



LOW INTEREST RATE MORTGAGE PROGRAM - APPLICATION INSTRUCTIONS

IMPORTANT NOTE REGARDING APPLICANT'S FINANCIAL CONDITION:

SONYMA generally requires applicants to have capital of at least 5% of their assets. If you have less than 5% and you wish to apply, you must submit a financial plan demonstrating how you expect to achieve a 5% capital position.

To complete a Low Interest Rate Mortgage Program - Participation Application:

1. Review the enclosed documents carefully:
 - (a) Lender Application Form
 - (b) Application Fee Schedule
 - (c) Participation Application (2 copies)
 - (d) Seller's Guide (Note: Please download the current Seller's Guide & all Appendices and Exhibits at http://www.nyhomes.org/assets/documents/seller's_guide_0902_with_exhibits_0407.pdf)
 - (e) Servicer's Guide (Note: Please download the current Servicers Guide and all Exhibits at <http://www.nyhomes.org/assets/documents/116.pdf>)
 - (f) Mortgage Purchase Agreement (2 copies)
 - (g) Servicing Agreement (2 copies)
 - (h) Certificate as to Unsecured Credit Agreement

2. Consult your attorney as soon as possible to familiarize him/her with the required form of Counsel's Opinion, included as Exhibit A of the Mortgage Purchase Agreement.

NOTE: The execution of the Mortgage Purchase and Servicing Agreements must be duly authorized by all necessary corporate action. An opinion issued by Applicant's counsel must accompany the Participation Application documents.

3. Mail or deliver the Participation Application Fee and all other documents listed below at your earliest convenience to SONYMA, 641 Lexington Avenue, 2nd Floor, New York, NY 10022, Attention: Marie Cammarata.

- a) Application Form: Complete and return. In Part VII of the form, use data from the most recent quarter and the preceding three quarters.

- b) Participation Application: Execute and return two originals of this document.

- c) Attach a copy of the Applicant's last three years' certified financial statements [including Notes] and any interim statements. [For banks, also attach the last three years' annual FDIC, FHLBB, OTS or FFIEC Call Reports, along with the latest interim Call Reports. Note: The "as of" date of the last three years' Call Reports should match the year-end date of the financial statements.]

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d) Mortgage Purchase Agreement: Revisions to the document are not allowed. Execute and return two originals of this Agreement.

If your company intends to use brokers to originate SONYMA loans, you must receive SONYMA approval and must execute a rider to the Mortgage Purchase Agreement. Please contact Nadya Peeva at 212-872-0427 for a copy of the rider.

e) Servicing Agreement: Revisions to the document are not allowed. Execute and return two originals of this Agreement, if applicable.

f) Counsel's Opinion: Have your attorney use the format located in the Mortgage Purchase Agreement. Revisions to the document are not allowed. Submit the original opinion letter.

g) Certificate as to Unsecured Credit Agreement: Only applicable if Applicant uses an unsecured line of credit to fund loans. Must be printed on the Creditor's letterhead, executed by the Creditor Bank, and acknowledged by your institution.

h) If Applicant intends to use a warehousing entity to fund its loans prior to SONYMA purchase, please submit a copy of your executed warehousing agreement, along with evidence that the agreement is currently in effect.

i) Letter of Reference: If Applicant is a licensed mortgage banker, submit a letter of reference, indicating Applicant is an approved seller/servicer in good standing with Fannie Mae/Freddie Mac.

j) If Applicant intends to service the loans sold to SONYMA, submit a copy of the most recent certification that Applicant has complied with the minimum servicing standards set forth in the Certificate of Compliance with USAP Standards or Item 1122 of Regulation AB.

k) Wire Instructions: Submit copy of wire instructions to be used for SONYMA's purchase of Applicant's loans.