



Important Announcement

3/31/2020

This announcement includes notices regarding updates for Flanagan State Bank's Retail & TPO Division

This will reference:

Appraisal Updates – FHA, USDA
Verbal VOE Alternatives by Program

Appraisal Updates – FHA, USDA

Effective immediately and until May 17, 2020, the following guidance will be in effect for appraisal requirements:

USDA & FHA – Purchase and Rate/Term Refinances
Exterior Only Appraisal on Form 2055 will be accepted

USDA & FHA – Cash Out Refinance and New Construction Purchase or Refinance
Interior & Exterior Appraisal with interior pictures will be required

Conventional Appraisal updates can be found on the Important Announcement dated 3/23/2020.
Or, contact mtgsupportcenter@flanaganstatedbank.com for a copy.

Verbal VOE Alternatives by Program

If FSB is unable to obtain a Verbal VOE, we will accept these alternatives:

FHA Loans

- 1) E-mail from employer or supervisor confirming borrower is currently employed within 10 days of closing or,
- 2) Evidence borrower has a minimum of 2 months of principal, interest, taxes and insurance (PITI) in reserves, AND
 - a. A year-to-date or direct electronic verification of income for the pay period that immediately precedes the Note Date, OR

- b. A bank statement showing direct deposit from the borrower's employment for the pay period that immediately precedes the Note Date

USDA Loans

- 1) Asset statement for the most recent month evidencing that the borrower has a minimum of 2 months cash reserves of PITI for the new loan AND,
- 2) LOX signed by the borrower at closing stating they are still employed and their income has not been reduced from the most recent paystub or VOE

Conventional Loans

- 1) E-mail from employer or supervisor confirming borrower is currently employed within 10 days of closing, OR
- 2) Year-to-date paystub from the pay period that immediately precedes the Note Date, OR
- 3) Asset statement evidencing the payroll deposit from the pay period that immediately precedes the Note Date

If the borrower's situation has changed, the loan does need to return to underwriting to review for confirmation the borrower still qualifies and meets the loan requirements.

If any of the alternative methods are to be used for the Verbal VOE, please send an email to verbal@flanagansstatebank.com and waynepierce@flanagansstatebank.com with the documentation to be reviewed immediately after the closing has been confirmed. The documentation will be reviewed and the person presenting the information will receive confirmation if this will be acceptable.

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

Sincerely,

Flanagan State Bank Mortgage Division Management