

SERVICE AND ACCURACY

First

INSTITUTIONS	APY	APY	APY	APY	Mutual Funds	APY	APY
Bank of the World	Repo	4.580	\$100K-\$1M	5.790	Muni	3.940	* \$150 monthly maintenance fee
Commercial Paper	<\$100K	5.580	\$1M - \$9M	5.950	Government Reserve	6.160	* Target balance determined by customer
Not Offered	\$100K-\$1M	5.750	\$9M+	6.030	Cash Reserve	6.270	* Yields are monthly averages for Repo or
	\$1M	5.750			Treasury	6.100	* Mutual Funds yields are 7 Day Averages
	\$9M+	5.890			Mutual Funds	6.240	

Monthly Retail Mortgage Loan Bulletin

Product Analysis – November 2009

Our Monthly Retail Mortgage Loan Bulletin is designed to provide our clients with the most current and accurate mortgage news available. Our dedicated research teams collect and deliver facts from the top mortgage lending institutions nationwide. Our monthly bulletin features pertinent industry news, new products of the month, and national rate averages with easy to read graphs, all available at a glance. As the demand increases we will expand our surveys to obtain as much information as possible, with the focus on new mortgage information from online offers, published advertisements and industry surveys.

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Product of the Month

Reverse Mortgages

Informa Research Services recently conducted a survey of reverse mortgage programs. Included here is a sample of the information gathered.

MUTUAL FUNDS	Bonds	Equity	Mutual Funds
of the World	<\$100K	\$100K-\$1M	Municipal Reserves
International Funds	4,380	5,790	Government Reserves
		5,910	3,940
			6,160
			6,770
			* \$150 in
			* Target
			* Yields

Reverse Mortgages (Cont'd)

Bank of America



Bank of America offers two main types of reverse mortgage products: **Home Equity Conversion Mortgages (HECM)** and **Proprietary Reverse Mortgages**. The **HECM** is the most common type of reverse mortgage and is insured by FHA. With this type of reverse mortgage the home's value must be within the FHA national lending limit, the borrower is responsible for an FHA mortgage insurance premium of 2%, and the borrower must use an FHA approved appraiser. The **Proprietary Reverse Mortgage** is backed by **Bank of America** rather than FHA. With this type of reverse mortgage the home's value is typically greater than the FHA national lending limit (up to \$10,000,000) and the home's value must be at least \$100,000.

Borrowers who qualify for one of these reverse mortgages can choose to receive their money through a line of credit, monthly installments, in one lump sum, or in some combination thereof. The amount and rate applicants can qualify for depends on the product chosen, as well as the applicant's age (based on the youngest person on the title), the home's appraised value, and current market interest rates. Generally, the more valuable the home and the older the applicant, the higher the loan amount.

Bank of America's HECM and Proprietary Reverse Mortgages require a minimum age of 62 for all parties on the title, with minimum equity of 45%. The products are not available for co-ops or mobile homes and may take 4-6 weeks to complete. Requirements and options for both include:

- Must be primary residence
- Available for manufactured homes
- Up to 3 names on the title
- Choice of fixed rate or adjustable rate (for adjustable rate, the borrower can choose either monthly or annual rate adjustments)

MUTUAL FUNDS									
of the World	Rate	4,385	5,780	5,910	Mutual Funds	3,040	* \$150 in		
Commercial Paper	<\$100K				Municipal Reserves	6,160	* Target		
					Government Reserves	6,270	* Yield		

Bank of America (Cont'd)



Refinance now to lock in a fixed rate

- Find the right refinance for you
- Low rates for higher loan amounts

Get started
1.800.989.3114

Bank of America is actively promoting their 30 Year Fixed Rate Mortgage and 15 Year Fixed Rate Mortgage products for purchase and refinance, for conforming, FHA, and Jumbo loans. They are also promoting their **Clarity Commitment**, which gives borrowers an easy to read, one-page loan summary that helps borrowers understand their mortgage choice.

Reference: <http://promotions.bankofamerica.com>

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HSBC

HSBC is promoting their **Premier** U.S. mortgage and offering an **Amazon Kindle** to customers that begin a **Premier** relationship by 11/13/09 with an initial deposit of \$50,000 or more in new money.

Reference: Informa Research Services' Daily Mortgage Survey

Standard Bank and Trust (IL, IN)

Standard Bank and Trust is offering \$500 off closing costs. This offer is good for all loans closed within the month of November, including both purchases and refinances.

Reference: Informa Research Services' Daily Mortgage Survey

MUTUAL FUNDS	Bonds	Equity	Mutual Funds
of the World	100K-500K	500K-1M	Municipal Reserves
Commercial Paper	< \$100K	\$100K-\$1M	Government Reserves
	4,385	5,790	3,040
		5,910	6,160
			6,275
			* \$150 in
			* Target
			* Yield

Suncoast Schools Federal Credit Union (FL)



Suncoast Schools Federal Credit Union is offering a package of programs for first-time homebuyers. First is the **Special ARM**, with low rates for qualified members that have not owned a home within the previous three years. Potential borrowers must complete a homebuyer education counseling class. Mortgages are limited to primary residences with a maximum loan amount of \$200,000. The second piece of the package is the **Tax Relief Loan** of up to \$8,000, which is interest-free if the borrower meets certain requirements. This loan is meant as an advance of the IRS Homebuyer Tax Credit and is available to buyers who purchase a property by November 30, 2009.

Reference: www.suncoastfcu.org

Third Federal Savings & Loan (OH)

Third Federal has extended their 0.25% rate discount on purchase mortgages, which was previously set to expire in September. The extension indicates that it is for a limited time. This offer is only good on fixed rate mortgages and on 1/1, 3/1, and 5/1 ARMs for the initial rate period.

PUTTIONS									
of the World	Rate	4,380	5,780	Mutual Funds	3,040	* \$150 in			
Commercial Paper	<\$100K	4,380	5,780	Municipal Reserves	6,160	* Target			
				Government Reserves	6,770	* Yield			

Third Federal Savings & Loan (Cont'd)

Along with this rate discount, **Third Federal** is also still promoting their **Lowest Rate Guarantee** and no risk application. If **Third Federal** can't beat a competitor's offer, they will pay the borrower \$1,000. If for any reason a loan request is not approved by **Third Federal** they will refund the application fee in full.

Reference: www.thirdfederal.com

VyStar Credit Union (FL)



VyStar Credit Union is promoting their **No Closing Cost Mortgage**. This loan features competitive rates, an escrow that pays interest, no intangible tax at closing, no prepayment penalty, free pre-qualification, easy application, and access to **VyStar Title Agency** to close the loan. This mortgage pays up to \$5,000 toward the borrower's closing costs, based on the amount of the loan.

Reference: www.vystarcu.org

Wells Fargo



Wells Fargo is promoting their refinancing options, including their online tool that helps borrowers understand what they may qualify for. They are also offering no application or appraisal fees, no closing costs, loan

Options	Bonds	Equity	Mutual Funds
of the World	4,380	5,780	3,940
Commercial Paper	<\$100K	STOCKS 1M	Municipal Reserves
		5,910	Government Reserves
			6,160
			6,770
			* \$150 in
			* Target
			* Yield

Wells Fargo (Cont'd)

pricing that is locked when an application is submitted, and a possible streamlined refinance with limited documentation requirements.

Reference: www.wellsfargo.com

In The News

Extension and Expansion of the Home-Buyer Tax Credit

The First Time Home-Buyer Tax Credit has officially been extended and expanded upon. Effective November 6, 2009, first time homebuyers may qualify for an \$8,000 refundable tax credit, and repeat home buyers may qualify for up to a \$6,500 refundable tax credit, when they contract for the home before May 1, 2010, and they close on the mortgage before July 1, 2010. These credits are based on 10% of the purchase price, and there is now an \$800,000 cap on the price of the new home.

The label of “first time home-buyer” indicates that the borrowers have not owned a principle residence for the three years leading up to the purchase. Repeat buyers will qualify if they have lived in their current primary residence for five consecutive years of the past eight. These credits phase out for single filers who earn a modified adjusted gross income between \$125,000 and \$145,000 and for married couples who earn a modified adjusted gross income between \$225,000 to \$245,000. Most buyers must be 18 years of age or older and may not claim one of the credits if they are claimed as a dependant on someone else’s return. Buyers must now provide proof of purchase to the IRS, most likely with a HUD-1 form. Restrictions apply to buyers purchasing a home from relatives.

Reference: <http://online.wsj.com>

Higher Conforming Loan Limits Extended Through 2010

Higher conforming loan limits for high-cost areas have been extended through 2010. Conforming limits for most areas will continue to be \$417,000 and limits in high-cost areas will continue to be \$729,750. This action affects Fannie Mae, Freddie Mac, and FHA loan guarantees.

Reference: www.reuters.com

ETFs	REITs	Equity	Mutual Funds	3,942	+ \$150 in
of the World	REITs	STOCKS/INT	Municipal Reserves	6,163	+ Target
Commercial Papers	<\$100K	4,383	Government Reserves	6,773	+ Yields

Fannie Mae's Foreclosure Lease Program

Fannie Mae has announced they will allow their customers who lose their home to foreclosure, to rent it back at market rental rates. The borrower must agree to pass on to Fannie any potential interest in the property. They must also show that the rental rate would not exceed 31% of their gross income and that the property would be their primary residence. This is similar to a program offered by Freddie Mac, which allows foreclosed customers to rent back their home on a month-to-month basis. This program is seen as a move to help stabilize home prices and produce rental income for Fannie Mae.

Reference: www.latimes.com

Bank of American Mortgage Modifications

Bank of America has announced that they have extended more than 200,000 offers of trial modifications under the Home Affordable Modification Program (HAMP), surpassing their 125,000 goal. Bank of America said that to reach this number they contacted nearly 600,000 potentially eligible homeowners. Furthermore, they noted that they expect significantly more modifications in November, which will show up in December reporting. Bank of America has also refinanced approximately 95,000 homeowners through the Home Affordable Refinance Program (HARP).

Reference: www.bankofamerica.com

TD Charitable Foundation Grants Announced

TD Charitable Foundation, the charitable giving arm of TD Bank, has announced the 56 winners of its annual "Housing for Everyone" grant competition. A total of \$2 million will be distributed to the winners, located on the East Coast from Maine to Florida.

Reference: www.tdbank.com

ETFs	Bonds	Equity	Mutual Funds
of the World	<\$100K	\$100K-\$1M	Municipal Reserves
Commercial Paper	4,380	5,780	Government Reserves
		5,910	3,040
			6,160
			6,770
			* \$150 in
			* Target
			* Yields

Mergers and Acquisitions

The following bank failures have resulted in these acquisitions:

First DuPage Bank – IL

- First DuPage Bank has been acquired by First Midwest Bank

Riverview Community Bank – MN

- Riverview Community Bank has been acquired by Central Bank

Bank of Elmwood – WI

- Bank of Elmwood has been acquired by Tri City National Bank

Flagship National Bank – FL

- Flagship National Bank has been acquired by First Federal Bank of Florida

Hillcrest Bank of Florida – FL

- Hillcrest Bank of Florida has been acquired by Stonegate Bank

American United Bank – GA

- American United Bank has been acquired by Ameris Bank

Partners Bank - FL

- Partners Bank of Florida has been acquired by Stonegate Bank

Bank USA – AZ

- Bank USA has been acquired by US Bank

California National Bank – CA

- California National Bank has been acquired by US Bank

Citizens National Bank – TX

- Citizens National Bank has been acquired by US Bank

Community Bank of Lemont – IL

- Community Bank of Lemont has been acquired by US Bank

Madisonville State Bank – TX

- Madisonville State Bank has been acquired by US Bank

ETFs	Bonds	Equity	Mutual Funds
of the World	<\$100K	\$100K-\$1M	Municipal Reserves
Commercial Paper	4,380	5,780	Government Reserves
			3,040
			6,160
			6,770
			* \$150 in
			* Target
			* Yield

North Houston Bank – TX

- North Houston Bank has been acquired by US Bank

Pacific National Bank – CA

- Pacific National Bank has been acquired by US Bank

Park National Bank – IL

- Park National Bank has been acquired by US Bank

San Diego National Bank – CA

- San Diego National Bank has been acquired by US Bank

Gateway Bank of St. Louis - MO

- Gateway Bank of St. Louis has been acquired by Central Bank of Kansas City

Home Federal Savings Bank – MI

- Home Federal Savings Bank has been acquired by Liberty Bank and Trust Company

Prosperan Bank - MN

- Prosperan Bank has been acquired by Alerus Financial

United Commercial Bank – CA

- United Commercial Bank has been acquired by East West Bank

United Security Bank – GA

- United Security Bank has been acquired by Ameris Bank

Century Bank FSB – FL

- Century Bank FSB has been acquired by Iberia Bank, LA

Orion Bank – FL

- Orion Bank has been acquired by Iberia Bank, LA

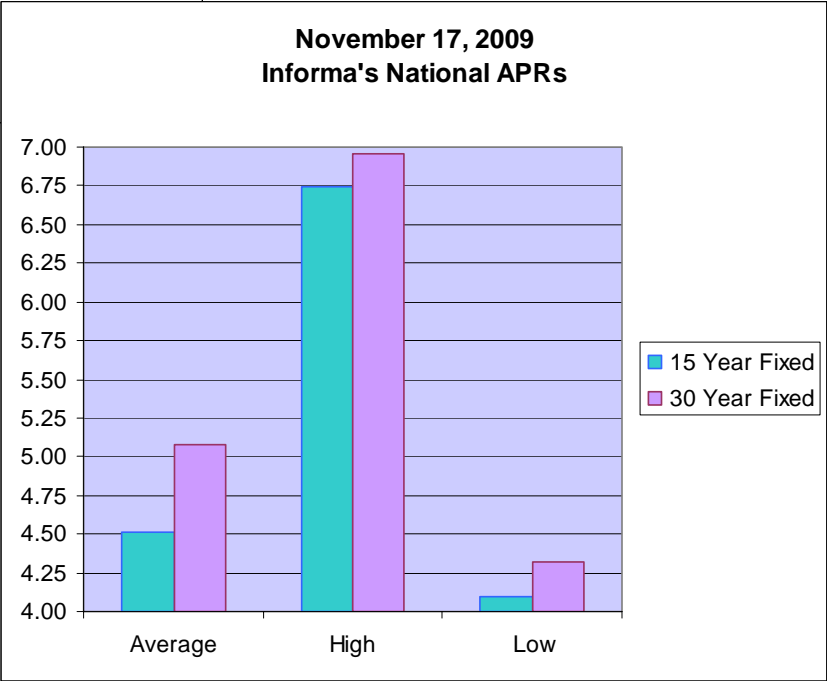
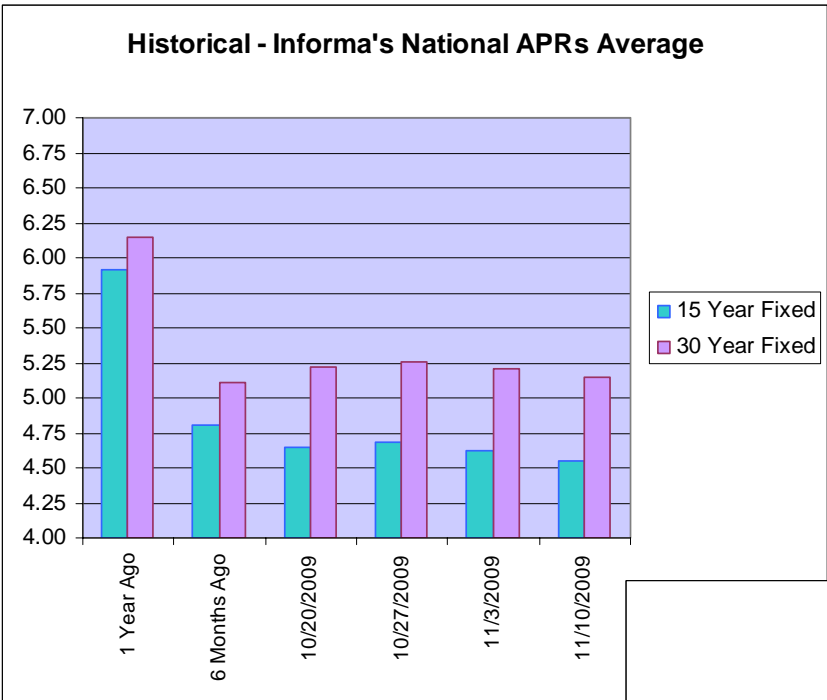
Pacific Coast National Bank - CA

- Pacific Coast National Bank has been acquired by Sunwest, CA

Reference: www.fdic.gov

Graphical Analysis

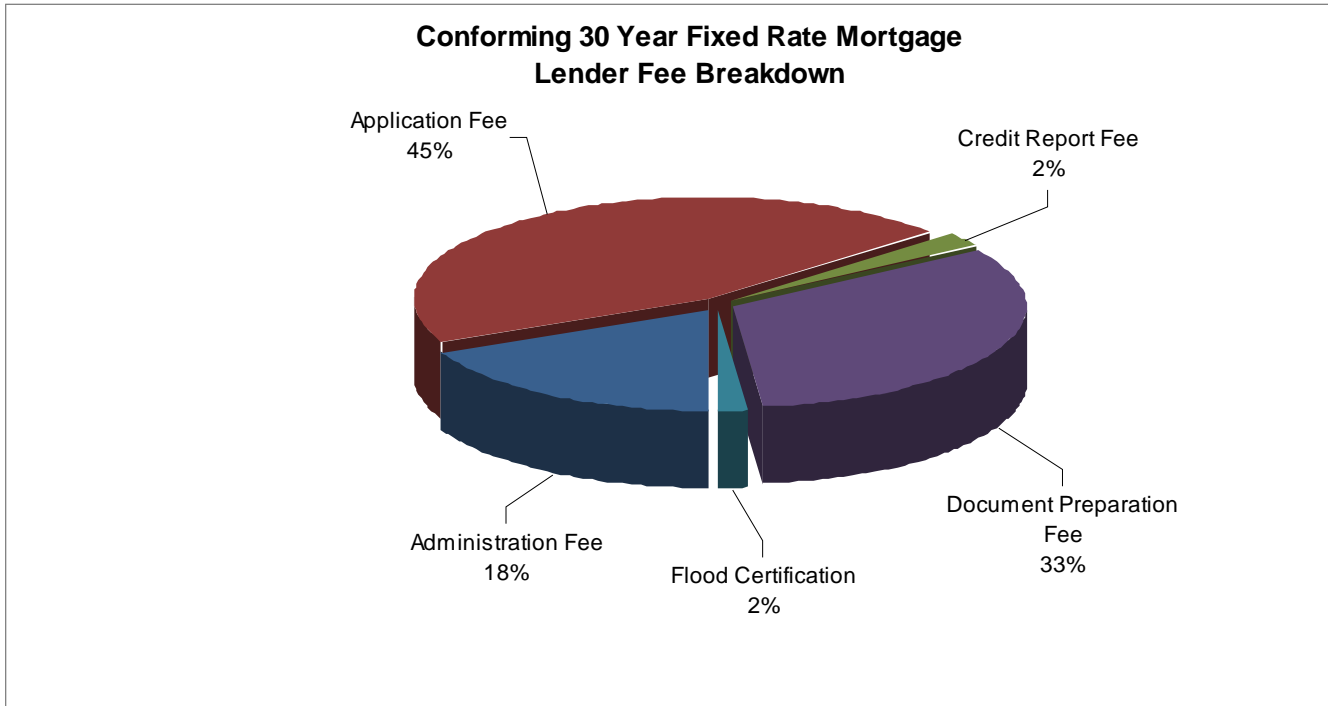
Informa Research Services, Inc. conducts daily studies, tracking the day-to-day fluctuation of specified loan products and scenarios. The graphs below detail the average APRs of 15 and 30 Year Fixed Rate Mortgages from all banks, thrifts, and credit unions within the Informa Research Services database. The High and Low APRs are also shown for October 20, 2009. These APRs are based on a \$200,000 loan amount for the purchase of an owner-occupied, single-family residence, at 80% LTV.



*For Graphical Interpretation please see page 14

Graphical Analysis

Informa Research Services, Inc. conducts daily studies, tracking closing fees for specified loan products and scenarios. The chart below shows average lender closing cost fees associated with a Conforming 30 Year Fixed Rate Mortgage found on Good Faith Estimates collected by our expert researchers. Assumptions include a \$200,000 purchase price, single family residence, owner occupied, and 80 % LTV.



**For Graphical Interpretation please see page 14

Graphical Interpretation

* As an ongoing graph feature, we look at average APRs over the last year. The Historical graph and the November 17, 2009 graph together show that average APRs have declined during the first part of November. The most recent rates are slightly lower than they were six months ago and substantially lower than they were one year ago. There is currently a significant difference between the lowest and highest rates being quoted; for both the 15 Year and 30 Year Fixed Rate Mortgage this difference is 2.64%. As recent demand for mortgages has softened somewhat, rates are expected to decline slightly through the end of November.

** These figures are based on a recent Mortgage Fee Study of the top 5 lenders in 10 states. For the banks surveyed, these were the average of the most common lender fees charged:

Administration Fee	\$140.00
Application Fee	\$355.29
Credit Report Fee	\$ 17.01
Document Preparation Fee	\$254.00
Flood Certification	\$ 12.58

For any additional information on this report or any mortgage research needs, please contact James Eramela at (818) 880-8877 ext. 245 or email JEramela@informars.com