



TO: CORRESPONDENT LENDERS
FROM: ANGELA BREIDENBACH, OPERATIONS MANAGER
DATE: DECEMBER 3, 2010
RE: **NUMBER OF PROPERTIES OWNED - OVERLAY
LOCK DESK CONTACT INFORMATION**

NUMBER OF PROPERTIES OWNED - OVERLAY

Effective immediately, Cornerstone is amending the following overlay from:

- Maximum loans sold to Cornerstone, per borrower – 4 properties

TO

- Maximum loans sold to Cornerstone, per borrower – 4 properties
- Maximum number of properties owned, per borrower – Owner occupied: no restrictions; second home and NOO, maximum of 4 financed.

What does this mean? Cornerstone will purchase owner occupied properties regardless of how many financed second homes and/or non-owner occupied homes a borrower owns (up to maximum allowed by FNMA/FHLMC). However, Cornerstone will not purchase second homes or non-owner occupied properties from borrowers who own more than 4 financed second homes and/or owner-occupied homes, AND Cornerstone will not purchase more than 4 properties per borrower; regardless of occupancy.

If you currently have loans locked with Cornerstone that do not meet the new overlay guidelines, the commitment will be honored.

LOCK DESK CONTACT INFORMATION

In order to alleviate confusion, or the possibility that a request will be overlooked, please send all requests for lock extensions, cancellations and changes to the following e-mail address:

cornerstonecl@houseloan.com

This will ensure that your lock needs will be addressed as quickly and accurately as possible.

Please let me or Joanne Posen know if you have questions regarding these, or any other issues. We can be reached as follows: abreidenbach@houseloan.com or (505)814-7784, jposen@houseloan.com or (505) 814-7788.

As always, your business is greatly appreciated!