

Process for APT – Deephaven Non-QM Non-Prime - Asset

(Minimum 60 Day Contracts Accepted – No Exceptions) – Mentor Jamie Jacobsma

Steps for the Referring Loan Officer - APT LO Mentor and Support Staff

*Note that this product allows for multiple options, but primarily is used to finance a loan for borrowers that meet one of the following criteria:

- In addition to the Non-QM “Non-Prime” criteria,
- Qualify the borrower based on the average deposits from liquid bank statements over 12 (or) 24 Months (Personal or Business Bank Statements)
- NSF activity in the past 12 months must be satisfactorily explained by the borrower. Excessive NSF or overdraft activity may preclude the borrower from bank statement eligibility options.

REFERRING LO / APT CORR MENTOR:

- 1) Make sure to review the DH Non-Prime guidelines for Maximum LTV / CLTV and other pertinent qualification information. The link for the basic matrix is below.
Link: [CORR Flow Product Matrices.pdf](#)
- 2) This product sometimes allows for higher than 80% Loan to Values on Purchase and Refinance transactions, but due to the price adjustments, Loan to Values greater than 80% are not obtainable or feasible unless you have significant seller contributions. In those cases, the contract will have to be a “Specific” closing cost contribution and NOT a “general” contribution.
- 3) This program requires the use of an AVM and CDA (Drive by Appraisal) that will be ordered through Clear Capital by our APT Unit in addition to a normal full appraisal.
- 4) Loans with properties that are deemed in rural or remote areas will not be able to be locked until both the CDA and Full Appraisal have been approved by Deephaven.
- 5) Six months of liquid reserves is required and will not be waived. Please see additional possible reserve requirements for larger loan amounts.
- 6) Please review the entirety of all the product guidelines prior to proceeding with the APT unit for any other guideline you may have a question on.
Link: [DH Correspondent Guidelines \(myfsbretail.com\)](#)
- 7) Rates for the DH Non QM Non-Prime Asset Product can be found on pages 13-14 of the APT Daily Rate Sheet.
Link: [APT Rate Sheet.xlsx \(myfsbretail.com\)](#)

Note that investment property loan rates are separate on the APT Rate Sheet due to FSB NOT allowing loans with any prepayment penalty! Those are on pages 15 and 16 of the rate sheet.

Please pay special attention to the “Add Ons” or “Deductions” on this product.

- 8) LE Should be set-up like a normal loan in the LO’s area. However, please remember:
 - A) An Appraisal fee of at least \$900 should be disclosed.
 - B) In addition to normal fee setup make sure the \$1800 commitment fee is disclosed on all APT Correspondent loans unless an exception has been granted by doing a lender credit from JH on the URLA prior to disclosure. This fee will be used to “replace” any regular underwriting or processing charges (please remove I/A).
- 9) Please remember “Out of Area” loan policy on possible “Transfer Taxes”.
- 10) Please remember that you are to NOT disclose these loans. The APT unit will do so after you have turned in your submission.
- 11) Please remember to mark your loan as NOT HMDA reportable under Forms and Docs, Denial / Withdraw page. Contact APT for further questions on this process.
- 12) There are NO other product disclosures required for this loan product other than normal FSB Disclosures.
- 13) Review to make sure that the services have been run within MBOT, but please DO NOT run an AUS on this product!
- 14) Please make sure that you upload to your MBOT file in Image Flow at least 12 months bank statements, and preferably 24 months.

APT CORR MENTOR:

- 15) Please make sure the Purchase Agreement is uploaded to the file along with the bank statements required for review.
- 16) Please make sure that a BIP is uploaded to Image Flow or Notes have been added to MBOT for processing to do appropriate ordering.

17) Do NOT transfer the loan into (NOT copy a new) APT Institution. See screen shot below:

The screenshot shows a web-based interface for loan management. On the left is a sidebar with an 'Actions' menu containing options like 'Archive Loan', 'Change Origination Type', 'Copy Loan', 'Edit Fannie Mae Casefile ID', 'Edit LPA Key', 'Export Loan', 'Final', 'Release from Processor', 'Flag Employee', and 'Transfer Loan'. A red arrow points from 'Transfer Loan' to the 'Intent To Proceed' section of the main form. The form includes fields for 'Home Phone', 'Work Phone', 'Cell/Alt Phone', and 'Fax'. It also has sections for 'Present Address' and 'Mailing Address', each with 'Address Street', 'City', 'State', 'Zip', and 'Zip Ext.' fields. The 'Intent To Proceed' section includes a dropdown menu for 'Intent To Proceed' and a 'Method Provided' dropdown.

- 18) Please make sure to make this new loan “Non-HMDA Reportable”.
 - *This is NOT a delegated product, therefore FSB will not make a credit decision.
- 19) Please make sure to have the three-digit prefix of the loan number sequence changed to a “382” on all loan requests within the MBOT loan that was created.
- 20) Corr Mentor will request FSB lockdesk to either register or lock each loan.
 - Please email lockdesk@flanagansstatebank.com the loan number. On this product we CAN send an FNMA format file to secondary for registering or locking each loan.
 - *See Addendum procedures on “How to Register/ Lock a Loan with Deephaven”.
- 21) APT Corr Mentor confirms the lock or registration is done with the FSB lockdesk, will then send an email to apt@flanagansstatebank.com and processing will setup each loan for disclosing out of MBOT. Josh Heinrich and Chris Langel will “backup” this function.

APT PROCESSING:

22) Processing team will locate each loan in the DH pipeline after registration / lock from FSB lock desk.

23) Processor will request lock from the FSB lockdesk at a later time when applicable.

24) APT Team will disclose the loan in normal process.

*Processor will select the below code before sending out disclosure set:

The screenshot shows the 'Order Document Package' form in the FINASTRA MORTGAGEBOTLOS system. The form includes several dropdown menus for configuration: Document Engine (DocMagic), Document Package Type (Initial Disclosure), Request Type (Complete Package), Language (English), and Document Format (PDF). The 'Plan Code' field is highlighted with a red circle and contains the text 'AFR_FHA -- FHA: FHA FIXED RATE - AMERICAN FINANCIAL RESOURCES, INC.'. Other fields include 'Alt Lender Code' and 'Closing Provider'. The left sidebar shows navigation options like 'Forms & Docs', 'Lending Portal - URLA', 'Doc Packages', 'Order Document Package', 'Closing Docs', 'Services', 'Status & Tracking', and 'Actions'.

25) After Disclosures are sent, APT Team will send the following email to our

mtgsupportcenter@flanaganstatebank.com

“Please note, we have disclosed this _____ APT Corr Loan. Please make sure to assign this loan to Tracy Davis after you are done with your normal process.

26) The loan will be processed in normal “Non Consumer Direct Manner” through our APT Unit. The APT Processor will assign conditions gathering to the referring LO as the main contact for ALL conditions.

27) APT Processor will move each loan to “UW Approved W Conditions” after the investor has approved each loan.

28) APT Processor will issue all ICD requests through FSB’s normal process.

- 29) APT Processor will upload all final Cleared to Close Statuses on this loan product to MBOT and move the loan to a "U/W DECISION - FINAL APPROVAL/READY FOR DOCS" but will **NOT** final the loan for closing.
- 30) APT Processor will upload the APT Closing Request form and then FINAL the loan in MBOT.
- 31) FSB Closing and Post Closing Team will now take over and Close and Deliver each loan in normal business process.

Addendum Procedure – How to Register and Lock Loans with DH

Please see the attached Non Delegated Register / Lock Procedures from Deephaven.