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# Market Rate Program

DESCRIPTION	<ul style="list-style-type: none"> <li>This is a First and Second Loan Program offering financing designed to increase homeownership opportunities for low-to-moderate income individuals and families.</li> <li>This Program Summary is a complement to and not a substitute for First Mortgage Program guidelines.</li> <li>FHA, HUD 184, Rural Development, and VA guidelines apply except as modified by this program summary for the purpose of this program only.</li> </ul>										
AVAILABLE MARKETS	Properties located within the State of Oklahoma										
ELIGIBLE LENDERS	<p>Lenders must be approved as a Mortgage Clearing Corporation (MCC) Correspondent Lender and in good standing. MCC requires that lenders must meet the FHA net worth requirements and be FHA approved to be eligible for MCC Correspondent Lender status. Lenders should contact Chris Jones, Mortgage Clearing Corp., at (918)749-2274 or <a href="mailto:chrisjones@mortgageclearing.com">chrisjones@mortgageclearing.com</a> to inquire about becoming a participating lender. Lenders who do not meet this requirement should contact Dena Sherrill, REI Housing Program Manager or Jeremy Layman, Housing Program Specialist at (800)658-2823 or <a href="mailto:dena@ruralenterprises.com">dena@ruralenterprises.com</a> or <a href="mailto:jlayman@ruralenterprises.com">jlayman@ruralenterprises.com</a> to obtain information on approved third-party originators.</p>										
SERVICER/ COMPLIANCE AGENT	<p>Mortgage Clearing Corporation (MCC)          5612 S. Lewis          Tulsa, OK 74105          (918) 749-2274</p>										
FIRST MORTGAGE PRODUCTS	<table border="0"> <thead> <tr> <th data-bbox="451 1163 532 1188"><u>Product</u></th> <th data-bbox="951 1163 1149 1188"><u>Amortization Terms</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="451 1203 867 1266"> <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> </ul> </td> <td data-bbox="951 1236 1032 1262">30 years</td> </tr> <tr> <td data-bbox="451 1308 834 1371"> <ul style="list-style-type: none"> <li><b>Rural Development:</b> <ul style="list-style-type: none"> <li>◇ Rural Housing Guaranteed Loan</li> </ul> </li> </ul> </td> <td data-bbox="951 1341 1032 1367">30 years</td> </tr> <tr> <td data-bbox="451 1413 792 1476"> <ul style="list-style-type: none"> <li><b>Indian Home Loan Guarantee:</b> <ul style="list-style-type: none"> <li>◇ Section 184</li> </ul> </li> </ul> </td> <td data-bbox="951 1446 1032 1472">30 years</td> </tr> <tr> <td data-bbox="451 1518 850 1543"> <ul style="list-style-type: none"> <li><b>Veteran’s Administration Loan (VA):</b></li> </ul> </td> <td data-bbox="951 1518 1032 1543">30 years</td> </tr> </tbody> </table>	<u>Product</u>	<u>Amortization Terms</u>	<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> </ul>	30 years	<ul style="list-style-type: none"> <li><b>Rural Development:</b> <ul style="list-style-type: none"> <li>◇ Rural Housing Guaranteed Loan</li> </ul> </li> </ul>	30 years	<ul style="list-style-type: none"> <li><b>Indian Home Loan Guarantee:</b> <ul style="list-style-type: none"> <li>◇ Section 184</li> </ul> </li> </ul>	30 years	<ul style="list-style-type: none"> <li><b>Veteran’s Administration Loan (VA):</b></li> </ul>	30 years
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FIRST LOAN INTEREST RATES	<ul style="list-style-type: none"> <li>First Loan interest rates are distributed daily by MCC by email.</li> <li>To be added to the distribution list, send an email to Mark Franks at <a href="mailto:markfranks@mortgageclearing.com">markfranks@mortgageclearing.com</a>. Include your name, contact information (phone number, email and mailing address) and name of Lender. You can also contact REI at 1-800-658-2823 or email Dena Sherrill <a href="mailto:dena@ruralenterprises.com">dena@ruralenterprises.com</a> or Jeremy Layman <a href="mailto:jlayman@ruralenterprises.com">jlayman@ruralenterprises.com</a>.</li> </ul>										

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

<b>SECOND MORTGAGE</b>	<b>Secured Second Loan parameters</b>	<b>Fully Amortizing Fixed Rate Second Term</b>	<b>Second Loan amount based on total loan amount sized at:</b>	<b>Initial Interest Rate of Second (Rate is subject to change based on current market conditions)</b>
		20-years	5-7%	7.375%
<p>Loans are subject to the following parameters:</p> <ul style="list-style-type: none"> <li>• 5 - 7% of the total loan amount, including the up-front MIP. Lenders may choose the amount of assistance to provide to the borrower within the range of 5-7% of the total loan amount.</li> <li>• Borrower may not receive cash back at close, with the exception being reimbursement of earnest money and prepaid expenses.</li> <li>• Any Second Loan proceeds remaining must be re-applied to the loan to reduce the Second Loan's principal balance as a principal reduction at closing.</li> <li>• Lenders must 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 will prepare a separate GFE and TIL for the Second Mortgage. The Second Mortgage must also close on a separate HUD 1.</li> <li>• Note &amp; Mortgage – Lenders must use Fannie Mae Form No. 3937 for the Note and Fannie Mae Form No. 3837 for the Mortgage. <b>Rural Enterprises of Oklahoma, Inc. is the lender on the note and beneficiary on the Second Mortgage. Our address for this purpose is: P.O. Box 1335, Durant, OK 74702-1335. Second Mortgage should be returned to Mortgage Clearing Corp. following recordation.</b></li> <li>• Lender must also have executed the Mortgagor's Agreement and Acknowledgement of Disclosure Information form. <a href="http://www.ruralenterprises.com/docs/mortgagors_agreement_disclosure_form.pdf">http://www.ruralenterprises.com/docs/mortgagors_agreement_disclosure_form.pdf</a></li> <li>• The lender will fund the Second Mortgage at closing and is responsible for recording the Second Mortgage and delivering to MCC for servicing.</li> <li>• The Title Policy for the First Mortgage must reference the Second Mortgage.</li> </ul>				
<p><b>INCOME LIMITS</b></p> <ul style="list-style-type: none"> <li>• FHA , HUD 184, &amp; VA - The borrower's household income must not exceed Program Income Limits. Limits are listed in Exhibit A attached hereto.</li> </ul> <p><b>Lenders</b> will be responsible for ensuring that the household income meets program guidelines as it relates to FHA, HUD 184, &amp; VA loans. The lender and the borrower will be required to sign the Income Worksheet, which can be found at <a href="http://www.ruralenterprises.com/docs/income_verification_form.xls">http://www.ruralenterprises.com/docs/income_verification_form.xls</a> You must provide income documentation for adult income earning household members. Income documentation should include at least 2 consecutive pay stubs. Self-employed borrowers must provide income tax returns.</p> <p><b>**Mortgage Clearing will review income documentation during the purchase review, if the household income is not documented or is not within the imposed income limits, the loan may not be purchased**</b></p> <ul style="list-style-type: none"> <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>				
<p><b>LOAN RESERVATIONS</b></p> <p>Lenders lock First Loan and Second Loan concurrently with the Mortgage Clearing Commitment Desk by emailing the Loan Registration Form to <a href="mailto:locks@mortgageclearing.com">locks@mortgageclearing.com</a> The Loan Registration form can be found on the REI website at <a href="http://www.ruralenterprises.com/docs/loan_registration_form.xls">http://www.ruralenterprises.com/docs/loan_registration_form.xls</a>.</p> <p><b>American Southwest Mortgage Customers: Please complete the loan registration form and email to Ashley McGinley at <a href="mailto:amcginley@amswmtg.com">amcginley@amswmtg.com</a>.</b></p>				
<p><b>FIRST MORTGAGE RATES</b></p> <p>First Mortgage Rates will be set daily and priced based on a 45 lock. Loans must be delivered to MCC within 45 days of lock confirmation. Standard MCC extension fees apply (.125 for 5 days).</p>				

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

LOAN PURPOSE/TRANSACTION TYPE	Purchase of Primary Owner-Occupied Residence
PROPERTY TYPE	<ul style="list-style-type: none"> <li>• 1-Unit, including condominiums and PUDs</li> <li>• 2-Unit</li> <li>• Co-ops are NOT permitted</li> <li>• Manufactured homes are NOT permitted</li> </ul>
PROCESSES	<p><b><u>Eligible</u></b></p> <ul style="list-style-type: none"> <li>• DU</li> <li>• LP</li> </ul>
CREDIT SCORES	<p><b>FHA:</b></p> <ul style="list-style-type: none"> <li>• The following Credit Score overlays apply to all FHA transactions, except loans utilizing non-traditional credit score sources: <ul style="list-style-type: none"> <li>◊ All AUS loans with an Approve/Accept Recommendation must have a minimum credit score of 620.</li> </ul> </li> <li>• A copy of the Desktop Underwriter or Loan Prospector credit report must be included with the loan guaranty submission package. The underwriter must reconcile DU/LP output against the documentation in the loan file to determine if there is any potential derogatory or contradictory information that is not part of the data analyzed by DU/LP.</li> <li>• Deficiencies that may not be within the scope of DU/LP's analysis include delinquent rent payments, workouts, forbearance, write-offs, judgments and liens appearing on title, etc. All would render the AUS decision null and void. Underwriters need to be cognizant and act accordingly.</li> </ul>
DEBT RATIO	Determined by First Mortgage Program not to exceed 45%.
LTV/ CLTV	LTV determined by the First Mortgage Program selected. <b>CLTV cannot exceed 105%.</b>
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> <li>• Determined by the First Mortgage Program selected.</li> <li>• Non-occupying co-signors are permitted.</li> <li>• Non-occupying co-borrowers are not permitted.</li> </ul>
DOWN PAYMENT	Second loan proceeds may fund up to 100% of the homebuyer's cash to close with no required minimum contribution from the borrower's own funds.
INTERESTED PARTY CONTRIBUTIONS	Determined by the First Mortgage Program selected.
HOMEBUYER EDUCATION	Determined by the First Mortgage Program selected.
APPRAISAL	A full interior/exterior appraisal is required and must comply with First Mortgage program appraisal guidelines.

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<b>SPECIAL PRICING</b>	<p>In addition to the standard fees normally charged to the borrower (i.e. Appraisal Fee, Credit Report Fee, Flood Certification, Freight, Underwriting, Document Preparation, etc.) the following fees may also be included. If this list includes a standard fee, the amount listed below should be used. Standard fees should be itemized separately on the HUD-1.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Type</th> <th style="text-align: left;">Amount</th> <th style="text-align: left;">Service Provider</th> </tr> </thead> <tbody> <tr> <td>Loan Origination Fee - First Mortgage</td> <td>Up to 2.00%</td> <td>Lender</td> </tr> <tr> <td>Delivery Fee</td> <td>\$295.00</td> <td>Mortgage Clearing</td> </tr> </tbody> </table> <p>Second Mortgage Fees – There are no fees associated with the Second Mortgage with the exception of Mortgage Tax, Recording Fees and title company charges.</p>	Type	Amount	Service Provider	Loan Origination Fee - First Mortgage	Up to 2.00%	Lender	Delivery Fee	\$295.00	Mortgage Clearing
Type	Amount	Service Provider								
Loan Origination Fee - First Mortgage	Up to 2.00%	Lender								
Delivery Fee	\$295.00	Mortgage Clearing								
<b>MERS ASSIGNMENTS</b>	<ul style="list-style-type: none"> <li>First Mortgage loans do <b>not</b> need to be registered through the MERS System. If your loans are registered through the MERS System, you will be required to assign the Mortgage from MERS to Mortgage Clearing Corporation.</li> <li>Second Mortgage loans do <b>not</b> need to be registered through MERS.</li> </ul>									
<b>LOAN FUNDING &amp; CLOSING</b>	<p>Lenders must fund the First and Second Loans at loan closing.</p> <p align="center"><b>Please provide REI with a copy of the HUD for both the First and Second Mortgage following closing. You can fax to (580)920-2745, email to <a href="mailto:dena@ruralenterprises.com">dena@ruralenterprises.com</a> or mail to REI, P.O. Box 1335, Durant, OK 74702-1335.</b></p>									
<b>LOAN PURCHASE AND SERVICING</b>	<ul style="list-style-type: none"> <li>Mortgage Clearing Corporation (MCC) will purchase loans at a rate and price reflected on the Mortgage Commitment confirmation, less any fees, plus the applicable Service Release Premium.</li> <li>Second Loan will be purchased concurrently by MCC at a purchase price equal to 100% of the outstanding Second Mortgage principal balance, plus accrued Interest at the time of purchase.</li> <li>Borrowers will receive a single statement for both the First and Second Loan when serviced by MCC.</li> <li>All loans will be sold to MCC and should be mailed to the following address:</li> </ul> <p align="center"><b>Mortgage Clearing Corporation</b> 5612 S. Lewis Tulsa, OK 74105</p>									

For additional MCC requirements, please call Mortgage Clearing Corporation at 1-800-727-9043. You may also contact REI at 1-800-658-2823 or email Dena Sherrill [dena@ruralenterprises.com](mailto:dena@ruralenterprises.com) or Jeremy Layman [jlayman@ruralenterprises.com](mailto:jlayman@ruralenterprises.com).

REI

FHA, HUD 184, and VA Income Limits

2012 County Income Limits

County	1-2 Person Family	3 + Person Family
Adair	\$64,170.00	\$74,865.00
Alfalfa	\$64,630.00	\$75,401.67
Atoka	\$64,170.00	\$74,865.00
Beaver	\$65,435.00	\$76,340.83
Beckham	\$64,170.00	\$74,865.00
Blaine	\$64,975.00	\$75,804.17
Bryan	\$64,170.00	\$74,865.00
Caddo	\$64,170.00	\$74,865.00
Canadian	\$70,725.00	\$82,512.50
Carter	\$64,170.00	\$74,865.00
Cherokee	\$64,170.00	\$74,865.00
Choctaw	\$64,170.00	\$74,865.00
Cimarron	\$64,170.00	\$74,865.00
Cleveland	\$70,725.00	\$82,512.50
Coal	\$64,170.00	\$74,865.00
Comanche	\$64,170.00	\$74,865.00
Cotton	\$64,170.00	\$74,865.00
Craig	\$64,170.00	\$74,865.00
Creek	\$69,460.00	\$81,036.67
Custer	\$64,170.00	\$74,865.00
Delaware	\$64,170.00	\$74,865.00
Dewey	\$64,170.00	\$74,865.00
Ellis	\$64,170.00	\$74,865.00
Garfield	\$64,170.00	\$74,865.00
Garvin	\$64,170.00	\$74,865.00
Grady	\$66,010.00	\$77,011.67
Grant	\$64,745.00	\$75,535.83
Greer	\$64,170.00	\$74,865.00
Harmon	\$64,170.00	\$74,865.00
Harper	\$67,620.00	\$78,890.00
Haskell	\$64,170.00	\$74,865.00
Hughes	\$64,170.00	\$74,865.00
Jackson	\$64,170.00	\$74,865.00
Jefferson	\$64,170.00	\$74,865.00
Johnston	\$64,170.00	\$74,865.00
Kay	\$64,170.00	\$74,865.00
Kingfisher	\$70,610.00	\$82,378.33
Kiowa	\$64,170.00	\$74,865.00
Latimer	\$64,170.00	\$74,865.00

County	1 - 2 Person Family	3 + Person Family
Le Flore	\$64,170.00	\$74,865.00
Lincoln	\$64,170.00	\$74,865.00
Logan	\$70,725.00	\$82,512.50
Love	\$64,170.00	\$74,865.00
Major	\$65,665.00	\$76,609.17
Marshall	\$64,170.00	\$74,865.00
Mayes	\$64,170.00	\$74,865.00
McClain	\$70,725.00	\$82,512.50
McCurtain	\$64,170.00	\$74,865.00
McIntosh	\$64,170.00	\$74,865.00
Murray	\$64,170.00	\$74,865.00
Muskogee	\$64,170.00	\$74,865.00
Noble	\$64,170.00	\$74,865.00
Nowata	\$64,170.00	\$74,865.00
Okfuskee	\$64,170.00	\$74,865.00
Oklahoma	\$70,725.00	\$82,512.50
Okmulgee	\$64,170.00	\$74,865.00
Osage	\$69,460.00	\$81,036.67
Ottawa	\$64,170.00	\$74,865.00
Pawnee	\$64,170.00	\$74,865.00
Payne	\$65,895.00	\$76,877.50
Pittsburg	\$64,170.00	\$74,865.00
Pontotoc	\$64,170.00	\$74,865.00
Pottawatomie	\$64,170.00	\$74,865.00
Pushmataha	\$64,170.00	\$74,865.00
Roger Mills	\$72,795.00	\$84,927.50
Rogers	\$69,460.00	\$81,036.67
Seminole	\$64,170.00	\$74,865.00
Sequoyah	\$64,170.00	\$74,865.00
Stephens	\$64,170.00	\$74,865.00
Texas	\$64,170.00	\$74,865.00
Tillman	\$64,170.00	\$74,865.00
Tulsa	\$69,460.00	\$81,036.67
Wagoner	\$69,460.00	\$81,036.67
Washington	\$65,895.00	\$76,877.50
Washita	\$64,170.00	\$74,865.00
Woods	\$69,575.00	\$81,170.83
Woodward	\$65,205.00	\$76,072.50