



TO: CORRESPONDENT LENDERS
FROM: ANGELA BREIDENBACH, OPERATIONS MANGER
DATE: SEPTEMBER 24, 2010

RE: **CHANGES TO LOCK EXTENSION POLICY**

We have made significant improvements to our lock extension policy. Changes are highlighted as follows:

214.00 Suspension Deficiency Cure Period

If the loan is delivered on or before the Lock Expiration Date, but is identified as having deficient documentation, CHL must receive, by the later of the most current lock expiration date or Suspension Deficiency Cure Period which is defined as three business days from the date of suspension, those items required to cure suspension deficiencies.

Failure to clear suspended items, within the later of the most current lock expiration date or three business days from the date of suspense, will result in re-pricing as indicated in Section 215.00 Re-pricing Policy below.

Loans which have been suspended for purchase, that are not cleared for purchase within 30 days of the suspense notice, may be returned to the Correspondent Lender, and CHL is not obligated to purchase.

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. However, 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. Thereafter, there will be a 20 bp per week extension fee, in lieu of re-pricing the loan to market.

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.

The CHL Correspondent Loan Policy Manual has been updated accordingly, and has been published to our web-site: www.chlcorrespondent.com.

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 – (505)814-7784 or jposen@houseloan.com – (505) 814-7788. We look forward to a long and prosperous relationship, and your business is greatly appreciated!