



For Immediate Release

May 11th, 2007

GLOBAL MORTGAGE ALLIANCE PROGRAM APPROVED BY FEDERAL HOUSING FINANCE BOARD

On May 09 2007, the Federal Housing Finance Board, the regulator of the Federal Home Loan Banks (FHLBanks), granted approval for the FHLBank of Atlanta to participate in a new mortgage program with one of its members, Global Mortgage Alliance (GMA). The new program creates a natural alliance among FHLBanks, their members and the global capital markets.

“We look forward to working with Hillenbrand Partners to provide our members with another option for selling their mortgage loans in the secondary market,” said FHLBank Atlanta Interim President and CEO William H. Ott, Jr. “GMA offers member financial institutions access to liquidity while leveraging each of our strengths.”

GMA is specifically designed to promote a valuable mortgage funding option to FHLBank members. Global Mortgage Alliance, LLC (GMA LLC), a member of the FHLBank Atlanta and a wholly owned subsidiary of Hillenbrand Partners, will purchase conforming, fixed rate residential whole loans from FHLBank members. Mortgage loans acquired from FHLBank members by GMA LLC will be securitized through the use of a private market mechanism, with AAA rated securities sold into the capital markets. The Investment Banking Division of Credit Suisse will provide warehouse financing as well as lead securitizations of loans purchased by GMA. There will not be any use of the “implied guarantee” of the United States Government required for GMA mortgage backed securities.

Eric Hillenbrand, CEO of Hillenbrand Partners, commented “The approval of this program marks the beginning of an innovative, new approach to promoting housing finance within the FHLBank system. We are extremely pleased with the Finance Board’s decision and look forward to working with the FHLBank Atlanta in providing a new source of strategic liquidity to their community based members. Credit Suisse, a mortgage market leader, will be a valuable partner in the program.”

FHLBanks have successfully promoted economical home financing since 1932. Since 1997, FHLBanks have provided liquidity to their member institutions through the direct purchase of residential whole loans. However, the absence of a viable securitization, or risk transfer, program has left FHLBanks with the difficult challenges of managing interest rate and option risks of these mortgage portfolios and curtailed portfolio growth.



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In a unique network affiliation with GMA, FHLBanks will be able to avoid balance sheet risk and capital requirements by promoting efficient mortgage funding from the global markets to thousands of community mortgage lenders across the US.

With GMA, FHLBanks will be able to better serve their community bank members and further their housing finance mission by providing an ongoing source of mortgage liquidity and build their mortgage business with no financial risk.

Members that wish to participate in GMA will be recommended for participation by the FHLBanks. FHLBanks will receive fee income but retain no risk. GMA will purchase the mortgage loans, so at no time will the FHLBanks have any risk associated with keeping mortgage loans on their balance sheets. GMA will use similar systems and personnel as is used under existing mortgage programs. The operations will be managed through the use of systems that have been developed in conjunction with FHLBank of Atlanta.

GMA will transfer interest rate risk to global investors by creating mortgage backed securities (MBS) backed the by mortgage loans purchased from FHLBank members. These securities, while highly similar to Agency MBS, will not rely on any implied guarantee of the US Government. GMA will create funding from the global capital markets for local communities in support of the FHLBanks' housing finance mission.

“When you look at it, this creative solution will be mutually beneficial to all parties: community banks and their home buying customers, the FHLBanks, and the capital markets, which will have a new source of the highest quality MBS,” said Mike Moore, President of Global Mortgage Alliance, LLC

Hillenbrand Partners is a global investment fund manager focused on residential and commercial structured real estate finance.

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