

Eagle Funding

BROKER MEMO

Date: October 8, 2009

Subject: Lock fallout

If you are receiving this memo, your company had too much lock fallout with Eagle Funding during the 3rd quarter of 2009 (lock-ins that expired 7/1/09 – 9/30/09) and as a result your forward-locking privileges will be restricted during the 4th quarter of 2009.

As you may recall, we discontinued all forward-locking at the beginning of 2009 because of astonishing fallout numbers. We recognized that the business had changed by the middle of this year and re-introduced forward-locking and advised you of a 15% fallout tolerance.

Loans that were locked and submitted but denied are not considered to be fallout. Obviously, loans that were locked and closed are not fallout. Loans that were locked and approved but don't close are fallout. Loans that were locked but incompletely submitted to us are fallout. Loans that were locked but never submitted to us are fallout.

So, once again, if you are receiving this memo, your fallout percentage during the 3rd quarter of 2009 exceeded 15%. We welcome your future business but cannot extend forward-locking privileges to you during the 4th quarter of 2009. For that period, you will be restricted to 15 day lock-ins and only for loan files that have cleared all appraisal conditions.

Lock fallout for the 4th quarter of 2009 will be calculated in early January, 2010, and we hope to make forward locking privileges available to you once again at that time.

For questions, please contact your Account Executive. Thank you for your business.

David Baker
VP – Wholesale, Eagle Funding