

## 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 Programs	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 11:30 am - 7:00 pm ET. All requests must be submitted by 7:00 pm ET
- 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: \$695.00 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>	2 days
<b>Refi</b>	6 days
<b>Conditions</b>	2 days
<b>Quality Control</b>	72 hours
<b>Docs</b>	24 hours
<b>Funding</b>	48 hours

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

## Branch Contact Information

**Submissions**  
[newloan@reunionmortgage.com](mailto:newloan@reunionmortgage.com)  
 866.923.3327 Fax

**Conditions**  
[sbuw@reunionmortgage.com](mailto:sbuw@reunionmortgage.com)  
 866.913.2536 Fax

**Closing**  
[closing@reunionmortgage.com](mailto:closing@reunionmortgage.com)  
 866.913.2537 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 574.232.8531**





## Conforming ARM Programs

7/1L		5/1L		3/1L	
4.125	-2.286	4.000	-2.824	4.125	-1.687
4.000	-2.067	3.875	-2.631	4.000	-1.487
3.875	-1.844	3.750	-2.269	3.875	-1.267
3.750	-1.407	3.625	-1.944	3.750	-1.081
3.625	-0.998	3.500	-1.629	3.625	-0.845
3.500	-0.486	3.375	-1.092	3.500	-0.668
<b>C71L</b>		<b>C51L</b>		<b>C31L</b>	

### 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

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

## Jumbo Fixed & ARM Programs

30 Yr		5/1L	
6.000	-0.935	4.750	-1.109
5.875	-0.779	4.625	-0.953
5.750	-0.544	4.500	-0.719
5.625	-0.310	4.375	-0.484
5.500	-0.013	4.250	-0.234
5.375	0.299	4.125	0.031
5.250	0.706	4.000	0.360
5.125	1.174	3.875	0.719
<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	-3.321	5.000	-3.312	5.000	-2.986	5.000	-1.892
4.500	-2.702	4.875	-3.298	4.875	-2.948	4.875	-1.448
		4.750	-3.284	4.750	-2.704	4.750	-1.066
		4.625	-2.918	4.625	-1.918	4.625	-0.168
		4.500	-2.586	4.500	-1.602	4.500	0.164
		4.375	-2.039	4.375	-1.039	4.375	0.636
		4.250	-1.514	4.250	-0.448	4.250	0.986
<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
IN	-0.140	-0.140	-0.140	-0.140	-0.068	-0.068	-0.100	-0.150
IL	-0.100	-0.100	-0.100	-0.100	-0.152	-0.152	-0.150	-0.150
KY	-0.180	-0.180	-0.180	-0.180	-0.116	-0.116	-0.020	-0.070
MO	-0.250	-0.250	-0.250	-0.250	-0.168	-0.168	-0.100	-0.150
OH	-0.180	-0.180	-0.180	-0.180	-0.108	-0.108	-0.130	-0.180
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	-3.378	4.750	-2.494	4.250	-2.541	4.250	-1.641
4.625	-3.364	4.625	-2.153	4.125	-2.293	4.125	-1.393
4.500	-3.326	4.500	-2.136	4.000	-2.234	4.000	-1.334
4.375	-3.203	4.375	-1.941	3.875	-1.966	3.875	-1.066
4.250	-3.037	4.250	-1.775	3.750	-1.640	3.750	-0.740
<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	-3.329	5.000	-3.386
4.500	-2.046	4.875	-3.292
		4.750	-3.048
		4.625	-2.262
		4.500	-1.929
		4.375	-1.382
		4.250	-0.791
<b>V30</b>		<b>V30II</b>	

VA Fixed State Adjusters		
State	V30	V30II
IN	-0.140	-0.140
IL	-0.100	-0.100
KY	-0.180	-0.180
MO	-0.250	-0.250
OH	-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