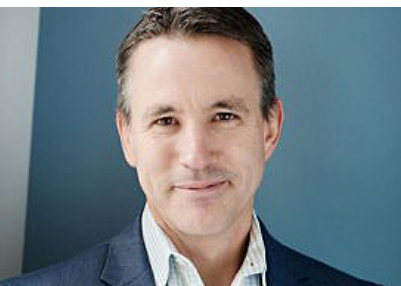


Plaza's Certified Loan Program A Client Case Study: Allied Mortgage Group



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~ Kyle Manseau, Allied's Senior Vice President of Operations

Certified Loan Program at a Glance

- Free and available to all Plaza correspondents
- Covers entire potential loss (- \$10,000 deductible + premium over par)
- Requires loan review

Protects against repurchase demand due to:

- Borrower or employee fraud and misrepresentations
- Miscalculations of income, occupancy & undisclosed debt
- Manufacturing defects
- Underwriting errors, guideline violations
- Appraisals discrepancies
- Compliance violations

Allied Mortgage Group is a 26-year-old mortgage lender, headquartered in Bala Cynwyd, PA originating about a \$1 billion a year, primarily in Pennsylvania, New Jersey, New York and Maryland. For the past three years, Allied has been a Plaza Home Mortgage approved correspondent and an enthusiastic participant in its Certified Loan Program.

“Plaza is one of our largest investors,” said Kyle Manseau, Allied's Senior Vice President of Operations. “Two reasons for that: first, the insurance piece and then for its consistency. We know what to expect month in and month out. It's a very receptive group of folks over there: I don't think there's ever been a question we couldn't get answered from anybody at Plaza.”

Why is the insurance piece so important? Manseau explains it this way: “It's challenging enough to originate loans, source leads, manufacture the loans, close them, fund them and sell them. But the big piece that a lot of lenders take for granted is keeping them sold. The Certified Loan Program is a big factor in why Plaza is one of the most reputable buyers in the secondary market.

“As perfect as everyone tries to be, something inevitably will happen,” said Manseau. “My advice to other correspondent lenders is, take a serious look at the Certified Loan Program. One of the greatest parts of my month is getting the list of our loans that are now insured for their lifetime. It makes for a good day.”

To date, Allied hasn't needed to submit a claim through the program, but the peace of mind that comes with knowing that the loans will stay sold supports Allied's business strategy. “It's not our business model to accumulate a lot of servicing,” Manseau explained. “If it wasn't for Plaza, I think we'd end up retaining a lot more of our loans. Having Plaza out there gives us that comfort level to keep selling.”

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