

## 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 Durable Goods Orders (8:30)	Jobless Claims (8:30)	GDP & Employment Cost Index (8:30) Chicago PMI (9:45) Consumer Sentiment (9:55)
<u>8:00 ET</u>		Redbook (8:55)			
<u>9:00 ET</u>		S&P Case-Shiller HPI			
<u>10:00 ET</u>	New Home Sales	Consumer Confidence & State Street Inv Confidence Index	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)	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)	

## Contents

Conforming Fixed Programs	Page 2
Conforming Fixed DU Refi Plus and HomePath Mortgage	Page 3
Conforming ARM Programs and Jumbo Fixed & ARM	Page 4
FHA Fixed & ARM Programs and VA Fixed Programs	Page 5

## 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](http://www.reunionwholesale.com)
- Extension and Re-Lock Requests: [lockdesk@reunionmortgage.com](mailto: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		
<b>Advance Lock Delivery Expiration:</b>		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](http://www.reunionwholesale.com)

## Complete File Turn Times

<b>Purchase</b>	4 days
<b>Refi</b>	4 days
<b>Conditions</b>	1 day
<b>Docs</b>	24 hours
<b>Quality Control</b>	24 hours
<b>Funding</b>	48 hours

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

## Branch Contact Information

**Submissions**  
[rosenewloan@reunionmortgage.com](mailto:rosenewloan@reunionmortgage.com)  
 866.619.5872 Fax

**Conditions**  
[roseuw@reunionmortgage.com](mailto:roseuw@reunionmortgage.com)  
 866.916.5206 Fax

**Closing**  
[closing@reunionmortgage.com](mailto:closing@reunionmortgage.com)  
 866.974.8321 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
  - Preferred Partner files are always first in Underwriting and Condition review

**Questions? Call your Account Executive or local branch at 916.781.3322**



## Conforming Fixed DU Refi Plus Programs

30 Yr		30 Yr High Balance		15 Yr		15 Yr High Balance	
5.000	-3.087	5.000	-2.737	4.375	-3.121	4.375	-2.221
4.875	-3.023	4.875	-2.373	4.250	-2.781	4.250	-1.731
4.750	-2.539	4.750	-1.489	4.125	-1.334	4.125	-0.284
4.625	-2.169	4.625	-1.119	4.000	-1.049	4.000	0.001
4.500	-1.778	4.500	-0.728	3.875	-0.731	3.875	0.319
4.375	-1.332	4.375	-0.282				
4.250	-0.436	4.250	0.614				
<b>C30DURP</b>		<b>CJ30DURP</b>		<b>C15DURP</b>		<b>CJ15DURP</b>	

- 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	-3.867	5.250	-2.523	5.250	-3.917	4.750	-3.864	4.750	-3.864
5.125	-3.186	5.125	-1.775	5.125	-3.236	4.625	-3.590	4.625	-3.590
5.000	-2.803	5.000	-1.390	5.000	-2.853	4.500	-3.306	4.500	-3.306
4.875	-2.353	4.875	-0.991	4.875	-2.403	4.375	-2.994	4.375	-2.994
4.750	-1.583	4.750	-0.292	4.750	-1.633	4.250	-2.489	4.250	-2.489
4.625	-1.223	4.625	0.738	4.625	-1.273				
4.500	-1.034	4.500	0.865	4.500	-1.084				
4.375	-0.794	4.375	1.052	4.375	-0.844				
<b>HP30</b>		<b>HPJ30</b>		<b>HP20</b>		<b>HP15</b>		<b>HP10</b>	

 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	-2.336	4.000	-2.824	4.125	-1.687
4.000	-2.117	3.875	-2.631	4.000	-1.487
3.875	-1.894	3.750	-2.269	3.875	-1.267
3.750	-1.457	3.625	-1.944	3.750	-1.081
3.625	-1.048	3.500	-1.629	3.625	-0.845
3.500	-0.536	3.375	-1.092	3.500	-0.668
<b>C71L</b>		<b>C51L</b>		<b>C31L</b>	

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	-1.604
4.000	-1.529
3.875	-1.336
3.750	-0.974
3.625	-0.649
3.500	-0.334

**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	-1.185	4.750	-1.159
5.875	-1.029	4.625	-1.003
5.750	-0.794	4.500	-0.769
5.625	-0.560	4.375	-0.534
5.500	-0.263	4.250	-0.284
5.375	0.049	4.125	-0.019
5.250	0.456	4.000	0.310
5.125	0.924	3.875	0.669
<b>J30</b>		<b>J51L</b>	

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
<b>F30</b>		<b>F30II</b>		<b>FJ30</b>		<b>F30BD21</b>	

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

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
<b>F15</b>		<b>FJ15</b>		<b>F31T</b>		<b>FJ31T</b>	

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
<b>V30</b>		<b>V30II</b>	

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
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