

Eagle Funding

BROKER MEMO

Date: November 9, 2009

Subject: 2010 FHA Broker Approvals

As you are aware, effective January 1, 2010, FHA will make the lenders responsible for “approving” brokers to close FHA loans. As you are also aware, our approval standards for FHA brokers have been more robust than the industry average for over a year. As a result, we will be able to offer you consistency going forward.

In order for brokers to be eligible to submit and close FHA loans with Eagle Funding in 2010, they must produce, at a minimum, the following items for our review. These items must be received by March 31, 2010 or the broker’s FHA approval with Eagle will be suspended:

1. Evidence broker is/was a HUD approved loan correspondent in 2009.
2. Compiled financial statements for calendar 2009 showing broker’s net worth of at least \$63,000...and at least \$40,000 of that in cash / cash equivalents.
3. Recent evidence (3rd or 4th quarter of 2009) of broker’s internal QC audit process.

We will also review the broker’s Compare Ratio for the most recent quarter on the HUD Neighborhood Watch program. The Ratio must be $\leq 150\%$ for the broker to be eligible.

We look forward to continuing our FHA relationships with our brokers. If you have any questions, please contact your Account Executive. Thank you for your business.

David Baker
VP – Wholesale, Eagle Funding