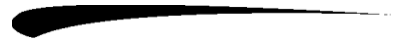


BANCMAC

COMMUNITY BANC MORTGAGE CORP.
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BANCMAC...your community bank
mortgage partner



***SIGNING-UP TO DO BUSINESS WITH BANCMAC IS EASY...
AS A FEDERALLY OR STATE CHARTERED FINANCIAL
INSTITUTION, YOU'RE ALMOST THERE!***

CLIENT APPROVAL PROCEDURES

The approval process of (BancMac) includes a pre-screening of the client bank (Correspondent) to ensure that a Correspondent bank has the ability, experience, and intent to provide both high quality service and investment quality home mortgage loans for delivery to BancMac.

The following approval procedure and documentation requirements are, in part, adapted from the Freddie Mac Seller/Servicer guidelines regarding evaluations and approval of Correspondents, and are applicable to all Correspondents and every residential mortgage loan originated and sold to BancMac.

APPROVAL DOCUMENTATION REQUIRED FROM CORRESPONDENT

- _____ BancMac Client Application
- _____ Resumes of key bank officers and key mortgage lending officers
- _____ Appraiser Selection: Appraiser qualifications, list of references, copy of the appraiser license(s), and two recent sample appraisals, copy of Errors & Omissions Insurance
- _____ Corporate / board resolution
- _____ Executed Loan Purchase Agreement

CRITERIA FOR APPROVAL

ENTITY

- A state-chartered bank, national bank, or savings and loan / thrift;
- FDIC insured;
- Not under any agreement, order, or memorandum from a regulatory agency; and
- In compliance with all applicable laws related to licensing, qualification or approval to originate home mortgages.

FINANCIAL INFORMATION

BancMac will review current financial information that shall be obtained by BancMac through a service provider of bank financial information, or by a review of current call reports or audited financial statements of the Correspondent. The criteria for acceptable financial information includes, but is not limited to:

- Risk-based capital must be equal to or above the minimum required by regulations
- Delinquency ratios must be acceptable per industry standards
- Charge-off ratios and recoveries must be at a level that is, in Banc Mac's option, acceptable
- Allowance for loan and lease loss reserve must be at a level that is, in BancMac's opinion, acceptable
- All other pertinent ratios must be, in Banc Mac's opinion, acceptable

APPRAISER QUALIFICATIONS

Prior to the acceptance of any residential appraisal report from a fee appraiser, all appraisers must be reviewed and approved by BancMac. Please provide appraiser qualifications, list of references, copy of the appraiser license(s), and two recent sample appraisals and copy of current Errors & Omissions Insurance.

It is the philosophy and policy of BancMac to obtain a qualified appraisal for the properties for which it is purchasing and selling secondary market mortgage loans. In order to ensure high quality loans, a quality real estate appraisal is a vital element.

In general, an approved appraiser must have the requisite experience, education, and facilities to competently perform required collateral assessment and valuation assignments. Standards and qualifications include:

- The appraiser must be a state-certified or licensed real estate appraiser in the state in which the subject property is located.
- The appraiser must be experienced in the appraisal of properties similar to the property being appraised or inspected.
- The appraiser must be actively engaged in appraisal work.

APPRAISER QUALIFICATIONS / continued

- The appraiser must have a knowledge of current real estate market conditions and financing trends in the subject area.
- The appraiser must be impartial and unbiased. The appraiser may not have any present or contemplated future interest in the subject property. In addition, neither current nor future employment or compensation for performing the collateral assessment may be contingent on the collateral assessment results reported by the appraiser.
- The appraisal report must be of professional quality and support all of the appraiser's assumptions, data, analyses, rationale, and conclusions that were relied on in estimating the value and addressing the marketability of the mortgaged premises.
- The information in the appraisal report must be accurate, internally consistent, written in clearly understandable language, fully supported, and sufficiently documented.

COMPLIANCE WITH REGULATIONS AND LAWS

Correspondent warrants to BancMac that all mortgage loans will be originated and processed in compliance with all applicable federal, state, and local laws, and all FDIC, OCC, OTS, or Federal Reserve regulations applicable to real estate lending.

OTHER

BancMac reserves the right to make on-site inspections of other pertinent data as necessary.

NON-APPROVAL

Correspondent and/or appraiser/appraisal entity will not be approved if it or any of its officers are referenced on the ANY Exclusionary list. Correspondent may not be approved if it is under any regulatory agreement such as a memorandum of understanding or cease and desist issued by any regulatory agency. The Agreement provides a certification from the financial institution that they are not under any regulatory order.

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