

IMPORTANT ANNOUNCEMENT

TO: Approved Homestar Rural Housing Originators
DATE: December 21, 2011
FROM: HOMESTAR WHOLESALÉ
RE: **Revised Pricing Adjustments for USDA Guaranteed Rural Housing Loans with Credit Risk Scores 640-679 and 720+**

Summary

In response to current market conditions, we are modifying our pricing adjustments on USDA Guaranteed Rural Housing loans with credit risk scores between 660 – 679 and scores above 720.

Pricing Adjustments

Effective Wednesday, January 4th, all new locks and relocks will be priced with the following credit score adjustments

620 to 639	Reduce Price by 1.500%
640 to 679	Reduce Price by 0.250%
680 to 719	No Adjustment
720+	Improve Price by 0.250%

Please note: The credit score for each file is determined using the lower of the borrower or co-borrower score; each of which is determined using the lesser of two credit risk scores or the middle of three credit risk scores.

As always, we appreciate your support of the home financing needs of rural America. If you need any additional information, please contact your HFC Account Executive.