



## **Wholesale Pricing Policy**

Flanagan State Bank is dedicated to offering great customer service, along with competitive pricing and product offerings.

### **Rate Sheet**

The Flanagan State Bank (FSB) rate sheet is intended to summarize loan program offerings and pricing data to allow for reference and comparison. More detailed and less frequently changed information can be found on our website at [www.fsbtpo.com](http://www.fsbtpo.com).

At times FSB will reference agency publications and guidelines that will override and supersede other FSB publications.

Pricing will be published at least once each business day. Published pricing becomes effective until the pricing desk is closed at 5:00 PM CST each business day, or an inter-day re-price and/or pricing is suspended, whichever comes first.

All lock periods are based on calendar days and begin the day the Lock Desk receives the lock request. If the lock expiration date falls on a Saturday, Sunday, or Federal Holiday, the lock will expire on the next business day.

### **Maximum Yield Spread Policy**

The maximum yield spread premium (YSP) that will be paid to wholesale clients on any "Lender-Paid" compensation optioned loan will be based on the FSB compensation agreement in place when the loan is locked with a maximum net price of 105.000, (5.000%). The pricing of all loans must be in compliance with the Truth-In-lending Act and Regulation Z, Federal, State, and Local laws, and must not represent or result in a high-cost loan. All "Borrower-Paid" compensation optioned loans will be priced to a maximum net price of 100.000 (0.000%) to the wholesale client.

## **Lender-Paid Compensation Option Locks**

When locking a loan using the Lender-Paid compensation option, the wholesale client must lock all loans at net price that is at least equal to the terms of the present compensation agreement with FSB, while avoiding excess premium. Lock requests that fail to meet the terms of the compensation option selected may be rejected.

## **Excess Premium**

When locking a loan, net premium in excess of the wholesale client's current "Lender-Paid" compensation agreement with FSB; or the "Borrower-Paid" compensation option should be avoided. Excess premium will be handled as provided for in the FSB Compensation Guidelines as a premium credit to the borrower.

## **Overnight Price Protection**

Overnight price protection is not offered on any Flanagan State Bank products.

## **Lock Periods**

Lock durations are product specific and Flanagan State Bank reserves the right to change the periods offered from time to time without advance notice.

All loans must be locked 24-hours prior to requesting closing documents. Closing requests will not be honored on unlocked loans.

All loans must disburse by the last day of the lock period. If a loan does not disburse for any reason, by the lock expiration date and the lock was not extended by the wholesale client, the loan will be subject to "worse case" pricing of the current day rate sheet price plus any extension cost or the original locked priced plus any extension cost.

## **Rate Lock Requests and Registrations**

Rate lock requests will only be accepted from wholesale clients that are approved and in good standing with Flanagan State Bank.

Rate lock requests and registrations are to be submitted using the FSB operating system MortgageBot. Please refer to our online tutorial. Rate lock requests can also be submitted by email using the FSB Lock Request Form. The email address is indicated on the FSB Request Lock Form and/or the daily rate sheet.

All loans must be registered in FSB operating system prior to requesting a rate lock.

All lock requests must be filled out completely, legibly, and accurately. Flanagan State Bank accepts no responsibility for inaccurate, incomplete or illegible information contained on the lock form. The

confirmed price is subject to change if any detail of a transaction is different or changes as compared to that of the original lock.

**Please Note:** That a "Lot Number" is not an acceptable property address.

Flanagan State Bank will issue rate lock confirmations in a business-to-business fashion.

Registrations and/or rate lock request sent to any other email address will not be accepted for any reason. The lock desk email address is to be used only for the communication and processing of requests related to pricing and registration activity. Flanagan State Bank will not be responsible for any pricing requests that are not received by the FSB lock desk for any reason. Flanagan State Bank does NOT accept fax machine confirmations or sender email confirmations as proof that a lock request was sent and/or received. Flanagan State Bank reserves the right to refuse any rate lock request, extension request, product change, or any such similar request at any time with or without advance notice.

The acceptance or issue of a registration or lock confirmation should not be construed as loan commitment or loan approval, or that if/when the loan is submitted will meet the product parameters, FSB lending guidelines, or that the loan has met any consumer disclosure requirements.

### Inter-Day Price Changes/Suspension

Flanagan State Bank reserves the right to change or suspended pricing at anytime without prior notice. New pricing will be communicated by either a new rate sheet or a market change notice. FSB will make every effort to communicate pricing information in an efficient and timely manner. However, FSB neither accepts nor assumes any responsibility for the actual receipt of any pricing change notification of any kind, including but, not limited to, rate sheets, suspension notices and/or price/market change notices.

Lock requests received prior to any pricing change will be honored at the price in effect prior to the price change. Lock requests received after any pricing change or suspension of pricing will be honored at the new price. This applies to both improving and deteriorating markets, and will be based on when FSB receives the lock request, not when the lock request is sent by the sender.

**Please Note:** It is of the utmost importance that requests from the FSB lock department for further information and/or verification are responded to as soon as possible, and such response will be considered the responsibility of the originating party/sender. If such a request is not answered by 5:00 PM CST, the original lock request will be cancelled. Flanagan State Bank assumes no responsibility if prices change prior to receiving a response for information or verification.

### Rate Lock Extensions

Lock extensions can only be paid by the borrower on loans with the "Lender-Paid" compensation option and only where there is enough premium credit being applied to third party charges to pay for the extension fee. The wholesale client may not reduce their compensation to offset the extension fee.

Lock extension request must be made prior to the current lock's expiration date.

Lock extension requests should be completed through the FSB operating system or emailed to the contact information as indicated on the form and/or the daily rate sheet.

The total number of days of the extension may NOT exceed the lesser of the initial lock or 30 days.

If a loan expires after the maximum extension has been granted, the loan will be subject to the "worse-case" pricing of the last confirmed price (including extension fees and adjustments) or the current price less extension fees and adjustments for 45 days after the date of the last confirmed expiration date.

The lock will be eligible for current day pricing on the 46<sup>th</sup> day after the last confirmed expiration date. Please see the "Re-Lock Section" of this policy.

### ***Extension Fee Schedule – First Extension, Second Extension, Fourth Extension***

1 Day            Free: (First Request Only)

All extension will be priced at -.025 per calendar day for a maximum of 30 days on the first extension and a maximum of 30 days on the second extension.

### ***Extension Fee Schedule – Third Extension and Fifth Extension***

Third extensions will be priced at worse case pricing (including incurred extensions fees). The pricing of the current day base price for the same lock duration as the original lock request less any incurred extension fees.

### **Re-Lock Policy**

A relock can only be processed after a confirmed lock has expired. For the first 45-days after lock expiration pricing will be "worse-case" pricing of the last confirmed price plus any incurred extension fees or the current day price less any incurred extension fees.

On the 46<sup>th</sup> day after the last confirmed expiration date the lock will be eligible for current day pricing.

A new completed FSB Rate Lock Request clearly indicating "Re-Lock" must be submitted; emailed to the contact information indicated on the form and/or the daily rate sheet.

### **Transaction Changes**

The wholesale client is required to notify the FSB lock desk with any significant change(s) to a locked loan. Significant changes are defined as anything that effects the pricing or salability of a locked loan. Undisclosed or incorrect information could result in "worse-case" pricing and/or further pricing adjustments as listed on the daily rate sheet. In cases where the wholesale client elected the "Lender-

Paid” compensation option, the wholesale client may not reduce their compensation to offset the pricing adjustments that may result. In such cases, the borrower may pay for these adjustments.

The “Change/Extension” form should be used to notify FSB of significant changes to a locked loan, and emailed to the contact information indicated on the form and/or the daily rate sheet.

### Changes and Pricing Effects

Loan Program:	“Worse-case” pricing
Interest Rate:	Original lock date pricing if the loan has not expired, program is not changing and no extensions have been processed. If the loan has expired “worse case” pricing applies plus any applicable extension cost.
Lock Period:	See “Extension” Policy
Address:	“Worse-Case” Pricing ( <i>A lot # is not an acceptable property address</i> )
Escrow:	Price adjustment per rate sheet on the day the loan was locked
Occupancy:	Price adjustment per rate sheet on the day the loan was locked
Credit Score:	Price adjustment per rate sheet on the day the loan was locked
LTV:	Price adjustment per rate sheet on the day the loan was locked
Property Type:	Price adjustment per rate sheet on the day the loan was locked
Loan Amount:	Price adjustment per rate sheet on the day the loan was locked
Underwriting Options:	Price adjustment per rate sheet on the day the loan was locked
Escrow Hold Back:	Price adjustment per rate sheet on the day the loan was locked

### Cancelled Locks

If a lock is cancelled and relock is requested it will be subject to “worse-case” pricing plus any extension fees as outlined in the “Re-lock” section of this policy.

It shall be the responsibility of the wholesale client to notify the FSB lock desk of any and all locked loans that are not going to close for any reason as soon as possible. Failure to do so will impact the wholesale client’s pull-through as measured by FSB, and may impact future pricing up to and including the ability to do business with Flanagan State Bank.

When a loan is subject to the relock policy it must be locked using the same client compensation option as when the loan was originally locked. If the loan was locked using the “Lender-Paid” compensation

option the loan must be re-locked per the lender paid premium terms of the wholesale client's agreement with FSB at the time of the original lock.

### **Duplicate Locks**

It is the policy of FSB to honor the first lock request received for a particular borrower from any one wholesale client. If a duplicate lock is received FSB will notify the sender that the lock cannot be processed due to the initial lock request.

### **Past Due EPO and Other Fees**

Any wholesale client that has unpaid fees items that are outstanding 30 days or more are considered past due, will only be allowed the Borrower-Paid compensation option with FSB until all and any past due fees are paid in full.

### **Worse-Case Pricing**

When referenced "Worse-Case" pricing shall be defined as; the "worse-case" pricing scenario of the last confirmed base price (including incurred extensions fees) and the pricing of the current day base price for the same lock duration as the original lock request less any incurred extension fees. The determined "worse-case" price will serve as the new base price. Loan level price adjustments will be made to the newly determined base price to calculate the new net price. The duration of the lock will remain from the original lock request plus any incurred extension fees. In cases where the wholesale client elected the "Lender-Paid" compensation option, the wholesale client may not reduce their compensation to offset the pricing adjustments that may result. In such cases, the borrower may pay for these adjustments.

*Flanagan State Bank reserves the right to change this policy at anytime without notice. Any lock request or registration confirmed or not; will serve as acceptance of this policy in whole by the wholesale client or correspondent. The issuance of a lock confirmation will not satisfy the wholesale client's or correspondents' requirement for proper consumer disclosure or compliance, and such will be the responsibility of the originating party. Federal, State, City, or community laws may supersede this policy in whole or in part.*