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Guild Mortgage Joins with FirstREX in Down Payment Investment Program, Empowering More People to Become Homeowners

FirstREX Invests Up to Half of Borrower's Down Payment; Both First-Time Buyers and Move-ups Enjoy Increased Buying Power

SAN DIEGO--(BUSINESS WIRE)-- Guild Mortgage, one of the largest independent mortgage bankers in the U.S., is now working with FirstREX to introduce the REX HomeBuyer program to California, Washington and Oregon borrowers. Under the program, FirstREX contributes up to half of a 20 percent down payment in combination with a Guild Mortgage loan to empower more people to buy the home they really want.

Mary Ann McGarry, president and CEO of Guild Mortgage, San Diego, said the launch with Guild is the first time REX HomeBuyer has been available with conforming loans and increases the purchasing power of prospective homebuyers who are having a hard time finding a home in their price range that suits their needs. With the added value and leverage from the down payment investment program, homebuyers will be in a stronger position for success in what may be the biggest financial transaction of their lives, McGarry said.

REX HomeBuyer Purchase Power Increase by Income Level *

Annual Income	Purchasing Power With 90% Loan Plus Mortgage Insurance	Purchasing Power With 80% Loan Plus 10% REX HomeBuyer Investment
\$60,000	\$370,000	\$445,000
\$80,000	\$490,000	\$595,000
\$100,000	\$615,000	\$740,000

“With FirstREX contributing up to half of the down payment required on a home purchase, buyers who only had a 10 percent down payment can now achieve 20 percent,” said David Battany, executive vice president, capital markets, at Guild. “That means they qualify for a larger loan, enjoy a lower monthly payment and have no need for mortgage insurance or a second mortgage, with its own principal and interest payments. Guild has been serving first-time homebuyers for more than 50 years and we see this program as a great advantage for our customers, including millennials who are starting to enter the housing market in increasing numbers.”

A recent study from the National Association of Realtors estimates millennials, people born

between 1977 and 2000, represent 32 percent of all homebuyers and 68 percent of first-time homebuyers. However, millennials can have trouble saving for a down payment because of student loans, credit card debt and high rents, according to the NAR.

“The investment from FirstREX gives prospective homebuyers greater opportunities to pursue home ownership, including at higher price ranges than possible if they were investing on their own,” said Battany. “By working together, Guild and FirstREX are helping solve financing challenges for first-time and move-up buyers across all price ranges.”

“This program will open up the market to more potential buyers,” said Jim Riccitelli, CEO of FirstREX, San Francisco. “We partner with buyers, investing alongside them in their down payment. They make no monthly payments to us. Instead, we hope to earn a return on investment from a portion of the appreciation when the homeowner eventually sells. And they can also buy us out after three years.” Riccitelli added, “Working with Guild is ideal because they have a strong history of serving first-time homebuyers, a demographic that is particularly in need of help, and for whom REX HomeBuyer can be a great solution. We look forward to helping Guild Mortgage clients buy and own a home with greater purchasing power.”

Guild offers a wide range of residential mortgage products, with in-house underwriting and funding, which provide consistency and speed throughout the loan process. Its loan professionals can serve the needs of any homebuyer, from helping first-time homebuyers achieve their dreams of home ownership, often through government loan programs, to providing jumbo home loans. Guild also specializes in helping active duty and retired military personnel to secure VA loans, which provide 100 percent financing and flexible qualifying standards.

**All Examples assume the buyer has 10% cash to put down, plus cash reserves needed to qualify for the loan and pay closing and transaction fees, and in the case of REX HomeBuyer a transaction fee of up to 3% of the amount invested by FirstREX. The examples also assume an annual property tax expense of 1.25% of the home value, an annual property insurance expense of 0.30% of the loan amount, and a qualifying PITI (principal, interest, tax, and insurance) Ratio of 45%. The interest rate on the loans is assumed to be 4.0%. The 90% LTV example assumes the buyer will pay an annual mortgage insurance premium of 0.74% of the initial loan balance. All dollar amounts are rounded to the nearest thousand.*

About Guild Mortgage

Guild Mortgage Co. was founded in 1960 as a home financing company for American Housing Guild in San Diego, California. Guild broadened its range of services in 1972 by including resale mortgage financing. After decades of successful innovation and growth, Guild Mortgage Co. is now a nationally recognized mortgage banking company with 234 branch and satellite offices in 25 states. It generated loan volume of \$13.8 billion in 2015, up 86.1 percent from \$7.4 billion in 2014. Its servicing volume reached \$22.3 billion in 2015, up 34 percent from \$16.6 billion in 2014. In addition, Guild has correspondent banking relationships with credit unions and community banks in 47 states. (Equal Housing Lender-Company NMLS #3274).

About FirstREX

FirstREX is a home ownership investment company. Founded in 2004, San Francisco-based FirstREX makes long-term investments in individual residential properties through two innovative programs: REX HomeBuyer, which provides a portion of the down payment needed to purchase a home, and the REX Agreement, which allows current homeowners to tap into their home equity without interest or monthly payments. Managed by a veteran team of financial experts, and backed by major pension funds and endowments, FirstREX is committed to providing consumers with the partnership and support needed to buy and own the home that will enrich their life. For more information, visit rexhomebuyer.com.

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