<table>
<tr><td>PROGRAM</td><td>LENDER PAID MORTGAGE INSURANCE</td></tr>
<tr><td>REVISED</td><td>10/25/2013</td></tr>
<tr><td>DESCRIPTION</td><td>

- A program that allows the Mortgage Insurance premium to be paid by Crescent. Guides and Rates subject to change with MI Company.
- Borrower to sign attached disclosure when the loan is submitted to Underwriting.
- Approved MI Companies – Radian, Genworth, and MGIC.
(IF ANY OTHER MI COMPANY USED – SUBJECT TO REPRICING AND MUST CONTACT THE MARKETING DEPARTMENT)

</td></tr>
<tr><td>TERM</td><td>30-Year and 15-Year Fixed ONLY</td></tr>
<tr><td>MAX LTVs</td><td>
PRIMARY 1 UNIT
<table>
<tr><td>Purchase</td><td>Up to 95% LTV</td><td>DU/LP, No secondary financing</td></tr>
<tr><td>Rate & Term</td><td>Max 95% LTV</td><td>DU/LP, No secondary financing</td></tr>
<tr><td>Cash Out</td><td>Max 85% LTV</td><td>No secondary financing allowed</td></tr>
</table>
SECOND HOME 1 UNIT
<table>
<tr><td>Purchase</td><td>Max 90% LTV</td><td>No secondary financing allowed</td></tr>
<tr><td>Rate & Term</td><td>Max 90% LTV</td><td>No secondary financing allowed</td></tr>
</table>
</td></tr>
<tr><td>ELIGIBLE BORROWERS</td><td>Purchase – Rate/Term – 1-Unit Only – Primary Residence and Second Home
No Condos</td></tr>
<tr><td>COVERAGE</td><td>Standard, per DU or LP findings</td></tr>
<tr><td>MAXIMUM LOAN</td><td>Maximum Loan $417,000</td></tr>
<tr><td>INELIGIBLE PROPERTY</td><td>Condos, 2-4 Units, Investor Loans, Manufactured Homes.</td></tr>
<tr><td>CREDIT</td><td>Credit score requirement 680 for primary residence, single family purchase transactions. All LTVs
720 for all other transactions and LTVs.
Debt to Income Ratio 45%.
LP – “Accept” Only
DU – “Approve-Eligible”</td></tr>
</table>

DOCUMENTS	Standard Full Doc as required by LP or DU
RATE	See Crescent Price Sheet
ELIGIBLE PRODUCTS:	30-Yr Fixed and 15 Yr Fixed N/A – My Community and Home Possible

Loan MUST be approved by one of the 3 authorized MI companies: Radian, Genworth, or MGIC.

NOTICE CONCERNING PRIVATE MORTGAGE INSURANCE
LPMI INITIAL DISCLOSURE – FIXED RATE

You have applied for a mortgage loan that requires private mortgage insurance ("PMI"). PMI protects lenders and others against financial loss when borrowers default. Your loan will have "lender paid" mortgage insurance ("LPMI").

Lender paid mortgage insurance differs from "borrower paid" mortgage insurance ("BPMI") in several ways, and each form of insurance has advantages and disadvantages.

- **First, LPMI may not be canceled by you, the borrower and is nonrefundable under any circumstance. By contrast, borrowers may be able to cancel BPMI on either (1) the date the principal balance of the mortgage loan is first scheduled to reach 80% of the original value of the property or (2) the date the principal balance actually reaches 80% of the original value of the property. In addition, assuming the borrower is current on payments, BPMI automatically terminates on the date the principal balance of the loan is first scheduled to reach 78% of the original value of the property. Even if the lender does terminate the private mortgage insurance, the lender does not have to decrease the interest rate on the loan.**

- **Second, LPMI usually (1) results in a mortgage loan with a higher interest rate than one with BPMI, and (2) terminates only when the loan is refinanced, paid off, or otherwise terminated.**

- **Third, LPMI may be tax deductible for purposes of federal income taxes if you itemize deductions on your return. Consult your tax advisor for details.**

The following analyses reflect the differing costs and benefits of LPMI versus BPMI for the stated program types:

30-Year Fixed-Rate Loan Example

30-Year Fixed-Rate	Lender-Paid Mortgage Ins	Borrower-Paid Mtg Ins.	Difference	Loan Assumptions
Monthly Principal & Interest Payment	$1,093.70	$1,064.77	$28.93	
Monthly Mortgage Ins. Pymt.	$0.00	$78.00	($78.00)	Original Value: $200,000
Total Monthly Payment	$1,093.70	$1,142.77	($49.07)	Original Balance: $180,000
Mortgage Ins Funds at Closing	$0.00	$0.00	$0.00	Original Loan-to-Value Ratio ("LTV") 90.000%
10-Year Principal Reduction	$28,865.85	$29,871.66	($1,005.81)	Initial Mortgage Insurance Coverage: 25%
10-Year Interest Payment	$102,378.15	$97,900.50	$4,477.65	Rate for Typical 30-Yr Loan w/BPMI: 5.875%
10-Year Mortgage Ins Payment	$0.00	$7,956.00	($7,956.00)	Estimated Rate Increase for LPMI: 0.250%
10-Year Totall Payment	$131,244.00	$135,728.16	($4,484.16)	Rate for Typical 30-Yr Loan w/ LPMI: 6.125%
Principal Balance After 10 Years	$151,134.15	$150,128.34	$1,005.81	Estimated Appreciated Value:
Estimated LTV ratio after 10 years, based on original value	75.567%	75.064%	0.503%	
Estimated LTV ratio after 10 years, based on appreciated value	59.033%	58.640%	0.393%	$256,016.91 at end of 10 years based on 2.5% appreciation per year.

15-Year Fixed-Rate Loan Example

15-Year Fixed-Rate	Lender-Paid Mortgage Ins	Borrower-Paid Mtg Ins.	Difference	Loan Assumptions	
Monthly Principal & Interest Payment	$1,482.72	$1,458.84	$23.88		
Monthly Mortgage Ins. Pymt.	$0.00	$34.50	($34.50)	Original Value:	$200,000
Total Monthly Payment	$1,482.72	$1,493.34	($10.62)	Original Balance:	$180,000
Mortgage Ins Funds at Closing	$0.00	$0.00	$0.00	Original Loan-to-Value Ratio ("LTV")	90.000%
10-Year Principal Reduction	$102,609.54	$103,394.53	($784.99)	Initial Mortgage Insurance Coverage:	12%
10-Year Interest Payment	$75,316.86	$71,666.27	$3,650.59	Rate for Typical 30-Yr Loan w/BPMI:	5.375%
10-Year Mortgage Ins Payment	$0.00	$1,207.50	($1,207.50)	Estimated Rate Increase for LPMI:	0.250%
10-Year Totall Payment	$177,926.40	$176,268.30	$1,658.10	Rate for Typical 30-Yr Loan w/ LPMI:	5.625%
Principal Balance After 10 Years	$77,390.46	$76,605.47	$784.99	Estimated Appreciated Value:	
Estimated LTV ratio after 10 years, based on original value	38.695%	38.303%	0.392%		
Estimated LTV ratio after 10 years, based on appreciated value	30.229%	29.922%	0.307%	$256,016.91 at end of 10 years based on 2.5% appreciation per year.	

I / WE HEREBY ACKNOWLEDGE RECEIPT OF THIS DISCLOSURE

Borrower **Date** **Borrower** **Date**

Borrower **Date** **Borrower** **Date**