

Whole Loan Capital

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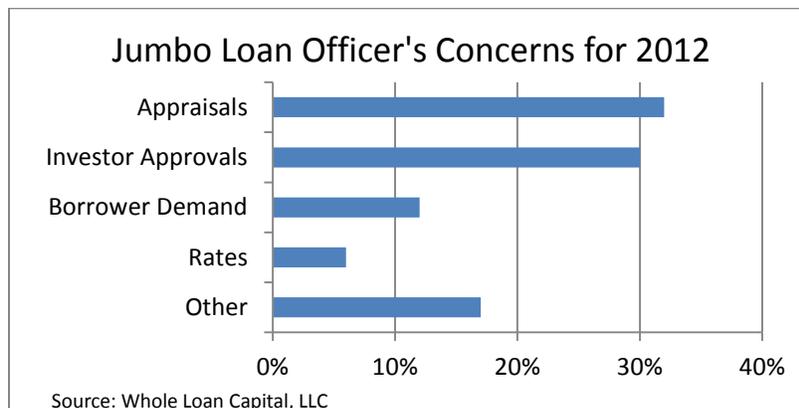
FOR IMMEDIATE RELEASE

TIGHT LENDING CRITERIA WILL DOMINATE 2012 JUMBO LENDING **Industry Group Also Notes the Need for More Competition in Jumbo Lending**

January 5, 2012 – New York, NY – Almost two-thirds of residential jumbo loan officers feel that tight lending conditions will dominate lending in 2012 according to Whole Loan Capital's first annual loan officer jumbo lending survey, released today.

According to the survey 32% of participants felt appraisal issues would be the biggest impediment for jumbo lending in 2012 while 30% felt investor approvals would be. There was little concern that interest rates will impact lending in 2012, or that borrower demand would wane.

Among other concerns noted by survey participants as impacting jumbo lending were the lack of competition in the jumbo lending market, and regulatory issues.



Opinions differ as to the cause of the tight credit conditions. David Akre, founding Principal of Whole Loan Capital felt the “until put-back issues in the market are resolved and a clearer picture emerges about the FHFA’s plans relative to any future put-backs, lenders are generally going to be very cautious.” “Commentary from participants clearly shows that loan officers are frustrated with today’s tight lending conditions.”

David Wind, President of Guaranteed Home Mortgage Company, located in West Harrison, New York, is steadfast in his belief that until property values stabilize in many of the larger MSA’s, liquidity will continue to be a problem in the secondary market. “Chasing yield is important for investors but getting their money back seems to more important!” he said.

Data from Case-Shiller through October 2011 showed that home prices for the 20-City Composites declined by 3.4% from a year ago.

Jumbo lending is expected to be one of the bright spots in residential lending in 2012 according to Inside Mortgage Finance. Non-agency, or private sector jumbo lending, as a share of total originations rose from 6.5% in 2010 to 8.5% in 2011. Guy Cecala, publisher of Inside Mortgage Finance said “although the 2011 market share is way below the 15-18% levels seen before the credit crisis in 2008, it still represents some modest progress.” Mr. Cecala expects non-agency jumbo activity to grow again in 2012 as the market benefits from lower Fannie Mae and Freddie Mac loan limits.

About the Survey

The jumbo lending survey was taken between December 15, 2011 and January 4, 2012, from over 1,100 jumbo lending loan officers and lending executives in a networking group administered by Whole Loan Capital.

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Whole Loan Capital, LLC is a residential mortgage loan trading, evaluation, and advisory firm with significant experience in loan trading, asset management, and lending.

If you would like more information about this topic or to schedule an interview with David Akre, please call (212) 786-2329 or email at dakre@wholeloans.com