

Fortes Financial does not share non-public borrower information with affiliates or non-affiliates except to those entities that are on a "need-to-know" basis in the normal course of business (i.e. investors, credit bureaus, government agencies, MI Companies, etc). Fortes Financial's complete Privacy Policy Statement is as follows:

Fortes Financial Inc. PRIVACY POLICY
In compliance of: THE GRAMM-LEACH-BLILEY ACT - FINANCIAL MODERNIZATION
Report on Title V – Privacy and Restrictions on Disclosing Nonpublic Personal Information

DISCLOSURE OF NONPUBLIC PERSONAL INFORMATION - GENERAL PURPOSE

In compliance with Title V of The Financial Modernization Act, Fortes Financial Inc. has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information, as that term is defined. The Federal Trade Commission is the regulatory body governing non-depository institutions (mortgage bankers) relative to this Act. Fortes Financial Inc.'s Privacy Policy has been drafted in compliance with the requirements of this Act, which has the purpose of:

- ensuring the security and confidentiality of customer records and information;
- protecting against any anticipated threats or hazards to the security or integrity of such records; and
- protecting against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

PRIVACY POLICY

Fortes Financial Inc. will not, directly or through its affiliates, disclose to a nonaffiliated third party any nonpublic personal information without first providing notice to the consumer and affording them the opportunity to "opt out" of the sharing arrangement.

Fortes Financial's current policy is NOT to share any non-public personal information with any nonaffiliated third party source except as necessary for the express intention of processing and closing of a borrower's loan application and the servicing and selling of a borrower's loan. This generally includes obtaining information from credit agencies, verification of assets, income, or employment or sharing information with third party service providers for the hazard, flood or private mortgage insurance coverage, servicing, auditing and enforcement of the Note and Deed of Trust.

At this time, the "opt out" provision is not applicable due to our policy of NOT sharing any non-public personal information with any nonaffiliated third party except for the purposes indicated above. The definition of non-personal public information includes not only privately obtained borrower information such as social security numbers, credit histories, depository and income and employment information but also includes customer lists which include loan numbers and other non-public data.

No employee is authorized to share any borrower's non-public personal information for the purpose of solicitation for additional products or services or any other purpose.

SECURITY AND CONFIDENTIALITY

- Only those employees whose specific job duties require access to the borrowers' loan files and therefore their non-public personal information may be in possession of any loan file. Managers are to ensure there is no unauthorized access of loan files in their branch offices.

Fortes Financial Inc. employees are given this notice:

Privacy Protections for Customers to Thwart Fraudulent Access to Financial Information

Title V, Subpart B provisions addressing "Fraudulent Access to Financial Information" established a general rule prohibiting persons from obtaining or attempting to obtain, or disclosing or attempting to cause to be disclosed to any person, a financial institution's "customer's information" by any means of false pretenses. Anyone who knowingly and intentionally violates Section 521 is subject to fines, imprisonment, or both.

The scope of "false pretenses" encompasses the following activities:

- Making a false, fictitious or fraudulent statement or representation to an officer, employee or agent of a financial institution;
- Making a false, fictitious or fraudulent statement or representation to a customer of a financial institution; and
- Providing any documentation to an officer, employee or agent of a financial institution, knowing that the document is forged, counterfeit, lost, stolen, was fraudulently obtained or contains a *false, fictitious or fraudulent statement or representation*.

Storage of Loan Files

- Closed or cancelled loan files are to be maintained in a secured storage location.

Destruction of Loan Files

- When loan files are eligible to be destroyed due to loan payoff (and after the applicable regulatory agency-required retention period has expired), loan files are to be shredded and NOT just discarded. *This also applies to duplicate files maintained in a branch office.*

Third Party Service Providers

- Third party service providers are required to execute a Confidentiality Agreement or Clause as part of its contract with Fortes Financial Inc. in compliance with said Act. "Grandfathered" contracts, those in effect as of July 1, 2000, will be given until July 1, 2002 to comply with said amendment.

Employee Education

- All employees are required to read the Fortes Financial Privacy Policy and acknowledge receipt of said policy. Acknowledgements to be maintained in the employee's personnel file in Human Resources.

Employees who violate all or any portion of this policy are subject to termination.

PRIVACY POLICY STATEMENT

Initial Disclosure:

The Fortes Financial Inc. Privacy Policy Statement is to be provided to the borrower commencing with loan application received on or after July 1, 2001 as follows:

Retail Loan Originations:

- The "interviewer" in the Loan Application process must give this Privacy Policy Statement to the borrower to be executed at the time the loan application is taken face-to-face. A copy must be given to the borrower for their records and a copy retained in the branch and a copy must be available electronically to the underwriter.
- If the Loan Application is taken by phone or by mail, this Privacy Policy Statement is to be mailed to the borrower with the Initial Truth-In-Lending Disclosure and other applicable origination disclosures. A copy is to be retained in the branch and a copy must be available electronically to

the underwriter. The cover letter that is sent with the origination disclosures must reflect the inclusion of this document.

Wholesale Loan Originations:

- The Privacy Policy Statement is to be mailed to the borrower with the Initial Truth-In-Lending Disclosure and other applicable origination disclosures. A copy is to be retained in the storage file.

Annual Disclosure:

- The Privacy Policy Statement is to be re-disclosed (by mail) annually for those loans Fortes Financial Inc. continues to service beyond 12 months from the loan closing date.