



To: All Customers **From:** Secondary Marketing
Date: 05/13/21 **Memo#:** 21066
Subject: Agency Investment and Second Home LLPA Updates

Starting with new locks as of Friday, May 14, 2021, Flagstar Bank is implementing the following loan level price adjustment updates on eligible Agency investment property and second home loans. We are breaking out the adjustments based on amortization term and loan type.

CURRENT INVESTMENT LLPAS						
	INVESTMENT < 680 FICO			INVESTMENT >= 680 FICO		
	Fixed 30 yr	<Fixed 30 yr	ARM	Fixed 30 yr	<Fixed 30 yr	ARM
LTV ≤75%	-2.375	-2.375	-2.375	-2.125	-2.125	-2.125
LTV 75.01%-80%	-3.750	-3.750	-3.750	-3.375	-3.375	-3.375
LTV >80%	-4.625	-4.625	-4.625	-4.125	-4.125	-4.125

NEW INVESTMENT LLPAS AS OF MAY 14, 2021						
	INVESTMENT < 680 FICO			INVESTMENT >= 680 FICO		
	Fixed 30 yr	<Fixed 30 yr	ARM	Fixed 30 yr	<Fixed 30 yr	ARM
LTV ≤75%	-2.625	-4.375	-6.375	-2.125	-4.125	-6.125
LTV 75.01%-80%	-4.000	-5.750	-7.750	-3.375	-5.375	-7.375
LTV >80%	-4.845	-6.625	-8.625	-4.125	-6.125	-8.125

CURRENT SECOND HOME LLPA	
	PRICE
LTV ≤85%	-1.00
LTV .85%	-1.25

NEW SECOND HOME LLPA AS OF MAY 14, 2021	
	PRICE
LTV ≤85%	-1.50
LTV .85%	-1.75

We have also compiled a list of common questions that are asked following a pricing announcement.

FREQUENTLY ASKED QUESTIONS	
QUESTION	ANSWER
What if a loan was locked prior to the effective date of these new LLPA's, but then I allow the lock to expire later and relock? Will these new LLPA's apply?	The LLPA's are based on pricing date, when an expired loan is priced to the current market the new adjustments will apply. The new LLPA's will not apply for locks extended prior to expiration date or when original pricing date is worst case for the relock.



<p>If I take advantage of a float down option either before or after lock expiration, will these new LLPA's apply?</p>	<p>Yes, in the case of a float down, the new LLPA's will apply whether done prior to or after lock expiration.</p>
<p>Are jumbo or jumbo express loans impacted by these changes?</p>	<p>No, jumbo loans are not considered "agency". Only Fannie Mae and Freddie Mac loans are impacted.</p>