

## **FNBC Bank Says ‘Yes’ to More Borrowers, Thanks to Mortgage Product from FHLB Dallas**

A relatively new mortgage product offered through the Federal Home Loan Bank of Dallas (FHLB Dallas) has resulted in FNBC Bank saying “yes” to more families seeking the American Dream of homeownership. The Ash Flat, Arkansas-based community bank has been taking advantage of the MPF Xtra® mortgage product since FHLB Dallas began offering it in 2013.

The MPF Xtra® mortgage product gives FHLB Dallas member institutions like FNBC Bank true delegated underwriting authority, while transferring interest rate, prepayment, and credit risks from the member to the secondary market. It also gives member institutions the option to retain or sell servicing.

Anita Owens, vice president of mortgage lending with FNBC Bank, says the bank turned to FHLB Dallas because it was looking for an opportunity to continue servicing its long-term, fixed-rate mortgage loans for customers, and the MPF Xtra® mortgage product has worked out great for them.

“The number one benefit has been the ability to retain servicing for our customers,” Ms. Owens says. “Our customers really appreciate the fact that they can still stay with us after the loan closes, and they like being able to walk into their local branch and present their mortgage checks, as opposed to mailing them off to an out-of-state servicing agency.”

Another benefit the bank has found with the MPF Xtra® mortgage product has been the ease of getting funding. Member institutions can receive funding within 24 hours of submitting their documentation to FHLB Dallas.

According to Ms. Owens, before the MPF Xtra® mortgage product, there was no source where financial institutions like FNBC Bank could sell long-term fixed rate mortgages, receive funding in a timely manner and retain the servicing.

“FNBC Bank wants to be the bank of choice, and strengthening that relationship through retaining servicing is just another way to be the bank of choice for our customers,” she adds.

Steve Otto, vice president and director of Member Sales at FHLB Dallas, says the organization recognized and seized the opportunity to meet a need for member institutions like FNBC Bank.

“Our focus continues to be meeting the needs of our members, and we saw a need for a mortgage product our members could use,” says Mr. Otto. “Today,

our members now have access to a competitively priced, fixed-rate mortgage product which allows the member to retain servicing.”

The MPF Xtra® mortgage product, Ms. Owens says, has helped FNBC Bank grow its loan volume and retain valued customer relationships through retained servicing.

“I love the program,” Ms. Owens said. “It has allowed us to serve the lending needs of more customers.”

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### **About FNBC Bank**

FNBC Bank is a community financial institution committed to providing for the financial needs of Ash Flat, Mountain Home, Batesville, and surrounding Arkansas areas. It was chartered in 1912, and offers a full suite of financial products and services to meet the needs of its customers.

### **About the Federal Home Loan Bank of Dallas**

The Federal Home Loan Bank of Dallas is one of 12 district banks in the FHLBank system created by Congress in 1932. FHLB Dallas, with total assets of \$37.5 billion as of September 30, 2014, is a member-owned cooperative that supports housing and community development by providing competitively priced advances and other credit products to approximately 900 members and associated institutions in Arkansas, Louisiana, Mississippi, New Mexico, and Texas.