

State Farm(R) Invests \$100 Million in NHTSA's New Prime-Grade Mortgage Program

- First American's Anthem Alternative Credit Solutions Used to Extend Prime-Grade Financing to Applicants With Little or No Traditional Credit History -

CHICAGO, Oct. 24 /PRNewswire/ -- Neighborhood Housing Services of America (NHTSA) and State Farm today announced the creation of a \$100 million loan pool that will help thousands of homebuyers secure mortgage loans at competitive rates. Designed to help under-served home seekers -- often within the minority and new immigrant communities -- the NHTSA loan program will employ The First American Corporation's (NYSE: [FAF](#)) "Anthem Report" and "Anthem Score," two tested and reliable alternative credit solutions that help lenders assess a consumer's creditworthiness using data beyond what is found in traditional credit bureau reports.

Combining this new method of credit analysis with extensive prepurchase and post-close homebuyer counseling services from nonprofit home counseling agencies will enable NHTSA and its mortgage lenders to confidently extend prime-grade mortgage loans -- backed by the State Farm-funded loan pool -- to consumers with little or no traditional credit history.

"Before now, there hasn't been an effective, efficient means of moving nonprime borrowers into prime loans," said Mary Lee Widener, president and chief executive officer of NHTSA. Speaking at the annual Mortgage Bankers Association Convention & Expo in Chicago, Widener emphasized industry collaboration, affordability and borrower support as key factors in assisting those traditionally locked out of prime-grade mortgage financing, and in creating new market opportunities for lenders.

"By demonstrating that these consumers are not higher risk, and by providing lenders with a secondary market to sell the loans post-close, our Prime-Grade Mortgage Program directly addresses the challenge faced by an estimated 50 million U.S. consumers currently locked out of appropriate mortgage financing by traditional mortgage lending standards," said Widener. "We have already begun to make a positive impact through the tremendous support of State Farm, First American and our counseling service partners, and we hope to further expand this program through additional partnerships in the years to come."

Earlier this month, the Prime-Grade Mortgage Program had its first success in helping a homeowner in Cincinnati qualify for prime-grade financing. In that instance, the homebuyer -- denied appropriate financing using traditional channels -- found help in a local NeighborWorks(R) counseling center, The Homeownership Center of Greater Cincinnati, which connected her to the Prime-Grade Mortgage Program. Using the alternative credit data, Fifth-Third Bank funded the loan, which was simultaneously purchased by NHTSA using the State Farm loan pool.

"We're excited about the hope this program provides and the impact it

will have on people," said Clayton Adams, vice president - community development at State Farm. "Our partnership and this investment with NHSA and First American matches our philosophy and strategy to support community development by empowering individuals to overcome adversity and eliminate barriers to buying a home for the first time."

"The rapidly changing market conditions are casting new light on the needs and strong purchasing power of the fast-growing minority and new immigrant homebuyer segments," said Landon V. Taylor, vice president of market development at First American. "We're pleased to help deliver innovation that enables the extension of responsible and affordable mortgage financing to all Americans."

About Neighborhood Housing Services of America

NHSA is part of the NeighborWorks(R) System, which also includes (a) NeighborWorks America, a congressionally chartered public nonprofit corporation that creates opportunities for people to live in affordable homes, improve their lives and strengthen their communities, as well as (b) the more than 240 local nonprofit NeighborWorks organizations that share a mission to revitalize their neighborhoods and communities and to provide affordable housing.

NHSA, together with NHSA-CDFI -- its affiliated community development financial institution -- and NHSA's e-commerce center, plays a critical role in meeting the capital needs of the NeighborWorks network. Raising private sector capital from socially responsive investors, NHSA purchases first and second mortgages from local NeighborWorks organizations and their lending partners. NHSA also develops innovative loan products and services to increase the capacity of the NeighborWorks network to expand affordable housing opportunities in their communities. For more information, please visit: <http://www.NHSAonline.org> or <http://www.nw.org>.

About State Farm

State Farm insures more cars than any other insurer in North America and is the leading U.S. home insurer. State Farm's 17,000 agents and 68,000 employees serve over 74 million auto, fire, life and health policies in the United States and Canada, and more than 1.8 million bank accounts. State Farm Mutual Automobile Insurance Company is the parent of the State Farm family of companies. State Farm is ranked No.22 on the FORTUNE 500(R) list of largest companies. For more information, please visit statefarm.com or in Canada statefarm.ca.

About First American

The First American Corporation (NYSE: [FAF](#)), a FORTUNE 500 company that traces its history to 1889, is America's largest provider of business information. First American combines advanced analytics with its vast data resources to supply businesses and consumers with valuable information products to support the major economic events of people's lives, such as getting a job, renting an apartment, buying a car or house, securing a mortgage and opening or buying a business. The First American Family of Companies, many of which command leading market share positions in their

respective industries, operate within five primary business segments, including: Title Insurance and Services, Specialty Insurance, Mortgage Information, Property Information, and Risk Mitigation and Business Solutions. With revenues of \$8.1 billion in 2005, First American has approximately 2,100 offices throughout the United States and abroad. More information about the company and an archive of its press releases can be found at <http://www.firstam.com>.

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