



To: All Customers **From:** Secondary Marketing
Date: 07/16/21 **Memo#:** 21093
Subject: Adverse Market and Agency Investment LLPA Update

Flagstar Bank is pleased to announce that starting with new locks as of Monday, July 19, 2021, the Agency Adverse Market Refi Fee LLPA will no longer apply.

ADVERSE MARKET REFI FEE	OLD	NEW
Adverse Market Refi Fee >\$125,000	-0.500	0.000
RefiNow Adverse Market Refi Fee >\$300,000	-0.500	0.000

We are also pleased to announce that starting with new locks as of Monday, July 19, 2021, we are implementing a new +0.375 price improvement for Agency < 25 Year Fixed Investment Property FICO \geq 680 loans. This new LLPA is addition to any existing investment property LLPAs.

OCCUPANCY	OLD	NEW
Agency \geq 25Yr Fixed Investment Property FICO \geq 680	+0.125	+0.125
Agency < 25Yr Fixed Investment Property FICO \geq 680	+0.125	+0.375

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.
If I take advantage of a float down option either before or after lock expiration, will these new LLPA's apply?	Yes, in the case of a float down, the new LLPA's will apply whether done prior to or after lock expiration.