

First Federal Mortgage Center

Becky Wells

Senior Vice President

Team Leader

1-800-726-4547

Fax (270) 769-1874

E-Mail rwells@ffsbky.com

2323 Ring Road

P.O. Box 5006

Elizabethtown, KY 42702-5006

Susan DePaul

Head Underwriter/Assistant Team Leader

Mary Kay Masterson

Underwriter

Debbie Lee

Loan Processor/Closing Clerk

Mandy Sallee

Accounts Payable/Loan Processor/Closing Clerk

Are Mortgage Customers Walking Out Your Doors?

Is your bank unable to process, approve,
and fund secondary market loans
due to lack of experience or staffing?
Are you losing customers to banks or credit unions that can?

Let us help!

First Federal Mortgage Center's innovative mortgage program allows you to:

- ◆ Promote a full-service loan offering to your market area without the payroll expense of the support staff.
- ◆ Service the customer completely. You won't lose them to competition that offers secondary market services and lower rates.
- ◆ Make money without doing all of the work.
- ◆ Make money on loans you don't want to keep.
- ◆ Promote loans with great rates to attract customers for cross sales opportunities.

Loan Programs Available

VA (Veteran's Administration)

15, 20, 25 & 30 Year Programs

This federal agency will guarantee the mortgages offered to qualified armed forces, active military personnel, veterans or their widows by private lenders. One can buy a home on a VA loan with no down payment.

KHC (Kentucky Housing Corporation)

30 Year Program

This program is a low to moderate income bond program for first-time homebuyers. It also has low interest rates.

DAP Program

This is a KHC funded second mortgage, which gives the borrower funds for down payment and closing costs.

RHC (Rural Housing Corporation)

30 Year Program

This is a low to moderate income program, which requires no down payment and utilizes the low interest rate of the KHC.

Conventional Secondary Market

15, 20, 25 & 30 Year Programs

1, 3, 5 & 7 Year ARMS Available

7 & 10 Year Balloons Available

80/20 Programs

No Interest ARMS

****FHA Loans must be FHA approved.

How It Works

The program was designed for community banks that want to retain & grow their customer base. It allows the bank to originate secondary market loans without the staffing of additional loan officers and processors.

Your bank would simply take an application as usual. If your Bank cannot do the loan, First Federal Mortgage would be able to fit the loan into one of the programs outlined earlier in this proposal. The customer is not lost, and you will gain fee income!

Your Bank will retain fee income of 1.00% of the loan amount.

Complete training would be handled with any personnel your Bank feels need to be involved. Becky Wells, First Federal Mortgage Center Manager, would do all training at your location. This training would be of general information on each program available. First Federal Mortgage would take on all responsibility of processing the loan. The loan would be closed utilizing the title or law firm that your bank wants.

Becky Wells has taught government financing classes at Jefferson Community College and Elizabethtown Community College. She is approved by the Kentucky Board of Realtors to give continuing education classes to real estate agents.

A little information about us.....

First Federal Mortgage was established to help other community banks utilize the experienced mortgage loan staff of First Federal Savings Bank. We are aware that many community banks are losing their customer base daily to large national mortgage companies. Our program allows you to establish or maintain your relationship with your customer and offer a service without additional staffing.

Our lending staff which is comprised of loan officers, loan processors, underwriters and closing personnel has a total of over 150 years experience working with government loans and the secondary market.

First Federal Mortgage Center
Loan Contact Sheet

Date _____

Institution Name _____

Phone Number _____

Fax Number _____

Applicant Name _____

Loan Officer _____

Email Address _____

Assistant if applicable _____

Preferred Appraiser and phone number _____

Fax with application, contract if any, pay stub and most recent bank
statement to

270-769-1874

CORRESPONDENT AGREEMENT

SECONDARY MORTGAGE LOAN PROGRAM

THIS CORRESPONDENT AGREEMENT made and executed on this day of _____, _____, by and between First Federal Mortgage Center, of 2323 Ring Road, Post Office Box 5006, Elizabethtown, Kentucky, 42702-5006 and _____ of _____, hereinafter referred to as, "Bank."

WITNESSETH:

WHEREAS, First Federal Mortgage Center is engaged in marketing mortgage loans to the secondary mortgage market so as to continue to provide residential mortgage lending to its customers at competitive rates; and

WHEREAS, said program mortgage loans are originated, processed and consummated by First Federal Mortgage Center, its agents, employees, and designees, for sale to other investors and mortgage guaranteed insurers comprising the secondary mortgage market; and

WHEREAS, Bank is not engaged in the solicitation and marketing of secondary mortgage market loans and is desirous of corresponding with First Federal Mortgage Center so as to facilitate the marketing of the Heartland Mortgage's loan program to its customers; and

WHEREAS, First Federal Mortgage Center is agreeable to establishing such a relationship with Bank in accordance with the terms and conditions of this agreement.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, it is agreed by and between the parties as follows:

1. Upon the execution of this agreement, Bank shall become a correspondent bank to First Federal Mortgage Center in its secondary mortgage loan program and in such position shall participate in and shall assist First Federal Mortgage Center in the origination and consummation of First Federal Mortgage Center loans to the customers of Bank. Upon becoming a correspondent bank, Bank agrees to comply with any and all rules, regulations, policies, and procedures of First Federal Mortgage Center and any investor to whom First Federal Mortgage Center may sell its mortgage loan or any mortgage guarantee insurer, if any, whether now existing or hereinafter

promulgated and as the same may be from time to time amended or modified.

2. As a correspondent bank, Bank shall use its best efforts to market the First Federal Mortgage loan program to Bank's customers and obtain application packages from individuals who may be eligible for a mortgage loan under said program. Bank shall provide to First Federal Mortgage Center and its investors or mortgage guarantee insurer a properly assembled application package. The application package shall include any and investor or mortgage guarantee insurer for securing a commitment to purchase the mortgage loan from First Federal Mortgage Center. Bank shall also provide to First Federal Mortgage Center and its investors or mortgage guarantee insurer all relevant credit or other information regarding applicants in all relevant credit or other information regarding applicants in possession, which may have any effect on securing this commitment. The application package shall include but is not limited to the following:
 - A. Uniform residential loan application, Fannie Mae Form 65 10/92 or Fannie Mae form 1003 10/92;
 - B. Counsel the borrower on available programs;
 - C. In file credit report;
 - D. Most recent pay stub;
 - E. Most recent bank statement.
3. The parties agree that First Federal Mortgage Center shall be the sole legal and equitable owner of the mortgage loans hereunder, together with the necessary loan documents and collateral security with all rights, privileges, and remedies applicable thereto.
4. Under this agreement, First Federal Mortgage Center shall be responsible for assembling the loan package (including all documents required by RESPA) for the investor or the mortgage guarantee insurer, verifying the information provided in the loan application, ordering the credit report appraisal, title examination, and title insurance, locking in the rate of interest with investor mortgage guarantee insurer, providing the customer a written commitment, assembling the closing documents, and delivering the final loan package to investor or mortgage guarantee insurer.
5. All rates of interest shall be promulgated by First Federal Mortgage Center to Bank on a daily basis. All such rate information is subject to fluctuating market conditions until such time that the rates have been formally locked in with the investors or the mortgage guaranteed insurer. Bank covenants

and agrees to accurately convey the rate information to its customers.

6. Once First Federal Mortgage Center has received a commitment by its investors or its mortgage guarantee insurer, the mortgage loan closing shall be scheduled. First Federal Mortgage Center shall coordinate the closing with the closing attorney or personnel selected by Heartland Mortgage and the customers.
7. Bank hereby warrants and covenants to First Federal Mortgage Center that all loans and closings originated hereunder by Bank and the documents representing it shall not violate any laws of the state policies, and procedures of First Federal Mortgage Center and any of its investors or mortgage guarantee insurers. In the event any such loan or closing and the documentation representing same are found unacceptable to any investor or mortgage guarantee insurer or in the event additional documentation may be required by same, Bank shall, upon request by First Federal Mortgage Center, take immediate action to correct or revise such documentation in conformity with the request of First Federal Mortgage Center or any investor or mortgage guaranteed insurer. Bank shall fully indemnify and hold First Federal Mortgage Center harmless from any and all liability, loss, or damage, First Federal Mortgage Center may suffer as a result of any claims, demands, cause, or judgments arising from the negligence of Bank or Bank's failure to satisfy or perform in accordance with the covenants and warranties contained in this agreement. Bank further agrees to indemnify and hold harmless First Federal Mortgage Center for any reasonable attorney's fee or expenses that First Federal Mortgage Center may incur by reason of any claim or demand as afore-described.
8. This agreement shall commence on the date of execution and shall renew itself on an annual basis unless either party provides written notice to the other within sixty (60) days prior to the next anniversary date of its intention not to renew this agreement.

However, either party may at any time during the term of this agreement, or any renewal thereof, terminate this agreement upon thirty (30) days' written notice for any reason.
9. It is agreed by and between the parties hereunder that all mortgage loans originated under this agreement and subsequently sold by First Federal Mortgage Center to any investor or mortgage guarantee insurer shall be without recourse.

10. Bank shall furnish to First Federal Mortgage Center appropriate documentation that the governing body of Bank has authorized this agreement.
11. As compensation for its services under this agreement, Bank shall receive one (1) percent of loan amount for each loan closed, including any overages, if any, on rates quoted by First Federal Mortgage Center when loan is locked in and closed.
Any amounts due hereunder shall be paid to Bank within ten (10) days of the finalization of the sale of the mortgage loan to the investor or mortgage guarantee insurer and receipt of the above-referenced funds.
12. No waiver, amendment or modification of any provision of this agreement shall be binding unless in writing and signed by the parties hereto.
13. This agreement shall not be assigned by Bank without the prior written consent of client.
14. This agreement shall be binding upon the parties hereto, their successors, and assigns.

Witness our signatures on the date first above written.

Bank:

Name: _____

By: _____

Title: _____

FIRST FEDERAL MORTGAGE CENTER

By: _____

Title: _____

Rebecca A. Wells
Senior Vice President

Employment History:

02/95 to Present

First Federal Savings Bank, Elizabethtown,
Kentucky

Vice President/Secondary Market

Head of secondary market lending area. Supervisor of 11 employees located in 4 branches and one loan production center. Oversee secondary market lending for 12 branches. Member of FOCUS Team (management group), asset & liability committee, compliance team, Y2K team and training teams. Responsible for daily management of all phases in the secondary market lending area. Responsible for pricing of loans, budgeting for department, and training. Skilled in loan origination, processing, underwriting and shipping.

10/85 to 02/95

Bank One, Radcliff, Kentucky

Sr. Vice President

Originally hired in 1985 by Hardin County Bank & Trust as a mortgage loan officer. Became head of the mortgage operations for Hardin County Bank in February 1990. Responsibilities included managing and supervising 6 employees in the main office and 2 loan operation centers. Required to know and perform all duties required with a small mortgage operation. Served as Line Manager for second review loan committee and also on Senior Quality Counsel for Total Quality Management Committee. Hardin County Bank was purchased by Liberty National Bank in March of 1993. Liberty National Bank was purchased by Bank One in August of 1994. Remained in current position throughout all bank acquisitions.

09/73 to 10/85

Radcliff Homes, Inc., Elizabethtown, Kentucky

Real Estate Broker

Self-employed Real Estate Broker/ Salesperson

06/72 to 09/73

Pence Mortgage Company

Mortgage Loan Processor

Processed VA, FHA, and conventional loan applications. Reviewed files. Prepared loans for submission to underwriting.

Education:

Graduate Valley High School, Louisville, Kentucky

Kentucky Real Estate license 1973

Kentucky Real Estate Brokers license 1975

(License currently in escrow)

FHA approved Direct Endorsement Underwriter 1989 #1358

VA approved LAPP Lender Designation 1993 # 322

Kentucky Real Estate Commission approved to provide seminars for Realtors for

Continuing education hours required by KRS Law 1992

Have taught government financing classes at Elizabethtown Community College and Jefferson Community College

Member:

Lincoln Trail Homebuilders Association (1998 Director, 1989-1990 Secretary /Treasurer, 1991Director).

Hardin County Board of Realtors (First Affiliate to be installed on Education Committee), 1994-1999.

Old Kentucky Home Board of Realtors

Louisville Board of Realtors

Radcliff/Vine Grove Chamber of Commerce (1995-1997 Director, 1995-1996 Treasurer)

Fort Knox Chapter of AUSA

Fort Knox Chapter of Professional Home Management Association

Mortgage Bankers Association of Kentucky

Association of Professional Mortgage Women (1994 Director, 1993 Chairman of Scholarship Committee)

Elizabethtown Chamber of Commerce

References Available upon Request