



Important Retail Announcement

6/20/2019

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

This will reference:

Disaster Area Announcement

Tax Transcript Update

USDA Income Update

Disaster Area Announcements

Loan funding will continue for areas in **Arkansas**. For the impacted areas due to flooding and storm damage declared as Disaster Areas by FEMA on May 21, 2019 a final inspection of the property will be required to confirm the property is not damaged. This will be effective for all counties located in the Presidentially declared disaster areas.

Arkansas Counties affected: Arkansas, Conway, Crawford, Desha, Faulkner, Jefferson, Logan, Perry, Pope, Pulaski, Sebastian and Yell

Loan funding will continue for areas in **Oklahoma**. For the impacted areas due to flooding and storm damage declared as Disaster Areas by FEMA on May 7, 2019 through June 1, 2019, a final inspection of the property will be required to confirm the property is not damaged. This will be effective for all counties in the Presidentially declared disaster areas.

Oklahoma counties affected: Canadian, Cherokee, Creek, Delaware, Kay, Le Flore, Logan, Mayes, Muskogee, Noble, Nowata, Okmulgee, Osage, Ottawa, Payne, Pottawatomie, Rogers, Sequoyah, Tulsa, Wagoner and Washington.

Tax Transcript Update

All files will have tax transcripts ordered on them moving forward. 2 years transcripts will be the normal request. Unless the findings on a conventional loan allow for the use of 1 year for qualification. If this is noted on the findings, then tax transcripts should be ordered for only 1 year.

USDA Income Update

We would like to bring to your attention a trend that we are seeing with some states for USDA.

When borrowers have not been at their current job for a year, the borrower must have previous experience in the same line of work earning similar income.

If you have a file that has employment for less than a year, please pay close attention to this situation and document why the file should be approved. Please understand that the USDA offices are giving more pushback on these type of borrowers and we will be asking for additional information to build our case to approve a loan that contains this information. USDA no longer has in their guidelines that they will accept future income such as employment contracts. And, not every state is requiring more information, but we have seen it on a few states. We want to make sure all Loan Officers are aware of changes that may be coming with USDA's reviews.

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

Sincerely,

Flanagan State Bank TPO Division Management