



NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA

Bruce Marks
C.E.O.

For Immediate Release

May 10, 1999

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Press Release
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**THE NEIGHBORHOOD ASSISTANCE CORPORATION &
THE ASSOCIATES ANNOUNCE THE MOST HISTORIC CHANGE EVER
FOR CONSUMERS IN THE SUB-PRIME MARKET**

THIS UNPRECEDENTED PROGRAM WILL BE UNVEILED THIS MORNING:

Where: Harvey Hotel Irving Texas – Sunnyside Room
When: Monday May 10, 1999 at 10:00 a.m. (after Associates annual meeting)
Who: Keith Hughes, CEO Associates & Bruce Marks, CEO NACA

The Neighborhood Assistance Corporation of America (NACA), the most innovative and largest national community advocacy and housing services organization, and Associates First Capital Corporation, the nation's largest home equity lender, today announce the joint development of a revolutionary loan program.

The Mortgage Reduction Program will provide borrowers an opportunity to earn an automatic reduction in their interest rates on their home equity loans. Thus borrowers who make their payments on time can reduce their interest rates by more than two percent. This will impact tens of thousands of borrowers and provide considerable in benefits to consumers.

“This returns sub-prime lending to the original purpose of providing financing to people without perfect credit to overcome their short term financial difficulties.” states Bruce Marks - NACA CEO. “Many lenders have taken advantage of the most vulnerable borrowers, and through their practices pulled the borrowers into deeper financial difficulties. The Associates’ Mortgage Reduction Program will provide the most important benefit ever for consumers in the massive \$300 billion sub-prime market. It will revolutionize and set consumer standards for an industry that had none.”

The Mortgage Reduction Program will begin July 1st, and will apply to new borrowers and existing customers. In addition to this program, The Associates has committed one hundred million dollars to NACA’s unprecedented mortgage program. This program, which is by far the best in America, provides working people the opportunity to purchase or refinance with No down payment, No fees, No closing costs, and the lowest rates in the country.

“We look forward to a strong relationship with The Associates”, states Bruce Marks, “as we work to benefit consumers locked out of conventional financing.”

This will serve as an addendum to the Agreement dated May 8, 1999, between Associates First Capital Corporation ("AFCC") and the Neighborhood Assistance Corporation of America ("NACA"). The following is to be included in the NACA Cooperation section under Miscellaneous:

AFCC commits that at least 50,000 existing customers will be eligible for the Mortgage Reduction Program. AFCC will expand the eligibility to make insure that this goal is achieve and provide documentation to NACA by the programs' implementation date of July 1, 1999.