



Taylor, Bean & Whitaker
MORTGAGE CORP.

July 9, 2009

Message from the Chairman:

Taylor, Bean & Whitaker has recently experienced major challenges primarily due to record loan volumes as over 360 Mortgage businesses have closed their doors, and a good deal of that business has come to Taylor, Bean & Whitaker.

Challenges:

1. The credit guideline changes constantly being issued by the GSE's, FHA and MI companies are an escalating source of frustration, both for your company and our operations. In most cases the guideline changes lie outside of our control. Each guideline change requires programming and operational changes to implement and in many instances lengthen the time it takes to underwrite a file. A result of this is increased underwriting turn times and occasional systems issues as a result of some of the programming changes.
2. Taylor, Bean & Whitaker has been adversely impacted by a 125% increase in call volume and we are working tirelessly to restore our own standards of excellence during this unprecedented time.
3. Since TB&W is not a member of the fed wire system, we rely on third parties for secure, accurate transfer of funds. Our primary funding channel has had sporadic and extended periods of fed wire outages, exacerbated by extremely high volume at month end.

Solutions and Progress:

1. We recently hired a new chief credit officer, and made an offer to a new national underwriting manager. The two have been tasked with bringing immediate measurable improvement to our underwriting turn times and to the overall quality of your experience doing business with us.
2. As the mortgage industry has downsized, TB&W has been hiring. We continue to add staff and facilities to keep pace with the volume; we have added over 60 new positions in the past month in underwriting alone.
3. Manpower is not enough; other solutions have to be implemented as well. Changes to TBW Rules and TBD software to improve performance and reliability are currently in development and being implemented as rapidly as we can get them completed. We have hired hundreds of software developers to help with the massive project of system improvements. We are also working to upgrade our communications systems and trying to outsource some of the more easily handled functions so we can alleviate a portion of the call volume and free up employees to assist in other areas.
4. We are rolling out a new customer management system that should enable us to deliver "first call" resolution and world class service. We need your continued feedback, in order to identify the changes that will bring us to the goal of exceeding your expectations.

5. Untimely or error-laden fundings are not acceptable. Starting immediately we have limited closings on any given day to no more than \$150 million so that we provide better controls for reliable service. In addition, as of July 1, we increased our funding access through an additional fed wire source. This "back up" solution should ensure timely funding.

Rest assured all 4,000 employees at TBW are working diligently to offer the kind of service that you deserve and have been accustomed to. We ask that you continue communicating with us on all issues you may have and we humbly request your patience as we work to resolve them and move beyond these temporary, yet troublesome issues.

Lee B. Farkas
Chairman
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