

Shelsie Crawford

From: Toni Pierce
Sent: Thursday, February 25, 2021 4:01 PM
To: Sales; Mortgage Support Center; Dave Weber; Joshua Heinrich; Justin Yahnig; Rebecca Moorehead; Robert Anderson; Toni Pierce; Wayne Pierce
Subject: Weekly Updates from the week of 2/25/2021

Follow Up Flag: Follow up
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Good afternoon! There are not near as many updates this week as there were last week.... 🐼

If you have any questions about any of these updates, please get with your Sales Manager or email us at mtgsupportcenter@flanagansstatebank.com

FHA using FHLB, FYI

IF you have an FHA loan that will be using the FHLB Grant program, then your data entry into the 1003 just changed gears. The big change? DO NOT ENTER THIS AS SUBORDINATE FINANCING! Ok, now that we have that out of the way, here are the steps you need to follow:

1. **Property Screen – enter the FHLB amount and choose source of down payment as FHA-Gift-Source Government Assistance**

Down Payment and Title Information		
Amount	Source of Down Payment	Explanation
\$6,000.00	FHA-Gift-Source Government Assistance	FHLBC DPP Grant

2. **On the Asset screen, enter the FHLB amount as a Gift with FHLB DPP as the Institution:**

Copy Institution From Previous		
Borrower	Asset Type	Cash Value
Zaida O	Gift	\$6,000.00
Institution	Account Number	Description
FHLBC DPP		
Address	City	State / Zip
Gift received prior to closing		
<input type="checkbox"/>		
Delete Record <input type="checkbox"/>		

3. **DO NOT enter as a subordinate financing in the Details Of Transaction**
4. **(Processors only) On Closing Disclosure list on the Borrower Tab under Other Credits**

Note: This is for FHA loans ONLY! Conventional, USDA and VA will still have the FHLB grant listing as subordinate financing.

Note, Note: Your DU findings will need updating to match your 1003 with the FHLB grant showing as a gift.

HELOCS & Underwriting

This information does apply to all loan program types and will be added to the Matrix's soon. But, it is applicable on all loans currently working in our pipeline. When a loan has a HELOC that will be subordinated or a HELOC that the borrower holds on another property and won't be closed, this is how we will proceed:

HELOC Reporting on Credit:

If the credit report and soft pull show no balance - then nothing more is needed

If the credit report and soft pull show a balance – then we need documentation that shows recorded payment covers the interest amount due monthly (at a minimum) and is not a negative amortization payment.

If funds from a HELOC are being used for closing – FSB will need proof of funds being withdrawn and deposited to borrower's asset account being used for closing funds or a copy of the check or wire given directly to title. Payment will be calculated by using 1.5% of the current balance of the HELOC after the withdrawal for ratios.

As always, thanks for reaching the bottom of the email! Enjoy the rest of your week!

The opinions contained herein are based on a proposed loan scenario presented to us by you. They are non-binding, intended to be informational only, and under no circumstances are to be construed as a commitment to purchase the loan. The Seller/Loan Officer is responsible for the information provided to Mortgage Support/Assisted Correspondent or Scenarios to insure we have the most/best information to provide an accurate response for the situation being discussed. Delegated customers are responsible for making their own credit decision with respect to the loan. All loans submitted to Flanagan State Bank are subject to the terms and conditions of the matrix's published on our website and the Agency guidelines that apply to the loan type.

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