

Market Commentary

Treasury two-year note yields fell to the lowest level this year on concern the rally in risk assets has outpaced growth prospects and as Federal Reserve officials signaled interest rates will stay low.

Economic Calendar: Week of November 16, 2009

| | November 16 | November 17 | November 18 | November 19 | November 20 |
|----------|---|---|--|---|-------------------------------|
| | | | <i>Bank Reserve Settlement</i> | <i>Weekly & 52-Wk Bill Settlement</i> | <i>Charles Plosser Speaks</i> |
| 7:00 ET | | ICSC-Goldman Store Sales (7:45) | MBA Purchase Applications | | |
| 8:00 ET | Retail Sales (8:30) Empire State Mfg Survey (8:30) | Producer Price Index (8:30) Redbook (8:55) | Consumer Price Index & Housing Starts (8:30) | Jobless Claims (8:30) | |
| 9:00 ET | | Treasure Int'l Capital Industrial Production (9:15) | | | |
| 10:00 ET | Business Inventories: Jeffrey Lacker Speaks | EIA Petroleum Status Report (10:30) | EIA Natural Gas Report (10:30) | Leading Indicators Philadelphia Fed Survey | |
| 11:00 ET | 4-Wk Bill Annnc 3 & 6-Mo Bill Auction (11:30) | 4 & 52-Wk Bill Auction (11:30) | | 3 & 6-Mo Bill Annnc 2, 5 & 7-Yr Note Annnc | |
| 12:00 ET | Ben Bernanke Speaks | | | | |
| 1:00 ET | | Housing Market Index | | | |
| 4:00 ET | | | | Fed Balance Sheet (4:30) Money Supply (4:30) | |

Market Indicators

| | |
|---------------------|---------|
| 1 Yr LIBOR Index | 1.034% |
| 10 yr Treasury Note | 3.330% |
| CMT | 0.290% |
| FNMA 4.5 Dec | 101.781 |
| FNMA 30 yr Rate | 4.517% |

Average Prime Offer Rates (Fixed)
<http://www.ffiec.gov/ratespread/YieldTableFixed.CSV>

Average Prime Offer Rates (ARMs)
<http://www.ffiec.gov/ratespread/YieldTableAdjustable.CSV>

Now available
GNII rates on FJ30!
 See page 4

Aggressive pricing on the
5/1 LIBOR ARM!
 See page 3

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

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at www.reunionwholesale.com

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Lock Desk Information

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

Lock Information

| Lock Terms | Price | Expiration | Advance Lock Delivery Expiration |
|---------------------------|-------|-------------------|----------------------------------|
| 20-days (Purchase & Refi) | - | December 9, 2009 | November 25, 2009 |
| 25-days (Purchase & Refi) | 0.075 | December 14, 2009 | November 25, 2009 |
| 30-days (Purchase & Refi) | 0.150 | December 21, 2009 | November 30, 2009 |
| 35-days (Purchase only) | 0.225 | December 24, 2009 | November 30, 2009 |
| 40-days (Purchase only) | 0.300 | December 29, 2009 | November 30, 2009 |
| 45-days (Purchase only) | 0.375 | January 4, 2010 | November 30, 2009 |

Lock Extensions

Lock extensions are based on Partner tiers. For eligibility and pricing please refer to the Broker Lock Policy at: <http://www.reunionmortgage.com/pdfs/Broker%20Lock%20Policy.pdf>

Partner Benefits Adjustments

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

Complete File Turn Times

| | Preferred Partner | True Partner | Other |
|------------------------|-------------------|--------------|-------|
| Purchase | 3 | 4 | 4 |
| Refi | 3 | 4 | 5 |
| FHA | 3 | 4 | 4 |
| Conditions | 2 | 2 | 2 |
| Docs | | 24 | hours |
| Quality Control | | 24 | hours |
| Funding | | 48 | hours |

Branch Contact Information

Submissions
sanewloan@reunionmortgage.com
 866.619.5871 Fax

Conditions
sauw@reunionmortgage.com
 877.708.6804 Fax

Closing
saclosing@reunionmortgage.com
 877.708.6805 Fax

- Turn times are based on business days.
- Underwriting turn times begin upon the receipt of a complete file before 3:00 PM.
- Preferred Partner files are always first in Underwriting and Condition review.

Questions? Call your Account Executive or local branch at 877.708.6827

Conforming ARM Programs

| 7/1L | | 5/1L | | 3/1L | |
|-------------|--------|-------------|--------|-------------|--------|
| 4.625 | -2.075 | 4.125 | -1.899 | 4.250 | -2.016 |
| 4.500 | -1.660 | 4.000 | -1.730 | 4.125 | -1.873 |
| 4.375 | -1.252 | 3.875 | -1.600 | 4.000 | -1.616 |
| 4.250 | -1.022 | 3.750 | -1.500 | 3.875 | -1.483 |
| 4.125 | -0.609 | 3.625 | -1.504 | 3.750 | -1.248 |
| 4.000 | -0.195 | 3.500 | -1.235 | | |
| 3.875 | 0.040 | | | | |
| C71L | | C51L | | C31L | |

| 5/1L High Balance | |
|-------------------|--------|
| 4.375 | -1.043 |
| 4.250 | -0.904 |
| 4.125 | -0.764 |
| 4.000 | -0.593 |
| 3.875 | -0.469 |
| 3.750 | -0.296 |
| CJ51L | |

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

| 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 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| Small Loans < \$100,000 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| FICO Adjustments | | | | | | | | |
| FICO Score ≥ 740 | -0.250 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.250 |
| FICO Score 720 - 739 | -0.250 | 0.000 | 0.000 | 0.000 | 0.250 | 0.000 | 0.000 | 0.250 |
| FICO Score 700 - 719 | -0.250 | 0.500 | 0.500 | 0.500 | 0.750 | 0.500 | 0.500 | 0.750 |
| FICO Score 680 - 699 | 0.000 | 0.500 | 0.500 | 1.000 | 1.500 | 1.000 | 0.750 | 1.000 |
| 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 | N/A | N/A | N/A | N/A | N/A |
| 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 |
| 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 |
| Escrow Waiver | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | N/A |
| 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 |

Jumbo Fixed & ARM Programs

| 30 Yr | | 5/1L | |
|------------|--------|-------------|--------|
| 6.500 | -1.124 | 5.625 | -1.205 |
| 6.375 | -0.967 | 5.500 | -1.048 |
| 6.250 | -0.811 | 5.375 | -0.892 |
| 6.125 | -0.655 | 5.250 | -0.736 |
| 6.000 | -0.499 | 5.125 | -0.580 |
| 5.875 | -0.264 | 5.000 | -0.423 |
| 5.750 | -0.030 | 4.875 | -0.252 |
| 5.625 | 0.267 | 4.750 | -0.080 |
| 5.500 | 0.564 | 4.625 | 0.123 |
| 5.375 | 0.939 | 4.500 | 0.327 |
| 5.250 | 1.314 | 4.375 | 0.577 |
| 5.125 | 1.751 | 4.250 | 0.827 |
| J30 | | J51L | |

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

| Jumbo Fixed & ARM Price Adjustments | |
|-------------------------------------|-------|
| 2 Units | 0.500 |
| Condo | 0.750 |
| Escrow Waiver | 0.250 |

- All base pricing assumes a 20-day lock
- Max rebate after adj: -1.000

FHA Fixed Programs

| GN I 30 Yr | | GN II 30 Yr | | 30 Yr High Balance | | GN I BuyDown* | |
|------------|--------|--------------|--------|--------------------|--------|----------------|--------|
| 5.000 | -1.969 | 5.250 | -2.485 | 5.500 | -2.891 | 5.000 | -1.296 |
| 4.500 | 0.570 | 5.125 | -1.925 | 5.375 | -2.696 | 4.500 | 1.405 |
| 4.000 | 4.084 | 5.000 | -1.609 | 5.250 | -2.382 | 4.000 | 4.641 |
| | | 4.875 | -1.251 | 5.125 | -1.199 | | |
| | | 4.750 | -0.866 | 5.000 | -0.774 | | |
| F30 | | 4.625 | 0.581 | 4.875 | -0.446 | F30BD21 | |
| | | 4.500 | 1.061 | 4.750 | -0.016 | | |
| | | 4.375 | 1.481 | 4.625 | 1.694 | | |
| | | F30II | | FJ30 | | | |

| GN I 15 Yr | 15 Yr High Balance |
|------------|--------------------|
| 5.000 | -3.329 |
| 4.500 | -2.071 |
| 5.000 | -1.970 |
| 4.500 | 0.118 |
| F15 | FJ15 |

- All base pricing assumes a 20-day lock
- Maximum Rebate after adjustments is -4.000

* Borrower paid buydown not included in base price

FHA ARM Programs

| 3/1T | 3/1T High Balance |
|-------------|-------------------|
| 4.500 | -1.346 |
| 4.375 | -1.232 |
| 4.250 | -1.346 |
| 4.125 | -1.225 |
| 4.000 | -1.166 |
| 3.875 | -0.996 |
| 4.500 | -0.346 |
| 4.375 | -0.232 |
| 4.250 | -0.346 |
| 4.125 | -0.225 |
| 4.000 | -0.166 |
| 3.875 | 0.004 |
| F31T | FJ31T |

- All base pricing assumes a 20-day lock
- Maximum Rebate after adjustments is -4.000

| 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 State Adjusters | | | | | | |
|--|--------|--------|--------|---------|--------|--------|
| State | F30 | F30II | FJ30 | F30BD21 | F15 | FJ15 |
| CA | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| AZ | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 |
| HI | 0.050 | 0.050 | 0.050 | 0.050 | -0.060 | -0.060 |
| ID | 0.050 | 0.050 | 0.050 | 0.050 | -0.060 | -0.060 |
| MT | -0.090 | -0.090 | -0.140 | -0.090 | -0.090 | -0.140 |
| NV | -0.140 | -0.140 | -0.140 | -0.140 | -0.020 | -0.020 |
| OR | 0.060 | 0.060 | 0.060 | 0.060 | -0.010 | -0.010 |
| For additional State Adjusters, visit our website. | | | | | | |

FHA Lender ID: 16862-0000-5

| FHA Fixed Price Adjustments | |
|---|--------|
| Loan Amt ≤ \$29,999 | 0.750 |
| \$30,000 to \$49,999 | 0.625 |
| \$50,000 to \$69,999 | 0.375 |
| \$70,000 to \$99,999 | 0.125 |
| FICO Adjustments | |
| FICO Score ≥ 700 (Not Applicable to FJ30, FJ15) | -0.125 |
| FICO Score 660 - 699 | 0.000 |
| FICO Score 640 - 659 | 0.250 |
| Streamline Refinances | 0.500 |

| FHA ARM State Adjusters | | |
|--|--------|--------|
| State | F31T | FJ31T |
| CA | 0.000 | 0.000 |
| AZ | 0.020 | 0.020 |
| HI | -0.060 | -0.060 |
| ID | -0.060 | -0.060 |
| MT | -0.100 | -0.150 |
| NV | -0.020 | -0.020 |
| OR | -0.020 | -0.020 |
| For additional State Adjusters, visit our website. | | |

FHA Lender ID:
16862-0000-5

| FHA ARM Price Adjustments | |
|--|--------|
| Loan Amt ≤ \$29,999 | 0.750 |
| \$30,000 to \$49,999 | 0.625 |
| \$50,000 to \$69,999 | 0.375 |
| \$70,000 to \$99,999 | 0.125 |
| FICO Adjustments | |
| FICO Score ≥ 700 (Not Applicable to FJ31T) | -0.125 |
| FICO Score 660 - 699 | 0.000 |
| FICO Score 640 - 659 | 0.250 |
| Streamline Refinances | 0.500 |