



Important Announcement

05/03/2022

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

This will reference:

FHA, VA & USDA Updates

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Effective as of 5/3/2022, FSB has updated our minimum score requirements **to 600** for these loan types. This is inclusive for all property, including Manufactured Homes.

FHA & VA will have the following overlays for the 600 – 659 score range:

- 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

USDA will not have any required overlays, at this time.

VA Cash-out section has been updated to a minimum credit score of 640. LTV allowed is 100%.

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

Sincerely,

Flanagan State Bank Mortgage Division Management