

Karley Stover

From: Toni Pierce
Sent: Friday, February 11, 2022 9:55 AM
To: Sales; Mortgage Support Center
Cc: Dave Weber; Joshua Heinrich; Justin Yahnig; Rebecca Moorehead; Robert Anderson; Toni Pierce; Wayne Pierce
Subject: Mtg Support Update - 2/11/2022
Attachments: Marketing Information - Discounts & Closing Cost Credit Campaigns.pdf

Happy Friday!!! 🤗🤗 If you have not explored the mortgage news sites, I encourage you to do so. In this wonderful mortgage industry we love, it is wise to keep yourself up to date on what is happening.

Here are a few sites I like to use:

<https://thenationalrealestatepost.com/>

<https://www.mortgagenewsdaily.com/>

<https://www.housingwire.com/>

On to our updates!! 📌📌📌

Marketing Information

Attached is our fresh off the presses Marketing Info – Discounts & Closing Costs Credit Campaign. This info sheet will give you the scoop on navigating through the compliance guidelines and then working with the campaign promo when disclosing to your borrowers. If you have entertained using this type of promotion, this is a very important read for you!

This will be found on our marketing page in our website www.myfsbretail.com.

New & Improved Mortgage Tidbits

These are now ready and waiting to be used on our website under Marketing. These are now Realtor & Consumer friendly! Several have been re-worded so make sure you update your files with the new ones.

Mortgagebot Training Today!

Feel free to join us today for a Live Mortgagebot training session. Yep, you can ask as many questions as you want to. The more, the better. Training is at 2:00 PM CST. If you don't have a link, yet...email our Mtg Support Team for one.

President's Day

Reminder! We are closed on this day, Monday, February 21st. This will affect closings, turn times, and rate locks! Take a good look at your files to be prepared.

Surefire

Tentative Training date is set for February 28th @ 2:00 PM CST. We are running through some final testing prior to this date. If any of the testing has major issues, this training date may move. I am going to try very hard not to have this happen. This training will be mandatory for all Loan Officers, Branch Managers and LOA's! Mark your calendar. I will send the invitation out closer to the 28th!

Simple Nexus

The issue with SN should be resolved now. Please let us know if there are any issues with the share feature of SN. AND, if there are any issues with the app in general, please ALWAYS pass this information on to me. We cannot fix what we are unaware of.

And, finally...here is your funny for making it to the end of the email! This one made me chuckle....

Interviewer: How long did you work during your last job?

-30 years

Interviewer: What's your age?

-20 years

Interviewer: You are 20 and have 30 years of experience? How's that possible?



Enjoy the rest of your day!!

Please allow 24 hours for a full response from Mtg Support!

Toni Pierce

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Compliance & Marketing Info

Understanding Coupons & Credits towards Closing Costs

Coupons and Specials are a staple of marketing campaigns. FSB is not opposed in any way to using this type of marketing to gain new customers and encourage repeat customers. But we do need to follow the rules that are in place for this type of marketing and we need to keep this as simple as possible in the execution of this type of “deal”.

When it comes to compliance, always follow these steps to get your Coupon, Certificate or Special approved.

- 1) Your Branch Manager must approve your idea first. When we have a coupon or closing cost special in place for one person, we truly have it in place for the WHOLE BRANCH! We cannot exclude any consumer from using this special. This means every LO in this area will be part of the coupon. This will fall under the Fair Lending Laws which are designed to guarantee the same lending opportunities for everyone.
- 2) Once your Branch Manager says yes to your “deal” then it is time for the Regional Sales Manager to approve. The Regional Sales Manager is making sure the cost we will be giving up still keeps our return on the loan profitable. If the RSM approves this, then it is time for compliance to review!
- 3) Compliance will be really looking at this for the following questions to be answered:
 - a. If you are using the word FREE in the promotion – is this truly a “free” cost? It will need to be! The same with a set dollar amount off. We cannot increase the MSA to cover the cost. The MSA is also in place to meet Fair Lending Laws. If we increase the MSA to cover our promotion, we really did not offer the consumer anything free or discounted. This type of situation will be reviewed by auditors and if we are not following our own promotion, we can get into serious trouble with the agencies as we will not be meeting UDAAP regulations.
 - b. For “Free” promotions, if there is a maximum amount that the branch is willing to pay, then that should also be included in the details of the campaign.
 - c. If an expiration date is to be set for the promotion, then this must be noted on the advertising for the campaign, too. It is highly recommended that an expiration date be set. Example: Eligible Applications must be submitted on or before 6/1/2022 to qualify for the closing cost discount promotion.
 - d. Describe in your promotional material how the discount is applied. See the next section for details from Operations on this!
 - e. If you are giving a Free Appraisal, will you require the borrower to pay for this if the loan is withdrawn or denied? Make sure to describe the terms that would apply to this in your marketing!
 - f. When designing your promo material, your campaign must spell out the details clearly!
- 4) Once you have the campaign and marketing material approved, it is time to execute the loans that have this promotion attached to them.
 - a. ALWAYS track your campaigns. You need to know if they are effective or not. If they are effective, meaning you do get loans and leads from this...then tracking them will

prove this and make it that much easier for the next campaign you wish to do to get approved.

- b. Use a promo code to help you track. If you have multiple campaigns through the year, this will help you identify them in your tracking
 - c. When entering the discount or “free” amount in the loan, Operations has learned that it is best to make the discount for a specific fee rather than just closing costs in general. It is much easier to stay within compliance for the LE when a specific fee is shown as lender paid. The appraisal, underwriting fee or commitment fee is the recommended fee for this. However, Credit Report fee is not out of the question, either!
 - d. In addition, discounting closing costs in general and then charging a discount fee is a big red flag for our investors and auditors. Often, this general closing cost credit is shown as a Lender Credit, and this will cause us to fail the Investors pricing audit. When this happens, we end up decreasing our discount and essentially losing more than just the lender credit. Thus, the need to discount or give a specific cost to the borrower.
- 5) Finally, FSB wants to be known as the company that honors what we say. If we run a promotion, we don’t want to look like we are trying to pull people in and then get out of it. It becomes a reputational issue for us. We want to be the company that takes care of our borrowers and is known for their honesty in any dealings, campaigns or promotions we offer.

If you need any further guidance on this topic, please contact your Regional Sales Manager. They will be able to answer your questions or get with our Compliance Team to get detailed answers!