



TO: Correspondent Lenders
FROM: Angela Breidenbach, Operations Manager
DATE: December 12, 2011
RE: EXTENSION POLICY
CHANGE TO UNDERWRITING FEE

EXTENSION POLICY

The following, highlighted, changes have been made to the extension policy and have been published in version 12/12/2011 of the Cornerstone Correspondent Loan Policy Manual:

215.00 Re-pricing Policy

A loan will be subject to re-pricing if it is delivered to CHL after the Lock Expiration Date or if it is delivered to CHL in non-purchasable form and the deficiency is not corrected within the Suspension Deficiency Cure Period.

In the case of late delivery, the new purchase price will be the lower of the original purchase price, plus extension fees, or the market price for a 15-day quote as of the date of delivery of the loan package. If an extension is needed, and CHL is notified prior to commitment expiration, there will be a 15bp per week extension fee for the first two extensions. However, if the market is the same or better than the original lock, as of the expiration date, the first week's extension will be granted at the original price.

Thereafter, there will be a 20 bp per week extension fee. The maximum number of extensions may not exceed four one week extensions (28 days total). If additional delivery time is needed, the loan will be subject to the worst case of either: a) current market pricing or b) original pricing less any applied extension fees.

In the case of a re-priced, re-locked, or extended commitment, if a closed loan is not delivered or outstanding deficiencies on a delivered loan are not corrected within the expiration period of the new commitment, the loan will be considered non-delivered and subject to the non-delivery penalties as outlined in Sec. 216. Pair-Off Fees.

A complete version of the Cornerstone Correspondent Loan Policy Manual can be found on our web-site:
chlcornerstone@houseloan.com.

CHANGE TO UNDERWRITING FEE

Effective with loans submitted for underwriting as of January 2, 2012, the fee charged for underwriting will be \$375. This fee will be deducted at purchase. In the event that a loan underwritten by Cornerstone does not close, this fee will be billed separately.

Please note, this fee only applies to non-delegated loans and products. It will not apply to test case loans.

Don't hesitate to contact us if you have questions regarding these, or any other issues. We can be reached as follows:
abreidenbach@houseloan.com or (505)814-7784, jpose@houseloan.com or (505)814-7788, ncorlett@houseloan.com or (214-780-0770).

As always, your business is greatly appreciated!