Process for Alternate Products Team (Apt)

Non-Delegated Jumbo 15/30 Fixed (All Investors)

APT Compliance Loan Procedure Disclaimer

Please note, all APT Products have variations of procedure. This is due to the division offering a wide range of products, sometimes thru different investor "Channel" Options. Those options include:

- **Brokering – FSB is NOT the lender. FSB originates and processes the loan, and the investor Underwrites, Closes, and Funds each loan.**
- **Non-Delegated Correspondent – FSB is the lender. FSB originates, processes, closes, and funds each loan. The investor underwrites each loan.**
- **Delegated Correspondent – FSB is the lender. FSB originates, processes, closes, underwrites, and funds each loan.**

Due to the "Channel" Options being different for each product, we created individual procedures for each product APT offers. The first page of each procedure will reference "FSB Compliance" reminders to make sure Reg B, and HMDA are properly followed.

_____

<u>FSB Compliance</u>

What will I be paid to give an internal employer referral to APT on this product?

On Jumbo loan products, the referring Loan Officer will be paid 50 BPS.

Do I have to deny my loan before APT Discloses the loan?

You would deny the borrower(s) if the credit history is deemed not acceptable for the product, or the borrower(s) do not meet the basic guidelines. If later APT finds out that the loan is not qualifiable prior to the investor submission, then we will request the denial at that time.

Is this loan HMDA Reportable?

VERY IMPORTANT – If you deny the request Prior to submission to APT, then the loan is HMDA reportable, and you would follow your normal denial procedures.

If you proceed with APT on this product the loan would NOT be HMDA reportable. If you proceed with APT, FSB will not be making the lending decision (performing the underwriting) on this product. Once you have a loan setup in MBOT please do the following in your MBOT File:

- Go to Forms and Docs
- Go to Denial and WD Letter Page

Date Excluded From HMDA

MM/DD/YYYY

- Enter today's date in this field

COMPLIANCE SECTION IS COMPLETE

CONTINUE TO SPECIFIC PRODUCT PROCEDURE REQUIREMENTS

Non-Delegated Jumbo 15/30 Fixed (All Investors) Loan Procedure

STEPS THAT INVOLVE THE REFERRING LOAN OFFICER

Step Number 1: Review the Basic Guidelines

Please review the Jumbo Loan Guideline Matrix, and review the Full Underwriting guidelines for whichever Investor you wish to price with the FSB Lock Desk. See this link to our Retail Web-Site for further details:
[Processor Work Flows (myfsbretail.com)](myfsbretail.com)   Ignore the title to the right, this is the correct link!

Step Number 2: Setup a Loan in MBOT
Please create a loan within MBOT and make sure to pull credit in your normal process. Please do NOT order an AUS. If one is required for your product, processing will do so later. Please make sure that all the information that normally would be required to get a price quote in scenario Pricer has been completed within either the borrower summary screen, and URLA. Please make sure to have the two-digit prefix of the loan number sequence changed to a "38". This is the code for the APT unit.

Step Number 3: Get a Price Quote
Please email lockdesk@flanaganstatebank.com to get an off-sheet price quote. There is no need to give our lockdesk an MSA in your email request, however, please reference the product, investor (I/A), borrower(s) last name, and loan number within MBOT.
Note - Our goal eventually, is to get all "non-brokered" products mapped to Scenario Pricer within MBOT.

Step Number 4: Meet with the borrowers on the terms!
Call or email your borrower(s) and see if they would like to proceed with the loan at the rate and terms you were quoted from our lock desk.

Step Number 5: Prepare your borrower(s) for a "Soft Pass"!
If the borrowers elect to move forward, they need to know that the loan will not be originated in your name, but that you will monitor their progress throughout the loan process and keep all the real-estate agents (I/A) abreast of the loan progress. After that, please advise the borrower(s) that you will be coordinating a time to do a conference call to introduce them to the loan officer that will assist both of you their loan request! If the borrowers elect to not move forward and you have entered a property address within MBOT, please remember to email denials@flanaganstatebank.com to WD the loan within 72 hours. Please contact your assigned sales manager if you have further questions.

Step Number 6: Set-Up a Conference Call to do Introductions.
Please send an email to apt@flanaganstatebank.com to schedule a time within 24 hours to start the loan process via a conference call. This call is a mandatory requirement, per FSB Management, prior to all APT Loan Products being originated. The number for the conference call will be 815-556-0064, Code 1234. When sending the email to APT to setup a conference call, please make sure to advise the MBOT loan number, investor you received your quote for, and borrower last name for the file that was created. It would also be very helpful to advise the program the borrower(s) are inquiring about. Please note that the following will be discussed on each conference call:

- Introduce your assigned Loan Officer.
- Introduce your assigned Processor.
- Go Over the process with the borrower(s):
    1) APT Loan Officer will go over the requirements of the loan program that is needed.
    2) Referring Loan Officer will collect all initial documentation from each borrower(s).
    3) APT Processor will be the contact for each borrower(s) to gather additional conditions after the referring Loan Officer sends the initial documentation for review.
    4) APT Loan Officer or APT Processor will gather and contact the borrower(s) directly throughout the loan process.
    5) APT Management will send out a weekly "in process" report for each loan to the referring Loan Officer.
    6) Referring Loan Officer will keep all real-estate agents abreast of the loan progress weekly.

IF at this stage the APT Loan Officer feels it is best to request a "Prequal" review for any non-delegated product, please see this link in order to request a prequal on a Jumbo and follow those steps.
c39de5_55f8bb8f49d743fea4a2b2cd6d70e1f7.pdf (myfsbretail.com)

THE ADDITIONAL STEPS ARE FOR APT UNIT PERSONNEL

Step Number 7: Transfer the loan within MBOT.

Each loan will be transferred in MBOT to the assigned APT Loan Officer. The APT loan officer will make sure the loan number has been labeled properly with the "38" Loan prefix. This is very important for commission purposes. The APT Loan officer will double check that the loan was marked as "HMDA Non-Reportable".

- Go to Forms and Docs
- Go to Denial and WD Letter Page

Date Excluded From HMDA

MM/DD/YYYY	⊞

Step Number 8: Disclosing each loan within MBOT.

Here are the additional steps IN ADDITION to the normal LO Disclosure Process:

- APT Loan Officer to select the correct product from the drop-down list within MBOT on the Borrower Summary Screen.
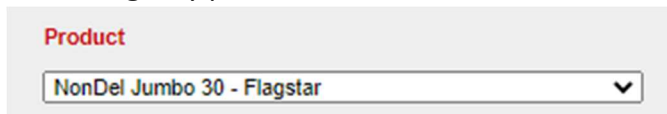
    Product
    NonDel Jumbo 30 - Flagstar ⌄

- All Jumbo Loans MAY NOT be locked prior to underwriting approval.
- Please disclose each loan at a FLOAT
- APT Loan Officer to check the FSB Retail Web-Site for any "Investor" Specific Disclosure forms. Please contact Josh Heinrich or Kristen Snethen if you have further questions.

Step Number 9: Processing Each loan

Here are the additional steps IN ADDITION to normal Processing procedures:

- Note – If the Jumbo Investor Product states "Delegated" within the MBOT Product field, there are no additional processing requirements needed. Please process the loan to normal Agency procedures.

    Product
    NonDel Jumbo 30 - Flagstar ⌄

- If the product states "Non-Delegated" in the MBOT Product Field, please see our "Non-Delegated Loan Procedures" on the FSB Retail Web-Site. Below is the link to those procedures. Please look for the "PROC" Steps:
  [c39de5_55f8bb8f49d743fea4a2b2cd6d70e1f7.pdf (myfsbretail.com)](c39de5_55f8bb8f49d743fea4a2b2cd6d70e1f7.pdf)

- Please pay special attention to Step 16 in that process that is for our FSB underwriting team. The UW will list two standard UWing Condition on each approval within MBOT to say "See Image flow for approval conditions. This can be found under 'Non Del Investor Approval'." The second condition will be for the loan to be locked.
- APT Processor will go directly to APT borrowers, and when necessary bring in the APT loan officer for support. If further help is needed, the APT loan officer will enlist the help of the original referring Loan Officer.

Step Number 10: Weekly Communication

APT will distribute to all referring LO's a "Weekly Status Spreadsheet" on all APT loans in process each week. Please remember to cc APT@flanaganstatebank.com for senior management to watch the pipeline and further support.