

Eagle Funding

BROKER MEMO

Date: February 23, 2009

Subject: Revision of Appraisal Requirements & Recap of Recent Changes

In an effort to clarify our position of the required age of appraisal comps and other recent changes, we offer the following 'matrix' to ensure you have realistic expectations regarding the outcome of your loans submissions to us when your appraisal comps exceed 120 days old at the time the appraisal is prepared:

FHA/VA/USDA

Comp Age

At least 2 comps <120 days old
at the time the appraisal is prepared

Probable Outcome

Loan will be submitted to UW as
normal. No automatic field review

Less than 2 comps <120 days old
at the time the appraisal is prepared

Loan will be submitted to UW as
normal. UW will condition for
field review

CONVENTIONAL

LTV/CLTV <= 55 & FICO => 750

Comp Age

1 comp <120 days old & 2 comps <180
days old at the time the appraisal is prepared

Probable Outcome

Loan will be submitted to UW as
normal. No automatic field review

All comps 120-180 days old at the
time the appraisal is prepared

Loan will be submitted to UW as
normal. UW will condition for
field review

LTV/CLTV > 55

Comp Age

1 comp <120 days old and 2 comps <180
days old at the time the appraisal is prepared

Probable Outcome

Field review appraisal must be
included in initial submission to UW

In any case, comps >180 days old will not be considered. Please be advised that the UW, at their discretion, may condition for a Field Review Appraisal for a variety of reasons including, but not limited to (comps not similar to subject property, price range of comps, distance of comps, declining market, low AVM, and AUS contains red flag regarding indicated value). Field reviews will be ordered from Eagle approved appraisers.

As promised, here is a recap of other recent, important guideline changes:

	Conventional	FHA/VA/USDA
Min. credit score	700	680
Max. DTI	45	45
Max. LTV (refi)	80	Program maximum
Max. LTV (purch)	Program maximum	Program maximum

All refinance loans must contain a motivation letter for refinancing. This pertains to both rate/term and cashout loans.

All loans must have liquid assets articulated on the 1003 and documented in the file. No more loans with \$1 listed on the 1003 for assets will be accepted.

No borrowers with bankruptcy history will be approved.

FHA and VA streamline refinance loans will no longer be accepted.

Manual underwriting (no credit scores / AUS refer) is no longer available.

If you have any questions, please contact your Account Executive. Thank you for your business.

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