

Instructions for Payer/Borrower

A person (including a financial institution, a governmental unit, and a cooperative housing corporation) who is engaged in a trade or business and, in the course of such trade or business, received from you at least \$600 of mortgage interest (including certain points) on any one mortgage in the calendar year must furnish this statement to you.

If you received this statement as the payer of record on a mortgage on which there are other borrowers, furnish each of the other borrowers with information about the proper distribution of amounts reported on this form. Each borrower is entitled to deduct only the amount each borrower paid and points paid by the seller that represent each borrower's share of the amount allowable as a deduction. Each borrower may have to include in income a share of any amount reported in box 4.

If your mortgage payments were subsidized by a government agency, you may not be able to deduct the amount of the subsidy. See the instructions for Schedule A, C, or E (Form 1040) for how to report the mortgage interest. Also, for more information, see Pub. 936 and Pub. 535.

Payer's/Borrower's taxpayer identification number (TIN). For your protection, this form may show only the last four digits of your TIN (SSN, ITIN, ATIN, or EIN). However, the issuer has reported your complete TIN to the IRS.

Account number. May show an account or other unique number the lender has assigned to distinguish your account.

Box 1. Shows the mortgage interest received by the recipient/lender during the year. This amount includes interest on any obligation secured by real property, including a mortgage, home equity loan, or line of credit. This amount does not include points, government subsidy payments, or seller payments on a "buydown" mortgage. Such amounts are deductible by you only in certain circumstances.



If you prepaid interest in the calendar year that accrued in full by January 15, of the subsequent year, this prepaid interest may be included in box 1. However, you cannot deduct the prepaid amount in the calendar year paid even though it may be included in box 1.

If you hold a mortgage credit certificate and can claim the mortgage interest credit, see Form 8396. If the interest was paid on a mortgage, home equity loan, or line of credit secured by a qualified residence, you can only deduct the interest paid on acquisition indebtedness, and you may be subject to a deduction limitation.

Box 2. Shows the outstanding principal on the mortgage as of January 1 of the calendar year. If the mortgage originated in the calendar year, shows the mortgage principal as of the date of origination. If the recipient/lender acquired the loan in the calendar year, shows the mortgage principal as of the date of acquisition.

Box 3. Shows the date of the mortgage origination.

Box 4. Do not deduct this amount. It is a refund (or credit) for overpayment(s) of interest you made in a prior year or years. If you itemized deductions in the year(s) you paid the interest, you may have to include part or all of the box 4 amount on the "Other income" line of your calendar year Schedule 1 (Form 1040). No adjustment to your prior year(s) tax return(s) is necessary. For more information, see Pub. 936 and *Itemized Deduction Recoveries* in Pub. 525.

Box 5. If an amount is reported in this box, it may qualify to be treated as deductible mortgage interest. See the calendar year Schedule A (Form 1040) instructions and Pub. 936.

Box 6. Not all points are reportable to you. Box 6 shows points you or the seller paid this year for the purchase of your principal residence that are required to be reported to you. Generally, these points are fully deductible in the year paid, but you must subtract seller-paid points from the basis of your residence. Other points not reported in box 6 may also be deductible. See Pub. 936 to figure the amount you can deduct.

Box 7. If the address of the property securing the mortgage is the same as the payer's/borrower's, either the box has been checked, or box 8 has been completed.

Box 8. Shows the address or description of the property securing the mortgage.

Box 9. If more than one property secures the loan, shows the number of properties securing the mortgage. If only one property secures the loan, this box may be blank.

Box 10. The interest recipient may use this box to give you other information, such as real estate taxes or insurance paid from escrow.

Box 11. If the recipient/lender acquired the mortgage in the calendar year, shows the date of acquisition.

Future developments. For the latest information about developments related to Form 1098 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form1098.

Free File. Go to www.irs.gov/FreeFile to see if you qualify for no-cost online federal tax preparation, e-filing, and direct deposit or payment options.

FACTS**WHAT DOES ONSLOW BAY FINANCIAL LLC (“ONSLOW”) DO WITH YOUR PERSONAL INFORMATION?**

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ▪ Social Security number and account balances ▪ payment history and transaction or loss history ▪ credit scores and mortgage rates and payments
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Onslow chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Onslow Share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates’ everyday business purposes – information about your transactions and experiences	No	We don’t share
For our affiliates’ everyday business purposes – information about your creditworthiness	No	We don’t share
For our nonaffiliates to market to you	Yes	Yes

To limit our sharing	<ul style="list-style-type: none"> ▪ Call toll-free: 800-634-6486 – our menu will prompt you through your choices; ▪ Complete and fax the form below toll-free to 888-848-1071; or ▪ Complete and mail the form below. <p>Please note:</p> <p>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>
Questions?	Call toll-free: 800-634-6486 .



Mail-In Form		
<p>If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.</p> <p><input type="checkbox"/> Apply my choices only to me</p>	<p>Mark any/all you want to limit:</p> <p><input type="checkbox"/> Do not share my personal information with nonaffiliates to market their products and services to me.</p> <p>Name: _____</p> <p>Address: _____</p> <p>City, State, Zip: _____</p> <p>Loan Number: _____</p>	<p><u>Mail to:</u></p> <p>Onslow Bay Financial LLC c/o Flagstar Bank PO Box 1606 Troy, MI 48099-1606</p> <p><u>Or fax toll-free to:</u></p> <p>888-848-1071</p>

Who we are	
Who is providing this notice?	Flagstar Bank, N.A. on behalf of Onslow Bay Financial LLC
What we do	
How does Onslow protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We also educate our employees about the importance of confidentiality and customer privacy.
How does Onslow collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> ▪ give us your income information or provide employment information ▪ provide account information or give us your contact information ▪ provide your mortgage information We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> ▪ sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ Onslow Bay Financial, LLC does not share with our affiliates.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ Nonaffiliates we may share with include mortgage companies, banks, and insurance companies.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products and services to you. <ul style="list-style-type: none"> ▪ Our joint marketing partners may include mortgage companies, banks and insurance companies.
Other important information	
<p>California & Vermont: If your account has a Vermont or California mailing address, we will not share personal information we collect about you with non-affiliates unless the law allows or you provide authorization.</p> <p>Residents of California: In accordance with California law, we will not share information we collect about you with nonaffiliated third parties, except as permitted by law, including, for example, with your consent or to service your account. If you are a California resident and we share information with affiliates, or if we have entered into joint marketing agreements with nonaffiliated financial companies, we have separately mailed you a California Privacy Notice. If you do not want us to share your information with such companies, please let us know by simply calling the toll-free telephone number provided, completing the reply form contained in the California Privacy Notice and mailing it to the address provided or faxing it to the number provided. We will also limit sharing among our affiliates to the extent required by California.</p> <p>North Dakota Residents: We will not disclose information we collect about you to nonaffiliated third parties to market to you, other than as permitted by North Dakota law, unless you authorize us to make those disclosures. To opt-in, please complete the reply form contained in the North Dakota Opt-In Notice and mail it to the address provided. Additional information concerning our privacy policies can be found by calling 800-634-6486.</p> <p>Nevada: If your account has a Nevada mailing address, we are providing this notice pursuant to Nevada law: If you prefer not to receive marketing calls, you may be placed on our internal opt-out list by calling us at (888) 454-3965, or contact Nevada Bureau of Consumer Protection, Office of the Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; telephone number (704) 486-3132; email: BCPINFO@ag.state.nv.us.</p>	