



FLANAGAN *State Bank*



Important Announcement

8/23/2016

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

This will reference:

Current Turn Times

New CD Form and Turn Time

USDA Fee Update

600 – 619 Program for USDA, VA and USDA

GUS/Old Republic – Tax Transcripts

Current Turn Times

Our Turn Times are current 48 hours. It is possible you will get your file back sooner depending on the day's work flow. As some files take longer than others, this is not an exact science and our goal is to always get the files out as fast as possible. Our files are assigned on a daily basis in the mornings and is coordinated by first in, first out. If you need a rush request, please notify your Account Executive ONLY. No other staff members will be able to coordinate the request through the multiple departments this must generate through. Depending on the timing of your request will depend on the response time, as well. If you ask for a rush at 4:00PM, we cannot turn this around the same day. Certain times of the month will also dictate how fast we can accommodate or if we can accommodate these requests. With a turn time of 48 hours, there is not much wiggle room to improve our speed and still complete the required tasks we must do on each file.

New CD Form and Turn Time

We would like to welcome Amy Gregory as our new Closing Scheduler. Amy will be coordinating the closing schedules, confirming the closings with the LO's, insuring all information is received to allow the Closers to prepare the CD's quickly and assisting with the closing department as needed.

FSB is pleased to announce that we now have the capability of 24-hour CD turn times. BUT, the request for the initial CD must be received by 1PM the day before to allow for this. All information must be on the NEW and UPDATED CD Request Form (available on our website and with this announcement). If the correct CD Form is not submitted, we will reject your request. The new form contains several pieces of information that are crucial for us to prepare the CD quickly and correctly.

Please read the instructions on the new form thoroughly!

USDA Fee Update

Flanagan State Bank will be following USDA Guidance on the use and timing of the new USDA Upfront and Annual Fees.

Three important facts to recall with respect to fee schedules:

1. **Prior to submitting an application, brokers and Correspondent should communicate with FSB to determine which fee schedule should be utilized for GUS submissions through September 30, 2016.** Some RD State Offices are currently working through a backlog of FY16 guaranteed applications, and lenders in those states will need to begin processing loans using the FY17 fee schedule when it is determined that RD will be unable to issue a conditional commitment prior to the close of business on September 30, 2016.
2. The conditional commitment date of issuance (not the loan closing date) determines the fee schedule for loan requests. Conditional commitments will not be issued for loans submitted under the FY17 fee schedule until October 1, 2016.
3. A loan can only be closed under the FY17 fee schedule if the conditional commitment was received under the FY17 fee schedule prior to closing. Lenders are **not** permitted to close loans under the FY17 fee schedule for requests issued a conditional commitment under the FY16 fee schedule. If an adjustment is required, the lender, will need to request the RD office release GUS for fee correction and resubmission as discussed under "Resubmission" below.

Resubmission

On October 1, 2016, GUS applications in a "Final Submission" status under the FY16 fee schedule that were not issued a conditional commitment by RD prior to the close of business on September 30, 2016, will be released back to the lender in GUS. Lenders must open the application in GUS and update the "Upfront Guarantee Fee / Annual Fee Option" data field, on the "Loan Terms" application page, by selecting the "FY17: 1% GuarFee + .35% AnnFee" option from the dropdown box.

It is important to note that any applications submitted to FSB that will not receive commitment until October 1, 2016 or after must have the correct fees disclosed. If the correct fees are not disclosed nor a change of circumstances received prior the file being ready for USDA submission, this will delay the file until this information is correct. LO's should watch the timing of their files and submit as accurately as they possible can to avoid delays. If you would like your file to be underwritten but not go to USDA until after October 1 to take advantage of the lower fees, please include a note to the Underwriter to advise of this.

600 – 619 Credit Score Program for FHA, VA and USDA

Flanagan State Bank is very pleased to announce an expansion to our current programs. The 600 – 619 program has been tested by several of our current accounts and we feel it is ready to open up for all our accounts. The programs have very specific overlays that are in addition to regular guidelines. We strongly recommend becoming familiar with the overlays for these programs prior to sending us a loan for this credit score range. This is not available for Conventional loan programs!

We have had great success with this program and feel the benefit to the borrower and the Loan Officer is met. These programs do require management approval of the loan which is completed

prior to underwriting submission. The attachment to this memo will outline how this is completed. Thank you to our customers for suggesting the addition of this program. We appreciate any feedback that can be provided to us for future programs we could potentially offer.

GUS and Tax Transcripts

If you have not signed up for GUS access through FSB and would like to, please contact tpoinfo@flanagansstatebank.com for the instructions on how to complete this.

All Tax Transcript orders must be requested by the submitting company using Old Republic. FSB still pays for this service, but the order for the transcript is placed by the LO/Processor. To obtain a log in to complete this task, please email tpoinfo@flanagansstatebank.com.

Thank you for taking the time to read this announcement. If you have questions regarding the information in this announcement, please feel free to contact your Account Executive or tpoinfo@flanagansstatebank.com.

Sincerely,

Flanagan State Bank TPO Division Management