



State of New York Mortgage Agency

641 Lexington Avenue, New York, NY 10022
(212) 688-4000 • Fax: (212) 872-0789

JOSEPH STRASBURG
Chairman

STEPHEN J. HUNT
President/CEO

By E-mail and Mail

November 9, 2004

RE: New Mortgage Pool Insurance Underwriter

Dear Participating Lender:

As described in our November 2004 Availability of Funds and Notice of Terms Bulletin, SONYMA's mortgage pool insurer, the Mortgage Insurance Fund (MIF), has chosen General Electric Mortgage Insurance Company (GEMICO), a unit of Genworth Financial to underwrite loans on its behalf for selected SONYMA programs. **Effective for all loans reserved on and after Monday, November 29, 2004** under the Low Interest Rate Mortgage and Achieving the Dream Programs, participating lenders will be required to submit loans for pool insurance underwriting consideration to GEMICO. Loans reserved prior to November 29 under these programs must continue to be sent to Radian Guaranty for pool insurance consideration. *Lenders are advised that the MIF will continue to underwrite loans reserved under the Construction Incentive Program.* Also note that lenders may continue sending in the credit underwriting file to the appropriate pool underwriter and the IRS compliance file to SONYMA simultaneously.

Please note that SONYMA's credit underwriting guidelines will not change as a result of this changeover. Lenders should continue to underwrite loans in accordance with the current Seller's Guide.

To aid lenders in distinguishing the loans to be submitted to GEMICO, we have altered the loan number prefixes for each of our programs as follows:

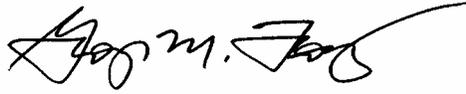
| Program | New Prefix | Pool Underwriter |
|-------------------------------------|-------------------|-------------------------|
| Low Interest Rate – Short-Term Lock | 890 | GEMICO |
| Low Interest Rate – Long-Term Lock | 891 | GEMICO |
| Construction Incentive | 892 | MIF |
| Achieving the Dream | 895 | GEMICO |

Representatives of GEMICO may have or will be contacting your institution to assist you with the transition. Further, they will be discussing with you (1) their Doc Central system which may enable you to electronically submit loan files to GEMICO, and (2) their HomeOpeners MonthlyPlus product which will provide borrowers, at no additional cost, with coverage against temporary involuntary unemployment. Until Doc Central is fully operational, lenders will be required to send the credit underwriting file listed in Section 2.706(b) or 3.110(d)(i) of the Seller's Guide to:

GEMICO
310 Great Oaks Boulevard
Albany, NY 12203

If you have any questions regarding the above, please contact Susan Pline at extension 391 or Gail Davis-Kresge at extension 399.

Sincerely,

A handwritten signature in black ink, appearing to read "George M. Leocata". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

George M. Leocata
Vice President