



FLANAGAN STATE BANK HELOAN PRODUCT DISCLOSURE

The Borrower(s) do hereby understand the following as it pertains to the REMN HELOAN Brokered Product Offered by Flanagan State Bank.

Borrower(s) acknowledge the following:

- Flanagan State Bank is NOT the lender, but only the originator that earns a fee paid by REMN Wholesale for brokering each HELOAN. This fee is 1.75% of the amount of the approved total loan amount the borrowers can lend, and not on the original amount disbursed. This fee is not paid at closing but financed within the loan amount.
 - The REMN HELOAN's Interest rate is indexed to the Wall Street Journal Prime Rate plus a standard set margin.
 - The Standard Margin is determined by borrower and property factors such as middle fico scores, Loan to Value Ratio on determined values, and occupancy type (such as a Primary Residence, Investment Property, etc).
 - The loan term is always based on a 30-year amortization.
 - The first 5 years of the amortization allows for an Interest Only payment option and the final 25 Years are fully amortized on the Prime plus Margin as stated above.
 - The margin can never change.
 - If it is discovered later by REMN that the occupancy originally entered by the borrower(s) is incorrect, the borrower(s) will have to start over and reapply for financing.
 - There is a minimum loan amount of \$25,000.
 - There is a minimum draw percentage of \$25,000 or 75% of your approved Loan Amount, whichever is greater.
 - You may return an amount of the initial draw percentage that you do not want to utilize. This can be done immediately after your original funding date.
 - The borrower(s) are only charged interest on the amount utilized. You will also pay interest on the initial draw amount for the first 15 days, even if you return all the loan proceeds after closing to pay down your line of credit.
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- This is a variable interest rate loan, and the interest rate can go up or down based on the current index of the Wall Street Journal published Prime Rate.
- See below for example of interest rate change.

Interest Rate Examples:

Example One – Decrease

Closing Terms: Prime is 8% and margin is 3.5%. The Rate is 11.5%
Change if Prime goes down to 7%: Prime is 7% and margin is 3.5%. The Rate is 10.5%

Example Two – Increase

Closing Terms: Prime is 8% and margin is 3.5%. The Rate is 11.5%
Change if Prime goes up to 9%: Prime is 9% and margin is 3.5%. The Rate is 12.5%

The undersigned acknowledges that they have read this disclosure notice as it pertains to the REMN HELOAN product offering (the below must be signed prior to funding):

Borrower Name: _____

Signature and Date: _____

Borrower Name: _____

Signature and Date: _____

Borrower Name: _____

Signature and Date: _____

