



Important Announcement

2/7/2022

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

This will reference:

Conventional COVID Self-Employment Requirements

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Effective immediately, these updates will replace previous COVID requirements for FHLMC & FNMA guidelines.

If the most recent tax returns are	FSB will now need
2020 and/or 2021	Tax returns, transcripts & business financial statements according to AUS requirements
2019	YTD P&L 3 months bank statements SEB Stability Worksheet Tax Transcripts Tax Returns – Personal and Business

Any documentation provided, regardless of the tax return years provided, will be reviewed for underwriting and not disregarded. Due diligence should be provided by the Origination team submitting the file to send in file documentation appropriate to the circumstances of the file. If P&L, bank statements and other documentation is provided, it will be analyzed for income stability and must support the most recent tax year in the file.

Income stability is still being reviewed on all files per the Freddie & Fannie guidelines. To review these guidelines, use these links:

Freddie Mac (5304.1) <https://guide.freddiemac.com/app/guide/section/5304.1>

Fannie Mae (B3-3.2-01) <https://selling-guide.fanniemae.com/#Verification.20of.20Income>

FSB will follow all Freddie and Fannie guidelines pertaining to self-employment.

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

Sincerely,

Flanagan State Bank Mortgage Division Management