



Re: Policy regarding Gateway Mortgage Appraisal Process / Compliance with the “Home Value Code of Conduct” adopted by Fannie Mae, Freddie Mac, FHA, VA and USDA.

Beginning Friday, May 1, 2009, GMG will institute the following appraisal policy for all loan originations taken on or after May 1, 2009. To ensure compliance, all files submitted with credit report pull dates on or after May 1, 2009 will be subject to the following appraisal policy:

GMG has hired an appraiser to manage the appraisal process (the “Appraisal Manager”). He will utilize software and an approved database of appraisers provided by a company called “A La Mode, Inc.” The retail originator may submit for approval appraisers that they are familiar with and accustomed to using. These appraisers, if approved by the Appraisal Manager and signed up with A La Mode will be added to the database. However, the appraisal assignment will be completely random and based on the zip code of the subject property.

The appraisal, once completed, will be sent to the Appraisal Manager for review. He may issue the approval of the appraisal, and place a condition on the Underwriting Approval indicating that the loan cannot close prior to 3 days from borrower’s receipt of the appraisal...unless the borrower signs a waiver (attached). This “Appraisal Notification Acknowledgement” will be a required disclosure for all loans submitted to Gateway which are originated on or after May 1, 2009.

As Gateway has no control over the appraiser, nor the quality of the appraisal, the Appraisal Manager, upon review, may ask for modification to the appraisal or, in some circumstances, deny it. If the appraisal is denied, or the appraiser is unwilling to provide the modifications requested, it will be the LO’s responsibility to inform Gateway whether or not the borrower is willing to order another appraisal.

To order an appraisal, the Loan Originator should go to www.gatewayloan.com and click on the Order Appraisal link on the left hand side of the web page. The LO will then choose the appropriate appraisal order option and enter the credit card information for payment processing. It is the responsibility of the branch or broker to procure the borrower's payment for the appraisal. All credit card payments accepted by Gateway must be that of the LO or Branch Manager. Once the payment is processed, according to the payment schedule listed below, notification will be sent to Gateway to process the appraisal order.

Appraisal pricing is as follows:

	Zone 1	Zone 2	Zone 3
Single Family (FNMA)	\$370	\$390	\$480
Single Family (FHA/VA)	\$420	\$440	\$530
Multifamily	\$480	\$515	\$590
Field Review	\$230	\$260	\$285
Operating Income Statement	\$74	\$84	\$95
Comparable Rent Schedule	\$75	\$85	\$95
Trip Charge (customer fails to keep appt)*	\$50	\$50	\$50

Zone 1: AL, FL, GA, IL, IN, KY, LA, MD, MI, MS, NC, SC, TN, VA, OK, TX**

Zone 2: AR, AZ, CA, CO, KS, MN, MO, NV, NM, UT, WI **

Zone 3: IA, ID, NE, MT, OR, WA, WY **

Pricing applies to properties with market values up to \$500,000. Properties in excess of \$500,000 value will be on an as quoted basis. Unique property types will be subject to quote, regardless of market value.

** All funds collected from borrower for appraisal will be refunded...with the exception of any trip charge incurred. If the borrower cancels the order at least 24 hours prior to the agreed upon appointment time, no trip charge will be incurred.*

*** Currently, GMG is not licensed in the following “Zoned” states: Zone 1 – CT, DC, DE, MA, NJ, NT, OH, PA; Zone 2 – ME, NH, VT, WV; Zone 3 – ND, SD*

Lender: GATEWAY MORTGAGE GROUP LLC

Loan Number: _____

Borrower(s): _____

Property Address: _____

Appraisal Notification and Acknowledgment

Pursuant to the Home Valuation Code of Conduct (“HVCC”) adopted by Fannie Mae and Freddie Mac, effective May 1, 2009, you are entitled to receive a copy of the appraisal report concerning the property subject to your loan transaction. This must be provided to you at no additional cost and at least three (3) days prior to the closing of your loan.

Under the HVCC, you may also waive this three-day requirement.

Please select the appropriate option below by placing an “X” on the line in front of the statement.

_____ The undersigned borrower(s) hereby acknowledge that he/she/they received the appraisal report at least three (3) days prior to the closing of the loan.

_____ The undersigned borrower(s) hereby waive their right to receive a copy of their appraisal report prior to closing, but reserve all other rights they have to receive the appraisal pursuant to the Equal Credit Opportunity Act.

In either event above noted, the undersigned borrower(s) acknowledge that the lender may require the undersigned borrower(s) to reimburse the lender for the cost of the appraisal.

Borrower

Date

Borrower

Date

Borrower

Date

Borrower

Date