



Variable Servicing Margins on Different Participations of the Same Loan for HMBS Issuers Announced by Sun West Mortgage

Sun West announces that its state-of-the-art reverse mortgage origination, loan servicing, and participation agent technology ReverseSoft is fully compliant with APM-11-06.

On April 18, 2011, Ginnie Mae issued APM-11-06 which changed the Servicing Fee Margin requirements for HMBS issuers. Under APM-11-06, issuers will be able to select an increased servicing margin of up to 150 basis points. Also, the previous floor has been increased from 25 basis points (bps) to 36 basis points.

Continuing as the industry leader, Sun West announced that ReverseSoft technology will enhance issuer liquidity because it has the ability to track, account, and report to Ginnie Mae and end -investors varying servicing fees on Reparticipations of a single loan. For example, consider a scenario where a HECM loan with an unpaid principal balance of \$100,000 has been securitized in a pool earning a servicing margin fee 120bps. Over time, interest accrues, and draws on the loan's available line of credit occur, and the loan's balance (e.g. the borrower's total indebtedness) increases. The issuer recovers its cash advances to the borrower by securitizing the increase in the loan balance into a new pool -"Reparticipation". Due to changing market conditions, the Reparticipation may need to be issued at a different servicing margin than that at which the loans were initially securitized.

ReverseSoft gives the issuer the ability to select a different servicing margin on this and any other new, subsequent security.

As such, issuers that manage their HMBS servicing portfolio with Reversesoft have enhanced liquidity through the freedom to securitize subsequent advances on a HECM loan at varying coupons.

"We are excited about the unique value we bring to our partners through ReverseSoft," said Pavan Agarwal, CEO, Sun West Mortgage Company. "The ability to use technology to leverage earnings has been the cornerstone of our philosophy, and we invite partners to capitalize on our investments."

For more information on Ginnie Mae's announcement, visit http://ginniemae.gov/apm/apm_pdf/11-06.pdf. Interested parties may learn more by contacting Sun West Mortgage Company Inc. at (800) 453-7884. ReverseSoft is a feature-rich reverse loan origination and servicing system. It is exclusively available to Sun West's partners at no charge. Under this limited license, partners can originate loans, order vendor services, and monitor their pipeline on a real-time basis. ReverseSoft is now an integrated part of SunSoft which is Sun West's single, user-friendly platform for Reverse and Forward (e.g. FHA, VA, Conventional, Jumbo) mortgages. To become a Sun West partner, mortgage bankers may send an e-mail to sales@swmc.com or call Anthony Toro directly at (800) 453-7884.

About Sun West Mortgage Company Inc.

Sun West Mortgage Company Inc., currently licensed in over 47 states, is an FHA, VA, USDA, Freddie Mac, Fannie Mae and Ginnie Mae approved full-service mortgage banker. It is an approved Ginnie Mae HMBS Issuer, Servicer and Participant Agent. Sun West has been serving its nationwide client base since 1980. Its diversified loan programs include FHA Reverse Mortgages, FHA Single Family, HUD Multifamily, VA, Conventional and Home Equity mortgages. Sun West is one of the few direct lenders to provide in-house underwriting, funding, and servicing for reverse mortgage products. Based in California and doing business nationally, Sun West is dedicated to offering exceptional customer service coupled with integrity, reliability, strength and stability.

About ReverseSoft

ReverseSoft is Sun West's flagship loan origination system and servicing software system. Built on over 30 years of lending and mortgage technology experience, it combines an intelligent work flow and a high-speed underwriting engine, based on a rich library of rules with the flexibility and scalability to seamlessly integrate with third-party systems.

Learn more about:

Sun West Mortgage Company at <http://www.swmc.com>

Reverse Mortgage Calculator at <http://www.SimpleHECMCalculator.com>

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