

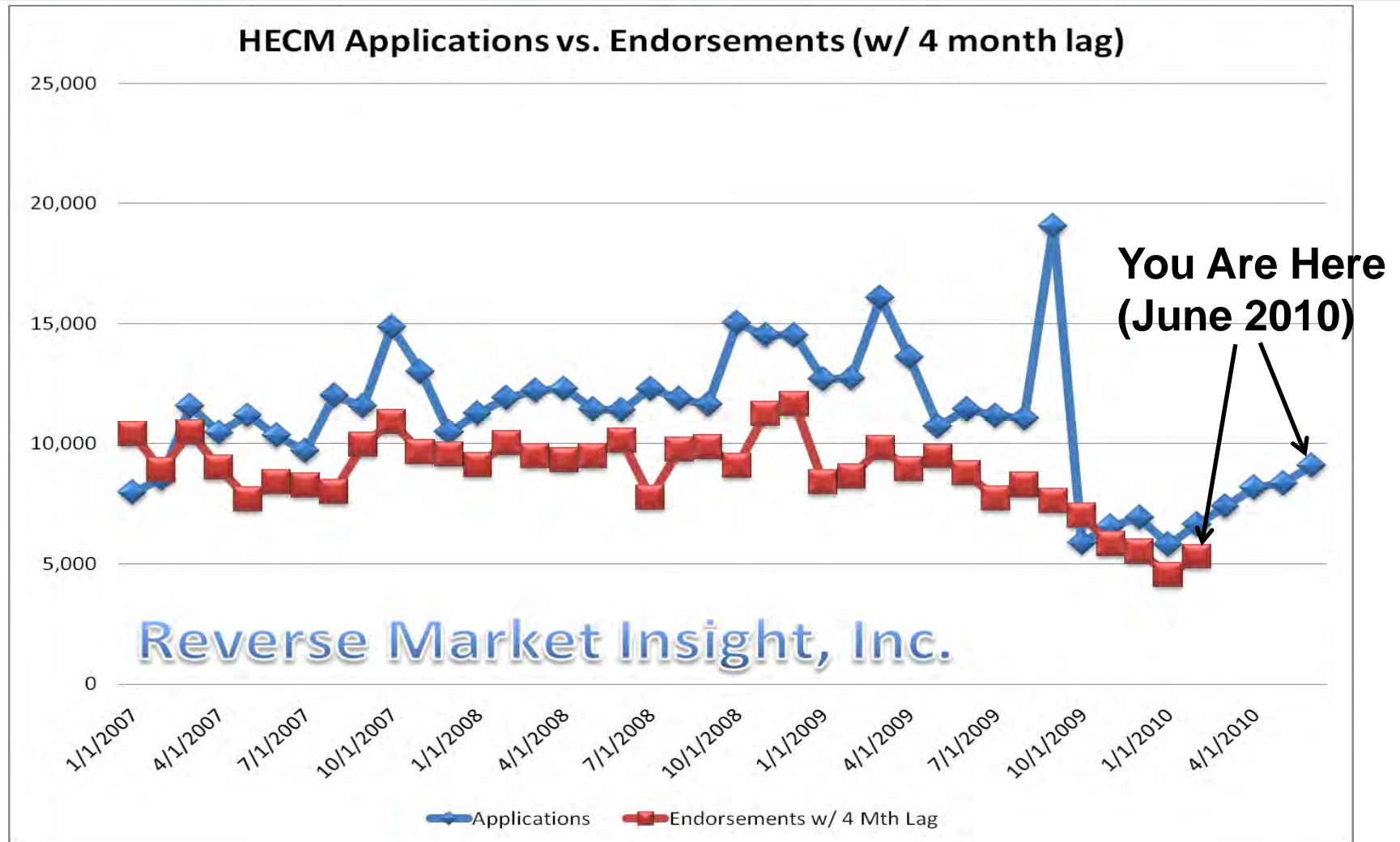


Surviving 2010 Trends In The Reverse Mortgage Marketplace

John K. Lunde

Co-Founder & President

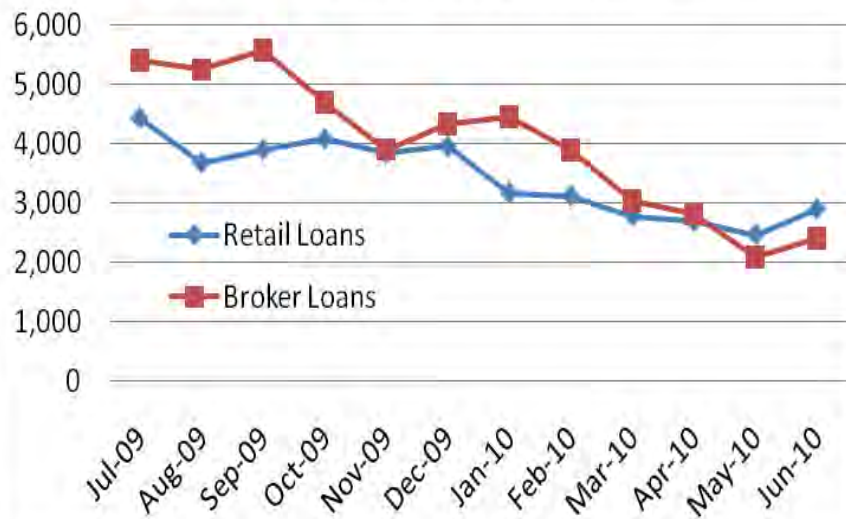
Our Market Is Changing



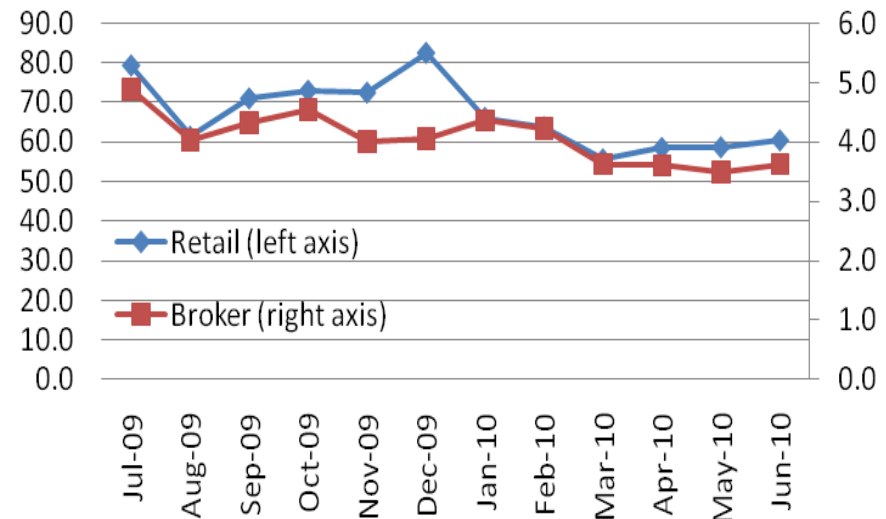
Fewer Loans, Fewer Lenders

Retail vs. Broker	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Total
Retail Companies	56	60	55	56	53	48	48	49	50	46	42	48	78
Brokers	1,104	1,304	1,288	1,033	973	1,067	1,021	921	839	781	598	664	2,814
Retail Loans	4,436	3,681	3,903	4,081	3,837	3,954	3,171	3,124	2,783	2,692	2,465	2,900	41,027
Broker Loans	5,392	5,246	5,567	4,692	3,900	4,326	4,450	3,890	3,038	2,813	2,086	2,404	47,804
Avg Loans/Retail	79.2	61.4	71.0	72.9	72.4	82.4	66.1	63.8	55.7	58.5	58.7	60.4	526.0
Avg Loans/Broker	4.9	4.0	4.3	4.5	4.0	4.1	4.4	4.2	3.6	3.6	3.5	3.6	17.0

Direct vs. Broker HECM Endorsements

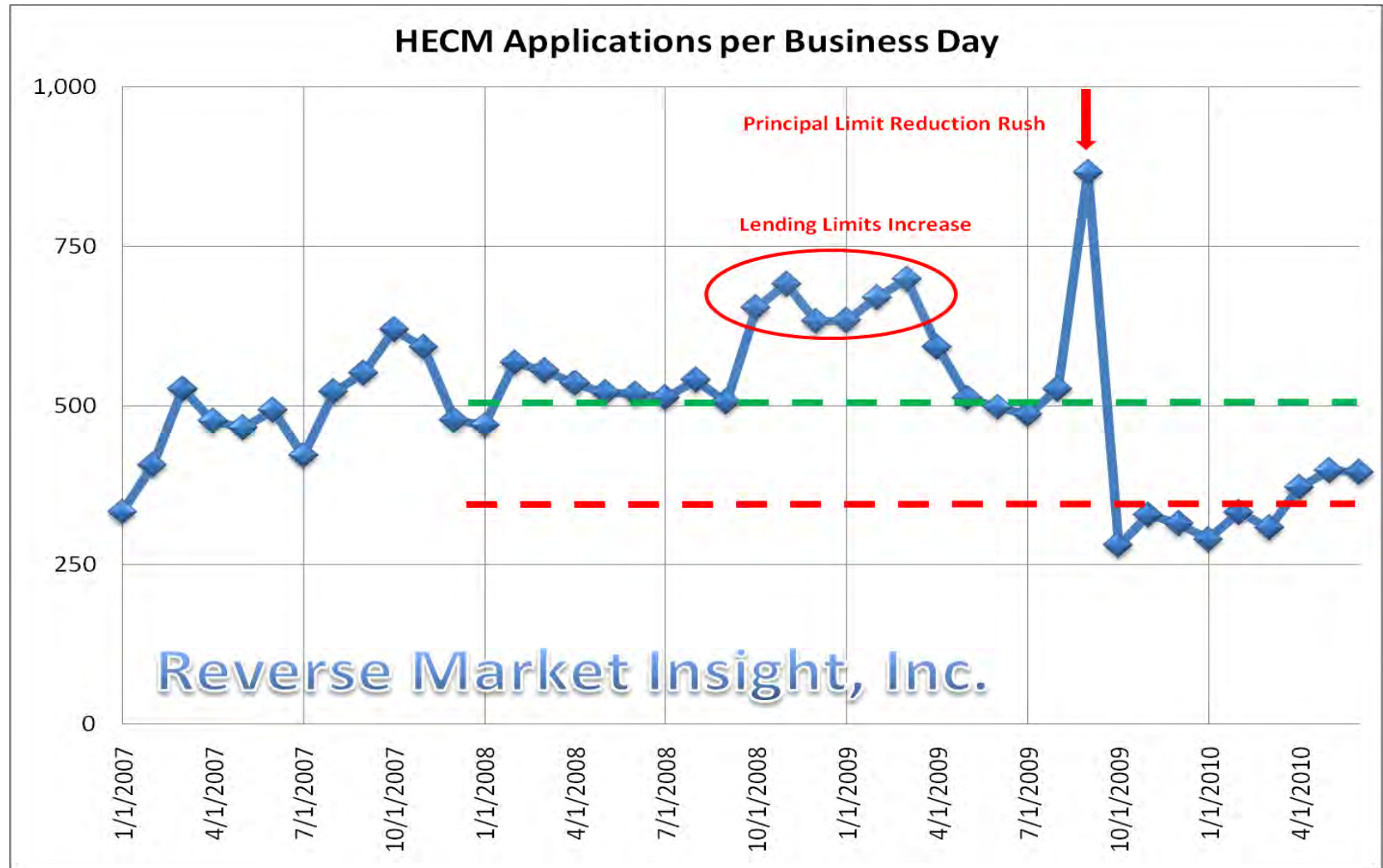


Avg Loans per Company



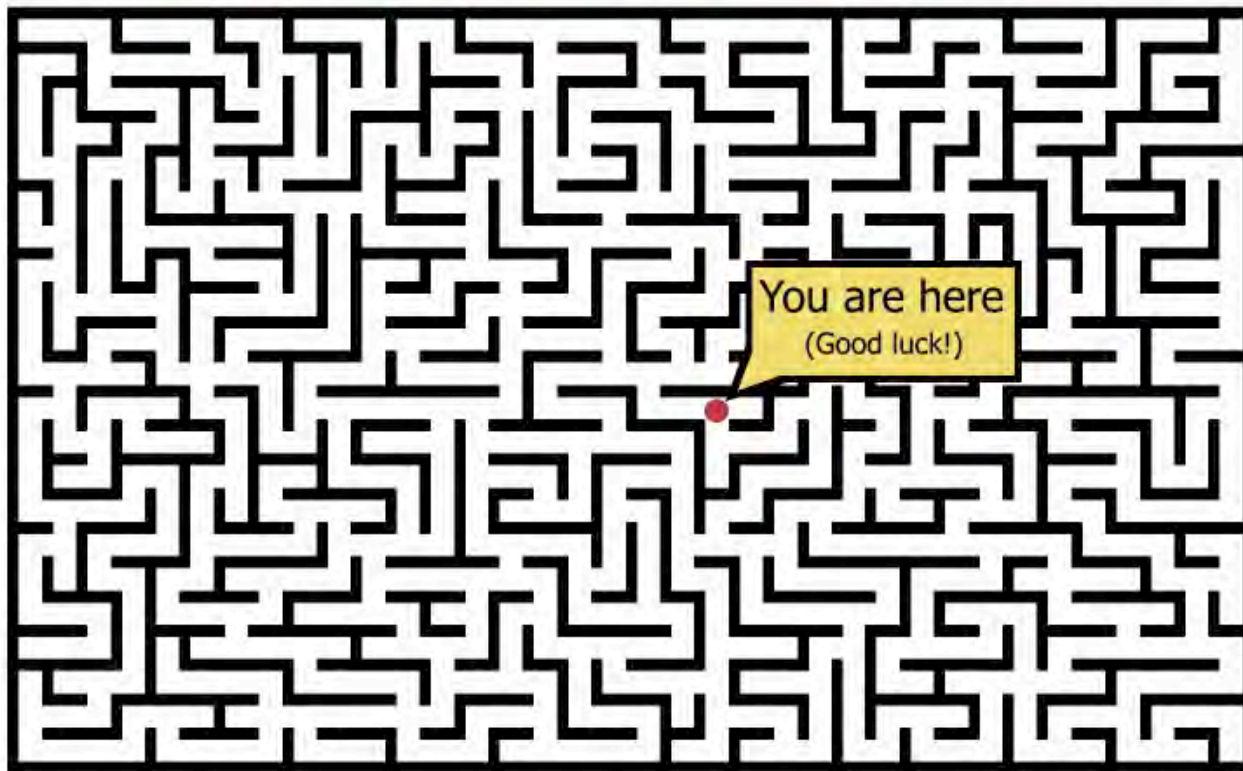


10/1 PL Reductions + No Upfront Costs = 22% Lower Application Volumes

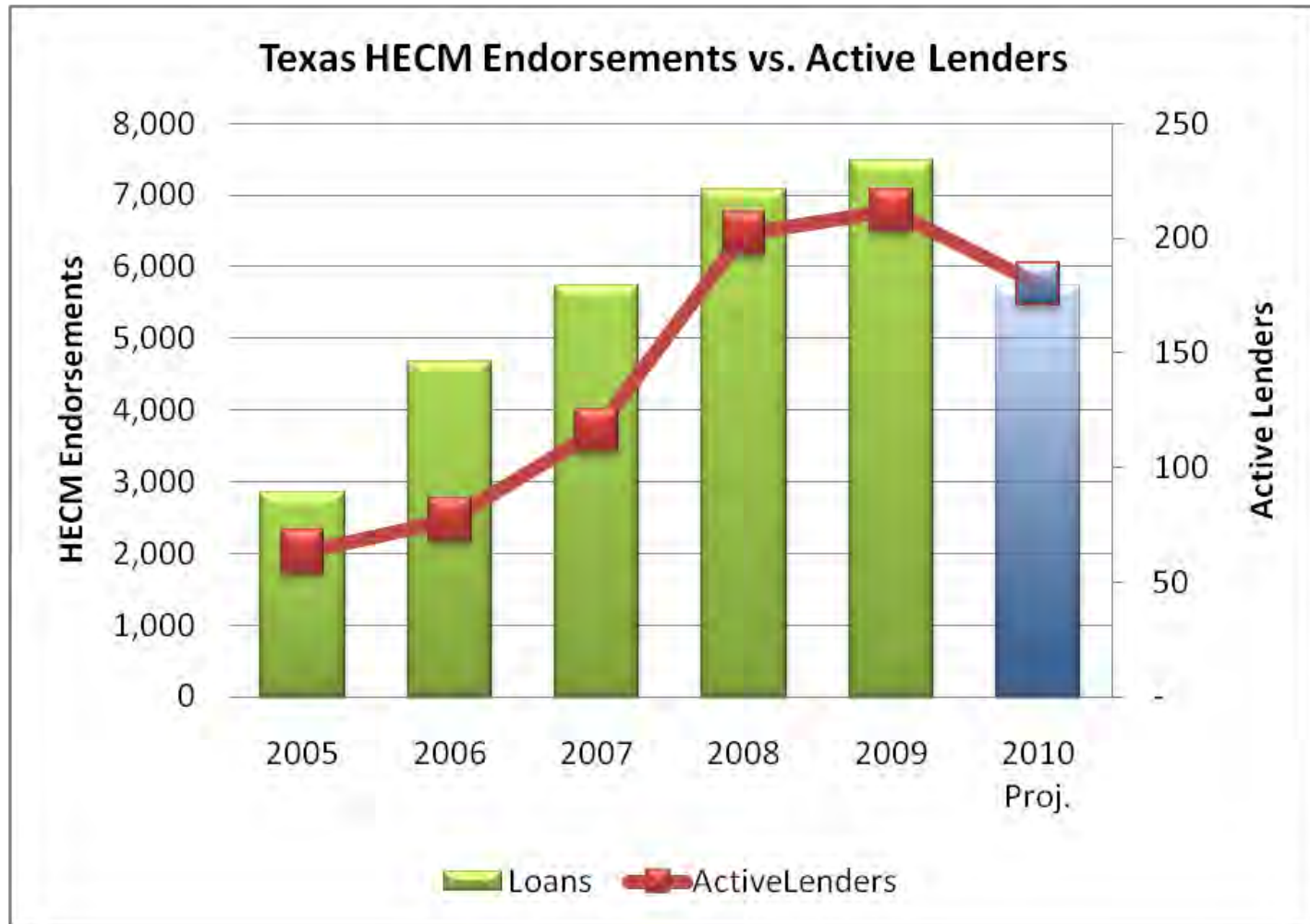


Our Market Is Changing

Evacuation Plan



Volume Declining Faster Than Competitors



Looking For Growth

- Market Segmentation
 - Product: HECM Purchase
 - Geography: Better Markets
 - Borrower: Younger Borrowers
 - Borrower: Payment Plan Choices
 - Product: Lower Cost Options

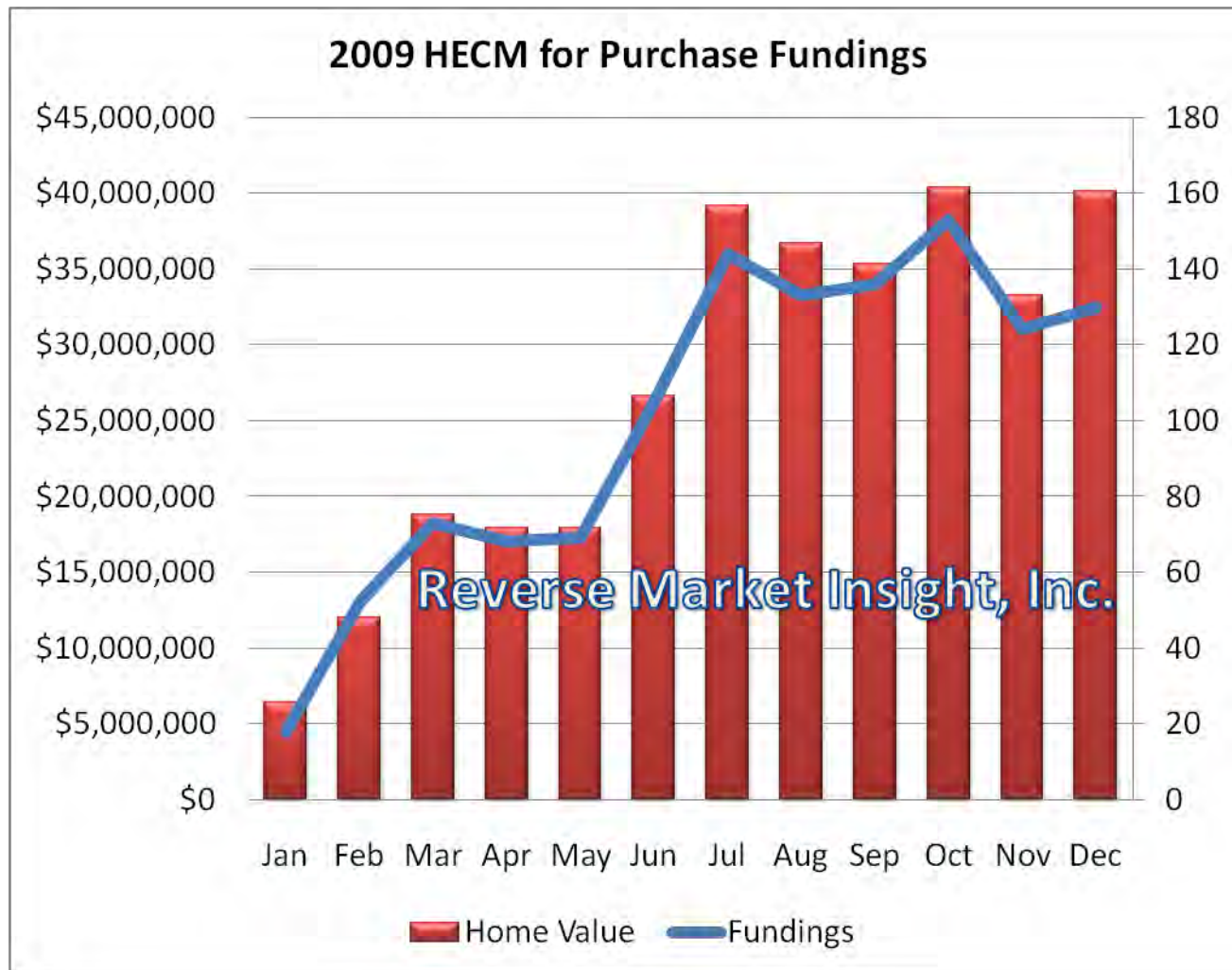


What's The Answer?

<u>HECM for Purchase</u>		
<u>Estimated Potential Volume Analysis</u>		
23,228,459		Total Senior Homeowner Households in US
6%	X	Annual relocation rate of senior households
1,400,000	=	
20%	X	Senior homeowner households with mortgage currently
280,000	=	Seniors purchasing primary residence with mortgage of any type
25%	X	Opt for HECM Purchase as opposed to other mortgage type
70,000	=	Potential HECM Purchase annual volume

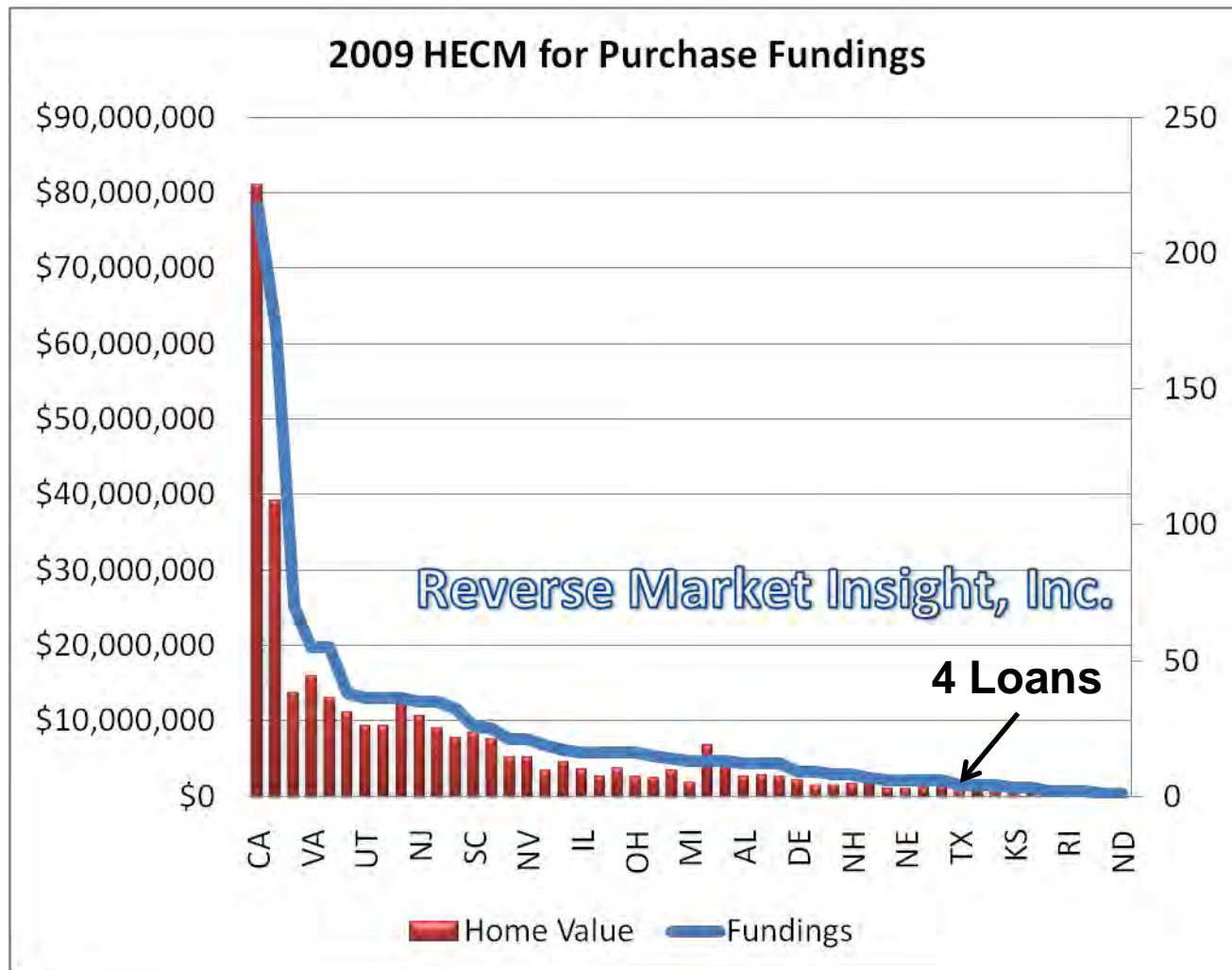


Survey Says:





Survey Also Says:



Growing Markets

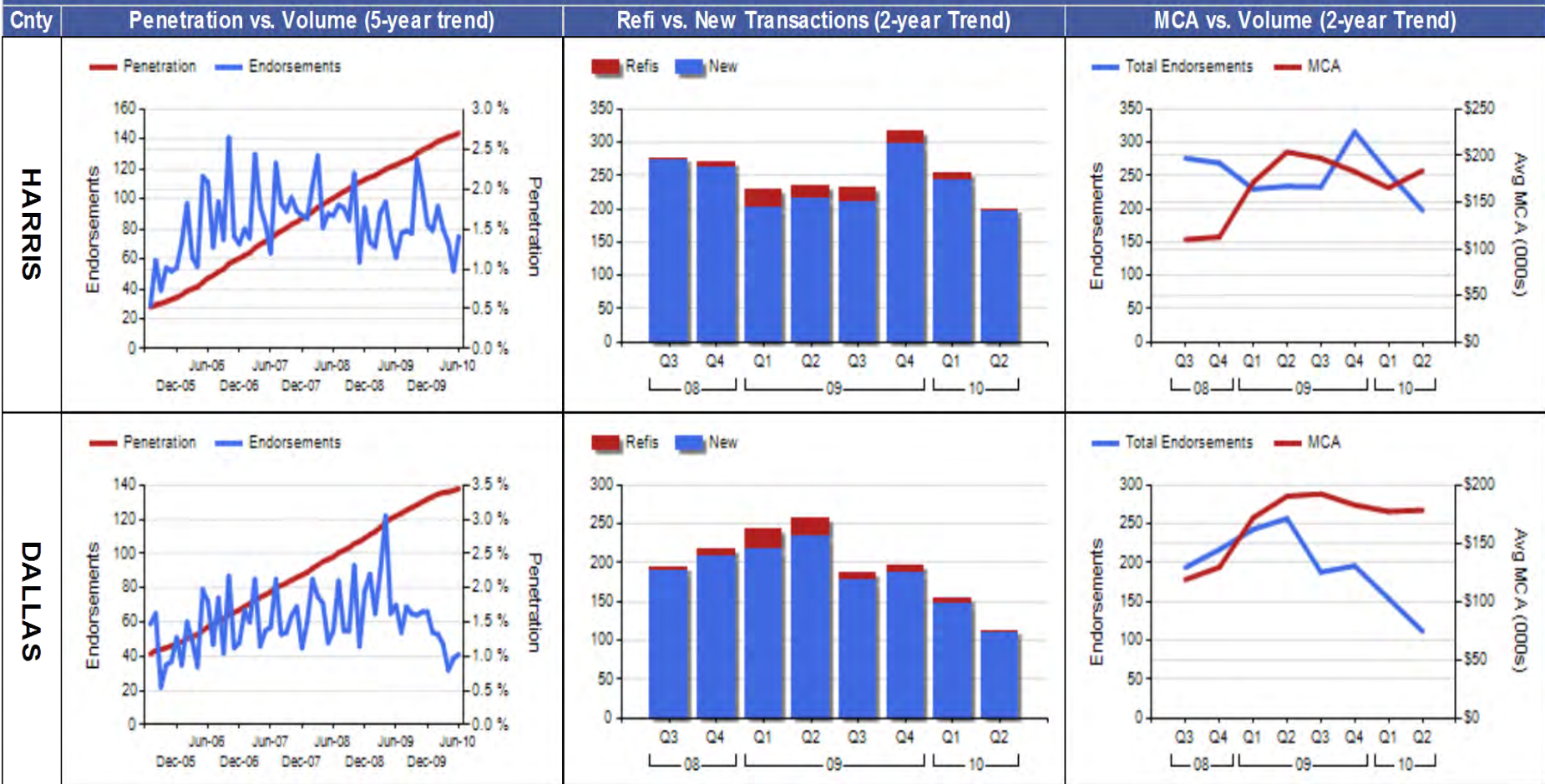
- 81 Counties in TX with 10 or more HECMs in past 12 months
- 26 grew from prior 12 months

RMI Reverse Mortgage Opportunity Report

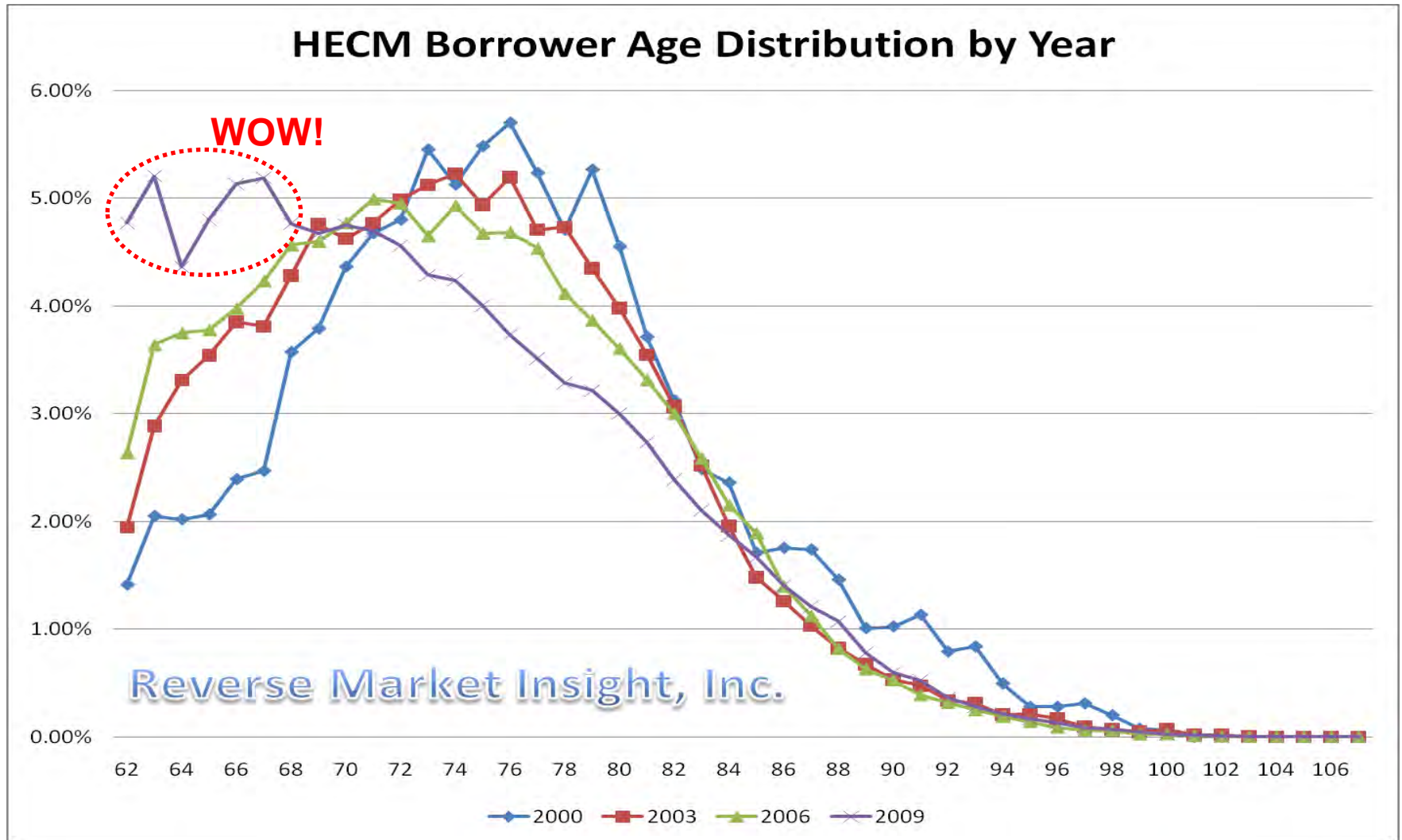
Texas		Penetration	Endorsements (TTM)		Active Lenders				Origination Fee Opp (In '000s)	
County	Target Market	as of 6/10	Units	2010 % chg	YTD	% Growth	*Lndrs / 1000	Avg MCA	New Fundings	Per Competitor
MATAGORDA	3,180	1.52%	23	187.5%	12	100%	3.78	\$156,313	\$9,929	\$827
WILSON	2,920	1.45%	19	111.11%	6	0%	2.05	\$156,584	\$9,145	\$1,524
BOSQUE	2,200	1.57%	12	100.0%	10	67%	4.55	\$117,250	\$5,490	\$549
SAN JACINTO	2,350	1.43%	10	100.0%	8	60%	3.40	\$105,070	\$5,875	\$734
GILLESPIE	3,610	1.85%	29	93.33%	13	44%	3.60	\$316,922	\$18,656	\$1,435
POLK	6,200	1.38%	27	50.0%	14	0%	2.26	\$180,833	\$22,420	\$1,601
WASHINGTON	3,370	1.55%	19	46.15%	10	43%	2.97	\$209,105	\$13,791	\$1,379
HOOD	6,260	2.14%	37	42.31%	21	50%	3.35	\$170,500	\$21,353	\$1,017
LIBERTY	6,380	1.42%	22	37.5%	11	38%	1.72	\$126,359	\$16,134	\$1,467
FORT BEND	21,180	1.84%	101	36.49%	29	32%	1.37	\$196,426	\$83,194	\$2,869

Volume Markets

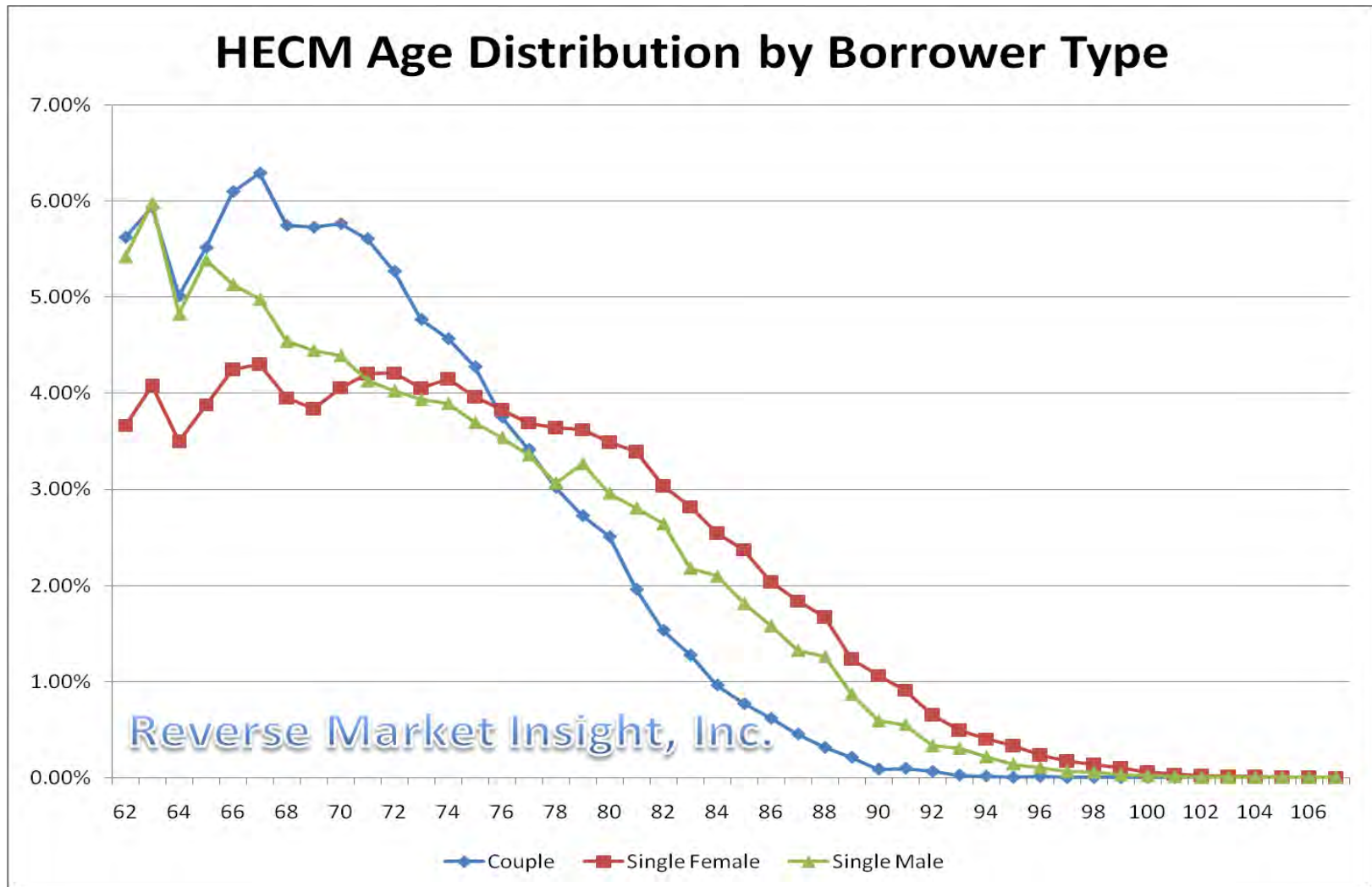
Top Counties by Total Volume



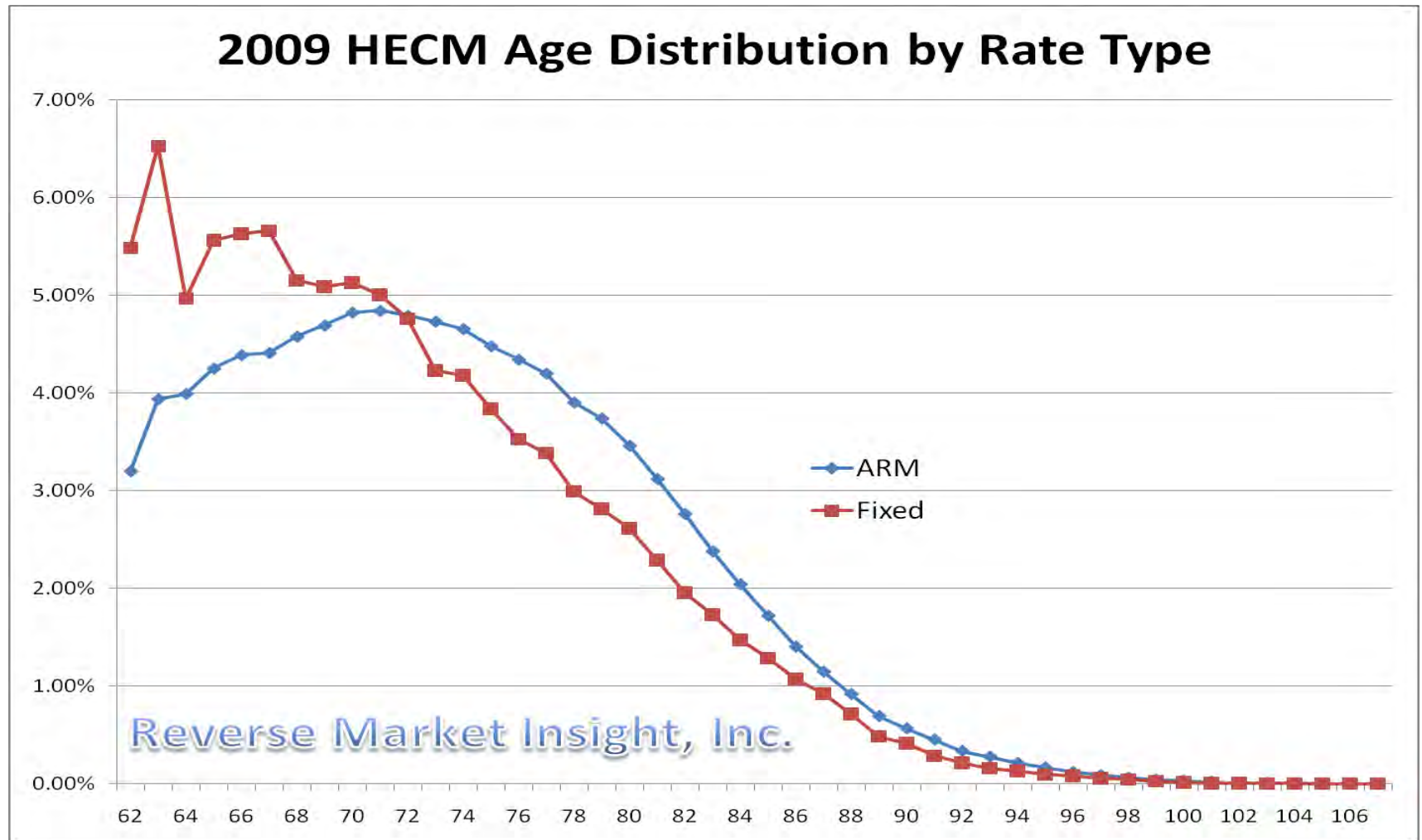
Booming 60's



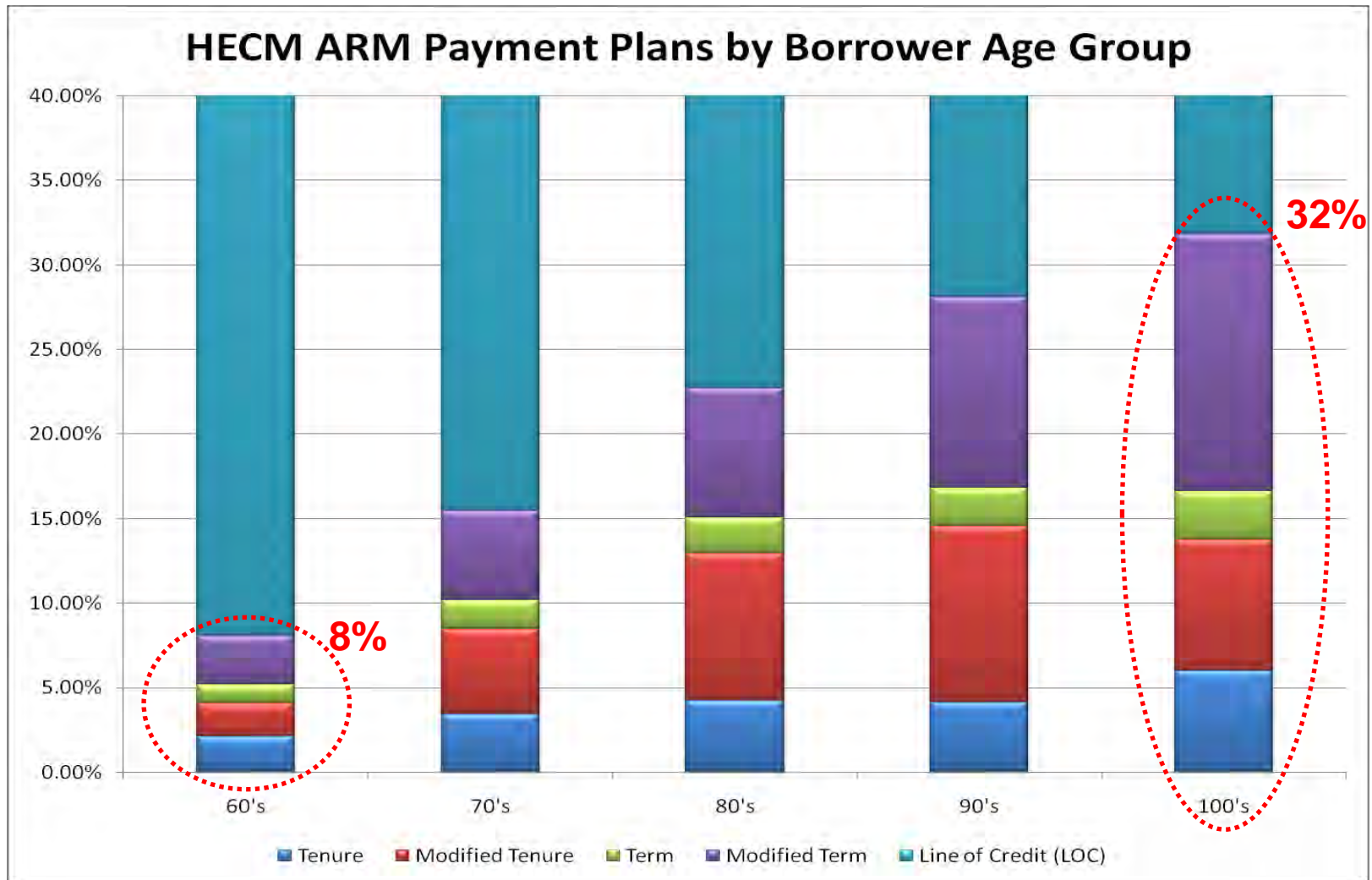
Men & Couples Are Buying Younger



Younger Full Draw Borrowers



Younger Borrowers Opting for Line of Credit



Final Answer Time

- Be aware of market niches
 - Growing markets: Stay current!
 - Purchase: Untapped potential
 - Younger borrowers
 - Gender preferences
- Have A Plan!
 - Shotgun marketing is over