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Quicken Loans First To Offer FHA Home Mortgages Nationally On The Internet

With HUD's approval, Intuit expands home ownership nationwide, offering consumers widest variety of home loan options

Mountain View, Calif. - January 20, 2000 - Quicken Loans Inc, a subsidiary of Intuit Inc. ((NASDAQ: [INTU](#))), announced today that it has received the Federal Housing Administration's (FHA) approval to be the nation's first mortgage lender to provide FHA loans nationally via the Internet. The government's approval allows Quicken Loans to offer government-backed FHA home loans to consumers in all 50 states through the company's Web site, [QuickenLoans.com](#). Quicken Loans is the first online mortgage company to receive the government's approval to originate, close, and fund FHA loans on a national basis from one centralized location. Previously, a mortgage lender was required to have a brick-and-mortar loan office in the vicinity where it wanted to originate and close FHA loans. Now for the first time, consumers can apply, track, and close a FHA loan directly from the Quicken Loans Web site. The award-winning user-friendly Web site presents a broad range of home mortgage programs in an easy to understand apples-to-apples comparison chart enabling users to more easily learn the pros and cons of each option.

"Intuit has always been a pioneer in simplifying consumers' financial lives," said Daniel Gilbert, CEO of Quicken Loans Inc. "This is an example of how we're now making the home loan process a faster, easier, and overall better experience for consumers. Together with HUD, we are expanding home ownership to millions of people across the country who might otherwise have been locked out of the mortgage market."

Because they are significantly more flexible than many other conventional and sub-prime loans, FHA-insured loans are a popular option for first-time homebuyers -- who according to HUD, accounted for over 80% of FHA-insured loans last year. However, many consumers use FHA-insured loans, which have comparable interest rates to conventional loans, to refinance a sub-prime home mortgage, which typically has a higher interest rate but more credit flexibility. It serves as a convenient "stepping stone" on the way to a lower-interest rate conventional loan.

Gilbert continued. "We're pleased HUD recognized our commitment to innovate the mortgage process through our state-of-the-art Web/Call Center, back-office technology and processes, and experienced loan professionals who have the know-how to offer FHA loans to consumers in all 50 states."

About FHA-insured home loans

- **The government does not fund the home loan in any way.** FHA provides mortgage insurance to help consumers become homeowners. FHA doesn't actually make loans. Instead, FHA insures lenders from losses so that if buyers default for some reason, the lenders will get their money. This encourages lenders to give mortgages to people who might not otherwise qualify for a loan. The FHA program is self-funding; taxpayers have never paid to cover homeowners who default on their mortgage.
- **Borrowers can purchase with a minimum down payment.** Without FHA insurance, many families can't afford the homes they want because down payments are a major roadblock. FHA down payments range from 1.25% to 3% of the sale price and are significantly lower than the minimum that many lenders require for conventional or sub-prime loans.
- **With FHA loans, borrowers need as little as 3% of the "total funds" required.** In addition to the funds needed for the down payment, borrowers also have to pay closing costs, prepaid fees for insurance and interest, as well as escrow fees which include mortgage insurance, hazard insurance, and months worth of property taxes. A FHA-insured home loan can be structured so borrowers don't pay more than 3% of the total out-of-pocket

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- funds, including the down payment.
- **The combined total of out-of-pocket funds can be a gift or loan from family members.** FHA allows homebuyers to use gifts from family members and non-profit groups to cover their down payment and additional closing costs and fees. In fact, even a 100% gift or a personal loan from a relative is acceptable.
- **FHA's credit requirements are flexible.** Compared to credit requirements established by many lenders for other types of home loans, FHA focuses only on a borrower's last 12-24 month credit history. In addition, there is no minimum FICO score - mortgage bankers look at each application on a case-by-case basis. It is also perfectly acceptable for people with NO established credit to receive a loan with this program.
- **FHA permits borrowers to have a higher debt-to-income ratio than most insurers typically allow.** Conventional home loans allow borrowers to have 36% of their gross income attributed to their new monthly mortgage payment combined with existing debt. FHA program allows borrowers to carry 41%, and in some circumstances, even more.
- **There are no maximum income levels with FHA programs.** Many homebuyers mistakenly believe there are maximum income levels that prevent them from qualifying for a FHA loan. There are county-specific maximum loan amounts however; borrowers should check with their mortgage banker to learn the specific requirements for the county in which they are financing the house.

About Quicken Loans

Quicken Loans (previously known as Rock Financial Corporation, owner and operator of RockLoans.com), a leading provider of direct-to-consumer home loans on the Internet, offers mortgages in all 50 states and the District of Columbia. The company provides a wide variety of home financing options including conventional, sub-prime, home equity, government, and jumbo loans and originated nearly \$3.5 billion in mortgage loans over the past 12 months. Quicken Loans combines cutting-edge technology and high touch personal service to give consumers a convenient one-stop home and mortgage shopping experience on the Internet. More than 400 experienced loan professionals located in the Quicken Loans' state-of-the-art Web/Call Center work directly with consumers throughout the entire process, while the Web site educates and empowers consumers through timely interactive tools and information related to the home financing process. Intuit Inc. acquired Rock Financial (and RockLoans.com) in December 1999.

About Intuit

Intuit Inc. (NASDAQ: INTU) is the leader in e-finance, including financial software and Web-based services. Intuit develops and markets Quicken®, the leading personal finance software; TurboTax®, the best-selling tax preparation software; and QuickBooks®, the most popular small business accounting software. Intuit's Quicken.com® Web site (www.quicken.com) is a leading financial Web site, offering a comprehensive set of financial news, information and tools, including insurance, mortgage, investment and tax preparation services. Intuit's products and services enable individuals, small businesses and financial professionals to better manage their financial lives and businesses.

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