



Our Company

Gateway Bank, F.S.B. is a Federal Savings Bank headquartered in San Francisco, California. Gateway is a top-performing bank, which continues to demonstrate an unwavering commitment to bringing strength and stability to the mortgage and deposit markets that it serves.

The Bank's steadfast commitment to its clients has made it a premier-performing Bank. It was Gateway that earned the distinction of being the Nation's "Top Performer" in terms of return on equity, among all Banks and Thrifts with assets over \$100 million, according to the ABA Banking Journal of July 2003.

Despite the stellar performance of the Bank, Gateway has maintained its driving philosophy – continuing to use banking dollars to make housing dreams a reality. In choosing to do so, the Bank continues to provide profit opportunities and unparalleled service to all its mortgage customers and business partners. In addition to being a full service Bank, Gateway has three main product lines designed to serve the mortgage lending community.

Correspondent

The Correspondent Division receives loans closed by mortgage bankers and brokers, underwrites the loan, and concludes the purchase of the loan from the originator. Generally, all of the Gateway Bank correspondent banking clients use our Quick\$ale® product.

Quick\$ale®

Quick\$ale® is a proprietary product of Gateway Bank. The Quick\$ale® product provides a mechanism for mortgage bankers to warehouse loans prior to their purchase by secondary market investors. Unlike conventional mortgage warehouse facilities, Quick\$ale® is a "purchase and sale" facility. The bank purchases the loan at the time of origination and subsequently delivers the committed loan to the secondary market investor as arranged by you, the mortgage banker.

Wholesale

The Wholesale Division originates loans acquired from mortgage brokers and mortgage bankers wishing to broker their loans. Loans are submitted to the Bank for underwriting and are closed in the name of the Bank.



Correspondent Lending

What is Correspondent Lending?

Correspondent Lending is the sale of mortgage loans closed by the mortgage banker to Gateway Bank. The mortgage banker underwrites the loan, closes the loan, and delivers the funded closed loan to Gateway Bank. The mortgage banker benefits from enhanced pricing for correspondent loans, and is often able to close and fund loans faster than loans originated under wholesale programs. Many mortgage bankers also use the bank's QuickSale[®] product which speeds the closing and funding functions.

What are the Benefits from establishing a Correspondent Relationship with Gateway Bank?

Access to Prestigious National Conduits: Gateway Bank's Correspondent Lending Program is a way for mortgage bankers to access some of the nation's most prestigious mortgage conduits without having to meet the conduit's net worth and production volume requirements. This affords the smaller mortgage banker to be on an equal footing with high production volume companies

Exceptional Prices: Gateway Bank offers extremely competitive pricing. We would welcome the opportunity to prove this to you. Each day, we communicate our pricing for various programs and coupons to our correspondent's. This makes it easy to see how Gateway's pricing structure is among the best in the business. This pricing structure is part of our business strategy. It is not a temporary marketing effort to increase our market share. Rather, it is the way we do business.

Better execution - your loan funding ability increases since you are selling the loan to Gateway immediately and are not waiting for an investor-funding department to accept your loans. In most cases, we fund within 24 hours of request.

Outstanding Customer Service: Our wholesale staff provides highly personalized service to meet your needs and exceed your expectations. Gateway's reputable correspondent staff is extremely experienced and recognizes the importance of providing quality, professional, personal attention to all of our mortgage brokers.

Flexibility: - we fund FHA, VA, Conventional, Jumbo, Alt-A and Equity loans all on one facility. We offer purchase limits from \$2MM to \$100MM. Unlike some other mortgage warehouse lines, your net worth does not solely determine your purchase limit. Advance rates are up to 100% on CLTV loans.

Maximize Your Control: - You control the settlement and funding date of the loan closing. As a result, you are not subjected to the uncertainty experienced when working with wire funding from table lenders. QuickSale[®] is a non-directed warehouse facility. Unlike Affinity lines, you are not significantly restricted in the choice of the ultimate take-out investor. You have a number of take-out investors to choose from.

Increase Your Profitability: You retain the administrative fees and service release premiums. You also earn interest on each note, at the note rate, during the warehouse period. Your interest earnings typically make up for most or all of the interest that you are paying Gateway during the transition of the loan to the ultimate take out investor.



What are the Benefits from establishing a Correspondent Relationship with Gateway Bank?

Stable, Focused Collaborator: Gateway Bank is a well-established bank with a clear and straightforward strategy. The primary area of expertise at Gateway Bank is mortgages. Unlike many of our competitors, our primary focus is NOT a retail branch network, NOT business banking cash management services, and NOT investment and trust operations. Our major focus, and where we place the vast majority of our effort is directed toward improving our mortgage product line and improving our processing capabilities and efficiencies.

A “Partner” That Can Help Your Transition From A Broker To A Mortgage Banker By establishing a correspondent relationship with Gateway Bank, the resources described above are available to you. You will experience the benefits of having the significant resources of Gateway Bank at your disposal. You will be able to fund more loans, faster and more efficiently than ever before. This increase in your business volume will grow as your reputation as a mortgage banker that “can get the deal done” is enhanced.



How Does the Correspondent Relationship Work?

- 1) The mortgage banker faxes the mortgage application to Gateway. The banker calls the Gateway Correspondent Division and locks in a rate for a specific loan program, for a specific period of time, for a specific loan program. The commitment to purchase the loan is done at the time the rate lock is established, subject to the conditions of the purchase which will be stated upon review of the complete credit package.
- 2) The mortgage banker assembles the necessary documentation to complete the credit package. This includes the property appraisal, the income and employment verification of the loan applicant, etc.
- 3) The credit package is delivered to the Gateway Correspondent Division in advance of the expiration of the rate lock date. Funding through the Quick\$ale product must occur (at a minimum of) three days before the expiration of the rate lock.
- 4) The Correspondent Division identifies any conditions that must be satisfied prior to purchase.

If Quick\$ale is used to facilitate the loan funding:

- 5) Quick\$ale[®] funds the loan based on Gateway's Quick\$ale[®] Division passing and successful review of the collateral package.
- 6) Quick\$ale[®] sends a wire transfer to the settlement agent (usually a title company) who table funds the loan.

If Quick\$ale[®] is not used to facilitate the loan funding:

- 7) After all "prior to funding" conditions are fulfilled and cleared by the Correspondent Division, the loan is purchased, and a deposit is made to your account at Gateway Bank or another depository of your choosing.



How Does Correspondent Banking Work In Conjunction With Gateway's QuickSale® Product?

<u>Correspondent Banking</u>	<u>QuickSale®</u>
<ol style="list-style-type: none"> 1) The mortgage banker faxes the mortgage application to Gateway. The banker calls the Gateway Correspondent Division and locks in a rate for a specific loan program, for a specific period of time, for a specific loan program. 2) The mortgage banker assembles the necessary documentation to complete the credit package. This includes the property appraisal, the income verification and employment verification of the loan applicant, etc. 3) The credit package is delivered to the Gateway Correspondent Division in advance of the expiration of the rate lock date. Funding through the QuickSale® product must occur (at a minimum of) three days before the expiration of the rate lock. 4) The Correspondent Division has committed to purchase the loan, with the agreed upon lock, subject to all conditions in the credit package being satisfied. 5) QuickSale® funds the loan based on Gateway's QuickSale® Division passing and successful review of the collateral package. 6) QuickSale® sends a wire to the settlement agent (usually a title company). 7) Upon receiving a final "clear to close" by the Correspondent Division, QuickSale® table funds the loan. 8) Final funding of the loan by the QuickSale® Division closes the transaction. 	<ol style="list-style-type: none"> 1) On the day before you wish to fund your loan(s), you send an email list of basic loan information to Gateway Bank. This list should arrive at the QuickSale® funding department by 4:00PM Pacific time. 2) The next day, you submit a funding package to Gateway Bank. 3) The package is reviewed by the QuickSale® department for compliance. A staff of professionals carries out this process. Usually, initial package review is completed within 24 hours from the date of receipt list submission. 4) The proceeds of the loan advance are sent via wire directly to the approved settlement agent (typically a title company) with specific funding instructions. 5) You post-close the mortgage and prepare the credit package for delivery to the investor. 6) The QuickSale® division completes the endorsement on the note, and ships the note and the Gateway Bank bailee letter to the investor. 7) Funds will be wired to us from the investor. 8) The investor sends the purchase advice confirming the specific borrower that is paying off. 9) The QuickSale® division calculates the payoff from the date of closing to date of the receipt of the wire. Your loan is credited for the payoff amount at the negotiated rate. 10) Your credit facility has now been reimbursed for the original advance to fund the loan, and the funds are now available to you for the next transaction(s).



How Can I Become a Gateway Bank Approved Correspondent?

The first step in the process is to obtain and complete "Correspondent/ QuickSale[®] Application Package". The application fee to apply to a correspondent facility is \$500. This fee, however, also includes the application fee for consideration of a QuickSale[®] facility.

The combined application package contains several documents:

- The Correspondent Application
- The "Wholesale Mortgage Broker Agreement
- Credit Authorization Release
- Fictitious Business Name Statement (if d/b/a)
- Corporate Resolution (if applicable)
- IRS Form W-9

The above forms must be completely filled out and signed by the person having the appropriate authority. In addition, to complete the application the following items must accompany the completed application package:

- Current Financial Statements (two years Federal Income Tax Returns may be submitted), including an Income Statement and Balance Sheet
- Copy of the Broker's California Department of Real Estate License
- Resumes of Key Personnel detailing their experience

Your Gateway Bank Account Executive can help you complete the application package and answer your questions regarding the application process and the loan programs and procedures.

You may obtain an application from your local Gateway Bank Account Executive, or by calling 888-881-5544, or you may write to:

Wholesale Division
Gateway Bank, FSB
2306 Merced Street
San Leandro, CA 94577