

Taj Bindra Joins New Century as New Chief Financial Officer

To: All New Century Associates

From: Brad Morrice, President and Chief Executive Officer, New Century Financial Corporation

Taj Bindra Joins New Century as New Chief Financial Officer

I'm pleased to announce that we have named Taj Bindra as our new Executive Vice President and Chief Financial Officer (CFO), effective November 15. As you may recall, we announced in August that Patti Dodge, our current CFO, had chosen to transition to a new role at New Century – as Executive Vice President, Investor Relations. In Taj, we have found someone who will deliver the excellence that Patti has throughout the last several years.

As CFO, Taj will be responsible for the general supervision, direction and control of all financial aspects of the business. Principally, this includes setting the strategic directions of the company's financial initiatives, accounting and controls as well as formulating financial policy and plans, risk management, and leading strategic initiatives and acquisitions. Taj will also partner with the rest of the Executive Management Committee to oversee the company's operations and will report directly to me.

Taj's appointment to this position is a great contribution to one of our ongoing key objectives: build human capital and organizational alignment. Achieving this objective means having the right people in the right jobs, all pulling and thinking in the same direction. Taj is truly the right person for this job with credentials that will help us to become one of the top mortgage banking companies in the U.S. He has more than 18 years of senior management experience in the financial services industry. Most recently, he was Executive Vice President of Mortgage Banking, Capital Markets and Servicing Operations at Washington Mutual, where he oversaw the financial, risk/ portfolio management functions as well as the capital market activities and mortgage servicing operations. While there, Taj was instrumental in reducing expenses through infrastructure improvements. Prior to Washington Mutual, he was Chief Financial Officer and Executive Vice President at Chase Home Finance for 11 years. To get more details about Taj, read [today's announcement](#) we released to the news media.

I know you will join me in extending a warm welcome to Taj, while supporting Patti in her exciting new role at New Century.

More samples below...



New Century Acquires Irwin Mortgage Corporation's Servicing Operations

To: All New Century Associates

From: Kevin Cloyd, Executive Vice President, NCFC and President of NC Capital Corporation

I'm excited to announce that we will be expanding our servicing capabilities. New Century Mortgage Corporation has agreed to purchase certain assets and retain a significant portion of employees of Irwin Mortgage Corporation's servicing operations, based in Fishers, Indiana. The transaction, which is expected to be completed in January 2007, will allow us to expand our capability in servicing Alt-A and prime mortgage loans in addition to our non-prime mortgage loans.

In bringing this operation on board, we're supporting New Century's key objectives:

- **Broadening Product Lines:** As our production divisions generate a growing number of Alt-A and prime mortgage loans, we're better equipped to service the increased capacity.
- **Increasing Productivity While Reducing Costs:** With an expert team of servicers in another time zone, we will be enhancing our scalability, labor hours management and efficiencies; plus, we will be establishing a fully functional, redundant platform for disaster recovery.
- **Building Human Capital and Organizational Alignment:** Our new Associates in Indiana are very experienced and have earned top servicer ratings from HUD and Fannie Mae as well as a "Tier One Gold" servicer rating from Freddie Mac; they will be joining our existing robust team of talented servicing Associates in Santa Ana, California. The Indiana servicing operations will report to Richard Cimino, President of Loan Servicing.
- **Becoming More Borrower Focused:** The additional resources will help us be more responsive to our borrowers and provide a level of service that's more convenient for them.

Successful completion of this transaction will require support from many of you across the organization. I look forward to your cooperation in securing yet another competitive advantage as an industry leader.

More samples below...



Home123 Mortgage: The New Retail Strategy

To: All New Century Associates

From: Tony Meola, EVP, Loan Production

I am excited to share with you our new strategy that will allow the Retail Division to contribute 25 percent to New Century's earnings within three years, up from 9 percent now. Our vision behind the strategy is to provide a **full line** of home financing opportunities **at the point of sale**.

How will we accomplish this? By focusing on the customer. Our research shows that customers are either "transactors" (know the loan process, prefer contact online or by phone) or "seekers" (need advice and want face-to-face contact). Therefore, we will be organizing the Retail Division to serve our customers through two channels:

Consumer Direct (for transactors) and the **Referral Network** (for seekers). This approach is about giving both kinds of customers **one place to go for a loan**, regardless of the type of loan they need – prime, non-prime or anything in between.

As our guest speaker Magic Johnson said at the recent Retail managers meeting, "If you're prepared, you can handle anything." Before we become the Home123 Mortgage we're envisioning now, there are a lot of preparations we must make in areas such as systems, processes, products, staffing and training. We're counting on everyone's support to help us succeed over the next several months.

When we fully implement this strategy, we will be one of the first mortgage companies to do so. Others will launch similar efforts, but only Home123 Mortgage is uniquely positioned to exploit competitive advantages in our technology and people to seize significant market opportunities.

For more details on the strategy, our business goals and the opportunities that await us, visit [the Go! Intranet](#).

Home123 Mortgage is about to strike fear in the competition and help more customers achieve the dream of homeownership.

More samples below...



Associate Bulletin

April 27, 2006

To: All New Century Associates

From: Brad Morrice, Vice Chairman, President and COO, New Century Financial

Change Network to Keep You Informed About BPO (or "OPUS")

I am pleased to announce the launch of the **Change Network**, which is a team of your fellow Associates across the company that will continually provide you with information about our ongoing BPO initiative – now called "**OPUS**" (**Operation us**). They have the training and the tools to deliver clear, timely communication at each phase of the OPUS implementation.

One of the Change Network's first directives is to hold a **brief meeting** with small groups of **Associates in their respective divisions and departments**. They will clearly define what OPUS is as well as explain why it's a strategic imperative, how it will benefit you and when you can expect to see changes from its various phases. You will learn how OPUS will reduce our administrative burdens and costs in many HR, timekeeping, payroll, procurement and accounts payable functions. Your Change Network representative will hold this meeting **by May 10**.

I'm counting on you to **make time for this meeting** and others that will follow over the next few months. And I encourage you to leverage the Change Network to **get answers to your questions or pass along your comments**. Your cooperation will ensure the OPUS implementation will be as seamless as possible. In addition to communication from your Change Network representative, watch for more information in other Associate Bulletins, at an OPUS site coming soon on the Go! intranet, in the next issue of *The Pipeline* and on NCTV. If you have questions or comments that you'd like to send anonymously, please go to <http://go.newcentury.com/url/opus.html>. You can also find out who your Change Network representative is on this page.

The rollout of OPUS is truly a defining moment in the history of New Century – one that will allow us to operate smarter and more competitively than ever before. I look forward to your support.

More samples below...



Associate Bulletin

July 6, 2006

To: All New Century Associates

From: Brad Morrice, Chief Executive Officer, New Century Financial Corporation

Great Milestone for OPUS

After the 4th of July, New Century is taking one of its first major steps so far in the implementation of Project OPUS: a new online time and attendance system as well the start of a new payroll schedule. This is a cause for celebration because it's a milestone in our maturity toward the ranks of world-class companies that have similar standardized processes. There are a lot of benefits to this change, so I want to emphasize how important it is that we do our best to learn the new time and attendance system and use it properly.

This is also a good time to talk about accepting and adapting to new processes. Until recently, we've done many of our administrative tasks manually, which allows for exceptions in our processes. But with the introduction of automated systems, we have to adopt a "no-exceptions" mentality. For us to realize the full benefit of Project OPUS, we all need to ensure that we fully comply with the new procedures.

This change in the time and attendance process should be relatively easy for us to make. Other phases of Project OPUS will be more challenging. But if we're going to fully leverage the competitive advantages OPUS will provide, we've got to remain vigilant and positive. One of our Company Values is embracing change; when it comes to OPUS, we need to give it a big hug!

Now, I'd like to invite you to watch a brief video featuring a discussion I had with some other members of the senior management team about Project OPUS. [Click here](#), or visit the Go! home page.

Thank you for your cooperation so far. I know you've had to make some adjustments, but it's all part of becoming an even stronger company.

More samples below...



Associate Bulletin

July 6, 2006

To: All New Century Associates

From: Bob Cole, Chairman of the Board of Directors, New Century Financial Corporation

Brad Morrice Transitions to Chief Executive Officer, New Century Financial Corporation

It gives me great pleasure to announce that effective July 1, Brad Morrice succeeded me as New Century Financial Corporation's Chief Executive Officer (CEO). He will continue to serve as the company's Vice Chairman and President. As previously announced, I will continue to serve as Chairman of the Board of Directors for New Century.

Ever since Brad, Ed Gotschall and I founded New Century more than 10 years ago, Brad has been an integral member of the executive management team and has helped to grow New Century from the ground up. He is already highly regarded in the investment community, and was part of the team that transformed New Century into a REIT so we could deliver value to shareholders in tough markets and take advantage of favorable market opportunities. Given our culture, our intense focus on product growth and the importance of our secondary market execution, Brad's extensive experience, passion and vision make him the ideal executive to lead New Century to unprecedented heights.

As I step away from my role as CEO, I am extremely optimistic about the future of New Century. It's a solid company, well positioned to win and grow in a competitive landscape. Over the last year, Brad has continued to build a very strong executive management team, attracting the best and brightest talent to serve in key positions. In 2005 we hired Bob Lambert to lead Human Resources and Organizational Development. In 2006, the company hired Joe Eckroth, who is Executive Vice President of New Century Financial Corporation and COO of New Century Mortgage Corporation, and Colleen Wolf who is CIO of New Century Mortgage Corporation. Most recently, we hired Tony Meola as Executive Vice President of Production. These recent additions to the team, working in concert with long-time leaders such as Patti Dodge, Kevin Cloyd and Terry Theologides, continue to deliver strong results by consistently carrying out the company's strategic plans.

With Brad as CEO, New Century's fundamental strategic goals remain the same: broaden our offering of products and services; lower costs and increase productivity; build human capital and organizational alignment; and become more customer focused. I am confident that Brad's leadership will ensure we succeed in those endeavors. I know you join me in congratulating Brad as he embarks on this new challenge in his journey with New Century.

More samples below...



Associate Bulletin

To: All Associates

From: Joe Eckroth, EVP, Chief Operating Officer
Patti Dodge, EVP, Chief Financial Officer

Bullet Train Cost Management Opportunities: Printing Costs

Recently we introduced you to our ongoing strategic priority to more effectively manage costs at New Century with our "Bullet Train" program. **You** are the key to the success of this program. Embracing and establishing cost-saving practices as part of your daily routine is one way for us to improve profitability and enhance productivity.

Bill McKay, Senior Vice President, Mortgage Operations, is the project leader on an effort to cut printing costs. An analysis of these costs indicates that annually we print over 18 million copies on a color-capable printer, printing both in color and/or in black and white, at an annual expense of nearly \$1.5 million for both machine usage and for toner. Consider the following:

- The cost to produce a page on color-capable printer (no matter if the document is in color or happens to be black and white) is about **7.7 cents**
- The cost to produce a page on a black and white printer is about **1.7 cents**

Cutting in half the number of copies we produce on color-capable printers and using a black and white printer instead could **save New Century of over \$600,000 a year**. There are certainly items we should produce in color, such as appraisal photos, presentations to our brokers, advertising collateral for our customers, and presentations to investors. However, if you're just printing copies for sharing internally or for reference, then black and white copies will probably suffice.

What You Can Do

- Make sure your default printer on the network is a black and white unit (to set this up, click on the "Start" button, go to "Settings", then click on "Printers and Faxes"; right click on the black and white printer and select "Set as Default Printer").
- Before you print, ask yourself whether you even need a hard copy. Is it simply for reference and could remain an electronic copy? Is it to hand out in a meeting where you could display it on a projector instead?
- Only use a color-capable printer if your audience would truly benefit from seeing your document in color
- Communicate the cost difference of color versus black and white to others

A simple solution to reduce expenses – and get on the "Bullet Train"!