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## **Flagstar Bank To Originate Electronic Notes Using Fiserv eLending Technology For Sale to Freddie Mac Under Process Test Initiative**

BROOKFIELD, Wis., Aug 26, 2008 (BUSINESS WIRE) -- Fiserv, Inc. (NASDAQ:FISV), a leading provider of information technology services to the financial industry, announced today that Troy, Michigan based Flagstar Bank (NYSE:FBC), a \$14.6 billion-asset federal savings bank, has begun to originate its prime residential mortgage loans with electronic notes using Fiserv technology, for sale to McLean, Virginia based Freddie Mac (NYSE:FRE), one of the nation's largest investors in residential mortgages, under a new paperless process test initiative.

Flagstar Bank utilizes the Fiserv eLending platform for its eMortgage signing, closing and post-closing processes. The company stores eNotes and other closing documents in the Fiserv eVault and facilitates the electronic transfer of assets to loan servicers and secondary market investors, such as Freddie Mac.

" Having Freddie Mac as an investor that purchases eNotes from Flagstar gives us flexibility in the secondary market," said Brian Boike, first vice president of lending support for Flagstar. "That means we can move full speed ahead on our expansion plans and fully realize the benefits of a paperless mortgage. "

The Flagstar eNote is automatically registered with the MERS<sup>®</sup> eRegistry to establish an authoritative record of ownership and document custodianship. The Fiserv eLending platform transparently invokes MERS eDelivery for vault-to-vault asset transfers.

All of the eNotes being originated under the process test must meet Freddie Mac mortgage credit standards and eMortgage specifications.

Freddie Mac's willingness to participate in this initiative is further proof that eMortgages will become the standard throughout the mortgage industry," said Kevin Collins, president, Fiserv Loan Origination Products. "Benefits such as faster closing times, reduced shipping and courier costs, and more borrower transparency led Flagstar and other technology-savvy lenders to adopt eMortgages to streamline their lending processes."

Flagstar's use of the SMART Doc eNotes helps to qualify the assets for secondary market sale to Freddie Mac. The government-sponsored enterprise (GSE) is among a growing number of investors now purchasing eNotes for U.S. residential properties.

"Today's announcement underscores Freddie Mac's commitment to explore the potential eMortgage technology has to reduce the time and expense of making home possible for qualified borrowers," said Patricia McClung, Freddie Mac's vice-president of Single Family Sourcing.

### **About Flagstar Bank**

Flagstar Bank is a subsidiary of Flagstar Bancorp (NYSE:FBC), a bank holding company headquartered in Troy, Mich. With \$14.6 billion in total assets, Flagstar Bancorp is the largest publicly held savings bank headquartered in the Midwest. As of June 30, 2008, Flagstar operated 170 banking centers in Michigan, Indiana and Georgia and 121 home loan centers in 26 states. Flagstar originates home loans nationwide and is one of the leading originators of residential mortgages. For more information, please visit [www.flagstar.com](http://www.flagstar.com).

### **About Freddie Mac**

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac raises capital on Wall Street and throughout the world's capital markets to finance mortgages for families across America. Over the years, Freddie Mac has made home possible for one in six homebuyers and more than five million renters. For more information, visit [www.freddiemac.com](http://www.freddiemac.com).

## About Fiserv, Inc.

Fiserv, Inc. (NASDAQ:FISV), a Fortune 500 company, provides information management and electronic commerce systems and services to the financial and insurance industries. Leading services include transaction processing, outsourcing, electronic bill payment and presentment, investment management solutions, business process outsourcing (BPO), software and systems solutions. Headquartered in Brookfield, Wis., the company is the leading provider of core processing solutions for U.S. banks, credit unions and thrifts. Fiserv was ranked the largest provider of information technology services to the financial services industry worldwide in the 2004, 2005 and 2006 FinTech 100 surveys. In 2007, the company completed the acquisition of CheckFree, a leading provider of electronic commerce services. Fiserv reported nearly \$4 billion in total revenue from continuing operations for 2007. For more information, please visit [www.fiserv.com](http://www.fiserv.com).

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