

ACB Expands Secondary Market Options for Community Banks

By Anita Gentle Newcomb and Ron Haynie

This year is shaping up as another bonanza in residential lending. While refinancings are expected to drop sharply, demand for loans to buy homes is expected to continue unabated as home sales continue at a break-neck pace.

And now, ACB members are in a better position than ever to share in the boom.

Building on our highly successful ACB/Fannie Mae affinity partnership, ACB has significantly expanded exclusive, member-advantaged options for loan sales to the secondary market.

We have enhanced the ACB/Fannie Mae Affinity Partnership, formed a strategic alliance with Freddie Mac, and added programs with two top wholesalers: Country-wide Home Loans Inc. and Principal Residential Mortgage Inc. These new options help you expand your mortgage business, facilitate your originations and give you more competitive execution.

Teams of ACB members negotiated all four agreements. The results are advantaged programs developed by community bankers for community bankers. ACB members can now choose from a broad array of best-in-class secondary market providers—from the agencies to the largest wholesalers—each with compelling benefits from pricing and delivery options to technology and support.

Expanded ACB/Fannie Mae Affinity Partnership

Since its launch in February 2001, the

ACB/Fannie Mae Affinity Partnership has been an overwhelming success. Original projections were that about 20,000 homes would be financed in the first year. Instead, the affinity partnership supported community bankers who helped 40,000 families buy their own homes.

Now with over 100 ACB members participating, new enhancements will help community banks expand lending to low-



and moderate-income families, increase the homeownership rate of minorities, and migrate to new lending technology.

The affinity partnership provides community banks with dedicated support, including assistance with balance-sheet management. Fannie Mae presents a range of products from high-LTV to long-term fixed rate loans, bi-weeklies, and ARMs, plus affordable lending options to meet CRA goals and local community needs.

Members can sell seasoned loans to Fannie with simplified execution. And, there are no volume minimums, regardless

of your bank's size.

ACB members have access to special training and technology tools, special private-label servicing options through Cenlar, FSB, and special prices for many Fannie Mae services not previously accessible for most community banks.

New ACB/Freddie Mac Strategic Alliance

Our new strategic alliance with Freddie Mac is designed to provide products, services and technology to ACB members. Now members can sell loans more easily and more efficiently into the secondary market, whether selling current production or loans from your portfolio.

Freddie Mac offers members technology support, including automated underwriting and a consumer-based custom-built Web site that your bank brands and controls—a way to tap into online originations, a growing mortgage market channel.

Also, there are special arrangements for members to sell seasoned portfolio loans and to sell modified loans (such as an ARM to fixed) on a streamlined basis. And a construction-to-permanent program has been designed specifically for ACB members.

Loans can be sold with servicing retained, however, Freddie Mac recognizes that some community banks are increasingly interested in eliminating in-house servicing. So a servicing-released option is also available.

Resources are also available to help

members restructure their portfolios from a capital-markets perspective and to give members intensive technology training and support.

Principal Residential Mortgage

The program with Principal offers special pricing, streamlined application processing with reduced documentation, varied delivery and execution options and rapid funding, usually within 48 hours.

From account executives to back office teams, correspondent satisfaction is a top priority—and it shows: in 2001, correspondents gave Principal a 98 percent satisfaction rating.

Loan programs are extensive, ranging from jumbos, affordable housing, conventional, conforming, fixed-rate; adjustable-rate and balloon mortgages; FHA/VA loans; and private-investor adjustables. A full range of delivery options is also available.

Principal's Correspondent Lending Center simplifies the sale of whole loans with servicing released from loan registration and pricing to pipeline management

and reports.

Countrywide Correspondent Lending

The Countrywide program for ACB members features streamlined processing and approvals; pricing benefits usually available only to the largest lenders; and a full range of delivery options.

Members can also expect first-rate service: Countrywide's loan servicing operation ranked "#1 in customer satisfaction among the largest national home mortgage lenders" by J. D. Power and Associates.

Countrywide offers ACB members web-based technology, including advanced automated underwriting, electronic pricing, and closing services. Serve more borrowers with access to a comprehensive loan menu of conforming, nonconforming, jumbo, FHA/VA, "Alt A," subprime and piggybacks.

Key provisions of the ACB-Countrywide agreement include restrictions on cross

selling to bank customers and aggressive loan pricing.

Our new lineup of secondary market options is just the beginning. America's Community Bankers plans to develop and offer more member-advantaged business solutions with best-in-class service providers. Now you have more options to meet the unique needs of your customers. We hope you take a look at these new choices. **15**

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