



Important Announcement

3/31/2020

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

This will reference:

Rates & Rate Sheets – Broker Clients only

Retail Invitation

Rates & Rate Sheets – Broker Clients Only

Over the last few weeks, our rates have been under par for the most part. As we waited for the market to stabilize and the agencies to react to the issues at hand, we were very limited on our ability to put a decent price on the rate sheets. With the positive now starting to show, although still limiting, we are putting out better prices. However, we do have a few factors we need to share with our brokers and correspondent accounts.

Effective Monday, April 13, 2020, the rate sheet will be better than it has been. We do ask that you do the following:

- Our best price will be the 15 day. We would ask that you float the rate until the Early Closing Disclosure can be completed (which is once all compliance conditions have been met) and lock at this submission.
- All add on or incentive pricing we have previously provided to companies is being removed and will no longer show in the system. We are providing our best pricing to you at this time.
- Brokered Loans should be disclosed Borrower paid as the first consideration. Although Lender Paid loans may not be out of the questions as long as they will pass High Cost Loan Test, Ability to Repay/QM and HPML requirements. Borrower paid loans tend to pass these tests easier. IF a loan does not pass these test, we will not accept it in for underwriting.
- As the market improves, you will see our rates improve.

Thank you for your patience as we wait these changes out to be able to get back to business as usual.

Retail Invitation

Many of our Broker friends have been using us for a very long time. We value these relationships and while we are weathering these events better than most companies, we understand that not all small businesses or independent brokers have the ability to always “get through the tough times” alone. We would like to extend an invitation to join us as a retail Loan Production Office (LPO) and an extension of our Bank. We can provide you with the safety net you need when events out of your control escalate and impact your business in such a negative manner. If you would like to discuss the opportunity we are extending, please give us a call. You can reach Toni Pierce at 815-676-0988 or Robert Anderson at 815-676-0993 to discuss the details and benefits of becoming a branch with Flanagan State Bank.

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

Sincerely,

Flanagan State Bank TPO Division Management