

# NEWS RELEASE

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## **NovaStar Financial Implements Street Resource Group's Warehouse Loan System**

*-Residential mortgage lender selects WLS for improved integration between correspondents  
and wholesale divisions -*

**ATLANTA, May 18, 2006** —Street Resource Group, Inc. (SRG), a provider of innovative technology solutions and software specific to warehouse lending, announced that NovaStar Capital, a unit of NovaStar Financial, Inc., offering warehouse credit lines and top-notch financial expertise to national or regional mortgage originators, has selected Street Resource Group's Warehouse Loan System (WLS). NovaStar Financial originates loans nationwide through NovaStar-affiliated mortgage brokers, which are referred to as branches, independent brokers and direct contacts with borrowers.

"NovaStar Capital's commitment to the success of its correspondents and wholesale division in large part determined our selection of Street Resource Group's Warehouse Loan System," said Ken Logan, executive vice president and chief operating officer for NovaStar Capital. "Competitive pressures demand that we make it easy to do business with us, and offering correspondents a fully automated tool for managing their warehouse lines is one way to meet that objective."

Through its implementation of WLS, NovaStar Capital has been able to fully automate its validation failure checks, an external process that required manual identification of failures and forwarding the loan for review by warehouse personnel. WLS offers a generic validations web service that allows NovaStar Capital to preserve existing code and systems (including interfaces with MARI, Lender ESource and others), and to leverage that code for its warehouse lending automation.

"We are pleased that we could deliver the specific solution NovaStar Capital wanted," said Stan Street, president of Street Resource Group. "Not only were we able to deliver key custom underwriting configurations, but we also worked to install 100

percent of its originators in one month, after which they were able to import loans via the FNMA 3.2 import and electronically submit them directly to the warehouse.”

SRG added functionality to its WLS web service export that allows NovaStar Capital to process loans via its legacy connections to obtain export wiring information, compliance checks, credit history, underwriting, originator license export, MARI, funding approval, and Lender ESource and return the generic validation results to the warehouse system.

SRG WLS also supports NovaStar Capital’s requirements for a two-part loan import capability including the FNMA 3.2 import and its own internal imports to its correspondent channel. SRG programmed FNMA 3.2 for the installation through which 100 percent of NovaStar Capital originators are now importing loans. Internal imports use the WLS loan template CSV import, which is totally configurable in WLS and required no additional programming.

#### **About NovaStar Capital**

NovaStar Capital, Inc., a unit of NovaStar Financial, Inc., offers warehouse credit lines and top-notch financial expertise to national or regional mortgage originators, including correspondent mortgage lenders and mortgage brokers and mortgage bankers. The flexible NovaFund and NovaFund Express warehouse programs offer a range of options, including funding for nonprime and alt-A loans up to 100 percent of the lines, to enable business partners to increase their volumes and profitability.

#### **About SRG**

Street Resource Group, Inc. (SRG) serves the warehouse lending industry, providing innovative technology solutions and software that increase the efficiency and cost effectiveness of mortgage lenders’ warehouse operations. SRG’s core product is the SRG Warehouse Loan System, a configurable Microsoft SQL2000 .NET platform that provides an automated workflow environment for secure online real-time warehouse lending. The SRG solution is specifically designed for warehouse lending and incorporates all of the functionality needed to manage lenders’ loan pipelines and business processes. For more information, visit [www.streetresource.com](http://www.streetresource.com).

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