

## Understanding Credit, The Addition of Advantage Plus Credit & Credit 1,2,3

Josh Heinrich <jheinrich@fsbfamily.com>

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To: Sales <sales@flanaganstatebank.com>

Cc: Underwriting <underwriting@flanaganstatebank.com>; Abby Pinkham <APinkham@fsbfamily.com>; Brenda Geaheart <bgeaheart@fsbfamily.com>; Brittany Dahlberg <bdahlberg@fsbfamily.com>; Chris Langel <clangel@fsbfamily.com>; Chris Sneller <chris@aplusmortgages.com>; Eileen Felderman <efelderman@fsbfamily.com>; Hermila Garcia <hgarcia@fsbfamily.com>; Jamie Bencher <jbencher@fsbfamily.com>; Joyce Snelius <jsnelius@fsbfamily.com>; Karen Leon <kleon@fsbfamily.com>; Kristen Middleton <kmiddleton@fsbfamily.com>; Lisa Merry <lmerry@fsbfamily.com>; Molly Edwards <medwards@mortgagebymj.com>; Naja Bobet <nbobet@fsbfamily.com>; Pamela Janes <pjanes@fsbfamily.com>; Sarah Norden <snorden@fsbfamily.com>; Sarah Sheahan <ssheahan@fsbfamily.com>; Susan Mikoff <smikoff@fsbfamily.com>; Sydney Evans <sevans@mortgagebymj.com>

 3 attachments (227 KB)

FSB FAMILY PRICING.pdf; FSB Soft Pull Written Consent Disclosure-fillable.pdf; FSB Credit 123.docx;

Everyone,

Please read this very important announcement. Thank you!

### **Understanding Credit Report Types:**

First, let me remind everyone of the definition of trended soft pull credit reports, and non-trended soft pull credit reports. A "trended" soft pull credit report prevents trigger leads and is allowed to be tied to an AUS finding, where a "non-trended" soft pull credit report prevents trigger leads but cannot be used to tie to an AUS finding. Whenever a "trended" soft pull is requested from ANY credit vendor, the borrower(s) must sign a written consent prior to FSB obtaining a credit report. That is attached to this email for future use and here is a link to the document. Link: [Microsoft Word - FSB Soft Pull Written Consent Disclosure \(myfsbretail.com\)](#) . One final item to note is that a "trended" soft pull credit report is also nicknamed a "Hybrid".

Please note that if you elect to utilize a "trended" or a "non-trended" soft pull report at prequal, you MUST order a full tri-merge credit report once the loan becomes an application with an address. At time of application, the borrowers MAY be charged for both the cost of the "trended" soft pull AND the hard pull (tri-merge), but you may NOT charge borrowers the cost of "non-trended" soft pull credit reports at time of application.

Last, **but not least**, note that you must always order your original "decision" credit report through MBOT, regardless if this is a tri-merge or either soft pull reports.

### **Advantage Plus Credit**

All Loan Officers,

Please note that sometime next week after training you will be sent logins for Advantage Credit which will give us a second credit vendor to choose from. You will get three separate logins. One will allow you to pull merged credit reports, like normal. The second login will allow you to also order "non-Trended" soft pull credit reports (this login will have "soft" in it), and a third login for "trended" soft pull credit reports (this login will have "HB" in it) . Please set these logins up when you receive them within 12 hours.

All Other Staff Members,

You will receive one Advantage Credit Login next week after training for you to rerun AUS findings when necessary or order tri-merge credit reports like you have in the past. Please set these logins up when

you receive them within 12 hours.

*Why are we adding a new credit vendor?*

The simple answer is cost. As you all know the cost of credit reports continues to increase. Due to those rising costs over the last two years, we have been researching numerous credit vendors in order to bring down those costs. We are adding Advantage Credit for four reasons. Those reasons are:

- 1) The cost for a tri-merge credit report with Advantage will be \$10 per credit report cheaper in all instances. Attached are all the costs associated with Advantage Credit.
- 2) When you pull credit with Advantage Credit their system has been programmed to only provide any of our loan officers a single repository (Trans Union) automatically instead of providing back a tri-merged credit report if any of the below instances occur:
  - A) Borrower has a BK within the last 24 months.
  - B ) Borrower has a foreclosure within the last 36 months.
  - C) Borrower has a representative fico score of 570 or below.

This will allow the loan officer in many instances to save money for their branch by making a determination to either proceed to order a tri-merge credit report OR make a credit decision and or credit counseling based solely on the single Trans Union report. Paraphrased, we would save \$74 on a joint report assuming the fico scores are very bad. Note there are about 1,000 credit reports run annually with mid fico scores below 560 within our mortgage division. This is not uncommon due to the amount of government lending we do, but as you can all see this alone could save FSB significant dollars.

- 3) Many of our loan officers at time of prequalification ALSO pull a data-verify primarily to check for liens and judgements. In our negotiations with Advantage Credit, they are providing a "Liens and Judgements" report that Loan Officers can order from their site at time of prequalification. This will eliminate the need for a data verify report on prequals. Each data-verify costs FSB \$16, and now those lien and judgement searches would be free. Please note this **does not** mean that we will not need to order a data verify on disclosed loans, but there is no need to run them further on prequals due to Advantage Credit.
- 4) Adding another credit vendor will allow FSB to leverage cost reductions in the future via Partners Credit or other credit reporting companies due to competition, like we have done with MI Companies. We want these vendors to "fight for our business".

*How do I order a credit report in MBOT from Advantage Credit?*

# Order Credit

Credit Vendor

Meridian

Z-APT-HELOAN-REM N Test & Z-APT-HELOAN-REM2 Test

Include in Order

Credit Type

Tri-Merged

Reissue



Reference Number

Copy Liabilities to 1003



## Request Info

Credit Agency

ADVANTAGE PLUS (BA)

Account Number

Password

Remember Password for login session

*How will we implement this service provider addition?*

We have coordinated a training session for Wednesday June 5<sup>th</sup> at 1:30 PM CST for Advantage Credit to do direct training via an on-line session. The link for that session is below.

**Link:**

[Join the meeting now](#)

Meeting ID: 269 778 154 837

Passcode: TUrHvn

### **FSB Credit 1, 2, 3**

We have put together the steps (attached) that we believe each branch manager should review and implement to reduce credit charges associated with each branch P&L. If this is followed, we believe it will have a huge impact over time towards profitability.

If you have further questions, please email me directly back (remember to avoid the "reply all" please.. 😊). Thank you, and have a wonderful rest of your week!

Josh Heinrich / NMLS ID: 334476  
Retail and TPO Operations Manager  
Flanagan State Bank / NMLS ID: 408461  
Phone: 630-399-2827  
Email: Jheinrich@FSBFamily.com

