



Important Announcement

9/1/2021

This announcement includes notices regarding updates for Flanagan State Bank's Retail & TPO Division

This will reference:

FHA Overlay Improvements

FHA Overlay Updates

Effective as of 9/1/2021, FSB has updated our overlays on the FHA loan product for Credit Scores of 620 – 659 to the following:

- Verification of Rent (VOR) will be required on all files where the borrower(s) identify they rent in the residence history. *No late payments reporting in the last 12 months*
- If borrower does not rent, a Rent-Free Letter will be required from the current owner of the residence. Rent Free Letter should confirm the most recent 12-month history.
- *Homebuyer Education Course required.* MGIC or FHLMC Credit Smart courses are acceptable and are provided at no cost to the borrower.
 - If borrower currently has a mortgage that reports on credit, Homebuyer Education can be waived

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

Sincerely,

Flanagan State Bank Mortgage Division Management