

April 3, 2008

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington DC 20551

Dear Ms. Johnson:

I am Jeffrey W Carr, I am the owner and Designated Broker for Northwest Mortgage Services, Inc. in Washington State. I founded this brokerage business in 1988 and was the President of the Washington Association of Mortgage Brokers in 1999. I have raised my family on this business and continue to enjoy the rewards of helping people sort through the various offerings of the mortgage industry.

I am very supportive of any changes to the regulations that will make it easier for the consumer to navigate the industry. I am also very supportive of any rules and/or regulations that will keep the dishonest and unscrupulous loan originators from staying in or joining this industry. I have been actively pursuing loan officer licensing in Washington State and am happy to report that the law went into effect 1/1/2007.

I cannot support the proposal to disclose the specific dollar amount I would receive including yield spread premium BEFORE taking an application. How did this proposal get this far?

There is no way to know what fee income is available until the application is taken, a credit report has been issued, income and assets have been verified, the title to the collateral has been reviewed and the appraisal has been received.

Risk based pricing is a staple of the industry. I have attached to this email a copy of pages 4 of 8 and 5 of 8 of the rate sheet received from Citimortgage on April 3, 2008. These two legal sized pages outline the rate and fee adjustments to be applied to the borrower's interest rate and loan origination fee depending on their circumstances. I submit to you that it is not possible to disclose what fees will be available to the mortgage broker IN ADVANCE of a thorough review of the borrower's application and motivation for seeking a new mortgage.

Further disclosure of a yield spread premium by brokers only is not necessary for the following reason:

7116 Stinson Avenue, Suite A205 P.O. Box 447 Gig Harbor, WA 98335
phone (253) 851-1687 fax (253) 851-1688 northwmtg@harboret.com
www.loansinthenorthwest.com

The yield spread premium is presently disclosed twice, once on the good faith estimate and again on the HUD-1. All the loan origination software programs have a field for the disclosure. All the lenders we use instruct the settlement companies to disclose the yield spread premium on the HUD-1. Washington State law now requires that a yield spread premium is to be disclosed as a specific dollar amount or a range delineated in dollars. Disclosing a yield spread premium on the GFE as 0% to 2% is no longer allowed.

In addition, the origination fee earned by a broker is required to be separately stated on the HUD-1 per the Appendix to Reg X which follows:

Appendix A to Part 3500--Instructions for Completing HUD--1 and HUD--1A Settlement Statements; Sample HUD--1 and HUD--1A Statements

Line 801 is used to record the fee charged by the Lender for processing or originating the loan. If this fee is computed as a percentage of the loan amount, enter the percentage in the blank indicated.

Line 802 is used to record the loan discount or "points" charged by the Lender, and, if it is computed as a percentage of the loan amount, enter the percentage in the blank indicated.

Line 803 is used for appraisal fees if there is a separate charge for the appraisal. Appraisal fees for HUD and VA loans are also included on Line 803.

Line 804 is used for the cost of the credit report if there is a charge separate from the origination fee.

Line 805 is used only for inspections by the Lender or the Lender's agents. Charges for other pest or structural inspections required to be stated by these instructions should be entered in Lines 1301--1305.

Line 806 should be used for an application fee required by a private mortgage insurance company.

Line 807 is provided for convenience in using the form for loan assumption transactions.

Lines 808--811 are used to list additional items payable in connection with the loan including a CLO Access fee, a mortgage broker fee, fees for real estate property taxes or other real property charges.

All broker compensation is already disclosed twice. If a broker earns an origination fee and a yield spread premium, it is disclosed both at the beginning and at the end of the process. Washington State law states that if, during the processing of a loan, income that inures to the broker is greater than the income disclosed on the GFE a re-disclosure is required three days prior to closing explaining the reason for the increase.

If the stated goal of the proposed rule is to protect consumers, then require all originators to disclose the total compensation earned before an application is submitted. Loan originators who work for mortgage bankers, commercial bankers with mortgage divisions ALL know how much they will earn on any given point in time.

To state that a seller servicer does not know how much money they will earn on a loan application, as the bankers have been saying for years to avoid more scrutiny of their lending divisions, is simply not accurate. Please review the second attachment to this letter. It is the lock page from the origination software we use. It is also used by many mortgage bankers. Note that the income is divided into two sections, income earned at closing and income earned upon sale of the loan in the future. They DO know exactly what income is available at any point including a yield spread premium. They simply classify yield spread premium as overage and pay their originator accordingly. Most originators do not share in any income derived from the subsequent sale of the loan.

I doubt that employees of the Federal Reserve think that loan originators would work for a banker if the banker could not provide their employee how much compensation they could earn from originating a loan.

STATED INCOME LOANS

Eliminating stated income loans by amending Regulation Z seems to me to be too little too late. Most lenders have either stopped purchasing stated income loans or have reduced the loan to value to 75% or less. The stated income loan remains a valuable tool for the self-employed. I have never been in favor of regulating the loan products. Let the market decide the viability of a stated income loan. Why adopt a rule that restricts credit in this market? I am a strong supporter of regulating behavior.

The media is rife with stories of the financial and emotional damage caused by unscrupulous originators. However, they are all not mortgage brokers or their employees! ALL loan originators regardless of employer should be required to use the same set of disclosures. We should ALL be subject to testing, criminal background checks, continuing education, licensing, a net worth requirement, an annual credit report and stiff penalties for violating the existing laws.

YIELD SPREAD PREMIUM

Earning a yield spread premium is a vital tool to have when helping consumers decide which loan and what rate and fee combination is right for them. For example, paying a loan fee (which would increase your new loan amount) on a 15 year fixed rate no cash back refinance is a very poor financial choice when compared with paying a slightly higher rate and allowing the broker to earn the loan fee via a yield spread premium on a

lower loan amount. When the calculation is explained EVERY client has chosen to have us earn our origination compensation via a yield spread premium.

Page 4

A yield spread premium is also critical to assisting first time buyers when purchasing a home. The down payment, closing costs, prepaid expenses and financial reserves are all keys to a successful closing. Informing the borrowers that part or all of their closing costs can be paid by accepting a higher rate and allowing the originator to earn a yield spread premium with which to pay closing costs is a critical part of assisting our clients. We feel very strongly that they have this pricing option explained to them. Not all our clients select the yield spread premium option but ALL our clients appreciate the fact that we explained it to them.

In summary: The pre-application disclosure will not, in my view, protect consumers. If the brokerage community avoids a yield spread premium due to the adoption of these proposed regulations, the consumer suffers.

Mortgage brokers continue to compete with a variety of entities including companies that are nothing but large scale brokers as well as the large mortgage bankers and commercial banks. The average consumer cannot distinguish a broker from any other purveyor of mortgage loans in today's lending environment. Having different disclosures required by different entities will only confuse consumers even more, not protect them.

Stated income loans have a place in the market and should not be banned.

Not regulating ALL loan originators in the same manner will result in continued potential for the unscrupulous to prey upon consumers.

As I stated in the opening paragraph, I enjoy this business. I have raised my family on the income from this business. I enjoy an excellent reputation in the community and I will continue to compete in any environment. No one I know wants to see the recent past repeated and changes in regulation are necessary but these proposals will not have as great an effect as raising the standards to stay in this industry and raising the standards to get into this industry.

Thank you for your time. Please feel free to contact me with any questions you may have.

Sincerely,

Jeffrey W Carr
President

7116 Stinson Avenue, Suite A205 P.O. Box 447 Gig Harbor, WA 98335
phone (253) 851-1687 fax (253) 851-1688 northwestmtg@harboret.com
www.loansinthenorthwest.com

Check out Citi's new loan amount adjusters...an additional 25 bps on conventional conforming loan amounts between \$200,000.00 and \$417,000.00. Ask your Account Executive for details.

CONFORMING Rate / Price Adjustments				
DESCRIPTION - All adjustments are cumulative	FIXED		ARMs	
	Rate	Fees	Rate	Fees Mrg/FIR
Investment Property - 40, 30, 20 Year and ARMs				
LTV <= 75%, FICO < 680	0.000	0.750	0.000	0.750 0.000
LTV <= 75%, FICO 680 - 719	0.000	0.625	0.000	0.625 0.000
LTV <= 75%, FICO > 719	0.000	0.500	0.000	0.500 0.000
LTV > 75%, FICO < 680	0.000	1.750	0.000	1.750 0.000
LTV > 75%, FICO 680 - 719	0.000	1.625	0.000	1.625 0.000
LTV > 75%, FICO > 719	0.000	1.500	0.000	1.500 0.000
Investment Property <= 15 Years				
LTV <= 75%, FICO < 680	0.000	0.250	...	...
LTV <= 75%, FICO 680 - 719	0.000	0.125	...	...
LTV > 75%, FICO < 680	0.000	1.250	...	...
LTV > 75%, FICO 680 - 719	0.000	1.125	...	...
LTV > 75%, FICO > 719	0.000	1.000	...	...
Cash Out Refi LTV <= 80, FICO < 620				
Cash Out Refi LTV 60.01 - 75, FICO < 620	0.000	1.750	0.000	1.750 0.000
Cash Out Refi LTV 60.01 - 75, FICO 620 - 659	0.000	0.750	0.000	0.750 0.000
Cash Out Refi LTV 60.01 - 75, FICO 660 - 699	0.000	0.250	0.000	0.250 0.000
Cash Out Refi LTV 60.01 - 75, FICO 700 - 739	0.000	0.125	0.000	0.125 0.000
Cash Out Refi LTV 75.01 - 80, FICO < 620	0.000	2.500	0.000	2.500 0.000
Cash Out Refi LTV 75.01 - 80, FICO 620 - 659	0.000	1.500	0.000	1.500 0.000
Cash Out Refi LTV 75.01 - 80, FICO 660 - 699	0.000	0.750	0.000	0.750 0.000
Cash Out Refi LTV 75.01 - 80, FICO 700 - 739	0.000	0.375	0.000	0.375 0.000
Cash Out Refi LTV 75.01 - 80, FICO >= 740	0.000	0.250	0.000	0.250 0.000
Cash Out Refi LTV > 80, FICO < 620	0.000	3.000	0.000	3.000 0.000
Cash Out Refi LTV > 80, FICO 620 - 659	0.000	2.000	0.000	2.000 0.000
Cash Out Refi LTV > 80, FICO 660 - 699	0.000	1.500	0.000	1.500 0.000
Cash Out Refi LTV > 80, FICO 700 - 739	0.000	0.500	0.000	0.500 0.000
Cash Out Refi LTV > 80, FICO >= 740	0.000	0.375	0.000	0.375 0.000
Streamline Refi LTV > 95 - 97	0.000	0.500	0.000	0.500 0.000
Streamline Refi LTV > 97	0.000	1.000	0.000	1.000 0.000
Streamline Refi LTV >= 95, CLTV > 95	0.000	1.500	0.000	1.500 0.000
181+ mos, LTV <= 60, FICO >= 700	0.000	(0.250)	0.000	(0.250) 0.000
181+ mos, LTV > 60, FICO 680 - 719	0.000	0.500	0.000	0.500 0.000
181+ mos, LTV > 60, FICO < 640	0.000	0.750	0.000	0.750 0.000
181+ mos, LTV > 60, FICO 640 - 679	0.000	0.500	0.000	0.500 0.000
181+ mos, LTV > 70, FICO < 620	0.000	2.750	0.000	2.750 0.000
181+ mos, LTV > 70, FICO 620 - 639	0.000	2.500	0.000	2.500 0.000
181+ mos, LTV > 70, FICO 640 - 659	0.000	1.750	0.000	1.750 0.000
181+ mos, LTV > 70, FICO 660 - 679	0.000	1.250	0.000	1.250 0.000
Non I/O Sub Fin LTV > 65, CLTV > 90 - 95	0.000	0.250	0.000	0.250 0.000
Non I/O Sub Fin LTV > 75-90, CLTV > 75-90, FICO < 720	0.000	0.250	0.000	0.250 0.000
I/O Sub Fin LTV > 65, CLTV > 90-95, FICO < 720	0.000	0.500	0.000	0.500 0.000
I/O Sub Fin LTV > 75-90, CLTV > 75-90, FICO < 720	0.000	0.500	0.000	0.500 0.000
I/O Sub Fin LTV > 65, CLTV > 90-95, FICO >= 720	0.000	0.250	0.000	0.250 0.000
I/O Sub Fin LTV > 75-90, CLTV > 75-90, FICO >= 720	0.000	0.250	0.000	0.250 0.000
1 Unit LTV > 90%	0.000	0.000	0.000	0.250 0.000
2 Units	0.000	0.500	0.000	0.500 0.000
3 - 4 Units	0.000	1.000	0.000	1.000 0.000
Convertibility Option	...	...	0.000	0.625 0.125
COOPs (IL / NJ / NY Only)	...	0.000	0.000	0.000 0.000
COOP (IL / NJ / NY) Owner Occupied No Cash Out LTV > 80%	0.000	0.500	0.000	0.500 0.000
COOP (IL / NJ / NY) 2nd Home LTV > 80%	0.000	0.750	0.000	0.750 0.000
5/1 ARM 2/2.5 Cap Adjustment	...	...	0.000	0.375 0.000
40 Year ARM	...	...	0.125	0.000 0.000
3/1 & 5/1 ARM I/O FICO < 680	...	...	0.125	0.000 0.125
10/1 ARM I/O FICO < 680	...	...	0.125	0.000 0.125
Fixed Interest Only LTV > 90%	0.000	0.250	...	...
Government Partial Term Buydown	0.000	0.250	0.000	0.250 0.000
Government Fixed Rate Terms < 180 Months	0.000	0.250	...	...
FHA FICO < 580	0.000	1.250	0.000	1.250 0.000
Expanded Approval Level I	0.500	0.500	0.375	0.500 0.500
Expanded Approval Level II	0.750	0.500	0.625	0.500 0.750
Expanded Approval TPR Level II	1.000	0.500	1.000	0.500 0.750
Expanded Approval LTV 95.01 - 97%	0.000	0.500	0.000	0.500 0.000
Expanded Approval LTV 97.01 - 100%	0.000	1.000	0.000	1.000 0.000
EA With Subordinate Financing & CLTV > 90 - 95%	0.000	0.250	0.000	0.250 0.000
EA Coops (IL / NJ / NY) and Condos Cash Out (all levels)	0.000	0.500	0.000	0.500 0.000
EA With Subordinate Financing & CLTV > 95%	0.000	1.500	0.000	1.500 0.000
FHLMC A-Minus (no sub program selected)	0.000	3.250	...	...
FHLMC A-Minus Level I	0.000	1.250	...	...
FHLMC A-Minus Level II	0.000	1.500	...	...
FHLMC A-Minus Level III	0.000	2.750	...	...
FHLMC A-Minus Level IV	0.000	3.250	...	...
Programs				
All 97 - 35% MI Coverage	0.000	0.500	...	...
My Community 97	0.375	0.000	0.250	0.000 0.250
My Community 100 or 2 Family	0.375	0.000	0.250	0.000 0.250
My Community 3-4 Family	0.375	0.000	...	...
My Community Fixed I/O	0.000	0.250	...	...
My Community 40yr ARM	...	...	0.000	0.125 0.000
My Community 5/1 LTV > 90	...	...	0.000	0.250 0.000
Home Possible	...	1.000	...	1.000 0.000
Home Possible with Subordinate Financing FICO < 720	...	0.750	...	0.750 0.000
Home Possible with Subordinate Financing FICO >= 720	...	0.500	...	0.500 0.000
Home Possible 97, LTV <= 95%	0.125	0.000	0.250	0.000 0.250
Home Possible 97, LTV > 95%	0.250	0.000	0.375	0.000 0.375
Home Possible 100	0.250	0.000	0.500	0.000 0.500
Home Possible 97/100, 3-4 Units	0.500	0.000	1.000	0.000 1.000
Home Possible 97/100, 5/1 ARM, LTV > 90% (Additional)	...	...	0.250	0.000 0.250
Home Run	1.000	0.000	1.000	0.000 1.000
FHLMC 100 with 35% MI *	0.000	0.500	0.000	0.500 0.000
FHLMC 80/20 FICO < 700 *	0.000	1.500	0.000	1.500 0.000
FHLMC 80/20 FICO >= 700 *	0.000	1.000	0.000	1.000 0.000
CitiMortgage Home Buyer Option	...	...	...	...
Flex 97 < 35% MI	0.000	1.750	0.000	1.750 0.000
Flex 97 with 35% MI	0.000	0.500	0.000	0.500 0.000
Flex 100 with subordinate financing, FICO < 680	0.000	1.500	0.000	1.500 0.000
Flex 100 with subordinate financing, FICO >= 680	0.000	1.000	0.000	1.000 0.000
Flex 100 without subordinate financing, < 35% MI	0.000	1.500	0.000	1.500 0.000
Flex 100 without subordinate financing, with 35% MI, FICO < 680	0.000	1.000	0.000	1.000 0.000
Flex 100 without subordinate financing, w/ 35% MI, FICO >= 680	0.000	0.500	0.000	0.500 0.000
Agency SISA (DULP) FICO 680 - 719 **	0.000	0.250	0.000	0.375 0.000
* Effective 3/5/08 program discontinued for new registrations				
** Effective 3/22/08 program discontinued for new registrations				
GOVERNMENT Rate / Price Adjustments				
Government Partial Term Buydown	0.000	0.250	0.000	0.250 0.000
Government Fixed Rate Terms < 180 Months	0.000	0.250	...	...
FHA FICO < 580	0.000	1.250	0.000	1.250 0.000
FHA Stimulus Act - 30 Year Fixed	0.000	1.500	...	...
FHA Stimulus Act - 15 Year Fixed	0.000	2.000	...	...

FEE LOAN SIZE ADJUSTORS CONVENTIONAL CONFORMING		
(Not Applicable to Non Agency All-A)		
Loan Size	Fixed	ARM
< 100,000	0.250	0.250
>= 200,000	(0.250)	(0.250)

FEE LOAN SIZE ADJUSTORS GOVERNMENT LOANS		
Loan Size	Fixed	ARM
<= 59,999	0.625	0.625
60 - 79,999	0.250	0.250

STATE ADJUSTORS CONFORMING FIXED LOANS	
Properties In:	Fee
AK, AL, AR, AZ, CA, CO, CT, DC, DE, GU, HI, ID, LA, MA, MD, ME, MS, MT, NC, NM, NV, NY, OR, PR, RI, SC, SD, TN, UT, VA, VI, VT, WA, WV, WY	...
FL, GA, IA, IL, IN, KS, KY, MN, MO, NH, NJ, OH, OK	(0.125)
MI, NE, PA, WI	(0.250)
ND, TX	(0.375)

STATE ADJUSTORS ARM LOANS	
Properties In:	Fee
AZ, CA, DC, DE, GU, HI, ID, IN, LA, MA, ME, MS, MT, NH, NM, NV, PR, RI, VA, WV, WY	...
AK, AR, CO, CT, IA, KS, KY, MI, MN, MO, ND, NE, NY, OH, OK, OR, SC, SD, UT, VA, VT, WA, WV	(0.125)
AL, IL, MD, NC, NJ, PA, RI, TN, TX, WI	(0.250)
FL, GA	(0.375)

STATE ADJUSTORS GOVERNMENT LOANS	
Properties In:	Fee
AK, CA, DC, DE, GU, HI, ID, LA, MA, MD, ME, MN, NH, NJ, NV, PR, VA, VI, VT, WV, WY	...
AL, AR, FL, MO, MS, MT, SC	(0.125)
AZ, CO, CT, GA, IA, IL, IN, KS, KY, MI, NC, ND, NE, NM, NY, OH, OK, OR, PA, RI, SD, TN, TX, UT, WA, WI	(0.250)

CITI INITIATIVES THRESHOLD INDEXES	
Amortization	Index
10 year	3.44
15 year	3.44
20 year	4.3
25 year	4.3
30 year	4.35

EXTENSION AND EXTENDED LOCK POLICIES				
*Extensions are equal to price detriment of 1.5 bps / day				
*** RCO's > 180 DAYS ADD TO 180-DAY PRICE ***				
	90-180-Day	270-Day	360-Day	540-Day
Conf Fixed	N/A	0.375	0.750	1.625
Nonconf Fixed	N/A	0.375	0.750	1.625
Conf ARM	N/A	0.375	0.750	1.625
Nonconf ARM	N/A	0.375	0.875	2.000
Up Front Fee	0.500pt	1.000pt	1.000pt	1.500pt

- Up front fees due within five business days from rate lock date and will be credited to premium at closing.
 - Loans that do not close are NOT eligible for fee refund.

MAXIMUM YSP Including all loan feature adjustments	
Product	Max YSP
Conv Fixed	(3.500)
Government Fixed	(4.000)
Conv 1MO, 6MO & 1 YR	(1.500)
Conv N/1 ARMs	(2.000)
Government ARM	(1.500)

QuikReg Locks will reflect a 0.125% add-on until the on-line upload of the 1003. The upload must occur prior to submission or the add-on will be permanent.

-Escrow Waivers - Please contact your branch office-



Check out Citi's new loan amount adjustors...an additional 25 bps on conventional conforming loan amounts between \$200,000.00 and \$417,000.00. Ask your Account Executive for details.

NON CONFORMING FIXED Price Adjustors										
All Adjustments are cumulative	<=55%	55.01-60.00	60.01-65.00	65.01-70.00	70.01-75.00	75.01-80.00	80.01-85.00	85.01-90.00	>90.00	
FICO										
< 620	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
620 - 639	2.000	2.500	3.000	3.500	N/A	N/A	N/A	N/A	N/A	N/A
640 - 659	0.250	0.375	0.500	0.625	N/A	N/A	N/A	N/A	N/A	N/A
660 - 679	(0.125)	0.125	0.250	0.375	0.625	1.250	1.500	1.875	N/A	N/A
680 - 699	(0.125)	(0.125)	0.000	0.375	0.500	0.750	1.125	1.125	N/A	N/A
700 - 719	(0.250)	(0.125)	(0.125)	0.125	0.500	0.750	0.750	1.000	N/A	N/A
720 - 739	(0.375)	(0.250)	(0.125)	0.000	0.250	0.750	0.625	0.750	1.000	1.000
740 - 759	(0.375)	(0.250)	(0.250)	(0.125)	0.125	0.375	0.375	0.500	0.625	0.625
760 - 779	(0.375)	(0.250)	(0.250)	(0.125)	0.000	0.375	0.375	0.375	0.500	0.500
780 - 799	(0.375)	(0.375)	(0.250)	(0.125)	(0.125)	0.000	0.250	0.250	0.375	0.375
>= 800	(0.375)	(0.375)	(0.375)	(0.250)	(0.125)	0.000	0.000	0.125	0.125	0.125
LOAN AMOUNTS > \$700,000 - \$1MM										
FICO < 660	0.625	0.625	0.875	1.250	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 720	0.500	0.500	0.625	0.625	0.750	1.000	N/A	N/A	N/A	N/A
FICO > 720	0.375	0.375	0.500	0.500	0.625	0.750	N/A	N/A	N/A	N/A
LOAN AMOUNTS > \$1MM - \$1.5MM*										
FICO < 680	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FICO 681 - 720	0.625	0.625	0.750	0.750	1.125	N/A	N/A	N/A	N/A	N/A
FICO > 720	0.500	0.500	0.625	0.625	0.875	N/A	N/A	N/A	N/A	N/A
SECOND HOME										
FICO < 660	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.125	0.125	0.250	0.250	0.375	0.750	1.125	N/A	N/A	N/A
FICO >= 720	0.000	0.000	0.125	0.125	0.250	0.375	0.750	N/A	N/A	N/A
2 UNITS										
FICO < 660	0.625	0.625	0.750	0.875	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.250	0.250	0.250	0.375	0.500	0.500	1.000	1.250	4.000	4.000
FICO >= 720	0.125	0.125	0.125	0.250	0.250	0.375	0.750	1.000	1.250	1.250
3 - 4 UNITS										
FICO < 660	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.750	0.875	1.000	1.125	1.375	1.750	N/A	N/A	N/A	N/A
FICO >= 720	0.250	0.375	0.500	0.625	0.750	1.125	N/A	N/A	N/A	N/A
CONDO										
FICO < 660	0.750	0.750	0.875	0.875	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.250	0.250	0.375	0.500	0.750	0.875	1.000	1.125	N/A	N/A
FICO >= 720	0.125	0.125	0.250	0.375	0.625	0.625	0.750	0.750	0.875	0.875
COOP										
FICO < 660	0.875	1.000	1.125	1.125	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.375	0.375	0.500	0.500	0.825	0.875	1.500	2.000	N/A	N/A
FICO >= 720	0.250	0.375	0.500	0.500	0.625	0.750	1.000	1.250	N/A	N/A
CASH OUT REF										
FICO < 660	4.000	4.000	4.000	4.000	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.125	0.125	0.250	0.375	0.500	0.625	N/A	N/A	N/A	N/A
FICO >= 720	0.125	0.125	0.250	0.250	0.375	0.500	N/A	N/A	N/A	N/A
INTEREST ONLY										
FICO < 660	0.250	0.250	0.375	0.375	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.125	0.125	0.125	0.250	0.250	0.250	0.375	N/A	N/A	N/A
FICO >= 720	0.000	0.000	0.125	0.250	0.250	0.250	0.375	0.375	0.375	0.375
CLTV <= 80%										
FICO < 660	0.375	0.375	0.375	0.500	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	0.375	0.375	0.375	0.375	0.375	0.375	N/A	N/A	N/A	N/A
FICO >= 720	0.250	0.250	0.375	0.375	0.375	0.375	N/A	N/A	N/A	N/A
CLTV > 80 - 90%										
FICO < 660	1.250	1.500	2.375	2.750	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	1.000	1.125	1.500	1.625	1.750	2.000	2.250	N/A	N/A	N/A
FICO >= 720	0.625	0.750	0.875	1.000	1.125	1.250	1.500	N/A	N/A	N/A
CLTV > 90%										
FICO < 660	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FICO 660 - 719	2.875	3.375	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
FICO >= 720	1.000	1.125	1.250	1.250	1.500	1.500	1.750	3.000	4.000	4.000
MISCELLANEOUS										
Asset Based Stated Income	0.250	0.250	0.250	0.250	0.250	0.500	0.500	0.500	0.500	0.500

* Maximum loan amount per guidelines \$1.5MM

NON CONFORMING ARM Price Adjustors	
All Adjustments are cumulative	Fees
LTV	
LTV <= 65%	(0.125)
LTV 65.01 - 75%	0.000
LTV 75.01 - 85%	0.250
LTV > 85%	0.500
FICO	
FICO >= 740	(0.250)
FICO 720 - 739	(0.125)
FICO 680 - 719	0.000
FICO 660 - 679	0.125
FICO 640 - 659	0.500
FICO < 640	0.875
LOAN AMOUNTS	
\$1.5 - \$3.0MM*	0.375
\$3.0-\$5.0MM (High Net Worth Only)	0.500
> \$5.0MM (High Net Worth Only)	0.625
MISCELLANEOUS	
Condo >= 5 Stories (not in IL or NY)	0.125
Second Home	0.125
Cash Out	0.125
Subordinate Financing CLTV/HCLTV > 95%	0.500
Asset Based Stated Income LTV <= 75%	0.250
Asset Based Stated Income LTV > 75%	0.500
Interest Only	0.125
Convertibility Option	0.500
5/1 ARM 2/2.5 Cap Adjustment	0.500
Investment (High Net Worth Only)	0.500

* Maximum loan amount per guidelines \$3MM (not High Net Worth)

STATE ADJUSTORS	
NON CONFORMING FIXED LOANS	
Properties In:	Fee
AL, AZ, CA, CO, CT, DE, FL, GA, GU, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MT, NC, NE, NH, NJ, NM, NV, OK, OR, PR, RI, SC, SD, TN, TX, UT, VI, WA, WI, WV, WY	---
AR, DC, MN, MS, NY, OH, PA, VA, VT	(0.125)
AK, ND	(0.250)
ARM LOANS	
Properties In:	Fee
AZ, CA, DC, DE, GU, HI, ID, IN, LA, MA, ME, MS, MT, NH, NM, NV, PR, VI, WY	---
AK, AR, CO, CT, IA, KS, KY, MI, MN, MO, ND, NE, NY, OH, OK, OR, SC, SD, UT, VA, VT, WA, WV	(0.125)
AL, IL, MD, NC, NJ, PA, RI, TN, TX, WI	(0.250)
FL, GA	(0.375)
MAXIMUM YSP including all loan feature adjustments	
Product	Max YSP
Conv Fixed	(3.500)
Government Fixed	(4.000)
Conv 1MD, BMO & 1 YR	(1.500)
Conv N/1 ARMs	(2.000)
Government ARM	(1.500)

CITI INITIATIVES THRESHOLD INDEXES				
Amortization	Index			
10 year	3.44			
15 year	3.44			
20 year	4.3			
25 year	4.3			
30 year	4.35			
EXTENSION AND EXTENDED LOCK POLICIES				
* Extensions are equal to price delirment of 1.5 bps / day				
*** RCO's > 180 DAYS ADD TO 180-DAY PRICE***				
	90-180-Day	270-Day	360-Day	540-Day
Conf Fixed	N/A	0.375	0.750	1.625
Nonconf Fixed	N/A	0.375	0.750	1.625
Conf ARM	N/A	0.375	0.750	1.625
Nonconf ARM	N/A	0.375	0.875	2.000
Up Front Fee	0.500pt	1.000pt	1.000pt	1.500pt
- Up front fees due within five business days from rate lock date and will be credited to premium at closing.				
- Loans that do not close are NOT eligible for fee refund.				
QuickReq Locks will reflect a 0.125% add-on until the on-line upload of the 1003. The upload must occur prior to submission or the add-on will be permanent.				
Escrow Waivers - Please contact your branch office.				



Secondary Market Registration & Rate Lock

Lender Case No
 Borrower
 Property Address

County

Loan Officer
 Processor
 Investor

Loan Summary & Registration Information

Loan Amount	\$		Investor Rate Lock Date
Interest Rate		%	Investor Lock Exp Date
Rate Lock Date			Loan Sale Date
Lock Exp Date			Investor Loan No
Rate Lock Type			Investor Program Code
Locked by			MERS No
Registration Date			Wire Received Date
Underwriting Date			Price Sheet Reference No
Estimated Closing Date			

Lock Price Information

Rate Lock Price	+	%
Overage/Rebate Lock	+	%
Service Release Prem Lock	+	%
Total Lock Price	=	%
Adjusted Loan Price	-	%
Net Lock Price	=	%

Actual Gain/Loss on Sale

Loan Sale Price	+\$
Overage/Rebate Sale	+\$
Service Release Prem Sale	+\$
Gain/Loss on Sale	=\$
Final Loan Price	-\$
Gross Gain/Loss on Loan Sale	=\$