



**MARKET RATE PROGRAM  
PROGRAM SUMMARY  
JULY 2009 PROGRAM START DATE**

<b>Description</b>	<ul style="list-style-type: none"> <li>REI has approximately \$830,000 available for second mortgage loans on a first come first serve basis.</li> <li>Hard Second Loan Program offering down payment and closing cost assistance to eligible borrowers statewide.</li> <li>First Mortgage Loan Program guidelines apply. First Mortgages will be sold to the Investor of the lender's choice, subject to investor approval of the program.</li> <li>This Program Summary is a complement to and not a substitute for First Mortgage Program guidelines.</li> </ul>											
<b>Available Markets</b>	Properties located within the State of Oklahoma											
<b>Eligible Lenders</b>	Lenders must have FHA Direct Endorsement qualified underwriter on staff to participate in the REI Program. Lenders that do not have a DE qualified underwriter on staff must use American Southwest Mortgage Corp. as your investor. Please contact American Southwest Mortgage at 1-888-593-1003 or (405)848-3600 for more information. You can also contact Account Executives Claudia Miller at (405)848-3600 or Rese Smitson at (405)202-9854.											
<b>First Mortgage Products</b>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><b>Product</b></td> <td style="width: 50%;"><b>Amortization Terms</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li><b>FHA:</b> <ul style="list-style-type: none"> <li>◇ Fixed Rate Sections 203(b) &amp; 234(c)</li> </ul> </li> <li><b>Rural Development:</b> <ul style="list-style-type: none"> <li>◇ Rural Housing Guaranteed Loan</li> </ul> </li> <li><b>Indian Home Loan Guarantee:</b> <ul style="list-style-type: none"> <li>◇ Section 184</li> </ul> </li> </ul> </td> <td> <ul style="list-style-type: none"> <li>30 years</li> <li>30 years</li> <li>30 years</li> </ul> </td> </tr> </table> <p>***Lenders may request a waiver from REI to utilize the Down Payment Assistance with a Conventional Loan. REI will make these decisions on a case by case basis and only if the loan can be approved for Mortgage Insurance***</p>				<b>Product</b>	<b>Amortization Terms</b>	<ul style="list-style-type: none"> <li><b>FHA:</b> <ul style="list-style-type: none"> <li>◇ Fixed Rate Sections 203(b) &amp; 234(c)</li> </ul> </li> <li><b>Rural Development:</b> <ul style="list-style-type: none"> <li>◇ Rural Housing Guaranteed Loan</li> </ul> </li> <li><b>Indian Home Loan Guarantee:</b> <ul style="list-style-type: none"> <li>◇ Section 184</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>30 years</li> <li>30 years</li> <li>30 years</li> </ul>				
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<b>Second Mortgage</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">REI Secured Second Loan parameters</th> <th style="width: 25%;">Fully Amortizing Fixed Rate Second Term</th> <th style="width: 25%;">Loan amount</th> <th style="width: 17%;">Interest Rate of Second</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">20-years</td> <td>Minimum: \$2,500 Maximum: \$5,500</td> <td style="text-align: center;">8%</td> </tr> </tbody> </table> <p>Loans are subject to the following parameters:</p> <ul style="list-style-type: none"> <li>Minimum loan amount of \$2,500, maximum loan amount \$5,500</li> <li>Borrower may not receive cash back at closing with the exception of earnest money and expenses paid outside of closing</li> <li>Any Second Loan proceeds remaining must be re-applied to the loan to reduce the Second Loan's principal balance. If there is more than \$500 remaining from the Second Loan proceeds as of the close of escrow, then documents must be redrawn.</li> <li>Lenders must prepare two loan files and conform to federal RESPA and Truth-in-Lending laws in disclosing the initial terms of the Second both at application and again at close. Lenders may use the same loan application and verifications as on the First Mortgage. REI does not need a separate Title Policy, please make sure that the Title Policy on the First Mortgage is enough to cover the amount of the Second Mortgage.</li> <li>The Second Mortgage must close in REI's name using the REI Note &amp; Mortgage Form.</li> <li>Lenders will fund the Second Mortgage at closing and are responsible for recording the Second Mortgage.</li> </ul>				REI Secured Second Loan parameters	Fully Amortizing Fixed Rate Second Term	Loan amount	Interest Rate of Second		20-years	Minimum: \$2,500 Maximum: \$5,500	8%
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<b>Income Limits</b>	<ul style="list-style-type: none"> <li>FHA &amp; HUD 184 - The borrower's qualifying income must not exceed Program Income Limits. Limits are listed in Exhibit A attached hereto.</li> <li>Rural Development Loans - Income is based on Adjusted Household Income per Rural Development's Guidelines. Income limits can be found at the following link: <a href="http://www.rurdev.usda.gov/rhs/sfh/GSFH_Income_Limits/OK%20GRH.pdf">http://www.rurdev.usda.gov/rhs/sfh/GSFH_Income_Limits/OK%20GRH.pdf</a></li> </ul>											
<b>Buy Down</b>	<b>Permanent:</b> Permitted in accordance with FHA, HUD 184, and Rural Development guidelines, based on program/product selected.											
<b>Loan Purpose Occupancy/Property Usage</b>	Purchase of Primary Residence – Owner occupied only											
<b>Property Type</b>	<ul style="list-style-type: none"> <li>1-Unit, including condominiums and PUDs</li> <li>Co-ops are not permitted</li> <li><b>Manufactured homes are NOT permitted</b></li> </ul>											

**Rural Enterprises of Oklahoma, Inc - Market Rate Program Term Sheet**

Processes	<p><b>Eligible</b></p> <ul style="list-style-type: none"> <li>• DU, LP, Manual Underwrite</li> </ul>																			
Credit Profile, Debt Ratio, LTV/CLTV,	All FHA, HUD 184 and Rural Development Lending parameters are to be followed.																			
Homebuyer Education	Determined by the First Mortgage Program selected.																			
Loan Reservations	<p>Lenders lock Second Loan with REI by faxing the following documents to Dena Sherrill or Jeremy Layman at (580)920-2745 or by emailing to <a href="mailto:dena@ruralenterprises.com">dena@ruralenterprises.com</a> or <a href="mailto:jlayman@ruralenterprises.com">jlayman@ruralenterprises.com</a>. If emailing, please request a "Read Message Receipt" to verify that we have received the email :</p> <ul style="list-style-type: none"> <li>• Loan Registration Form</li> <li>• Copy of Sales Contract</li> <li>• Copy of Loan Application</li> </ul> <p>Lenders will receive a loan reservation confirmation within 24 hours of submission.</p> <p>Please refer to REI's website for all necessary forms at: <a href="http://www.ruralenterprises.com/housing_prog_highlights.php">http://www.ruralenterprises.com/housing_prog_highlights.php</a> scroll to the bottom of the page for the Loan Registration Form, Mortgagor's Agreement and Acknowledgement of Disclosure Form, Note, Mortgage, Second Lien Rider and Program Compliance Delivery Checklist.</p>																			
Second Mortgage Approval	<p>REI is the compliance agent for this program. REI will review the following documents prior to approval:</p> <ul style="list-style-type: none"> <li>• Copy of Initial Mortgagor's Agreement &amp; Disclosure of Information Form</li> <li>• FHA Qualifying Income Documentation – Once the underwriter has determined and documented the borrowers qualifying income. Please fax or email HUD Form 92900 with back up income documentation to REI for review.</li> <li>• Rural Development Income Documentation – A copy of Rural Development's Conditional Commitment is acceptable for income documentation.</li> </ul> <p>These items can be faxed to Dena Sherrill at (580)920-2745 or emailed to <a href="mailto:dena@ruralenterprises.com">dena@ruralenterprises.com</a> (if documents are emailed, please request a "Read Message Receipt" to confirm receipt of the information.</p> <p>Following review of the documentation above, REI will provide an approval within 48 hours of receipt.</p> <p><b>**Underwriter may not issue clear to close until the REI approval is received**</b></p>																			
Second Mortgage Fees	<table border="1"> <thead> <tr> <th>Type</th> <th>Sliding Scale Based on 2<sup>nd</sup> Mortgage Loan Amount</th> <th>Amount</th> <th>Service Provider</th> </tr> </thead> <tbody> <tr> <td>Loan Origination Fee – 2<sup>nd</sup> Mortgage</td> <td>\$2,500 - \$3,500</td> <td>\$375.00</td> <td>REI (Netted at purchase)</td> </tr> <tr> <td>Loan Origination Fee – 2<sup>nd</sup> Mortgage</td> <td>\$3,501 - \$5,500</td> <td>\$500.00</td> <td>REI (Netted at purchase)</td> </tr> <tr> <td>Doc. Prep Fee</td> <td></td> <td>Maximum of \$100.00</td> <td>Lender</td> </tr> </tbody> </table>	Type	Sliding Scale Based on 2 <sup>nd</sup> Mortgage Loan Amount	Amount	Service Provider	Loan Origination Fee – 2 <sup>nd</sup> Mortgage	\$2,500 - \$3,500	\$375.00	REI (Netted at purchase)	Loan Origination Fee – 2 <sup>nd</sup> Mortgage	\$3,501 - \$5,500	\$500.00	REI (Netted at purchase)	Doc. Prep Fee		Maximum of \$100.00	Lender			
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Loan Funding/Purchase	<p>Lenders must fund the Second Loans at loan closing. REI will then purchase Second Mortgage from Lender upon receipt and review of the following documentation, which must be returned to REI within 5 days of closing:</p> <ul style="list-style-type: none"> <li>• <b>Original</b> Second Note</li> <li>• One (1) Certified Copy of Second Mortgage w/ Rider</li> <li>• One (1) Certified Copy of the First Mortgage</li> <li>• Original fully executed Name Affidavit for 2<sup>nd</sup> loan, if applicable.</li> <li>• Copy of Second Mortgage Truth-in-Lending Statement (Final)</li> <li>• <b>Original/Final</b> Mortgagor's Agreement &amp; Acknowledgement of Disclosure Information Form</li> <li>• Copy of HUD1 for <b>First &amp; Second Mortgage</b></li> <li>• Copy of First Payment Letter – payable to REI</li> <li>• Wiring Instructions of Lender</li> </ul> <p>Please refer to REI's website for all necessary forms at: <a href="http://www.ruralenterprises.com/housing_prog_highlights.php">http://www.ruralenterprises.com/housing_prog_highlights.php</a> scroll to the bottom of the page for the Loan Registration Form, Mortgagor's Agreement and Acknowledgement of Disclosure Form, Note, Mortgage, Second Lien Rider and Program Compliance Delivery Checklist.</p>																			

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<b>Servicer</b>	REI will service the Second Mortgage. The borrower will make the payments as follows:  REI P.O. Box 1335 Durant, OK 74702-1335  The borrower will receive payment coupons providing them with the payment information and the address of their payment remittance.
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Contact REI by emailing Dena Sherrill at [dena@ruralenterprises.com](mailto:dena@ruralenterprises.com) or Jeremy Layman at [jlayman@ruralenterprises.com](mailto:jlayman@ruralenterprises.com) or please feel free to call 1-800-658-2823.

**FHA & HUD 184 Income Limits**

**2009 County Income Limits**

County	1-2 Person Family	3 + Person Family
Adair	\$55,755.00	\$61,065.00
Alfalfa	\$55,755.00	\$61,065.00
Atoka	\$55,755.00	\$61,065.00
Beaver	\$56,910.00	\$62,330.00
Beckham	\$55,755.00	\$61,065.00
Blaine	\$55,755.00	\$61,065.00
Bryan	\$55,755.00	\$61,065.00
Caddo	\$55,755.00	\$61,065.00
Canadian	\$61,425.00	\$67,275.00
Carter	\$55,755.00	\$61,065.00
Cherokee	\$55,755.00	\$61,065.00
Choctaw	\$55,755.00	\$61,065.00
Cimarron	\$55,755.00	\$61,065.00
Cleveland	\$61,425.00	\$67,275.00
Coal	\$55,755.00	\$61,065.00
Comanche	\$55,755.00	\$61,065.00
Cotton	\$55,755.00	\$61,065.00
Craig	\$55,755.00	\$61,065.00
Creek	\$60,480.00	\$66,240.00
Custer	\$55,755.00	\$61,065.00
Delaware	\$55,755.00	\$61,065.00
Dewey	\$55,755.00	\$61,065.00
Ellis	\$55,755.00	\$61,065.00
Garfield	\$55,755.00	\$61,065.00
Garvin	\$55,755.00	\$61,065.00
Grady	\$55,755.00	\$61,065.00
Grant	\$55,755.00	\$61,065.00
Greer	\$55,755.00	\$61,065.00
Harmon	\$55,755.00	\$61,065.00
Harper	\$56,070.00	\$61,410.00
Haskell	\$55,755.00	\$61,065.00
Hughes	\$55,755.00	\$61,065.00
Jackson	\$55,755.00	\$61,065.00
Jefferson	\$55,755.00	\$61,065.00
Johnston	\$55,755.00	\$61,065.00
Kay	\$55,755.00	\$61,065.00
Kingfisher	\$59,220.00	\$64,860.00
Kiowa	\$55,755.00	\$61,065.00
Latimer	\$55,755.00	\$61,065.00

County	1 - 2 Person Family	3 + Person Family
Le Flore	\$55,755.00	\$61,065.00
Lincoln	\$55,755.00	\$61,065.00
Logan	\$61,425.00	\$67,275.00
Love	\$55,755.00	\$61,065.00
Major	\$55,755.00	\$61,065.00
Marshall	\$55,755.00	\$61,065.00
Mayes	\$55,755.00	\$61,065.00
McClain	\$61,425.00	\$67,275.00
McCurtain	\$55,755.00	\$61,065.00
McIntosh	\$55,755.00	\$61,065.00
Murray	\$55,755.00	\$61,065.00
Muskogee	\$55,755.00	\$61,065.00
Noble	\$55,755.00	\$61,065.00
Nowata	\$55,755.00	\$61,065.00
Okfuskee	\$55,755.00	\$61,065.00
Oklahoma	\$61,425.00	\$67,275.00
Okmulgee	\$55,755.00	\$61,065.00
Osage	\$60,480.00	\$66,240.00
Ottawa	\$55,755.00	\$61,065.00
Pawnee	\$55,755.00	\$61,065.00
Payne	\$55,755.00	\$61,065.00
Pittsburg	\$55,755.00	\$61,065.00
Pontotoc	\$55,755.00	\$61,065.00
Pottawatomie	\$55,755.00	\$61,065.00
Pushmataha	\$55,755.00	\$61,065.00
Roger Mills	\$55,755.00	\$61,065.00
Rogers	\$60,480.00	\$66,240.00
Seminole	\$55,755.00	\$61,065.00
Sequoyah	\$55,755.00	\$61,065.00
Stephens	\$55,755.00	\$61,065.00
Texas	\$57,855.00	\$63,365.00
Tillman	\$55,755.00	\$61,065.00
Tulsa	\$60,480.00	\$66,240.00
Wagoner	\$60,480.00	\$66,240.00
Washington	\$59,430.00	\$65,090.00
Washita	\$55,755.00	\$61,065.00
Woods	\$55,755.00	\$61,065.00
Woodward	\$55,755.00	\$61,065.00

