WELLS FARGO HOME MORTGAGE

WELLS FARGO WHOLESALE LENDING

PerformanceWorks℠ Plan

Performance Score Scenarios

Overview

These scenarios demonstrate the impact made to your Performance Score based on your pipeline management and underwriting pull-through. Through these scenarios, you will see that by doing one or more of the following you can positively impact your Performance Score:

- Fund loans earlier during the lock period
- Cancel locks prior to expiration
- Send to underwriting only the files you intend to fund

Scenario Assumptions

All of the scenarios use the following assumptions when calculating the Performace Score:

- 10 loans are registered
- Each registered loan's value is $100,000
- 5 of the 10 registered loans always fund
- $775 representative Wells Fargo underwriting fee
- Appropriate Wells Fargo lock expenses

Scenario 1 – Underwrite only loans that fund

This scenario demonstrates the Performance Score calculation when 5 locked loans are allowed to expire at the 30 day mark. None of these 5 loans were underwritten.

	# of Loans Registered	# of Loans Locked	# of Loans Underwritten	Lock Volume	Lock Expense Paid	Lock Expense Used	Underwriting Fee Paid	Underwriting Fee Used
Cancel on day 15				$ –	$ –	$ –	$ –	$ –
Expire on day 30		5	0	$ 500,000	$ –	$ 1,500	$ –	$ –
Funded on day 30		5	5	$ 500,000	$ 1,500	$ 1,500	$ 3,875	$ 3,875
TOTALS	**10**	**10**	**5**	**$ 1,000,000**	**$ 1,500**	**$ 3,000**	**$ 3,875**	**$ 3,875**
							Expenses Paid	$ 5,375
							Expenses Used	$ 6,875
							Performance Score	**78%**

Scenario 2 – Impact of cancelling locks early

This scenario demonstrates that if 2 of the 5 expired locked loans from Scenario 1 are cancelled at the 15 day mark and the other 3 locked loans are allowed to expire at the 30 day mark, the Performance Score can be positively influenced as compared to Scenario 1.

	# of Loans Registered	# of Loans Locked	# of Loans Underwritten	Lock Volume	Lock Expense Paid	Lock Expense Used	Underwriting Fee Paid	Underwriting Fee Used
Cancel on day 15		2	0	$ 200,000	$ –	$ 300	$ –	$ –
Expire on day 30		3	0	$ 300,000	$ –	$ 900	$ –	$ –
Funded on day 30		5	5	$ 500,000	$ 1,500	$ 1,500	$ 3,875	$ 3,875
TOTALS	**10**	**10**	**5**	**$ 1,000,000**	**$ 1,500**	**$ 2,700**	**$ 3,875**	**$ 3,875**
							Expenses Paid	$ 5,375
							Expenses Used	$ 6,575
							Performance Score	**82%**

Scenario 3 – Impact of underwriting all locks

This scenario demonstrates that if 5 locked loans are also underwritten and then these locks are allowed to expire at the 30 day mark, the Performance Score can be negatively influenced.

	# of Loans Registered	# of Loans Locked	# of Loans Underwritten	Lock Volume	Lock Expense Paid	Lock Expense Used	Underwriting Fee Paid	Underwriting Fee Used
Cancel on day 15				$ –	$ –	$ –	$ –	$ –
Expire on day 30		5	5	$ 500,000	$ –	$ 1,500	$ –	$ 3,875
Funded on day 30		5	5	$ 500,000	$ 1,500	$ 1,500	$ 3,875	$ 3,875
TOTALS	**10**	**10**	**10**	**$ 1,000,000**	**$ 1,500**	**$ 3,000**	**$ 3,875**	**$ 7,750**
							Expenses Paid	$ 5,375
							Expenses Used	$ 10,750
							Performance Score	**50%**

Scenario 4 – Impact of underwriting only a portion of lock volume

This scenario demonstrates that if 2 of the 5 expired locked loans from Scenario 3 are underwritten and allow all 5 locks to expire at the 30 day mark, the Performance Score can be positively influenced as compared to Scenario 3.

	# of Loans Registered	# of Loans Locked	# of Loans Underwritten	Lock Volume	Lock Expense Paid	Lock Expense Used	Underwriting Fee Paid	Underwriting Fee Used
Cancel on day 15				$ –	$ –	$ –	$ –	$ –
Expire on day 30		5	2	$ 500,000	$ –	$ 1,500	$ –	$ 1,550
Funded on day 30		5	5	$ 500,000	$ 1,500	$ 1,500	$ 3,875	$ 3,875
TOTALS	**10**	**10**	**7**	**$ 1,000,000**	**$ 1,500**	**$ 3,000**	**$ 3,875**	**$ 5,425**
							Expenses Paid	$ 5,375
							Expenses Used	$ 8,425
							Performance Score	**64%**

Scenario 5 – Impact of funding early (15 days on a 30 day lock)								
This scenario demonstrates that if 5 locked loans are allowed to expire at the 30 day mark and the 5 funded loans fund on the 15th day of the 30 day lock period, the Performance Score can be positively influenced when compared to Scenario 1.								
	# of Loans Registered	**# of Loans Locked**	**# of Loans Underwritten**	**Lock Volume**	**Lock Expense Paid**	**Lock Expense Used**	**Underwriting Fee Paid**	**Underwriting Fee Used**
Cancel on day 15				$ –	$ –	$ –	$ –	$ –
Expire on day 30		5	0	$ 500,000	$ –	$ 1,500	$ –	$ –
Funded on day 30		5	5	$ 500,000	$ 1,500	$ 750	$ 3,875	$ 3,875
TOTALS	**10**	**10**	**5**	**$ 1,000,000**	**$ 1,500**	**$ 2,250**	**$ 3,875**	**$ 3,875**
							Expenses Paid	$ 5,375
							Expenses Used	$ 6,125
							Performance Score	**88%**

Scenario 6 – Impact of not locking loans but having them underwritten								
This scenario demonstrates that if all 5 locked loans are also underwritten and then these locks are allowed to expire at the 30 day mark, the Performance Score can be negatively influenced.								
	# of Loans Registered	**# of Loans Locked**	**# of Loans Underwritten**	**Lock Volume**	**Lock Expense Paid**	**Lock Expense Used**	**Underwriting Fee Paid**	**Underwriting Fee Used**
Cancel on day 15				$ –	$ –	$ –	$ –	$ –
Expire on day 30		0	5	$ –	$ –	$ –	$ –	$ 3,875
Funded on day 30		5	5	$ 500,000	$ 1,500	$ 1,500	$ 3,875	$ 3,875
TOTALS	**10**	**5**	**10**	**$ 500,000**	**$ 1,500**	**$ 1,500**	**$ 3,875**	**$ 7,750**
							Expenses Paid	$ 5,375
							Expenses Used	$ 9,250
							Performance Score	**58%**

- Note these scenarios are for example purposes only. Many factors influence the Performance Score calculation that are not accounted for in these scenarios.
- As an approved Wells Fargo Wholesale Lending client, your exact Performance Score will be directly communicated to you.
- Please direct any questions to your Wells Fargo Wholesale Lending sales representative.
- In the event you are either not yet an approved client or do not know your sales representative, please complete the Contact Us form located on **BrokersFirst.com.**

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