



Important Announcement

4/1/2020

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

This will reference:

Appraisal Updates – VA
Conventional Updates
Tax Transcripts
Manufactured Homes – USDA, FHA & VA

Appraisal Updates - VA

Effective immediately and until further notice by VA, the following guidance will be in effect for appraisal requirements:

- *Purchase loans on vacant property* – Interior/Exterior appraisal will be needed, if local jurisdictions allow
- *Purchase/Refinance on occupied property* – Exterior only is allowable (see attached VA memorandum for details)
- *High Balance Loans w/ Loans that Exceed County Loan Limits* – Interior/Exterior Appraisal will be needed

Conventional Appraisal updates can be found on the Important Announcement dated 3/23/2020. USDA & FHA updates can be found on the Important Announcement dated 3/31/2020. Or, contact mtgsupportcenter@flanagansstatebank.com for a copy. Announcements are located on our www.fsbtpo.com website, as well.

Conventional Updates

A few important details on Conventional Loans to share:

Electronic Income Verifications – that are obtained from third party verification service providers must have the information from the electronic data base reflected on the third-party verification to show the information is valid and accurate within 60 days prior to the note date.

Self-Employment Verification – Proof that the business is open and still operating within 10 business days prior to the Note Date will be required

Assets – Evidence of liquidation including borrower receipt of funds when using funds for down payment/closing costs from accounts with stocks, stock options and mutual funds

Asset Reserves – For accounts with stocks, stock options and mutual funds, we cannot use more than 70% of the balance and we need an asset statement within the most recent 30 days. A quarterly statement will require an updated account statement to show the most recent balance. Screen shots are not acceptable documentation.

Tax Transcripts

Effective immediately and until further notice, the following guidance on providing tax transcripts will be in effect.

USDA, FHA & VA

- 1) Provide proof with loan submission that the tax transcripts were ordered
- 2) Tax Transcripts will be a trailing document condition and will need to be provided to our post-closing department when the IRS does start delivering transcripts.
- 3) Tax Returns will be a PTF condition to be signed by borrower(s) at closing

Conventional (AUS Required)

- 1) Provide proof with loan submission that the tax transcripts were ordered
- 2) Tax transcripts will be a trailing document condition and will need to be provided to our post-closing department when the IRS does start delivering transcripts
- 3) Tax Returns being signed at closing will be a PTF condition
- 4) Business Tax Returns, if applicable and used as part of income review, will be required to be signed at closing as a PTF condition.

Manufactured Homes – USDA, FHA & VA

Effective immediately, FSB will not close on any loan that is not locked as of 3/31/2020 that is a manufactured home using USDA, FHA or VA.

The Conventional Manufactured Home loans are still eligible to close. As long as the loan is Accept/Eligible using LP findings.

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

Sincerely,

Flanagan State Bank Mortgage Division Management