

HNMA FUNDING COMPANY

MBA Residential Underwriting Conference

Non-Traditional Borrower Alternative Credit Underwriting

November 15, 2007



HNMA
HISPANIC NATIONAL
MORTGAGE ASSOCIATION

The logo graphic for HNMA Funding Company features a stylized blue and white grid pattern, resembling a window or a modern architectural element.
HNMA FUNDING
COMPANY

Who is the Hispanic National Mortgage Association (HNMA)?



- Founded November 2003
- For-profit company with a defined social mission
- Sponsored and capitalized by prominent members of Hispanic Community

Mission

To bring prosperity to the Hispanic Community through increased homeownership

Vision

Transform the mortgage market so that the homeownership gap between the Hispanic and the general population is completely eliminated

Board of Advisors

- Henry Cisneros
- Jack Kemp
- Gary Acosta
- Rev. Luis Cortes
- Danny Villanueva
- Bruce Karatz
- David Aufhauser
- Ana-Maria Fernandez
- Antonia Hernandez
- Moctesuma Esparza

HNMA Funding Company

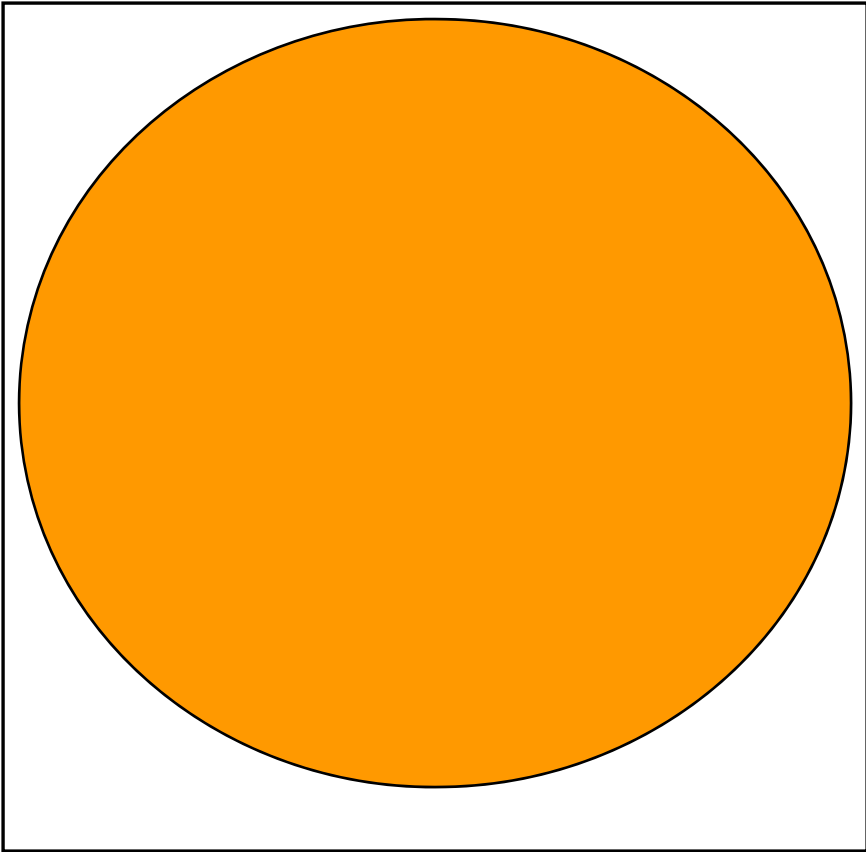
Who is the HNMA Funding Company?



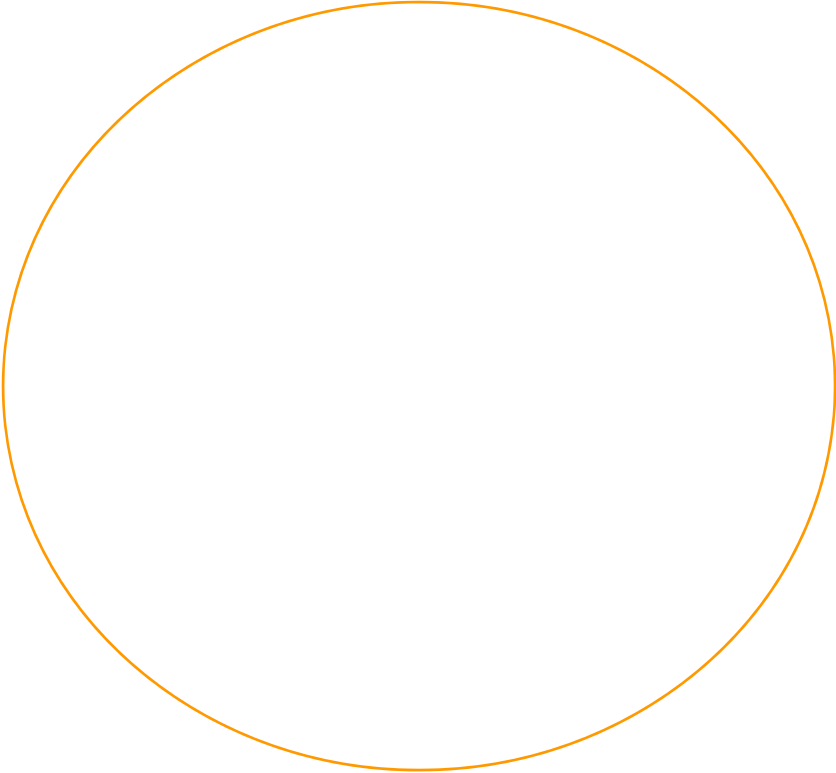
- **Correspondent investor** created in 2006 to improve the products available for Hispanic and other underserved markets
- **Unique and innovative products** to serve its target markets
- **Significant liquidity** to purchase closed loans approved by HAUS – the Hispanic Automated Underwriting System

HNMA's Solution

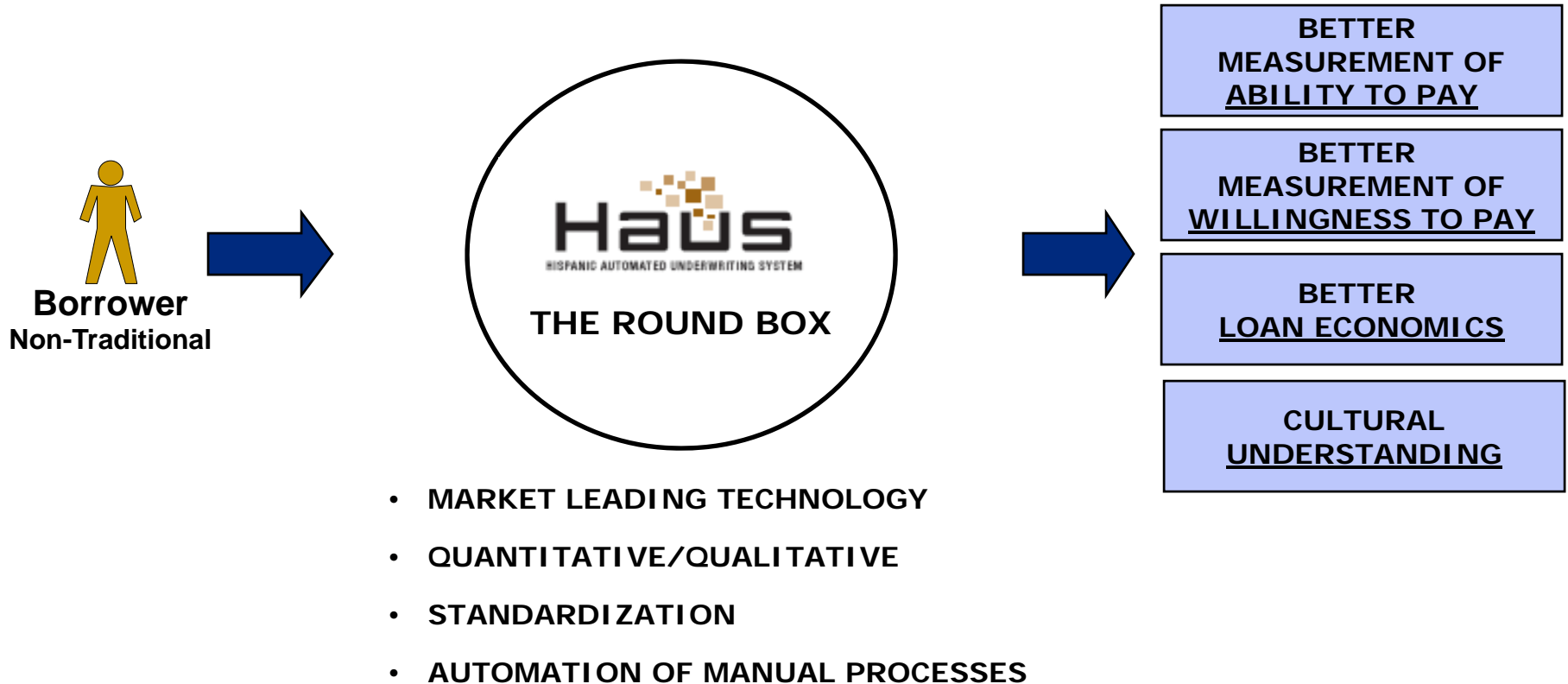
Subprime



HAUS



What is HAUS?



Why will COMIENZOS help you close more loans?

DIFFERENTIATED PRODUCT

- An FHA – My Community hybrid - more borrowers will qualify under our guidelines
- Competitive pricing
- Product not widely available yet



EASY ORIGATION PROCESS

- Specialized origination platform anchored by HAUS
- Close more loans in less time
- Pre-Qualify borrowers quickly and accurately



HNMA SUPPORT

- Marketing tools online
- Customer service
- Realtor referrals
- HNMA knowledge available for our partner



COMIENZOS - An FHA/MCM Hybrid with for Borrowers with No / Thin Credit

	HNMA COMIENZOS	FHA	My Community
Income	<ul style="list-style-type: none"> • DTI = 45% • Secondary Cash Income • Boarder Income • Non-occupant co-borrowers 	<ul style="list-style-type: none"> • DTI = 41% • Non-occupant co-borrowers 	<ul style="list-style-type: none"> • DTI = 43%
Credit	<ul style="list-style-type: none"> • FICO not taken into consideration • Tradelines evaluated by HAUS • NT Credit assembled and verified through HNMA • Up to \$2500 in medical collections open at closing 	<ul style="list-style-type: none"> • Loose NT guidelines • NT Credit assembled by lender • Foreclosure and Bankruptcy situations under certain circumstances 	<ul style="list-style-type: none"> • Tradelines evaluated manually • NT Credit assembled by lender • Up to \$1500 in medical collections open at closing
LTVs	<ul style="list-style-type: none"> • 100% on 1-unit properties 	<ul style="list-style-type: none"> • 97% on 1-unit properties 	<ul style="list-style-type: none"> • 100% on 1-unit properties
Appraisal	<ul style="list-style-type: none"> • Licensed professional appraiser 	<ul style="list-style-type: none"> • Performed by an FHA-approved appraiser • Property needs to pass FHA inspection 	<ul style="list-style-type: none"> • Licensed professional appraiser

HAUS automatically U/W's your borrowers with NT Credit

Convert your borrowers with non-traditional credit into automated approvals through HAUS

"THE OLD WAY"



- Manual Underwriting
- Long, laborious Process
- Need to assemble all non-traditional credit from borrower

"The HNMA WAY"



- Automated Approval
- Cutting Edge Technology
- Non – traditional Credit Automated

Two Valid Approaches to go to Market with Solution

- 1. Create new model and sell it.** Pros: no need for capital, very scalable. Cons: convince others to adopt it/change current standard.
- 2. Create new model and use it as Investor.** Pros: golden rule, flexibility. Cons: need for capital/liquidity.



THANK YOU!

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