

Process for Alternate Products Team (Apt)

Brokered Fixed HELOAN Product - REMN

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.

Please note that the compliance procedures differ based on the different channel options. Due to these channel options, FSB makes the credit decision on Delegated APT products, but does NOT on Non-Delegated or Broker product offerings. Please read and follow the below compliance procedures on APT Product offerings. Each APT Product offering has either a D, ND, or B referenced in the product code to make it easy for you to identify each channel.

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

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

FSB Compliance

APT DELEGATED LOAN PRODUCTS COMPLIANCE PROCEDURE - REG B:

On APT Delegated product offerings, if the prequal or loan request is NOT approvable simply deny each loan in normal FSB procedure. Nothing further applies. If our underwriting department determines later that the loan is not approvable, they will issue and process the denial in normal FSB procedure.

APT NON-DELEGATED OR BROKER LOAN PRODUCTS COMPLIANCE PROCEDURE – REG B:

PREQUALS WITHOUT A PROPERTY ADDRESS:

If the borrower(s) applied for another loan product, or directly for an APT loan product at prequal stage, do I have to deny my original loan before APT proceeds on a prequal submission?

You do NOT have to issue a denial on your prequals, until you determine (with the help of the APT unit) that the borrower is NOT financeable for an APT Product Offering. However, you CANNOT change the product code or update the URLA on your original loan file until APT determines that the loan fits the basic guidelines for the product you inquire about. If APT determines that one of their offerings is NOT available, then you would deny the loan in normal procedure on the original product requested, or the closest agency product (if they applied directly for an APT product). This will allow our compliance department to issue a HMDA reportable denial on one of our FSB Agency products and avoid double HMDA reporting.

If APT determines the loan may be approvable, you may issue a prequal based on that determination. If you issue a prequal, then please update the product code accordingly to the APT offering. Please make sure to label each loan with a “PR”, and with a branch code of “38”, which is the APT unit code.

I want to find out if a prequal may be approvable for an APT product. How can I do this?

First, please review the basic guidelines for each product on our FSB Retail Web-site. Please pay attention to any “required” information that may be required to determine the outcome of each request. Second, email APT@flanaganstatebank.com. Please remember, you must NOT change the product offering in MBOT to the APT product or the URLA from your original product offering.

What is the next step after APT advises that my submission meets the basic guidelines for the prequal I have inquired about?

Assuming you issue a PR to the borrower(s), you simply wait until they find a property to purchase. Once the borrower(s) find a home, you would proceed by following the procedures for loan submission on each APT product offering. In these cases you DO NOT have to create a new loan for APT, you may simply update your URLA at this time. APT will then transfer the loan to themselves and start the loan process.

LOANS WITH A PROPERTY ADDRESS:

If the borrower(s) applied for another loan, do I have to deny my original loan before APT proceeds on a product submission?

Yes, you must always deny your first loan and start a new loan whenever offering an APT loan submission if the borrower applied originally for another product.

If the borrower(s) applied directly for an APT loan, do I have to deny my original loan before APT proceeds on a product submission?

No, you may use the original loan started.

I want to find out if a loan may be approvable for an APT product, prior to creating a new APT loan for submission. Can I do this, and if so, how?

You would deny your loan as directed above, and then contact APT@flanaganstatebank.com. You must NOT change the product offering in MBOT to the APT product or the URLA from your original product offering. This will allow our compliance department to issue a HMDA reportable denial on one of our FSB Agency products and avoid double HMDA reporting.

What do I do next after APT advises that my submission meets the basic guidelines for the product I have inquired about?

You will proceed by starting a new loan and following the specific APT loan product procedures.

NON-DELEGATED / BROKER HMDA PROCEDURE:

VERY IMPORTANT

If you proceed with APT on ANY Non-Delegate or Broker 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



- Enter today's date in this field

COMPLIANCE SECTION IS COMPLETE

CONTINUE TO SPECIFIC PRODUCT PROCEDURE REQUIREMENT!

Brokered Fixed HELOAN Product - REMN

STEPS THAT INVOLVE THE REFERRING LOAN OFFICER

Step Number 1: Review the Basic Guidelines

Please review the HELOAN-REMN Matrix. See this link to our Retail Web-Site for further details:

Insert Link Later

Step Number 2: Setup a Loan in MBOT

Please create a loan within MBOT and note the following on this product:

- DO NOT pull credit in your normal process. For this product, only a “Soft Pull” credit report is required.
Note – If you previously pulled credit on another loan within 90 days and denied that loan on another FSB product, you MAY utilize that credit report in lieu of a “Soft Pull”.
- Please do NOT order an AUS on this Product.
- Please make sure that all the information that normally would be required to get a price quote in scenario Pricer has been completed within the “borrower summary screen”, and your URLA within MBOT.
- Note that on this product the appraised value is ONLY determined by a “Zillow Zestimate”. We cannot provide a price quote, until you have pulled the “Zestimate”.
- NO Third Lien Positions are allowed!
- Please also provide “All Household” income via a note to MBOT if there are “Non borrowers”, within the household. We cannot give an accurate price quote without this information.
- Please make sure to have the two-digit prefix of the loan number sequence changed to a “38” within the MBOT loan you created. This is the code for the APT unit.

Step Number 3: Prepare your borrower(s) for a “Soft Pass”!

If the borrower(s) 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. After that, please advise the borrower(s) that they will be contacted by an APT loan officer via email on this product within 24 hours. If the borrower(s) 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 4: Submit the HELOAN to APT

On this product, send an email to apt@flanaganstatebank.com advising that you are submitting a HELOAN application. When sending the email to APT please make sure to advise the MBOT loan number, borrower last name, attach the “Z-Estimate” (or upload to Image Flow), and attach the soft-pull or credit report (or upload to Image Flow). Please also remember to state in your email if there is any “Non-Borrower” income within the household not present on your URLA (or add notes to the MBOT file). If the APT unit has any questions, they will email you back within 24 hours on your submission.

Step Number 5: Borrower will get their own price quote on this product!

Within 24 hours the borrower(s) will be sent an URL link for them to finish the application directly with the investor (REMNI) and to decide what terms (5,10,15,20, or 30 year fixed rate terms) they would prefer. This process is simple for the borrower(s) once APT sets up each loan properly. If the borrower(s) have further questions, please make sure they send an email directly to the APT loan officer that sends them the URL Link for this product! The APT@flanaganstatebank.com email cannot receive outside communication emails. Please do NOT publish this email to borrower(s)!

Please note that on this product, once the borrower(s) start the communication with the investor by email, they will ONLY work with the investor. Those communications, because the whole process is automated, are done through email. Please, make sure the borrower(s) are aware of this and that they should be checking their email(s) regularly to finish their approval. ***The APT Team will be emailing borrower(s) up to three times on this product once submitted to the investor. If the borrower(s) do not start the on-line process with the investor after this third follow-up email, we must withdraw the loan request.***

Our APT assigned Loan Officer will send an email advising both you, and the borrower(s) as well about this communication during the process!

THE ADDITIONAL STEPS ARE FOR APT UNIT PERSONNEL

Step Number 6: 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

 

Step Number 7: Disclosing each loan.

The HELOAN Product will be disclosed by our Wholesaler partner (REMN):

- APT Loan Officer to select the correct product from the drop-down list within MBOT on the Borrower Summary Screen.

A screenshot of a web form element. At the top, the word "Product" is written in red. Below it is a white rectangular box with a thin border, containing the text "NonDel Jumbo 30 - Flagstar" and a small downward-pointing chevron icon on the right side, indicating a drop-down menu.

Note- the above is just an example of the product code field in MBOT, and may not be this product.

APT LOAN OFFICER TO UPDATE THE “ESTIMATED CLOSING DATE” ON THE LE IN EACH FILE!

Step Number 8: Processing Each loan

This product is simply processed within the Investor Site and there is NO appraisal required, as the value will be determined by a Zillow “Z-Estimate”. Your assigned APT Loan Officer will process each request and contact your borrowers directly with any additional questions that may be necessary for this product offering.

Step Number 9: 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.

Step Number 10: Match up loan amount correctly to MBOT File prior to funding.

The APT loan officer will update the MBOT file with the correct loan amount, rate and term PRIOR to each HELOAN funding after the borrower and REMN have agreed upon an approved loan amount, and term. This will be done for commission purposes, and tracking.

Please ALSO upload a copy of the investor final approval under “Non-Del Investor Approval” within Image Flow.

Step Number 11: Mark funding Date in MBOT & Mark “Post Closing Complete”:

The APT loan officer will move the loan to a “Funded” loan status within 24 hours of Commercial Loan disbursement on each loan. This will be done for commission purposes, and tracking. See below steps:

- Make sure you are in the “Lender side” of MBOT when performing this function.
- You may have to “final” the loan to complete this process.
- **NOTE – If the loan was not ever “Registered” previously, please do so to enter a funding date. On Brokered deals, this information DOES NOT have to be accurate, just the loan amount must be. If you need help further please contact Josh Heinrich.**
- Go to forms and docs.
- Go to the “funding” page and fill in the date at bottom.
- Go to the “Shipping” page and enter the name of the referring LO into the “Servicer Loan Number” Field for commission purposes.

Once Rebecca Moorehead receives each broker check, she will status each loan by:

- Make sure you are in the “Lender side” of MBOT when performing this function.
- You may have to “final” the loan to complete this process.
- Go to forms and docs.
- Go to the “Accounting” Page and enter the Purchased by Investor Date.
- Go to “Post Closing” fill in the “follow up completed” date at the top, this should add the “Post Closing Complete” status to MBOT.