



FLANAGAN State Bank



Important Announcement

3/23/2020

This announcement includes notices regarding updates for Flanagan State Bank’s Retail Division

This will reference:

FNMA & FHLMC Updates – Appraisal Requirements

FNMA & FHLMC Updates – Appraisal Requirements

Please read this in full! These changes are effective for conventional files moving as of today, regardless of application date. If the appraisal has already been ordered and accepted, please do not cancel the order.

Due to the ongoing COVID 19 issues and “shelter in place” requirements many states have mandated, Fannie & Freddie have updated their appraisal requirements until further notice. Effective immediately, FSB will follow the guidance from Fannie & Freddie. Please see the chart below. Please read after the chart for additional guidance:

Loan Purpose	LTV Ratio	Occupancy	Ownership of loan being refinanced	Permissible appraisal (in order of preference)
FANNIE MAE				
Purchase*	Per <i>Eligibility Matrix</i>	Principal Residence	N/A	Traditional Appraisal Exterior Only Appraisal
	≤ 85%	Second Home Investment		Traditional Appraisal Exterior Only Appraisal
	>85%	Second Home		Traditional Appraisal
Limited Cash-Out Refinance	Per Eligibility Matrix	All	Fannie Mae Owned	Traditional Appraisal Exterior Only Appraisal
Cash-Out Refinance			Not Fannie Mae Owned	Traditional Appraisal
			Fannie Mae or not Fannie Mae Owned	Traditional Appraisal

FREDDIE MAC				
Loan Purpose	LTV Ratio	Occupancy	Ownership of loan being refinanced	Permissible appraisal (in order of preference)
Purchase*	Up to 97% Primary Residence	Primary Residence	N/A	Traditional Appraisal Exterior Only Appraisal
	≤ 85%	Second Homes Investment Property	N/A	Traditional Appraisal Exterior Only Appraisal
	>85%	Second Homes	N/A	Traditional Appraisal
No Cash Out Refinance	As permitted in Seller Guide and through AUS	All	Mortgage being refinanced owned by Freddie Mac	Traditional Appraisal Exterior Only Appraisal
			Mortgage being refinanced NOT owned by Freddie Mac	Traditional Appraisal
Cash Out Refinance	As permitted in Seller Guide and through AUS	All	Mortgage being refinance owned or not owned by Freddie Mac	Traditional Appraisal

*Purchase transaction guidance will not apply to construction conversion, renovation, new construction or construction to permanent loans

Before requesting an appraisal, please review the AUS findings to confirm if an appraisal waiver is applicable. The agencies have confirmed that waivers will be available on more properties moving forward. If a waiver will be used, the borrowers must sign the appraisal waiver document located on our website at www.fsbtpo.com. It is recommended that the AUS findings be updated in full with all correct assets (including REO), income and residence history prior to running the AUS to determine if an appraisal waiver will be applicable.

It must be noted on the appraisal order form exactly what appraisal type is being requested. If nothing is chosen, the appraisal department will default to a traditional appraisal (interior/exterior inspection).

To look up conventional loans and confirm if Freddie or Fannie own the loan, use these links:

Fannie Mae: <https://www.knowyouroptions.com/loanlookup>

Freddie Mac: <https://ww3.freddiemac.com/loanlookup/>

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

Sincerely,

Flanagan State Bank TPO Division Management