

Market Commentary

Treasury 10-year yields traded near the highest level in almost two weeks before a Federal Reserve report that may show the U.S. recovery is slowing and a government auction of \$37 billion of five-year notes.

Economic Calendar: Week of July 26, 2010

	<u>July 26</u>	<u>July 27</u>	<u>July 28</u> <i>Bank Reserve Settlement</i>	<u>July 29</u> <i>Weekly Bill Settlement</i>	<u>July 30</u>
<u>7:00 ET</u>		ICSC-Goldman Store Sales (7:45)	MBA Purchase Applications		
<u>8:00 ET</u>		Redbook (8:55)	Durable Goods Orders (8:30)	Jobless Claims (8:30)	GDP & Employment Cost Index (8:30)
<u>9:00 ET</u>		S&P Case-Shiller HPI			Chicago PMI (9:45) Consumer Sentiment (9:55)
<u>10:00 ET</u>	New Home Sales	Consumer Confidence & State Street Inv	EIA Petroleum Status Report (10:30)	EIA Natural Gas Report (10:30)	
<u>11:00 ET</u>	4-Wk Bill Annc 3 & 6-Mo Bill Auction (11:30)	Confidence Index 4 & 52-Wk Bill Auction (11:30)		3 & 6-Mo Bill Annc	
<u>1:00 ET</u>		2-Yr Note Auction	5-Yr Note Auction	7-Yr Note Auction	
<u>2:00 ET</u>			Beige Book		
<u>3:00 ET</u>					Farm Prices
<u>4:00 ET</u>				Fed Balance Sheet & Money Supply (4:30)	

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Lock Desk Information

- Lock Desk hours are 8:30 am - 4:00 pm PT. All requests must be submitted by 4:00 pm PT
- Lock online with Reunion Direct at www.reunionwholesale.com
- Extension and Re-Lock Requests: lockdesk@reunionmortgage.com

Lock Information

Lock Terms	Price	Expiration	Lock Extensions	Price
20-days (Purchase & Refi)	-	August 16, 2010	2-days	0.100
25-days (Purchase & Refi)	0.075	August 23, 2010	5-days	0.150
30-days (Purchase & Refi)	0.150	August 26, 2010	10-days	0.200
35-days (Purchase only)	0.225	August 31, 2010	15-days	0.300
40-days (Purchase only)	0.300	September 6, 2010		
45-days (Purchase only)	0.375	September 10, 2010		
Advance Lock Delivery Expiration:		August 6, 2010		

Partner Benefits Adjustments

Preferred Partners:	0.125 improvement in price (applied at the time of lock)
Future Partners:	0.125 increase in cost (applied at the time of lock)

Market Indicators

1 Yr LIBOR Index	1.075%
10 yr Treasury Note	3.040%
CMT	0.290%
FNMA 4 Aug	101.922
FNMA 30 yr Rate	4.045%

Average Prime Offer Rates (Fixed)

<http://www.ffiec.gov/ratespread/YieldTableFixed.CSV>

Average Prime Offer Rates (ARMs)

<http://www.ffiec.gov/ratespread/YieldTableAdjustable.CSV>

GFE Reminders

"Our origination charge" (Block 1)	Lender Fees: \$985.00 Broker Origination Fees
"Your credit or charge" (Block 2)	Base Price + Loan Level Price Adjustments
"Required services that we select" (Block 3)	Flood Cert: \$10.00 Tax Service (N/A FHA & VA): \$80.00

Find the right product and price for your borrower quickly and easily!

Visit our online Pricing Wizard

at www.reunionwholesale.com

Complete File Turn Times

Purchase	2 days
Refi	6 days
Conditions	2 days
Docs	24 hours
Quality Control	72 hours
Funding	48 hours

Preferred Partner files are always first in Underwriting and Condition review.

Branch Contact Information

Submissions

newloan@reunionmortgage.com
866.923.3327 Fax

Conditions

milpitasuw@reunionmortgage.com
408.941.8322 Fax

Closing

closing@reunionmortgage.com
408.941.8321 Fax

- Turn times are based on business days.
- Underwriting turn times begin upon the receipt of a complete file with an acceptable GFE before 3:00 PM.

Questions? Call your Account Executive or local branch at 408.941.8333

Conforming Fixed DU Refi Plus Programs

30 Yr		30 Yr High Balance		15 Yr		15 Yr High Balance	
5.000	-3.037	5.000	-2.737	4.375	-3.071	4.375	-2.221
4.875	-2.973	4.875	-2.373	4.250	-2.731	4.250	-1.731
4.750	-2.489	4.750	-1.489	4.125	-1.284	4.125	-0.284
4.625	-2.119	4.625	-1.119	4.000	-0.999	4.000	0.001
4.500	-1.728	4.500	-0.728	3.875	-0.681	3.875	0.319
4.375	-1.282	4.375	-0.282				
4.250	-0.386	4.250	0.614				
C30DURP		CJ30DURP		C15DURP		CJ15DURP	

- All base pricing assumes a 20-day lock
- Maximum credit after adjustments is -3.000

Conf Fixed DU Refi Plus State Adjusters				
State	30 Yr	30Yr HB	15 Yr	15 Yr HB
CA	0.000	0.000	0.000	0.000
AZ	0.130	0.000	0.050	0.000
HI	0.070	-0.125	-0.030	-0.125

For additional State Adjusters, visit our website

Conf Fixed DU Refi Plus Price Adjustments	LTV ≤ 60	60.01-65	65.01-70	70.01-75	75.01-80	80.01-85	85.01-90	90.01-95
Escrow Waiver	0.250	0.250	0.250	0.250	0.250	0.250	0.250	N/A
Non-Owner	1.750	1.750	1.750	1.750	3.000	3.750	3.750	3.750
2 Units	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3-4 Units	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Condo (Not Applicable to C15DURP, CJ15DURP)	0.000	0.000	0.000	0.000	0.750	0.750	0.750	0.750
FICO Adjustments (Not Applicable to C15DURP, CJ15DURP)								
FICO Score ≥ 740	-0.250	0.000	0.000	0.000	0.000	0.000	0.000	0.000
FICO Score 720 - 739	-0.250	0.000	0.000	0.000	0.000	0.000	0.000	0.000
FICO Score 700 - 719	-0.250	0.500	0.500	0.500	0.500	0.500	0.500	0.500
FICO Score 680 - 699	0.000	0.500	0.500	0.750	0.750	0.750	0.750	0.750
FICO Score 660 - 679	0.000	1.000	1.000	1.500	1.750	1.750	1.750	1.750
FICO Score 640 - 659	0.500	1.250	1.250	2.000	2.250	2.250	2.250	2.250
FICO Score 620 - 639	0.500	1.500	1.500	2.500	2.750	2.750	2.750	2.750
Subordinate Financing								
CLTV 75.01 - 90% (FICO < 720)	0.000	0.000	0.000	0.000	0.250	0.250	0.250	0.250
CLTV 90.01 - 95% (FICO ≥ 720)	0.000	0.000	0.250	0.250	0.250	0.250	0.250	0.250
CLTV 90.01 - 95% (FICO < 720)	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500

HomePath Mortgage Programs

30 Yr		30 Yr High Balance		20 Yr		15 Yr		10 Yr	
5.250	-3.767	5.250	-2.423	5.250	-3.817	4.750	-3.764	4.750	-3.764
5.125	-3.086	5.125	-1.675	5.125	-3.136	4.625	-3.490	4.625	-3.490
5.000	-2.703	5.000	-1.290	5.000	-2.753	4.500	-3.206	4.500	-3.206
4.875	-2.253	4.875	-0.891	4.875	-2.303	4.375	-2.894	4.375	-2.894
4.750	-1.483	4.750	-0.192	4.750	-1.533	4.250	-2.389	4.250	-2.389
4.625	-1.123	4.625	0.838	4.625	-1.173				
4.500	-0.934	4.500	0.965	4.500	-0.984				
4.375	-0.694	4.375	1.152	4.375	-0.744				
HP30		HPJ30		HP20		HP15		HP10	

 HomePath Mortgage is a registered trademark of Fannie Mae.

- Home Path Mortgage available only in CA
- All base pricing assumes a 20-day lock
- Maximum credit after adjustments is -3.000

HomePath Mortgage Price Adjustments	LTV ≤ 60	60.01-65	65.01-70	70.01-75	75.01-80	80.01-85	85.01-90	90.01-95
Escrow Waiver	0.250	0.250	0.250	0.250	0.250	0.250	0.250	N/A
Small Loans < \$99,999	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Non-Owner	1.500	1.500	1.500	1.500	2.000	2.500	N/A	N/A
2 Units	1.000	1.000	1.000	1.000	1.000	N/A	N/A	N/A
3-4 Units	1.000	1.000	1.000	1.000	N/A	N/A	N/A	N/A
Condo (Not Applicable to HP15, HP10)	0.000	0.000	0.000	0.000	0.750	0.750	0.750	0.750
LTV Adjustment	0.000	0.000	0.000	0.000	0.000	1.000	1.750	2.500
FICO Adjustments (Not Applicable to HP15, HP10)								
FICO Score ≥ 740	-0.250	0.000	0.000	0.000	0.000	0.000	0.000	0.000
FICO Score 720 - 739	-0.250	0.000	0.000	0.000	0.250	0.000	0.000	0.000
FICO Score 700 - 719	-0.250	0.500	0.500	0.500	0.750	0.500	0.500	0.500
FICO Score 680 - 699	0.000	0.500	0.500	1.000	1.500	1.000	0.750	0.750
FICO Score 660 - 679	0.000	1.000	1.000	2.000	2.500	2.250	1.750	1.750
FICO Score 640 - 659	0.500	1.250	1.250	2.500	3.000	N/A	N/A	N/A
FICO Score 620 - 639	0.500	1.500	1.500	3.000	3.000	N/A	N/A	N/A
Subordinate Financing								
CLTV 75.01 - 90% (FICO < 720)	0.000	0.000	0.000	0.000	0.250	N/A	N/A	N/A
CLTV 90.01 - 95% (FICO ≥ 720)	0.000	0.000	0.250	0.250	0.250	N/A	N/A	N/A
CLTV 90.01 - 95% (FICO < 720)	0.000	0.000	0.500	0.500	0.500	N/A	N/A	N/A

Conforming ARM Programs

7/1L		5/1L		3/1L	
4.125	-2.236	4.000	-2.774	4.125	-1.587
4.000	-2.017	3.875	-2.581	4.000	-1.387
3.875	-1.794	3.750	-2.219	3.875	-1.167
3.750	-1.357	3.625	-1.894	3.750	-0.981
3.625	-0.948	3.500	-1.579	3.625	-0.745
3.500	-0.436	3.375	-1.042	3.500	-0.568
C71L		C51L		C31L	

ARM Information		
Product	Margin	Caps
C71L	2.250	5/2/5
C51L	2.250	5/2/5
C31L	2.250	2/2/6
CJ51L	2.250	5/2/5
See Index Values on pg.1		

Conforming ARM Price Adjustments	LTV ≤ 60	60.01-65	65.01-70	70.01-75	75.01-80	80.01-85	85.01-90	90.01-95
Escrow Waiver	0.250	0.250	0.250	0.250	0.250	0.250	0.250	N/A
Loan Amount ≤ \$99,999	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Non-Owner	1.750	1.750	1.750	1.750	3.000	N/A	N/A	N/A
2 Units	1.000	1.000	1.000	1.000	1.000	N/A	N/A	N/A
3-4 Units	1.000	1.000	1.000	1.000	N/A	N/A	N/A	N/A
Condo	0.000	0.000	0.000	0.000	0.750	0.750	0.750	0.750
FICO Adjustments								
FICO Score ≥ 740	-0.250	0.000	0.000	0.000	0.000	0.000	0.000	0.000
FICO Score 720 - 739	-0.250	0.000	0.000	0.000	0.250	0.000	0.000	0.000
FICO Score 700 - 719	-0.250	0.500	0.500	0.500	0.750	0.500	0.500	0.500
FICO Score 680 - 699	0.000	0.500	0.500	1.000	1.500	1.000	0.750	0.750
FICO Score 660 - 679	0.000	1.000	1.000	2.000	2.500	N/A	N/A	N/A
FICO Score 640 - 659	0.500	1.250	1.250	2.500	3.000	N/A	N/A	N/A
FICO Score 620 - 639	0.500	1.500	1.500	3.000	3.000	N/A	N/A	N/A
Cash-Out Refinance								
FICO Score ≥ 740	0.000	0.250	0.250	0.250	0.500	N/A	N/A	N/A
FICO Score 700 - 739	0.000	0.625	0.625	0.625	0.750	N/A	N/A	N/A
FICO Score 680 - 699	0.000	0.750	0.750	0.750	1.375	N/A	N/A	N/A
FICO Score 660 - 679	0.250	0.750	0.750	0.750	N/A	N/A	N/A	N/A
FICO Score 620 - 659	0.250	1.250	1.250	1.250	N/A	N/A	N/A	N/A
Subordinate Financing								
CLTV 75.01 - 90% (FICO <720)	0.000	0.000	0.000	0.000	0.250	0.250	0.250	N/A
CLTV 90.01 - 95% (FICO ≥ 720)	0.000	0.000	0.250	0.250	0.250	0.250	0.250	0.250
CLTV 90.01 - 95% (FICO < 720)	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500
CJ51L Adjustments (Cumulative with Agency Adj)								
Cash-Out Refinance	1.000	N/A	N/A	N/A	N/A	N/A	N/A	N/A

5/1L High Balance

4.125	-1.554
4.000	-1.479
3.875	-1.286
3.750	-0.924
3.625	-0.599
3.500	-0.284

CJ51L

- All base pricing assumes a 20-day lock
- Maximum credit after adjustments is -3.000

Jumbo Fixed & ARM Programs

30 Yr		5/1L	
6.000	-1.035	4.750	-1.009
5.875	-0.879	4.625	-0.853
5.750	-0.644	4.500	-0.619
5.625	-0.410	4.375	-0.384
5.500	-0.113	4.250	-0.134
5.375	0.199	4.125	0.131
5.250	0.606	4.000	0.460
5.125	1.074	3.875	0.819
J30		J51L	

ARM Information		
Product	Margin	Caps
J51L	2.250	5/2/5
See Index Values on pg.1		

Jumbo Fixed Price Adjustments	LTV ≤ 60	60.01-65	65.01-70	70.01-75	75.01-80
Escrow Waiver	0.250	0.250	0.250	0.250	0.250
Loan Amount ≤ \$649,999	0.000	0.000	0.000	0.000	0.250
Cash-Out Refinance	0.000	0.250	0.375	0.375	0.500
2 Units	0.500	0.500	0.500	0.500	0.500
3-4 Units	1.000	1.000	1.000	N/A	N/A
Condo	0.500	0.500	0.500	0.500	0.500

Jumbo ARM Price Adjustments	LTV ≤ 60	60.01-65	65.01-70	70.01-75	75.01-80
Escrow Waiver	0.250	0.250	0.250	0.250	0.250
Cash-Out Refinance	0.500	0.500	0.500	0.500	0.500
2 Units	0.500	0.500	0.500	0.500	0.500
3-4 Units	1.000	1.000	1.000	N/A	N/A
Condo	0.500	0.500	0.500	0.500	0.500
LTV	-0.250	0.000	0.000	0.000	0.375

- All base pricing assumes a 20-day lock
- Maximum credit after adjustments is -1.000
- Investor Approval required prior to locking

FHA Fixed & ARM Programs

GN I 30 Yr		GN II 30 Yr		30 Yr High Balance		GN I BuyDown*	
5.000	-3.071	5.000	-3.062	5.000	-2.736	5.000	-1.642
4.500	-2.452	4.875	-3.048	4.875	-2.698	4.875	-1.198
		4.750	-3.034	4.750	-2.454	4.750	-0.816
		4.625	-2.668	4.625	-1.668	4.625	0.082
		4.500	-2.336	4.500	-1.352	4.500	0.414
		4.375	-1.789	4.375	-0.789	4.375	0.886
		4.250	-1.264	4.250	-0.198	4.250	1.236
F30		F30II		FJ30		F30BD21	

ARM Information		
Product	Margin	Caps
F31T	2.000	1/1/5
FJ31T	2.000	1/1/5
See Index Values on pg.1		

FHA Fixed & ARM State Adjusters								
State	F30	F30II	FJ30	F30BD21	F15	FJ15	F31T	FJ31T
CA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
AZ	0.280	0.380	0.330	0.280	0.171	0.721	0.020	0.020
HI	0.320	0.420	0.370	0.320	0.227	0.777	-0.060	-0.060
MT	0.200	0.300	0.250	0.200	0.160	0.710	-0.100	-0.150
NV	0.050	0.050	0.050	0.050	0.000	0.000	-0.020	-0.020
OR	-0.180	-0.180	-0.180	-0.180	-0.108	-0.108	-0.020	-0.020
UT	-0.100	-0.100	-0.100	-0.100	-0.068	-0.068	0.040	0.040

For additional State Adjusters, visit our website

FHA Lender ID: 16862-0000-5

GN I 15 Yr		15 Yr High Balance		3/1T		3/1T High Balance	
4.750	-3.128	4.750	-2.244	4.250	-2.291	4.250	-1.391
4.625	-3.114	4.625	-1.903	4.125	-2.043	4.125	-1.143
4.500	-3.076	4.500	-1.886	4.000	-1.984	4.000	-1.084
4.375	-2.953	4.375	-1.691	3.875	-1.716	3.875	-0.816
4.250	-2.787	4.250	-1.525	3.750	-1.390	3.750	-0.490
F15		FJ15		F31T		FJ31T	

FHA Fixed & ARM Price Adjustments	
Loan Amount Adjustments	
\$50,000 to \$99,999	0.400
\$100,000 to \$149,999	0.050
\$150,000 to \$399,999	0.000
≥ \$400,000	0.100
FICO Adjustments	
FICO Score ≥ 720 (Not Applicable to FJ30, FJ15, FJ31T)	-0.125
FICO Score 660 - 719	0.000
FICO Score 640 - 659	0.250
Streamline Refinances	0.500

- All base pricing assumes a 20-day lock
- Maximum credit after adjustments is -3.000
- * Borrower paid buydown included in base price

VA Fixed Programs

VA I 30 Yr		VA II 30 Yr	
5.000	-3.079	5.000	-3.136
4.500	-1.796	4.875	-3.042
		4.750	-2.798
		4.625	-2.012
		4.500	-1.679
		4.375	-1.132
		4.250	-0.541
V30		V30II	

VA Fixed State Adjusters		
State	V30	V30II
CA	0.000	0.000
AZ	0.580	0.230
HI	0.620	0.270
MT	0.500	0.150
NV	0.050	0.050
OR	-0.180	-0.180
UT	-0.100	-0.100

For additional State Adjusters, visit our website

VA Lender ID: 901913-00-00

VA Fixed Price Adjustments	
Loan Amount Adjustments	
\$50,000 to \$99,999	0.400
\$100,000 to \$149,999	0.050
\$150,000 to \$399,999	0.000
≥ \$400,000	0.100
FICO Adjustments	
FICO Score ≥ 720	-0.125
FICO Score 660 - 719	0.000
FICO Score 640 - 659	0.250

- All base pricing assumes a 20-day lock
- Maximum credit after adjustments is -3.000