



THE FEDERAL
SAVINGS BANK

A warm, close-up photograph of a family of three. In the center, a man with a shaved head and a woman with dark hair are smiling at each other. A young child with dark hair is in the foreground, looking towards the woman. The man is wearing a light-colored shirt, and the woman is wearing a grey top. The child is wearing a white shirt. The background is a soft, out-of-focus grey.

VETERAN'S HOMEBUYING GUIDE



THE FEDERAL SAVINGS BANK

Home Begins Here.

Subject to credit approval. Terms and conditions may apply. Subject to VA eligibility requirements.
Property insurance is required on all loans secured by property.



First Lieutenant USA Military

I understand how military experience can shape the course of your life and life's milestones, such as buying a home. Which is why working with active-duty military and veterans is an important part of our mission.

JOHN CALK

Chairman & Chief Executive Officer

A handwritten signature in black ink that reads "John".

HELPING YOU GET READY TO BUY A HOME





Our VA loan programs are here to help empower you cultivate the foundation for growth, stability, and the moments that truly matter. Our VA loan programs are here to help empower you to build a future within your space and make lifelong memories. With integrity and trust leading the way – we are dedicated to guiding our military communities step-by-step into their perfect homes.



WHO WE ARE

Your perfect home is more than just a house; it's a reflection of your family's values, aspirations, and the place where you cultivate cherished memories, grow, and find comfort. As a veteran-owned institution, we understand what this means to our military community. We're not just a bank – we're your committed ally, dedicated to turning that dream into a reality. And, like you, we know the importance of commitment and service.



Nationwide Team:

Serving veterans in all 50 states, we provide personalized financial solutions wherever you are.



Tech-Powered Efficiency:

We leverage state-of-the-art technology that can help streamline the lending process, making it faster, more accurate, and more transparent.



Reliable Oversight:

We ensure accuracy and integrity from start to finish with in-house underwriting and closing.



Step-by-Step Guidance:

With a deep understanding of your military benefits, we guide you through each stage of the mortgage process and help you make informed decisions.



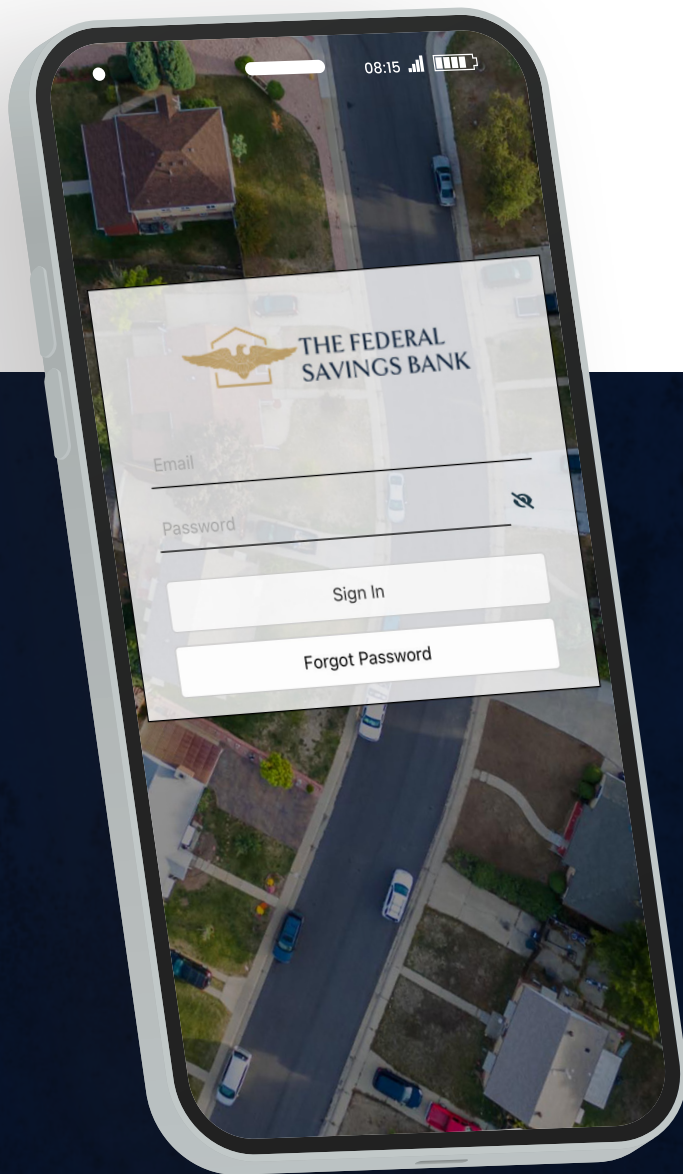
When you choose The Federal Savings Bank, you're enlisting a trusted partner to unlock the doors to your perfect home. With us, 'perfect' is not a compromise but a commitment to meeting your unique financial needs and making your homeownership dreams come true.

*Please note that digital closings and in-house underwriting and closing may not be available for all products. Subject to credit approval. Terms and conditions may apply. Subject to VA eligibility requirements. Property insurance is required on all loans secured by property.



YOUR FAST TRACK TO HOMEOWNERSHIP

We pride ourselves on balancing personalized service with innovative technology, creating a swift, efficient loan application and approval process. This approach helps us to deliver a superior, hassle-free banking experience tailored for our veterans.



By harnessing the power of technology, we strive to provide our veteran community with a seamless, user-friendly banking experience. Whether you are in the field or in the office, we invested in the technology to allow you to stay connected via your mobile device every step of the way.



UNDERSTANDING THE VA LOAN

The VA home loan was designed to assist you in your journey toward homeownership. The VA Loan Program stands out for several key reasons: no down payment requirement, typically lower interest rates than most conventional loans, and the absence of Private Mortgage Insurance (PMI) costs.

WHY CHOOSE A VA LOAN?

- 1 No Down Payment:**
Unlike conventional loans, where homebuyers may need to save for years for a down payment, VA loans don't require this initial financial investment.
- 2 Lower Interest Rates:**
VA loans often have lower interest rates than conventional loans, leading to more affordable monthly payments.
- 3 No PMI:**
With VA loans, veterans don't need to pay Private Mortgage Insurance (PMI), further reducing your monthly mortgage costs.
- 4 Easier Qualification:**
With the backing of the VA, mortgage companies are more willing to provide loans to veterans who might not qualify for conventional loans.

The Role of the VA and Your Lender:

Contrary to common belief, the Veterans Administration doesn't lend money. They work with mortgage lenders to guarantee home loans made to veterans. This guarantee can cover all or a portion of a loss due to foreclosure, enabling lenders to provide VA loans to eligible borrowers who might not qualify for other loan programs.



COMMON MISCONCEPTIONS:

Myth:

The VA lends money.

VA loans are a one-time benefit.

You need an excellent credit score to qualify.

Fact:

The VA guarantees loans made by lenders but does not provide loans directly.

VA loan benefits are reusable. You can apply for another VA loan once you've paid off the previous one or sold the property.

While credit scores do matter, VA loans consider your overall financial health, making them more accessible than conventional loans.

The VA Loan Program is designed for veterans like you, so why not seize this opportunity?

At The Federal Savings Bank, we're committed to helping you every step of the way. Harness the full power of your military benefits and begin your homeownership journey with us today.



12 STEPS TO HOMEOWNERSHIP

1 **Connect:**

Connect with one of our Veteran Lending Specialist to learn about your options, including Home for Heroes programs.

2 **Preapproval Meeting:**

Meet with your Veteran Lending Specialist to review goals, run numbers, and determine your top financing options.

3 **Collect & Send:**

We will take some time to get to know you and your goals for homeownership.

4 **The Fun Part:**

The Search – Work with your Realtor to find the home that works best for you.

5 **Advance To Go:**

Make an offer based on your Realtor's advice, negotiate the terms and send the accepted contract to The Federal Savings Bank.

6 **Crossing T's & Dotting I's:**

We will confirm your loan terms and out-of-pocket costs, and officially get the party started with compliance disclosures. You'll then be sent the formal loan application disclosures and a request for updated documents.

7 Inspection:

Your Realtor will help you coordinate your home inspection, and we will order your appraisal (inspection of value).

8 Verifications:

Review of all collected data by our Underwriting Analyst, and we submit your loan file to underwriting for approval.

9 Conditions:

Once the underwriter makes a final decision on your loan application, your Loan Officer will reach out to you with any final documentation that you will need to provide.

10 Clear to Close:

The underwriter reviews final documents and issues “clear-to-close”. Your closing is scheduled, and we’ll confirm what you need to prepare for closing.

11 Closing:

Your loan documents and money are sent to the Title/Escrow Company. You review and sign with your attorney and/or Realtor and the home is yours!

12 Lender for Life:

Once the underwriter makes a final decision on your loan application, your Loan Officer will reach out to you with any final documentation that you will need to provide.

WE ARE ALWAYS HERE FOR YOU!





ADVANTAGES OF A VA LOAN

» No Down Payment:

VA loans stand out as one of the rare programs not requiring a down payment, compared to other loans requiring 3.5% to 20%.

» No Mortgage Insurance:

Despite zero down payment, VA borrowers aren't required to pay monthly Private Mortgage Insurance (PMI). This can save \$200-\$400/month.

» Lower Closing Costs:

VA borrowers can often save around \$2,000 in closing costs compared to conventional loan borrowers, as several fees are waived.

» Flexible Qualification Guidelines:

Unlike other loan programs, VA loans haven't tightened their qualification requirements, which may help increase your chances of approval.

» Generous Loan Amounts:

The VA loan limit is determined by county-average home prices. If you have full entitlement, you do not have a loan limit.¹

» Easy, Cost-Effective Refinancing:

VA borrowers may qualify for an Interest Rate Reduction Refinancing Loan (IRRRL) or "Streamline", which lets you replace your current loan with different, potentially better terms.²

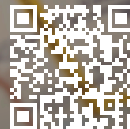
Empowering Our Military Community Through VA Advantages

We are dedicated in leading the way for our military communities in finding a perfect home. Advantages of our VA loan programs are offered to empower you in what truly matters - building a future within your space and make lifelong memories.

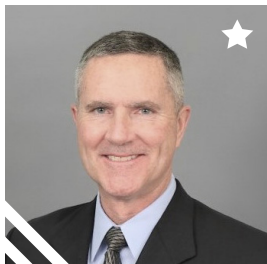
¹<https://www.va.gov/housing-assistance/home-loans/loan-limits/>

²<https://www.va.gov/housing-assistance/home-loans/loan-types/interest-rate-reduction-loan/>

ADVISORY BOARD



Learn More
About US



CSM (R) PAUL E. BIGGS

United States Army

“Service has been a part of my DNA for over 33 years and this opportunity with TFSB provides a means of continuing to serve and support those in uniform.”



COL (R) ROSS T. GUIEB

United States Army

“I want to continue giving back to service members in any way possible. The Federal Savings Bank’s value proposition of helping former and current service members realize their dreams of purchasing or refinancing a home is very important to me.”



LTC (R) JOEL ALLMANDINGER

United States Army

“Serving in Army aviation was one of the most rewarding experiences of my life. But, service in our armed forces should not be an obstacle to home ownership. That’s why as an advisor, I’m excited about promoting the benefits of TFSB.”



MATTHEW BROGDON

United States Army

“I am proud to be a TFSB military advisor and support our military family to take full advantage of the benefits they have earned with a trusted partner who be with them every step of the way.”



MILITARY MAKEOVER PARTNERSHIP

We have helped thousands of military families find their homes, including our own! We are a bank founded, owned, and operated by veterans who have been in your shoes and know your needs may be bigger than a home, which is why we provide an array of financial products for you that go beyond homeownership.



WE HELP VETERANS FIND THEIR HOME

Is your family growing? Are you on your 4th Permanent Change of Station (PCS)? Moving out of the barracks for the first time? We have you covered – one of our Specialists can help you find the right loan for your needs.

The Federal Savings Bank offers VA loans to help active military, veterans, and their families achieve the dream of homeownership. We are committed to contributing to the betterment of the military, veterans, and their families in their communities. In 2022, we participated in the restoration of a veteran's home on Lifetime TV's "Military Makeover with Montel," a home improvement series that showcases complimentary home renovations for military families.



TESTIMONIALS



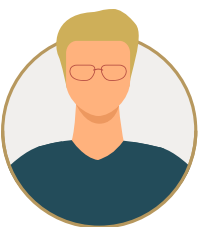
I had a good experience with The Federal Savings Bank. They did a great job, thank you to the people who helped me!

– Santos V.



The banker has always been honest, and sincere, and had our best interest at heart. Our experience did not feel like a transactions, instead, we received his undecided attention. He has invested the time to get to know us. We appreciate the business relationship we have been able to cultivate. Thank you, for your time and dedication to our investments.

– Jaime V.



From start to finish the banker was there every step of the way. She made the loan process very easy. I was a first-time home buyer, everything was new to me and she was always there to answer any questions that I had, always so professional and friendly, so glad I had a chance to work with someone as knowledgeable as the banker and her entire team. Will definitely recommend her to anyone who needs a loan.

– Montelly L.



THE VA LOAN DO's:

Laying a solid foundation for your VA loan application is critical. Understanding and implementing certain financial habits can make your application more compelling and help you take full advantages of your VA loan.



Here are a few Do's:

- Inform your Veteran Lending Specialist of any changes to your personal information.
- Reduce expenses where possible.
- Save all pay stubs, bank statements, and W2s.
- Retain current employment.
- Notify us immediately if your salary or other compensation changes.
- Read all correspondence from The Federal Savings Bank and your Veteran Lending Specialist.
- Ensure your security deposit comes from an acceptable source (checking, savings, 401K).
- Keep documentation of any large or significant deposits into your bank accounts.
- Continue making all timely payments for credit cards, loans, and rent/mortgage.
- At least ten days before closing, provide your homeowner's insurance agent's name and phone number.
- Always ask questions and be informed.
- Call us anytime you have questions or concerns.

In the world of home loans, knowledge is power, and transparency is paramount. Our team is always available to guide you, clarify any doubts, and ensure you are well-informed every step of the way.



THE VA LOAN DON'Ts:

Tread carefully when it comes to certain financial decisions that could disrupt your VA loan application. Here are some actions to avoid to ensure you stay on the path to a successful application.

Here are a few Don'ts:

- Don't quit or change your job.
- Don't make any major purchases (furniture, appliances, car, etc.).
- Don't apply for new credit or any other type of loan.
- Don't make any late payments on your existing accounts or mortgage.
- Don't transfer balances between accounts.
- Don't start major home improvement projects.
- Don't make a large deposit into your checking/savings account.
- Don't max out or overcharge on your credit cards.
- Don't write any insufficient funds checks.
- Don't co-sign for another person on a loan or line of credit.
- Don't pay off any collections or loans without consulting us first.



While these guidelines are designed to steer your VA loan application in the right direction, everyone's circumstances are different. Feel free to reach out to us for advice tailored to your unique situation, and remember, we're here to help navigate your VA loan journey.



MORE PATHS TO YOUR PERFECT HOME:

Our Broad Range of
Financial Products

Here at The Federal Savings Bank, our commitment extends beyond VA loans. Our duty is to empower you with choice and flexibility so that you never have to compromise when it comes to your dreams. Discover our comprehensive range of financial products designed to help you unlock the door to your perfect home:

Purchase

With a VA loan, eligible American veterans or their surviving spouses (provided they do not remarry) can purchase their dream home. Offering long-term financing, a VA mortgage loan is guaranteed by the U.S. Department of Veteran Affairs. You can enjoy 0% down, up to \$1,000,000 in VA loan limits, and the advantages of lower rates and payments. Plus, your entitlement can be used multiple times.



Refinance

Refinancing your current mortgage can have several benefits, such as lowering your monthly payments, saving you thousands of dollars in interest, paying off your loan faster, and consolidating debt.

We also offer the Streamline refinance program (IRRRL) as a refinance option, which requires no appraisal. This program is commonly used to lower the interest rate and payment on a current fixed-rate VA loan, shorten the current fixed-rate VA loan term, and convert an adjustable-rate VA loan into a stable fixed VA loan.

Refi Cash-Out

Our Refi Cash-Out product allows you to tap into your home equity. The cashback you receive can be used for various purposes, including home improvements, paying off credit card debt, covering education expenses, buying a vehicle or other luxury items, funding weddings or graduations, or investing. We permit up to 100% loan to value (LTV).

Personal Loan

A personal loan is a flexible product that can help you consolidate debt, lower your debt-to-income (DTI) ratio which may help reduce monthly payments, carry out home improvements, pay off tax liens, or clear high-interest-rate credit card debt. We offer both secured and unsecured consumer (personal) loans.

What does the perfect home look like for you? Is it a quaint cottage in the woods? A bustling city loft? Or perhaps a serene beach-front house? Regardless of the form, The Federal Savings Bank is committed to turning that vision into reality. We're just a call away if you have any questions or need further information about our products.





WAYS TO IMPROVE YOUR CREDIT

Interested in moving forward but your credit isn't quite where it should be? Our Veteran Lending Specialists are happy to work with you to get you where you need to be. Below are some basic guidelines to help you get started on the path to credit repair:

- » Check Your Credit Report and dispute errors with the credit bureau and reporting agency. (Late payments incorrectly listed or incorrect amounts owed for any of your accounts).
- » Reduce the amount of the current debt you owe.
- » Pay your bills on time.
- » Keep balances low on credit cards and other lines of credit.
- » Don't close unused credit cards.
- » Don't open credit cards if you don't need them.



GLOSSARY

Homebuying comes with its own vocabulary. Here is a quick glossary of common terms so you are never left feeling like you don't speak the language.

Adjustable-Rate Mortgage (ARM) - A mortgage loan that does not have a fixed interest rate. During the life of the loan the interest rate will change based on the index rate. Also referred to as adjustable mortgage loans (AMLs) or variable-rate mortgages (VRMs).

Annual Percentage Rate (APR) - The annual cost of a loan, expressed as a yearly rate that reflects interest, discount points, lender fees, mortgage insurance and other costs of credit, thus being higher than the interest rate on the loan.

Appraisal - A written estimate of a property's current market value, based on recent sales information from similar properties and the current condition of the property.

Closing Costs - Expenses paid by the borrower and/or seller during the closing, which can include the loan origination fee, discount points, attorney's fees, title insurance, appraisals, etc.

Co-Borrower: Any additional borrowers whose names appear on the loan documents. Co-Borrowers are also responsible to repay the loan.

Contingency: A condition that must be satisfied before a contract is legally binding and a sale can close.

Debt-to-Income Ratio (DTI): Total monthly debt payments (including projected payments for a new mortgage) divided by monthly income.

Down Payment: Initial, upfront payment required when closing on a loan.

Equity: Difference between how much your home is worth and how much you owe on your mortgage.

Escrow: The neutral third party that holds money and/ or documents until the escrow instructions are fulfilled.

Fair Credit Reporting Act: The law that promotes the accuracy, fairness and privacy of information in the files of consumer reporting agencies.

Fannie Mae - A government-sponsored enterprise that buys and sells conventional mortgages.

Federal Housing Administration (FHA): A division of Housing and Urban Development (HUD) that insures residential mortgage loans and sets standards for underwriting.

FHA Loan: A loan insured by the Federal Housing Administration.

Fixed-Rate Mortgage: A mortgage with an interest rate that doesn't change for the life of the loan.

Freddie Mac: A government-sponsored enterprise that purchases conventional mortgages.

Ginnie Mae: The government corporation inside the U.S. Department of Housing and Urban Development (HUD) that purchases conventional mortgages.

Homeowners Association Fee: Homeowners Association fees are funds used on upkeep and improvements for amenities in the community such as elevators, landscaping, pools and more. HOA Fees usually apply to condo owners but may apply to some single-family homes as well.

Homeowners Insurance (HOI): Insurance that covers an individual's home against damages to the home or possessions in the home as well as accidents in the home or on the property.

Housing and Urban Development (HUD): A U.S. government agency established to implement federal housing and community development programs and that oversees the Federal Housing Administration.

Index: A benchmark rate used to help determine the rate on an adjustable-rate mortgage (ARM) after the initial rate expires.

Interest Rate: The amount charged, expressed as a percentage of principal, by a lender to a borrower. It does not reflect fees or any other charges you may have to pay for the loan.



GLOSSARY CONT.

Loan-to-Value Ratio (LTV): The percentage of a property's value that is borrowed.

Lock-In Rate: A lender's guarantee of an interest rate for a set period of time, provided there are no changes to your application.

Margin: The amount of percentage points, or spread, added to or subtracted from an index to determine the rate an adjustable-rate mortgage will charge after each adjustment.

Mortgage: A security agreement between the lender and the borrower in which the property is collateral for the loan. The mortgage gives the lender the right to collect payment on the loan and to foreclose if the loan obligations are not met.

Mortgage Insurance Premium (MIP) - An insurance premium that a borrower is required to pay on an FHA loan.

Mortgagee Clause: A clause endorsed on a mortgagor's insurance policy whereby the insurance company agrees to protect the mortgagee's interest regardless of any violation of the policy terms by the mortgagor.

PITI: Principal, Interest, Taxes, and Insurance: the four basic elements of a monthly mortgage payment; payments of principal and interest go directly towards repaying the loan while the portion that covers taxes and insurance (homeowner's and mortgage, if applicable) can go into an escrow account to cover those fees when they are due.

Preapproval: A preliminary approval from a lender to loan a customer a particular amount of money.

Prequalification: A basic review by a lender determining the mortgage amount for which a borrower may qualify.

Principal - The amount of money borrowed to buy a house or the amount of the loan that has not been paid back to the lender. This does not include the interest paid to borrow that money. The principal balance is the amount owed on a loan at any given time. It is the original loan amount minus the total repayments of principal made.

Private Mortgage Insurance (PMI) - Insurance that a borrower is often required to purchase on a conventional loan with an LTV above 80%. PMI protects the lender, not the borrower, if the borrower stops making payments on the loan.

Property Tax - A tax charged by government and used to fund municipal services such as schools, police, or street maintenance. The amount of property tax is determined locally by the property's tax value and the tax rate in the property's location.

Refinance - The process of paying off one loan with the proceeds from a new loan secured by the same property.

Term - The number of years until a loan is due to be paid in full.

Title - A document that gives evidence of ownership of a property as well as rights of ownership and possession.

Title Insurance: Insurance that protects the lender (lender's policy) or buyer (owner's policy) against loss due to disputes over property ownership.

Underwriting - The process of verifying data and evaluating a loan application for approval.

VA Loan - A VA loan is a mortgage loan in the United States guaranteed by the U.S. Department of Veterans Affairs (VA). The VA loan was designed to offer long-term financing to eligible American service members, veterans or their surviving spouses (provided they do not remarry).





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