etc.

Our Underwriting Team will continue to monitor adjustments and changes to advise as they are made aware.

If you have any questions regarding this information, please feel free to contact mtgsupportcenter@flanagansatebank.com.

Sincerely,

Flanagan State Bank TPO Division Management