



APP+5 Program



Program Overview & Manual





Welcome to Flanagan State Bank's App+5 program. This booklet will provide you with insight on why the App+5 program may be a good choice for your company. It will also be a reference on how the program will work for you and your customers.

We have successfully implemented this program with Banks, Credit Unions and other Financial Institutions across the country. If you would like references, please let your point of contact know. We would be happy to provide them to you.

Synopsis of the App+5 Program

This program is designed and used for financial institutions only. Mortgage Brokers and Bankers will not be approved for this program. The intent of the program is to provide financial institutions with the ability to provide their customers with programs that will keep their customers loyal to their bank. Flanagan State Bank works in tandem with the App+5 Institution to assist them in providing additional mortgage products such as FHA, USDA, VA and Conventional loans. These loans may or may not be offered already by the institution, but will allow more flexibility in what is available.



Why Would A Financial Institution Use This Program?

The reasons to use FSB for this are simple. We are a Community Bank. We understand your business and treat it like it is our own. With all the competition for depository institutions, the more you can keep the business with your company, the better chances you have for the revenue from other sources.

If you don't normally offer FHA, VA or USDA loans, then those customers are going somewhere else to do business for these products. The App+5 program will allow you to offer your clients (and others) the option to keep doing business with you.

We structure our relationship with your team to accommodate your relationship with your customers. When you decide this is the right option for your institution, we set up a meeting with your team and ours to layout how the customers will be handled. You direct us on how much or how little contact you want with the Borrower's once you have completed your Application + 5 tasks to earn your commission. We have a wide variety from the institutions we currently do business with that range from very little contact with the borrower to they handle all contact with the borrower.



Our Promise To You...

Written in to our contracts is the verbiage regarding who the Borrower/Client belongs to. We recognize that this is your customer and will honor this fact. When a Borrower contacts us who we closed a loan for from your App+5 lead, we will always contact you and ensure you know this loan is being done in your name as the App+5 Account, as long as there is an active contract between our companies.

The same applies for Real Estate Agent business. If an agent sends more business to us, we count this as business sent from you and the App+5 commission will be paid accordingly!

Benefits of being an App+5 Client



The reasons keep adding up to use this to benefit your institution!

Little to no overhead

There is no need to add any additional services or personnel for you to work with this program. If you were to Broker or Correspond these loans, you would need to add additional processing and personnel for the tasks that would need to be completed. FSB will take care of the processing of the file and post closing tasks which keep your overhead right where it currently is.

Limited training required

Learning the guidelines and procedures of FHA, USDA, VA and a secondary market Lender is time consuming. It takes time to be proficient in Government loans. FSB allows your bank to have access to our experts and can plug our knowledge into your company immediately!

No Underwriting Risk

We take all the underwriting risk on loans sent to FSB

Reduced Compliance Risk

One of the tasks we will complete on our end are the disclosures. Since we are completing this part, the compliance risk becomes our responsibility





How to Sign Up

Let's get your institution started!

The steps to become an active App+5 Account with us are simple:

1. We will need an application packet completed and sent in for approval. This can be found on our website www.fsbtpo.com under Channels.
2. Upon approval, an Onboarding Training will be set up. Usually within 24 - 72 hours of your approval
3. Once the Onboarding Training is completed, you are ready to start sending loans in to your assigned FSB Loan Officer

What comes next?

Once you are set up and ready to start sending loans to us, it is time to spread the word to your community! Letting everyone know the new Loan Types you offer will help you increase your revenue and meet your Borrower's needs!



Training

Training Is Provided

Flanagan State Bank will provide the necessary training to get your team up to speed on offering FHA, VA, USDA and Conventional loans to your clientele. The "Onboarding" training will be set up within days of the App5 approval. At this training, we will cover:

- Reviewing how the loan process will flow between FSB and your company
- Introduction of the FSB Loan Officer you will work with to complete loans
- Introduction of our LOS system and the basics of how to use it
- Responsibilities of FSB Loan Officer and Your Loan Officer
- How FSB will be customized to your company

At another time, we can train your company on FHA, VA and USDA basics. Just let us know dates and times for any additional trainings you would like!



Program Details

This section will cover the basic details and questions regarding the App5 program and the work flow.

Here is how the basic flow of a file will look:

- App5 LO will make contact with the potential applicant and proceed to take the application
- App5 LO will pull credit to determine if an in-house loan can be accomplished or is in the applicant's best interest. If an in-house loan can be done, then nothing further will happen with FSB. However, if an in-house loan is not an option, or is not the best option for the applicant, then App5 LO will take steps to get the application to the FSB LO.
 - The transfer of data will be part of the Onboarding discussion. We need to determine the best way to transfer data between the Loan Officers. We have these options:
 - We can train the App5 LO on uploading the file to Mortgagebot
 - The App5 LO can simply send the 1003 & Credit to the FSB LO and the FSB LO will enter in the application to Mortgagebot
- FSB LO will then do the following, depending on how the App5 LO wishes for customers to be handled:
 - FSB LO will reach out to the borrower and begin the conversations with them for Prequalification or
 - FSB LO will reach back to the App5 LO with the details on what the applicant qualifies for and wait for the App5 LO to confirm the loan will be moving forward
- Once terms are decided or a home is under contract, FSB will disclose the loan via E-Sign and send the list of documents needed either directly to the borrower or to the App5 LO to relay to the borrower. At time of disclosure, the App5 Checklist and Contract will be sent to the Borrower(s), App5 LO and FSB LO for signatures.
- When signed disclosures are received and the needed documents provided by the borrower, the file will move into the processing phase. FSB completes all the processing of the file.
- When processing has enough information to allow for a solid underwriting decision, the file is moved to underwriting for the initial review. Underwriting turn times are posted on our website at www.fsbtpo.com and updated daily.
- Upon underwriting approval, the FSB LO will advise the borrower or the App5 LO on what items are needed from the borrower. As soon as the remaining documents needed are provided, the file can be resubmitted to underwriting for a final review and Clear to Close (CTC)
- The loan will close in FSB's name with FSB handling all funding requirements. The App5 LO may attend the closing, if they choose.





App+5 Checklist & Contract

Notice to Prospective Borrower(s): Read this contract carefully so that you make an informed choice. You are entitled to a copy of this contract. Signing this contract does not obligate you to obtain a mortgage loan, nor does it constitute mortgage loan approval.

The Bank you are working with has a working relationship with Flanagan State Bank Mortgage Department. They will be working together to complete your mortgage loan. Per the current laws regulating mortgages, each company must complete a certain amount of work on your loan to earn the fees that are charged. The compensation charged will be competitive to what you would normally be charged in your area. The benefit to you is the ability to offer you more loan options for financing your mortgage.

This contract outlines the fees charged by _____ (originating bank) and the services they provide to earn the compensation being charged.

This contract is between:

Name(s) of borrower(s): _____

And _____ Originating Company located at _____.

The Lender, _____, will be authorized by the origination company to work directly with the borrower(s) to complete the loan once the initial steps have been completed by Originating Company. The Lender has authorized the above listed Originating Company to engage the above listed borrower and advise them on various loan products available to them through the Lender.

What Services must be performed by the Originating Company for them to be compensated? The Originating Company must perform counseling, education and consulting type of services. They must take the application and complete 5 additional items in the checklist below to satisfy the regulations allowing for the compensation showing in this contract to be paid to them.

1. ☒ Application (FORM 1003) completed in detail (required)
2. _____ Educate prospective borrowers on the home buying process
3. _____ Educate prospective borrowers on different financing options
4. _____ Complete Initial disclosures with borrower(s) (provided by Lender)
5. _____ Collect income documentation, assets and basic documents from borrower
6. _____ Request Appraisal
7. _____ Request title commitment
8. _____ Attend Closing
9. _____ Analyze the borrower's income and debt
10. _____ Ordering verifications of employment and deposit
11. _____ Order mortgage and loan verifications
12. _____ Order inspections or engineering reports
13. _____ Counsel borrower on credit problems
14. _____ Request flood certificate

Who do I represent?

I/We represent you. We are your agent and owe you a fiduciary duty. I owe all others a duty of fair and honest dealing. I will strive to insure you get the best loan terms possible that meet your loan objectives. I will receive a fee for my services to you through the mortgage loan from the lender (Flanagan State Bank).

What will I be paid and how the fees may work:

The Lender, Flanagan State Bank, may charge an origination fee to you. The Origination section of the Loan Estimate may include an origination fee, discount points or underwriting fee payable to Flanagan State Bank. In turn, this allows the Originating Lender to receive an origination fee not to exceed 1.00%. This fee is payable to the Originating Lender from Flanagan State Bank. No other fees may be charged by the Originating Lender and therefore there will not be any duplication of fees. The fees charged must be reasonable based on the services provided and consistent to meet Equal Credit Opportunity Act regulations.

For arranging your loan of up to \$_____ at an interest rate of _____%** and term of _____ years on a _____(fixed/adjustable)

My total compensation will be (1.00%) or \$_____

Contract Terms:

Property Address:_____

Please Note: A normal application has 5 components.

1. Taking the loan application and signing the initial disclosure with the borrower
2. Processing it
3. Underwriting it
4. Closing it
5. Funding the mortgage

By signing this portion of the form, you are acknowledging the agreement that you will complete step 1 plus 5 other tasks in the loan to earn the fee due to your organization. If any of these 5 items are not completed, this contract will be null and void.

Flanagan State Bank will be the final originator of this transaction. The borrower(s) will be working directly with Flanagan State Bank and their staff to complete the loan process. You will be able to maintain contact with the borrower in an advisory role and not an originating role.

Originating Company – Loan Officer Signature & Date

_____ Date_____

Flanagan State Bank Representative Signature & Date

_____ Date_____

By signing below, the Originating Company further certifies that the information in this contract is accurate and complies with all provisions of the Real Estate Settlement Procedures Act and the Truth In Lending Reg Z.

Originating Company – Loan Officer Signature & Date

_____ Date_____

You agree to the terms of this contract.

Borrower(s) Signature & Date:

_____ Date_____

_____ Date_____



Summary

Flanagan State Bank has the same goals as your company. Make a reasonable profit while providing the best service and products possible to satisfy our customer base. Our customer base in this case is you! You will find us dedicated to assisting you in successfully and confidently offering FHA, USDA, VA and Conventional loans to your community. We are happy to share our knowledge and resources to help you build and retain your business.

The end result creates a win/win for Flanagan State Bank and your company.

- 1) Your company is able to retain customers through increasing your mortgage products and being able to assist your customers through the process without dramatically increasing your overhead or manpower.
- 2) Your company will earn a fee on a loan you previously could not do and had to let the competition complete

When you are ready to sign up or if you have additional questions, please reach out to one of our **TPO Account Executives** for assistance:

Toni Pierce 815-676-0988	TPO National Sales Manager/Account Executive	tonipierce@flanagansatebank.com
Justin Yahnig 815-419-4176	VP of Correspondent Lending	justinyahnig@flanagansatebank.com
Robert Anderson 815-677-4156	Senior Vice President Mortgage Lending Division	robertanderson@flanagansatebank.com
Josh Heinrich 630-399-2827	National Retail Sales Manager/Account Executive	joshuaheinrich@flanagansatebank.com