



Important Announcement

1/5/2018

This announcement includes notices regarding updates for Flanagan State Bank's Correspondent and Wholesale Accounts.

This will reference:

Martin Luther King Jr. Day – Monday, January 15, 2018
Escrow Repair Holdback Agreement
No Score Borrower Refinance
Manufactured Home – AUS
Uploaded Documents
Power of Attorney
Flood Insurance and Escrow Waiver
Property in Flood Zone for USDA Financing
Changes after CTC

Martin Luther King Jr. Day – Monday, January 15, 2018

FSB Mortgage Division is open for this holiday. This date however will not count in TRID dates or for rescission. Please plan accordingly. You may view our newly published closing calendar at www.fsbtpo.com under the Turn Times page to get the most updated timing for closing dates.

Escrow Repair Holdback Agreement

Please note the NEW FORM added to our Forms & Tools page. The Escrow Repair Holdback Agreement has been added <http://www.fsbtpo.com/Escrow%20Repair%20Agreement%20-%20revised%20version%202017.pdf>

Our guidelines have changed on this! Please note the following updates to this feature:

- Loan Originator will be required to sign Escrow Repair Holdback Form due to addition of holding 50% of compensation until repairs are completed.
- Extension fees to borrowers if repair time period exceeds 30 days past closing date or 30 days from break in weather, if weather related repair.

Please contact Mortgage Support for questions!

No Score Borrower Refinance

Refinance on no score borrowers are no longer allowed for any government loan type. Purchase loans are still available for no score borrowers. Please see matrix's at www.fsbtpo.com for details on what is needed for a no score borrower.

Manufactured Home – AUS

Due to investor acceptance, please run LP on all Conventional Manufactured Home loans. FSB is unable to accept DU findings at this time on Conventional Manufactured Home Loan Type. TPO Accounts may email mtgsupportcenter@flanagansstatebank.com with credit reissue information to request the mortgage support team to run LP.

Uploaded Documents

Processors and LO's – please do not highlight information using colored highlighters on documents to be scanned and uploaded as it makes them difficult to read.

Power of Attorney

POA's must be reviewed by management on all loans using this feature. Please email the POA for review to mtgsupportcenter@flanagansstatebank.com prior to CTC.

Flood Insurance and Escrow Waiver

If a property is located in a flood zone and flood insurance is required, waiving of escrows will be limited to homeowners insurance and property taxes only. Flood insurance may not be included in the waiver.

Property in Flood Zone for USDA Financing

If a property is in a flood zone, USDA will require an LOX from the borrower to explain: "Why there are no other suitable properties that are not located in a flood zone."

Possible reasons may include but are not limited to:

- No similar room count on homes
- None in the same school district, if children are in household
- None with the same amenities and describe amenities

Changes after CTC

There are issues with items being changed or updated after the Clear to Close has been done. We ask that changes be made prior to resubmission so that we do not have these issues. Some of the changes after CTC we have experienced and their issues are:

- New credit report being pulled after final approval – the file has to go back to underwriting and sometimes creates new conditions on the AUS.
- Escrows waived after CTC – this causes a problem with the closing documents and pricing.

Our goal is to make closings go as smoothly as possible for everyone and making sure these items are addressed before the file is resubmitted to underwriting for final review would be very helpful.

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

Sincerely,

Flanagan State Bank TPO Division Management