

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 15, 2010**

Tree.com, Inc.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34063
(Commission
File Number)

26-2414818
(IRS Employer
Identification No.)

11115 Rushmore Drive, Charlotte, NC
(Address of principal executive offices)

28277
(Zip Code)

Registrant's telephone number, including area code: **(704) 541-5351**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

As described in Item 2.03 below, on July 15, 2010, Tree.com, Inc. (the "Company"), through its subsidiary Home Loan Center, Inc. ("HLC"), entered into a new \$50.0 million warehouse line of credit with Bank of America, N.A. ("Bank of America"). This new warehouse line of credit became effective June 30, 2010 and replaced the \$50.0 million warehouse line of credit with Bank of America which expired by its terms on June 29, 2010. In connection with the entry into such facility, on July 15, 2010, the Company, through its subsidiary HLC, also entered into an Amendment No. 1 to Early Purchase Program Addendum to Loan Purchase Agreement with Bank of America (the "Amendment No. 1 to Early Purchase Program Addendum") and a Mandatory Forward Loan Volume Commitment with Bank of America (the "Mandatory Forward Loan Volume Commitment"), each effective June 30, 2010. The Amendment No. 1 to Early Purchase Program Addendum, among other things, serves to decrease the Company's uncommitted credit facility with Bank of America from \$75.0 million to \$25.0 million. The Mandatory Forward Loan Volume Commitment requires HLC to sell at least 25% of the conventional conforming mortgage loans and 25% of the government mortgage loans that it originates to Bank of America or pay a non-delivery fee of 25 basis points on the shortfall.

Copies of the Amendment No. 1 to Early Purchase Program Addendum and Mandatory Forward Loan Volume Commitment are filed with this report as Exhibits 10.1 and 10.2, respectively, and are hereby incorporated by reference herein. The foregoing descriptions of the Amendment No. 1 to Early Purchase Program Addendum and Mandatory Forward Loan Volume Commitment do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On July 15, 2010, HLC entered into a new \$50.0 million warehouse line of credit with Bank of America, effective June 30, 2010. The new facility will be used to fund and is secured by consumer residential loans that are held for sale. The term of the new facility is through June 29, 2011. Borrowings under the facility will bear interest at a rate equal to 2.25% plus the greater of (a) the 30-day LIBOR rate or (b) 2.00.

Under the terms of this new facility, HLC is required to maintain various financial and other covenants. These financial covenants include maintaining (i) a minimum tangible net worth of \$25.0 million, (ii) a minimum liquidity equal to 25% of HLC's tangible net worth, inclusive of unrestricted cash and cash equivalents, the over/under account balances and available draws from HLC's warehouse or repurchase facilities, (iii) a maximum ratio of total liabilities to tangible net worth of 8:1 and (iv) pre-tax net income requirements on a rolling two quarter basis. HLC's borrowings under the facility will be guaranteed by Tree.com, Inc., LendingTree, LLC and LendingTree Holdings, Inc.

Copies of the Master Repurchase Agreement and the related Transaction Terms Letter (collectively, the "Master Repurchase Agreement") are filed with this report as Exhibits 10.3 and 10.4, respectively, and are hereby incorporated by reference herein. The foregoing description of the Master Repurchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of such exhibits.

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Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Amendment No. 1 to Early Purchase Program Addendum to Loan Purchase Agreement, dated July 15, 2010, by and among Bank of America, N.A. and Home Loan Center, Inc.
10.2	Mandatory Forward Loan Volume Commitment, dated July 15, 2010, by and among Bank of America, N.A. and Home Loan Center, Inc.
10.3	Master Repurchase Agreement, dated as of May 1, 2009, by and among Bank of America, N.A. and Home Loan Center, Inc., incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on May 6, 2009
10.4	Transaction Terms Letter for Master Repurchase Agreement, dated July 15, 2010, by and among Bank of America, N.A. and Home Loan Center, Inc.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 21, 2010

TREE.COM, INC.

By: /s/ Christopher R. Hayek
Christopher R. Hayek
Senior Vice President and Chief Accounting Officer

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EXHIBIT INDEX

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**AMENDMENT NO. 1 TO
EARLY PURCHASE PROGRAM ADDENDUM TO LOAN PURCHASE AGREEMENT**

This Amendment No. 1 is made and entered into as of June 30, 2010 by and between Bank of America, N.A. ("Bank of America") and Home Loan Center, Inc. ("Seller"). This Amendment amends that certain Early Purchase Program Addendum to Loan Purchase Agreement by and between Bank of America and Seller dated May 1, 2009 (the "EPP Addendum"), which such EPP Addendum supplements that certain Loan Purchase Agreement by and between Bank of America and Seller dated April 16, 2002 (including all the Commitments, Amendments, Addenda, Assignments of Trade and Assignments thereto, collectively, the "Loan Purchase Agreement").

RECITALS

Bank of America and Seller have previously entered into the EPP Addendum pursuant to which Seller may sell certain loans to Bank of America prior to delivery of certain mortgage loan documents. Bank of America and Seller hereby agree that the EPP Addendum shall be amended as provided herein.

In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank of America and Seller hereby agree as follows:

1. **Exhibit J - - Outstanding Loan Limit.** Bank of America and Seller agree that the Outstanding Loan Limit set forth within Exhibit J of the EPP Addendum shall be amended as follows:

"Outstanding Loan Limit: Twenty Five Million Dollars (\$25,000,000)"

2. **Exhibit J - - Minimum Balance for Over/Under Account.** Bank of America and Seller agree that the Minimum Balance for Over/Under Account set forth within Exhibit J shall be amended as follows. Any such balance maintained by Seller under the terms of the Repurchase Agreement shall be credited against the amount required to be maintained by Seller hereunder.

"Minimum Balance for Over/Under Account: \$1,125,000"

3. **Exhibit A — EPP Loans.** Bank of America and Seller agree that Exhibit A of the EPP Addendum shall be deleted in its entirety and replaced with the following:

"

<u>Loan Product or Type</u>	<u>Maximum Percentage of Outstanding Loan Limit</u>	<u>SRP Enhancement Percent</u>	<u>Initial Purchase Price Percentage</u>	<u>Review Period</u>	<u>Requirements prior to purchase</u>
Conventional Conforming Mortgage Loans (<u>Agency eligible</u> 1 st mortgages with Full/Alt doc types only)	100%	1.50	99.00	30 days	None
Government Mortgage Loans (1 st mortgages only)	100%	1.50	99.00	30 days	None
Bond Loans (1 st mortgages only)	20%	1.50	99.00	45 days	None
Jumbo Mortgage Loans (1 st mortgages only, maximum loan amounts of \$1,000,000)	10%	1.50	95.00	30 days	Rate Lock and CLUES or Prior Approval

"

4. **No Other Amendments.** Other than as expressly modified and amended herein, the EPP Addendum and Loan Purchase Agreement shall remain in full force and effect and nothing herein shall affect the rights and remedies of Bank of America as provided under the EPP Addendum and Loan Purchase Agreement.
5. **Capitalized Terms.** Any capitalized term used herein and not otherwise defined herein shall have the meaning ascribed to such term in the EPP Addendum or Loan Purchase Agreement, as applicable.
6. **Facsimiles.** Facsimile signatures shall be deemed valid and binding to the same extent as the original.

IN WITNESS WHEREOF, Bank of America and Seller have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first written above.

By: /s/ Blair Kenny

By: /s/ Rian Furey

Name: Blair Kenny

Name: Rian Furey

Title: Senior Vice President

Title: Senior Vice President

Dated: July 15, 2010

Dated: July 15, 2010



225 West Hillcrest Drive, Mail Code: CA6-918-01-03, Thousand Oaks, CA 91360

Phone: (800) 669-2955

Fax: (805) 381 6165

June 30, 2010

Client # 8752

Home Loan Center, Inc.

163 Technology Drive

Irvine, CA 92618

Attn: Rian Furey, Senior Vice President

Email: Rian.Furey@lendingtree.com

RE: **Mandatory Forward Loan Volume Commitment**

Dear Mr. Furey,

Home Loan Center, Inc. ("Client") has agreed to the following Mandatory Forward Loan Volume Commitment (the "Commitment") with Bank of America Home Loans Correspondent Lending ("Bank of America"):

Effective Date:	June 30, 2010
Volume Commitment Delivery Period:	Effective Date through June 29, 2011
Qualifying Loan Programs:	All Loan Programs
Minimum Qualifying Amount:	Minimum of 25% of Conventional Conforming Mortgage Loans and 25% of Government Mortgage Loans originated and closed by Client (including banked and brokered loans).
Non-Delivery Fee:	If Client fails to deliver to Bank of America the required Minimum Qualifying Amount on a quarterly basis, Client shall pay Bank of America a non-delivery fee of 25 basis points on the shortfall. All Non-Delivery Fees will be invoiced to Client and shall be due and payable within thirty (30) days after the invoice date.

Additional Terms and Conditions:

All Loans sold by Client to Bank of America under this Commitment shall be subject to the terms and conditions of the correspondent Loan Purchase Agreement between Bank of America and Client, which is hereby incorporated by reference and made a part hereof.

Bank of America and Client may terminate this Commitment with or without cause and, upon such termination, a Non-Delivery Fee on any volume shortfall as of the effective termination date shall be due and payable on the effective termination date.

This Commitment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Facsimile signatures shall be deemed valid and binding to the same extent as the original.

Home Loan Center, Inc. Initials RF

Bank of America Initials BK

This Commitment and any related exhibits and attachments are confidential and may not be disclosed to any third party without the prior consent of Bank of America.

Please execute this Commitment and return to the undersigned. We look forward to a mutually beneficial and prosperous relationship.

Sincerely,

Bank of America, N.A.

By: /s/ Blair Kenny

Name: Blair Kenny

Title: Senior Vice President

Dated: July 15, 2010

Acknowledged by:

Home Loan Center, Inc.

By: /s/ Rian Furey

Name: Rian Furey

Title: Senior Vice President

Dated: July 15, 2010

Home Loan Center, Inc. Initials RF

Bank of America Initials BK



June 30, 2010

Home Loan Center, Inc.

163 Technology Drive

Irvine, CA 92618

Attn: Rian Furey, Senior Vice President

Email: Rian.Furey@lendingtree.com

Re: Transactions Terms Letter for Master Repurchase Agreement

Ladies and Gentlemen:

This Transactions Terms Letter is made and entered into, as of the date set forth above, by and between Bank of America, N.A. ("Buyer") and Home Loan Center, Inc. ("Seller"). This Transactions Terms Letter supplements the Master Repurchase Agreement (the "Agreement") by and between Buyer and Seller. In the event there exists any inconsistency between the Agreement and this Transactions Terms Letter, the latter shall be controlling notwithstanding anything contained in the Agreement to the contrary. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. This Transactions Terms Letter supercedes all previous Transactions Terms Letters and amendments as of the Effective Date.

Effective Date: June 30, 2010

Expiration Date: Expiring on June 29, 2011

Aggregate Transaction Limit: Fifty Million Dollars (\$50,000,000)

Financial Covenants: Seller shall maintain the following financial covenants:

- (a) Minimum Tangible Net Worth (calculated per HUD guidelines): \$25,000,000.
- (b) Minimum Liquidity: Seller to maintain unrestricted cash or unrestricted Cash Equivalents in a minimum amount equal to 25% of Seller's Tangible Net Worth, inclusive of the Over/Under Account Balance and available draws from Warehouse and Repurchase facilities. By way of example but not limitation, cash in escrow and/or impound accounts shall not be included in this calculation.
- (c) Maximum ratio of Total Liabilities and Warehouse Credit (Warehouse Credit is inclusive of outstandings on warehouse lines, repurchase facilities or other off balance sheet financing) to Tangible Net Worth: 8:1. (excluding the Early Purchase Program with Buyer)
- (d) Net Income: Seller shall show positive pre-tax net income, on a rolling two quarter basis.
- (e) Seller shall not add additional mortgage financing facilities (including warehouse, repurchase, purchase or off-balance sheet facilities) without prior written notification to Buyer.
- (f) Payment of Dividends: Seller may, without the prior written consent of Buyer, (a) declare or pay dividends upon its shares of stock now or hereafter outstanding, including dividends payable in the capital stock of Seller, or make any distribution of assets to its shareholders, whether in cash,

Acknowledged:
Home Loan Center, Inc.: RF
Bank of America, N.A.: BK

property or securities, or (b) acquire, purchase, redeem or retire shares of its capital stock now or hereafter outstanding for value; provided that a Potential Default or an Event of Default is not existing and will not occur as a result thereof, or such distribution payments will not otherwise cause Seller to be in breach of its obligations hereunder.

Other Covenants: Seller shall maintain the following other covenants:

- (a) To help ensure that Seller has adequate approved investors for mortgage loans originated by Seller, Seller shall become and remain an approved client of Bank of America's Correspondent Lending group ("Correspondent Lending").
- (b) If the financial or other material covenants of Seller under any current, future or modified third party warehouse, repurchase, financing or similar agreement are, or become, more favorable to Buyer than the equivalent covenants under the Agreement, or if one or more personal and/or corporate guaranties are currently required or later become required in connection with any such third party agreements, Seller shall promptly notify Buyer and Buyer shall have the right, in its sole discretion, to modify the Agreement to include such covenants and/or to require such personal and/or corporate guaranties of the Agreement. Further, at the request of Buyer, Seller shall promptly provide Buyer with its financial covenants and any other covenants that Buyer deems material under any such current, future or modified third party agreement and/or copies of any personal and/or corporate guaranties required in connection with such third party agreement.
- (c) Delinquency Covenant. If, in any two consecutive fiscal quarters of Seller, the delinquency rate for first-lien residential mortgage loans originated by Seller and sold to Correspondent Lending is greater than one hundred and fifty percent (150%) of the average delinquency rate for first-lien residential

mortgages sold by all clients of Correspondent Lending, Buyer may immediately terminate the Agreement.

- (d) Loss Mitigation Covenant. If the sum total of all Total Adjusted Estimated Loss (the "Billable Amount"), (including for example, outstanding repurchase obligations), as disclosed in the Seller Repurchase Obligations Report, owed by Seller to Correspondent Lending at the end of a calendar quarter is equal to or greater than thirty five percent (35%) of Seller's Tangible Net Worth, then Buyer may immediately suspend Transactions under the Agreement and Correspondent Lending may immediately cease purchasing mortgage loans from Seller.
- (e) Seller shall not have any undisputed accounts receivables owed to Correspondent Lending that are aged over sixty (60) days exceeding in the aggregate \$5,000.

Acknowledged:
Home Loan Center, Inc.: RF
Bank of America, N.A.: BK

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Facility Fee:	Due annually, 25 basis points, payable in quarterly installments, with the first installment due prior to the Effective Date. Upon early termination of the Agreement by Seller, the entire Facility Fee will be due and owing. The fee is payable based on Aggregate Transactions Limit only and will be prorated in the event of increases.
Unused Facility Fees:	For any given calendar quarter, Seller's average outstanding Transactions must be greater than or equal to 50% of the Aggregate Transaction Limit, otherwise Seller shall pay Buyer 25 basis points (0.25%) times the unused portion of the Aggregate Transaction Limit, annualized. For the purposes of this calculation, outstanding Transactions shall include EPP Loans under Seller's EPP Addendum with Buyer.
Transaction Request Deadline:	2:00 p.m. (Pacific time).
Deadline for Daily Receipt Of Purchase Advices by Buyer:	2:00 p.m. (Pacific time).
Minimum Over/Under Account Balance:	<p>\$1,125,000 (minimum of 150 basis points of the combined Repurchase and EPP facility limits).</p> <p>Seller to be entitled to interest on a monthly basis thereon at an annual rate of LIBOR plus the Type A Margin over 30 day LIBOR spread on the positive monthly average Over/Under Balance for the portion that is equal to or less than 20% of the average monthly outstanding Transactions for such month and; Seller to be entitled to interest on a monthly basis at an annual rate of LIBOR minus twenty five (25) basis points (0.25%) on the remaining portion of the positive monthly average Over/Under Balance that is greater than 20% but less than or equal to 75% of the average monthly outstanding Transactions for such month. For the purpose of this calculation, average outstanding Transactions shall include EPP Loans under Seller's EPP Addendum with Buyer. "LIBOR" shall mean the greater of (i) the daily rate per annum for one-month U.S. dollar denominated deposits as offered to prime banks in the London interbank market or (ii) 2%, as applicable.</p>
Eligible Loans:	Prior to being eligible for a Transaction, each mortgage loan shall comply with Buyer's and Correspondent Lending's then-current underwriting requirements and eligibility guidelines and no mortgage loan shall be more than 30 days past its original funding date or contractually delinquent 30 days or more. Underwriting requirements and eligibility guidelines are subject to change at Buyer's sole discretion.
Securitization:	Unless otherwise agreed to by Buyer, mortgage loans which Seller intends to securitize shall not be eligible for Transactions.
Loans to Officers, Directors, Owners and Guarantors:	Transactions for a loan to be made to an officer, director, senior manager or owner of Seller or any guarantor (if applicable) shall

Acknowledged:
Home Loan Center, Inc.: RF
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be subject to the prior approval of Buyer and such Transaction requirements as determined in Buyer's sole discretion.

Reporting requirements: Financial Reports & Officer's Certificate: Seller shall deliver to Buyer, within thirty (30) days after the end of each month, financial statements of Seller, including statements of income and changes in shareholders' equity (or its equivalent) for such month and the related balance sheet as at the end of such month, all in reasonable detail acceptable to Buyer and certified by the chief financial officer of Seller, subject, however, to year-end audit adjustments. Together with such financial statements, Seller shall deliver an officer's

certificate substantially in a form to be provided by Buyer, which shall include funding and production volume reports for the previous month.

Annual Reports: Seller shall deliver to Buyer, within ninety (90) days after the end of each fiscal year of Seller, audited financial statements of Seller, including statements of income and changes in shareholders' equity for such fiscal year and the related balance sheet as at the end of such fiscal year, all in reasonable detail acceptable to Buyer and certified by the chief financial officer of Seller stating, at a minimum, that the financial statements fairly present the financial condition and results of operations of Seller as of the end of, and for, such year.

Government Insuring Reports: Seller shall provide Buyer within thirty (30) days after the end of each quarter, or as requested by Buyer, the following government insuring reports (including 15 month history):

- (a) Loans Originated - Current Defaults and Claims Reported — United States (from FHA Connection):
 - Output option: all loans
 - Performance period: current period
 - All insured single family loans with a beginning amortization within the last two years
- (b) HUD Pipeline/Uninsured Query:
 - Date range: use default
 - Sort by: originating ID in ascending order
- (c) Indemnification Query:
 - Date range: last five years
 - Sort by: case # in descending order
- (d) Late Endorsement Query:
 - Loan status: Active, claimed
 - Date range: last two year period
 - Sort by: # days closing to Endr pkg Rcvd in descending order

Hedging Report: Seller shall deliver to Buyer each Monday a loan and rate lock position report and hedge report containing product level pricing and interest rate sensitivity analysis (shocks) or as requested by Buyer (data elements to be agreed upon).

If requested by Buyer, Seller shall provide to Buyer within five (5) days of such request, in a form reasonably acceptable to Buyer, a detailed aging report of all outstanding loans on warehouse/ purchase/ repurchase facilities, and detail of all uninsured government loans.

Acknowledged:
Home Loan Center, Inc.: RF
Bank of America, N.A.: BK

- Reimbursement of Expenses: Seller shall reimburse Buyer for certain costs and expenses including, without limitation, the following:
- (a) **Amendments:** Seller shall pay Buyer \$2,500 for any future amendments to Transactions Documents or covenant violation notices. The amendment fee shall be waived for any future amendments or modifications requested by Seller regarding increases to the Aggregate Transaction Limit.
- Fees:
- | | |
|---------------------|--|
| Wire Transfer Fee: | \$10.00 per Transaction |
| File Fee: | \$30.00 per Transaction |
| Shipping Fee: | \$15.00 per Transaction for all investors other than Bank of America, N.A.;
and
\$0.00 for all Bank of America loans |
| Non compliant Fee: | \$25.00 |
| Wet Deficiency Fee: | \$10.00 per day |
| Other Fees: | As set forth within Schedule 1 hereto |
- Buyer's Guidelines, Policies and Procedures: The terms and conditions of this Transactions Terms Letter and the Agreement shall be subject to Buyer's guidelines, policies and procedures, as may be changed from time to time. Buyer may communicate changes to its guidelines, policies and procedures to Seller via Buyer's website, email or in writing.
- Guarantors: Lending Tree, LLC, Tree.com, Inc., and LendingTree Holdings, Inc

Please acknowledge your agreement to the terms and conditions of this Transactions Terms Letter by signing in the appropriate space below and returning a copy of the same to the undersigned. Facsimile signatures shall be deemed valid and binding to the same extent as the original. Buyer shall have no obligation to honor the terms and conditions of this Transactions Terms Letter if Seller fails to fully execute and return this document to Buyer within thirty (30) days after the date of issuance.

Sincerely,

Bank of America, N.A.

By: /s/ Blair Kenny

Agreed to and Accepted by:

Home Loan Center, Inc.

By: /s/ Rian Furey

Name: Blair Kenny
 Title: Senior Vice President
 Dated: July 15, 2010

Name: Rian Furey
 Title: Senior Vice President
 Dated: July 15, 2010

Acknowledged:
 Home Loan Center, Inc.: RF
 Bank of America, N.A.: BK

SCHEDULE 1
 (Eligible Mortgage Loans)

	<u>Type Sublimit</u>	<u>Margin over 30 day LIBOR (B)</u>	<u>Type Purchase Price Percentage (A)</u>	<u>Maximum Dwell Time</u>	<u>Transaction Requirements</u>
Type A: Conventional Conforming Mortgage Loans (<u>Agency eligible</u> 1 st mortgages with Full/Alt doc types only)	100%	2.25	97.00	30 days	None
Type B: Government Mortgage Loans (1 st mortgages only)	100%	2.25	97.00	30 days	None
Type B-1: Bond Loans (1 st mortgages only)	20%	2.25	97.00	45 days	None
Type C: Jumbo Mortgage Loans (1 st mortgages only, maximum loan amounts to \$1,000,000)	10%	2.25	95.00	30 days	Rate Lock and CLUES or Prior Approval
Noncompliant Mortgage Loans	7%	2.00 over the initial margin	See schedule 2	Additional 45 days	
Wet Mortgage Loans	40%, increasing to 60% for the first and last five (5) business days of each month	Noncompliant or default spreads, if applicable, over the initial Type Margin over 30 day LIBOR	The initial Type Purchase Price Percentage. If Transaction exceeds the Wet Mortgage Loans Maximum Dwell Time, see Schedule 3	5 business days	

(A) The Purchase Price shall be calculated and equal to multiplying the unpaid principal balance times the lesser of (i) the Type Purchase Price Percentage times the lesser of par, takeout price or current market price or; (ii) 98% of the takeout price or current market price or fair market value. Seller will have the ability to reduce the Type Purchase Price Percentage to no less than 10% once per month, not to be applied retroactively

(B) For the purpose of calculating the Margin over 30 day LIBOR, "LIBOR" shall mean the greater of (i) the daily rate per annum for one-month U.S. dollar denominated deposits as offered to prime banks in the London interbank market or (ii) 2%, as applicable.

- All Transactions are to the closing table.
- Delegated underwriting status does not satisfy the Transaction Requirements contained herein.
- Transaction Requirement Definitions and Doc Type Definitions are set forth on Buyer's website.
- All loan amounts, FICO scores, LTV/CLTV, and document types shall meet Correspondent Lending guidelines.

SCHEDULE 2
 Noncompliant Mortgage Loans (Applicable to dry Transactions only)

<u>Days over Maximum Dwell Time</u>	<u>Reduction in Value of Purchased Asset</u>
1 to 15 Days	10
16 to 30 Days	20
31 to 45 Days	30
Investor Rejects	25

SCHEDULE 3
 Wet Noncompliant Mortgage Loans (Applicable to wet Transactions only)

Days over Maximum Dwell Time (for Wet Mortgage Loans)	Reduction in Value of Purchased Asset
1 to 5 Business Days	10

Acknowledged:
Home Loan Center, Inc.: RF
Bank of America, N.A.: BK