

# FSB 2nd HELOC in OpenClose

## Instructions for the Initial Setup

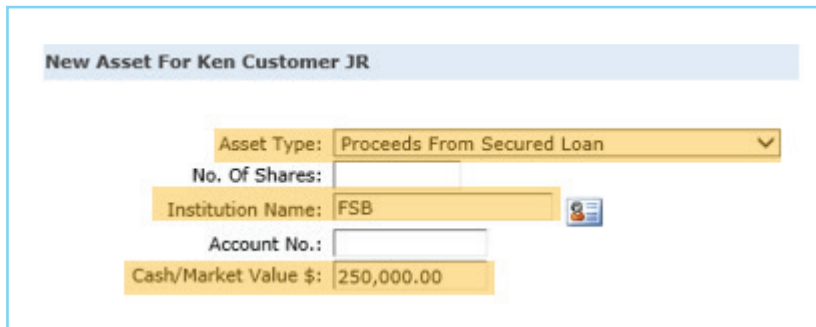
Instructional video on the initial set up of the Linked 2nd in OpenClose: HELOC 2nd, OC.

Ensure the interest rate matches on the **Types & Terms, Edit TIL**, and the **Subordinate Financing** Screens.

**Note:** We do **not** allow HELOCs in Texas.

## Access 1st Loan/Add Asset/HELOC Info

To access the 1st loan, go to the **Loan Action Menu** and select **Edit 1003**. If there is an amount being drawn at closing, you will need to add this amount as an asset. Click on the **Assets** tab. Then click on **+ Add New Section(s)** button and then click the **Go** button. In the **New Asset** section complete the information as in the example below, so that DU will pick up the subordinate financing. In the **Cash/Market Value** enter the HELOC Amount being drawn.



The screenshot shows a web form titled "New Asset For Ken Customer JR". It contains the following fields:

- Asset Type: Proceeds From Secured Loan (dropdown menu)
- No. Of Shares: (empty text box)
- Institution Name: FSB (text box with a user icon)
- Account No.: (empty text box)
- Cash/Market Value \$: 250,000.00 (text box)

Next, click on the **Types & Terms** tab or the **Details** tab and click on the **blue calculator** icon next to the **Subordinate Financing** box to access the **Subordinate Financing Screen**. Complete the left column with loan info. and per example on the next page. Check the **Override** box next to Monthly Payment. **Monthly Payment** will then need to be manually calculated at the Qualifying Rate over 30 years and entered in the box. Then in the **HELOC** section at the bottom left of the screen, the **HELOC Loan** box must be checked, the **HELOC Max Amount** and the **HELOC Amount Drawn** must be completed.

Complete all the info in the left column, click "Save" and then click "Edit Linked Loan."

**Subordinate Financing**

**Second Mortgage**

Interest Only:

Loan Amount: 0.00

Interest Rate: 4.750 %

Qualifying Rate: 6.750 % Rate + 2% over 30 yrs.

No Of Months: 300

Due In: 300

Monthly Payment: 1,621.50  Override?

Lender: First Savings Bank

Loan Type: HELOC

Amortization Type: Adjustable Rate Anticipated Closing Date

Balance Effective Date: 07/30/2021

Affordable?  Payment deferred first five years?

Create Linked Loan:

**HELOC**

HELOC Loan:

HELOC Max Amount: 250,000.00

HELOC Amount Drawn: 250,000.00

HELOC Amount Undrawn: 0.00

**Third Mortgage**

Loan Amount: 0.00

Monthly Payment: 0.00

Lender: [User]

Loan Type: [Dropdown]

Balance Effective Date: [Calendar]

Affordable?  Payment deferred first five years?

Existing Loan:

**Fourth Mortgage**

Loan Amount: 0.00

Monthly Payment: 0.00

Lender: [User]

Loan Type: [Dropdown]

Balance Effective Date: [Calendar]

Affordable?  Payment deferred first five years?

Existing Loan:

**Fifth Mortgage**

Loan Amount: 0.00

Monthly Payment: 0.00

Lender: [User]

Loan Type: [Dropdown]

Balance Effective Date: [Calendar]

Affordable?  Payment deferred first five years?

Existing Loan:

Save

You'll be directed to the **Types & Terms** tab for the 2nd HELOC. The **Loan Type** will show HELOC, and it'll have the **Other Mortgage** for the 1st. Next to **Closing Costs Scenario**, click on the magnifying glass. On the popup, click **"HELOC 2nd"** and then click the **"Apply Scenario"** button.

You will now be in the 2nd Linked Loan

Loan Actions (60027858) | Loan Status: Prospect | Channel: Wholesale | DTI: 0.000 % | HCLTV: 0.000 % | Score: [ ]

Search Loan #, Borrower, SSN, Property, Status...

save 1003 | return to 1003 | return to snapshot

**Types & Terms** | Property | Borrower Info | Employment | Income Other | Housing Expense | Assets

Liabilities | Details | Declarations | Agreement | Fannie Mae | Government Info | Freddie Mac | A

**Types and Terms Section**

DTI Top: 0.000 % | DTI Bottom: 0.000 %

Loan Configuration

Closing Costs: [ ]

Loan Product: [ ]

Origination Channel: Wholesale

Top Of Form

Other Income Included:  Yes  No

Spouse Income Excluded:  Yes  No

Type Of Mortgage And Terms Of Loan

Loan Purpose: Purchase

Occupancy: Primary Residence

Loan Position: Secondary Loan

Other Mortgages \$: 300,000.00

Loan Type: HELOC

HELOC Amount Drawn \$: 250,000.00

Max HELOC Amount \$: 250,000.00

Amortization Type: Adjustable Rate

Interest Only:  Yes  No

ARM Description: [ ]

Construction Flag:  Yes  No

First Time Homebuyer: No

Servicing Type: Servicing Released

Prepayment Penalty: Exists  Amount \$ [ ] Term [ ]

**Choose a Closing Cost Scenario**

The Closing Cost Scenario populates a template of fees for this loan defined by the administrator.

- HELOC 2nd
- Jumbo
- Jumbo ARM
- Jumbo Fixed
- NY CEMA Loans
- Standard Conventional
- Standard FHA
- Standard USDA
- Standard VA
- WLP/Correspondent

Apply Scenario

Cancel

APR: [ ] %

HCLTV: 100.000 %

Rate: [ ]

Purchase Price \$: 550,000.00

Appraised Value \$: 550,000.00 Estimated

Subordinate Financing \$: [ ]

Down Payment %: 0.000

Payment Amount \$: -300,000.00

Use Loan Amount \$: 550,000.00

Amount w/HIDPF \$: 550,000.00

Interest Rate: 4.750

No. of Months/Due: 300 / 300

Lender Case Number: 60027858

Refinance on Refinance: [ ]

1-House Refinance:

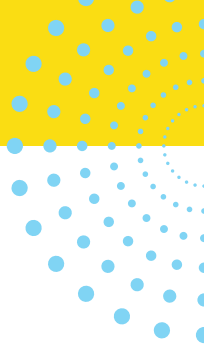
Home Equity Loan Indicator:

Product Type: [ ]

Trust Loan:



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## Price & Lock

Loan must be locked prior to re-submission for Clear to Close.

**Note:** Lock response is automatic but must be done.

Auto-lock is enabled, so the lock response comes back in seconds. It's important that your loan input match the boxes in red. **Underwriting Type** = Manual UW, **Recommendation** = Accept, **Loan Type** = HELOC, **Program Type** = ARM, **ARM Type** = 1 Mo, **Compensation Type** = Borrower Paid Compensation, **Debt Ratio** = cannot be above guideline ratio, **Amortization Term** = 300, **MI** = No, **Escrow Waiver** = Waive Hazard and Taxes, **Admin Fee Waiver** = No, and **Desired Lock Period** = 45. Then click the **Save** button & then **Search Programs** button. Then the **Pricing Options** Screen will appear. The rate that appears should be at PAR and then register or lock as normal.

Enter your loan information, then click search programs.  
Changes to certain fields in this form will update the 1003.  
LTV / CLTV / HCLTV will be calculated when loan amount, purchase price, appraised value, subordinate financing or HELOC fields are changed.

*First Name: Ken	Closing Cost Scenario: Standard Conventional
Middle Name: N	*Loan Amount \$: 250,000.00
*Last Name: Customer	Loan Amount w/MIPFF \$: 250,000.00
*SSN: 500-50-7000	Other Mortgages \$: 300,000.00
*Residence Status: US Citizen	*Subordinate Financing \$: 0.00
Qualifying Credit Score: 740 (Middle Score Required)	Existing Loan Amt \$: 0.00
*Doc Type: Full/Alt	HELOC Amount Drawn:
*Property Type: Attached	Max HELOC Amount:
*Occupancy: Primary	*Purchase Price \$: 550,000.00
*Purpose: Purchase	*Appraised Value \$: 550,000.00
*Units: 1 Unit	*Down Payment \$: 0.00
*Zip: 91502 Property TBD: <input type="checkbox"/>	*LTV %: 45.455
*State: CA	*CLTV %: 100.000
*County: Los Angeles	*HCLTV %: 100.000
*Lien Position: Secondary Loan	*Housing Ratio %: 19.187
*Interest Only: <input checked="" type="radio"/> Yes <input type="radio"/> No	*Debt Ratio %: 22.513
*Underwriting Type: Manual Underwrite	*Cash Out \$: 0.00
*Recommendation: Accept	*Amortization Term: 300
*Loan Type: HELOC	Mortgage Insurance: No
*Program Type: ARM	*Escrow Waiver: Waive Hazard and Taxes
ARM Type: 1 Mo	Prepay Penalty: <input type="radio"/> Yes <input checked="" type="radio"/> No
*Origination Channel: Wholesale	Temporary Buydown: <input type="radio"/> Yes <input checked="" type="radio"/> No
URLA Version: 1101.6-2020	Seasonal Property: <input type="radio"/> Yes <input checked="" type="radio"/> No
Compensation Date: 06/28/2021 9:32:00 PM	First Time Homebuyer: No
Application Date: 06/28/2021 12:35:10 AM	Specialty Products: <input checked="" type="checkbox"/> Conforming Released
Origination Fee: 0.00	Admin Fee Waiver: No
Mortgage Broker Fee: 0.00	Specialty Products: <input type="checkbox"/> No Specialty Products
	Property Inspection Waiver: <input type="checkbox"/>
	Employee Loan: <input type="checkbox"/>
	Desired Rate: 2 to 7.0
	Desired Price: 95 to 105
	Desired Lock Period: 45



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## Edit TIL

Click on **Loan Actions** menu > **Edit TIL** and then in the **Adjustable Rates** section complete the **Margin** field with the margin from the pricing results. Make sure The qualifying rate is correct and the caps and the other boxes are complete like the example below. Then click the **Calculate** button to the right in the **Payment Schedule** section; then at the bottom of the screen, click the **Save** button. It's important that this screen is completed after Registration/Lock and before the Edit Fees Worksheet or the margin will reset, and the loan could be wrongfully disclosed.

The screenshot shows a 'LOAN DETAILS' form. The 'ADJUSTABLE RATES' section includes fields for Loan Amt (250,000.00), w/MIP, FF (250,000.00), Note Rate (4.500 %), Qual Rate (6.500 %), Term (300 mths), Due In (300 mths), 1st Adj Cap (21,000 %), 1st Change (1 mths), Adj Cap (21,000 %), Adj Period (1 mths), Life Cap (21,000 %), Margin (1.250 %), and Index (3.25000 %). The Margin field is highlighted with a red box. Below the Margin field are fields for Index Name (Wall Street Journ), Index Type, Floor (4.500 %), Use Starting Rate (checkbox), Round (dropdown), Lookback Period (1), and Interest Rate Rounding Type (Nearest). At the bottom right, there are buttons for 'Calculate' and 'Amort Details', with a red box around them containing the text '+ Click Save button at bottom of screen'.

## Edit Fees Worksheet

Click on **Loan Actions** menu > **Edit Fees Worksheet** add an **Underwriting Fee** of \$295.00 and a **Flood Certification** of \$10.00.

**Note:** If the Flood Certification isn't listed, go to Section B and from the dropdown select **Flood Certification** and then add the fee.

## Disclosures

Send initial disclosures, retrieve the signed disclosures, and ensure they're uploaded to the e-Doc Manager, prior to submission to underwriting, *if the initial submission to underwriting includes the linked loan.*

- There are cases when the HELOC is added to the 1st *after* the initial underwriting – steps on what to do in that scenario are below, but ideally, it would be submitted simultaneously.

## 2nd Created after Initial Underwrite

If the linked loan is created after the initial underwrite, see below:

- HELOC is considered a restructure condition. Set it up following the steps above, including sending initial disclosures on the 2nd and retrieving the e-signed docs.
- Submit to lender **on the new linked 2nd only**
  - **Loan Setup/LC** should check for signed docs and status of the file to match UW status of 1st
- No separate resubmission of the 1st to underwriting required.

Contact Us Today! [TPOSales@fsbmortgage.com](mailto:TPOSales@fsbmortgage.com)

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