

Eagle Funding

BROKER MEMO

Date: May 1, 2009

Subject: HVCC Update & Summary of Recent Changes

Our procedure for HVCC compliance is taking shape. Please review the following.

Eagle Funding will no longer accept new **CONVENTIONAL** loan submissions that contain (or will contain) an appraisal ordered directly from the appraiser by the broker – regardless of the application date.

Please read below for details on FHA, VA and USDA loan submissions and appraisals.

So, effective immediately, for any new **CONVENTIONAL** loans you submit to Eagle Funding, you must request that Eagle Funding order the appraisal on your behalf. Please contact your Account Executive or Loan Coordinator to request an appraisal order.

A copy of the appraisal will be mailed to the borrower upon receipt. The borrower must be in receipt of the appraisal no less than 3 days before closing.

And, effective immediately, Eagle Funding will once again accept credit approval loan submissions from you. These loans will not be submitted to underwriting, however we recognize the value of submitting the loan so that we can run LP and/or DU and share the results with you before you commit to an appraisal request. These loan submissions must be complete in every way with the exception of the appraisal.

Once an appraisal request (**and payment in advance**) has been received, you will be able to forward lock your **CONVENTIONAL** loans with Eagle Funding for 30 days.

In the near future, we intend to offer the ability for you / your borrower to request the appraisal and make payment by credit card in a secure website environment. The website is still being developed. For the time being, you will need to use the attached order form and send it to your Account Executive along with a check payable to Eagle Funding in the amount of \$500. Once the payment has been received, the appraisal order will be placed...and you will be able to forward lock the loan should you so choose. We will follow up with you as soon as we are ready to roll out the website appraisal request / payment system.

If the appraisal invoice amount differs from \$500, it will be reconciled at closing.

We will order the appraisals from companies already on our approved appraiser list using a rotation system.

HVCC does not include FHA, VA or USDA loans at this time. You can continue to order appraisals the traditional way for submissions on these loan programs.

However we will accept appraisal requests from you for these programs and will order the appraisals for you if you so choose.

You will notice that 30 day pricing appears on page 2 and 3 of our rate sheet for these programs. **30 day pricing / locks will ONLY be available in those cases where you requested the appraisal from Eagle Funding and we are in receipt of the payment.**

Please be advised that we intend to monitor your choice of appraiser for your FHA/USDA closings with us. If we determine that you have no appraiser rotation system in place (same appraiser used every time), you may be subject to a 2nd appraisal condition.

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 There have been numerous changes in the past few months. Here is a brief summary of our position on many of the changes:

	<u>Conv.</u>	<u>FHA</u>	<u>VA</u>	<u>USDA</u>
Eagle appraisal required	Yes	No	No	No
30 day lock available ¹	Yes	Yes	Yes	Yes
Credit submissions allowed ²	Yes	Yes	Yes	Yes
Maximum DTI ³	45	45	45	45
Minimum FICO ⁴	700	680	680	680
Max LTV (Purchase / Refi) ⁵	95 / 80	96.5	100 / 90	100

Please contact your Account Executive with any questions. Thank you for your business.

David Baker
 VP – Wholesale, Eagle Funding

¹ 30 day lock available with receipt of appraisal order and payment in advance

² Credit submissions will have credit report and AUS ordered. These results will be shared with you. They will not be submitted to underwriting until the appraisal is received.

³ Strong loan packages will be considered for exceptions to the maximum DTI policy.

⁴ Strong loan packages will be considered for exceptions to the minimum FICO policy.

⁵ Max. LTV (refi) can be exceeded on the DU Refi Plus program. Refinance N/A for USDA loans.

Eagle Funding

APPRAISAL ORDER FORM

Loan Number: _____

Borrower Name: _____

Property Address: _____

Contact Information: _____

Home Cell Work

Date: _____

Requested By: _____

Name Phone Number

please fax or email this completed form to your Account Executive and send payment
to Eagle Funding - 10510 NE Northup Way - Ste. 210 - Kirkland, WA 98033.

Eagle Use Only

Account Executive: _____

Date order received: _____

Date payment received: _____

Date order placed: _____

Order placed by: _____

Appraisal Company: _____

Phone: _____

Fax: _____

Email address: _____

Fee quoted: _____

ETA: _____