



Correspondent 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.

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 Correspondent clients is limited to the “maximum or MAX” pricing indicated on the rate sheet per product offering. The maximum price will be calculated net of all applicable adjustments and incentives. The pricing of all loans must be in compliance with all Federal, State and Local laws, and must not represent or result in a high-cost loan.

Flanagan State Bank will not purchase loans that are considered High Cost loans, or violate any Federal, State, City or Community Predatory Lending laws.

Overnight Price Protection

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

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 Correspondent 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 Correspondent 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.

Delivery of Correspondent Funded Loans

Loans submitted to Flanagan State Bank for purchase must be received and cleared to fund by the lock expiration date on the lock confirmation. Loans delivered or not clear for purchase by the lock expiration date will be subject to extension fees as outlined in the “Rate Lock Extensions” section and/or the “Worse Case Pricing” section.

Loans submitted for purchase and received **after** lock expiration will be subject to Worse Case Pricing plus extension fees as outlined in “Rate Lock Extensions” section and the “Worse Case Pricing” section until the loan is cleared for purchase by FSB.

Loans submitted for purchase **prior** to the lock expiration date that are not in fundable condition by the expiration date due to deficiencies, will be assessed extension fees as outlined in the “Rate Lock Extension” section.

In the event a loan cannot be purchased within 30 days of receipt: Flanagan State Bank may elect to not purchase the loan and return the loan to the Correspondent.

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 60 days after the date of the last confirmed expiration date.

The lock will be eligible for current day pricing on the 61st day after the last confirmed expiration date. Please see the “Re-Lock Section” of this policy.

Extension Fee Schedule – First Extension

1 Day Free: (First Request Only)

If the loan requires more than a 1-day extension the 1-day extension is no longer free

7 Days -.125

14 Days -.250

30 Days -.500

Fee Schedule – Second Extension

All extension requests after the first granted request will be priced at .025 per calendar day.

Re-Lock Policy

A relock can only be processed after a confirmed lock has expired. For the first 60-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 61st 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 Correspondent 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.

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

Worse Case Pricing

When referenced “Worse Case” pricing shall be defined as; the “worse case” pricing scenario of the last confirmed base price (including extensions fees) or the pricing of the current day (including extensions 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.

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 Correspondent 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 Correspondent 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/correspondent 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 Correspondent client that has unpaid fees items that are outstanding 30 days or more are considered past due, and are subject to collection by deduction from the yield spread premium on new and future loans at time of purchase.

Flanagan State Bank will work with our customers in order to satisfy outstanding fees by deducting unpaid fees over several new loan fundings under the following conditions:

- The unpaid items are not more than 60 day past due.
- The minimum YSP deduction is \$500.00.
- The total deduction installments are not more than three (3) to satisfy the past due amount.
- The customer has sufficient loans in their pipeline that are locked and approved to satisfy the past due obligation within 30 days.

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.