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Denial Cheat Sheet

**Follow this guidance on how to proceed and who to contact when a file is prequaled or must be denied and the loan is NOT disclosed:**

**IF** your file is a prequal – the loan must be disclosed or denied within 3 days when all 6 application items are present. Refinances will require a decision to be made within 3 days of application/credit date.

**IF** the application is a purchase and an address is not available and the file is eligible for financing, the Loan Number must be changed to a PR number. The file can remain in this status until the borrower finds a home or the credit expires. At time of credit expiring or the borrower notifies they are not proceeding, the file can be archived. A prequalification letter is to be uploaded to each file identifying the terms they were prequaled on.

**IF** the file cannot proceed at time of application due to credit the file must be denied. Email [denials@flanaganstatebank.com](mailto:denials@flanaganstatebank.com). In this case, there is nothing more to upload as your credit report already resides within Mortgage-Bot. Please make sure to double check that you have completed your income, declarations, government monitoring, and that a “Joint Intent” note has been added in Mortgage-Bot if there is more than one applicant.

**IF** the file cannot proceed at time of application due to DTI, LTV or some other reason specific to the terms of the loan, the file must be denied. Email [denials@flanaganstatebank.com](mailto:denials@flanaganstatebank.com). Upload to the file an LOX on the reason. Provide supporting documentation for your decision. This may be the qualifying ratios screen, AUS findings, etc. These should be uploaded to “Loan Officer Denial Information” in Image Flow. Please make sure to double check that you have completed your income, declarations, government monitoring, and that a “Joint Intent” note has been added in Mortgage-Bot if there is more than one applicant.

**Follow this guidance on how to proceed and who to contact when you need to deny or withdraw a disclosed loan:**

**IF** the file has been disclosed and the borrower provides information that will trigger a denial. Upload the information provided including what triggered this decision, add an LOX to clarify and upload to “Loan Officer Denial Information” and email [denials@flanaganstatebank.com](mailto:denials@flanaganstatebank.com). This should be completed within 3 days of the receipt of this information.

**IF** the file needs to change programs, copy the file and rename the loan number with a PR in front of it. Determine if a new program will work by using the new file. If it will, go back to the old file and re-disclose for the new program. Proceed to underwriting with the new information needed. If the file will not work using the new program, the loan will need to be denied on the program that matches the disclosures. All terms must match! Upload a reason for the denial and if the file has not been to underwriting – email [denials@flanaganstatebank.com](mailto:denials@flanaganstatebank.com). IF the file has been to underwriting, final back for the UW to complete the denial process.

**IF** the file has been to underwriting and will be denied, upload an LOX for the denial reason, making sure the documentation to support is uploaded, too. Final back to underwriting for the UW to complete the process.

IF you have any situations outside of this guidance, please email Mortgage Support with your situation and we will assist you with how to proceed.

IF you have an FHA loan that will be involved in the program change (whether the program that was originally disclosed or will be the new program) then email Mortgage Support to let them check to make sure there will not be any problems on the file moving forward.