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Interactive Financial Corporation Leverages “Model Branch” Strategy To Differentiate from Net Branch Competitors

--Emphasis placed on training, marketing support and close business relationships--

TROY, Mich., Feb. 27, 2007 – Interactive Financial Corporation, a leading mortgage banker/broker built around the “model branch” business strategy, continues to build on last year’s success, while other Net Branch lenders struggle to survive in today’s market. Interactive Financial attributes its success to strong investor relationships, continuing education and high standards for branch managers and operators.

In 2006, Interactive Financial Corporation expanded operations to more than 40 true model branches nationwide. “Recent market changes have hurt many lenders,” said CEO and President Hunt Gersin. “You can’t pick up a paper these days without reading about another lender facing bankruptcy. It’s definitely a tough time right now, but Interactive Financial continues to grow. In fact, prospective branch managers are coming to us to initiate a relationship, which says a lot about our reputation.”

The “model branch” system of mortgage brokers has worked well for Gersin and Interactive Financial. In 2006, sales revenue reached more than \$6 million, a 50 percent increase from 2005. Interactive Financial selects its branch managers/associates through a strict process. Candidates must have a proven track record of success with world-class customer service and strong investor relationships. A branch must be operating under a team-oriented environment with a commitment to growth while maintaining quality service.

According to Gersin, in previous years, the desire by independent brokers to become part of a net branch system was strong. The opportunity to reduce operating costs, the ability to lend in multiple states, offer all types of loan products, and receive accounting and support services was very attractive. Yet in recent years, a negative connotation has been attached to the term “net branch.” Many net branch companies have been accused of running fly-by-night operations, where deals fall apart at the last minute, often leaving a financial mess in their wake. Net branch

operators have been accused of simply trying to make a buck and often not following the letter of the law. Lawmakers have cracked down on this practice over the last few years, but the damage to net branches had already been done.

“The system needed to be redesigned,” said Gersin. “We set out to thoroughly examine the negative aspects associated with net branch brokers and found ways to dramatically improve the way branches operated. The key was strong open-ended relationships, where the branch managers could maintain their entrepreneurial identity as long as they operated at a standard above the rest and remained in constant contact with our lending organization. What resulted was Interactive Financial’s model branch system.”

“We didn’t reinvent the wheel,” said Gersin. “But, we saw what was lacking in some branch systems and focused on offering originators support and services to help them process higher volumes of high quality loans more efficiently. Culturally, we provide our branches with the small company feel and make them an important part of our entire organization. It really is a mutually beneficial relationship, and our success rate reflects this.”

About Interactive Financial Corporation:

Founded in 1993, Troy, Michigan-based Interactive Financial Corporation is one of the nation’s leading mortgage bankers and brokers. Through extensive research and development, the company has created a “Model Branch” system, which includes staffing, pre-tax expense accounting, and communication that has advanced the branch network concept to the next level. In addition to providing world-class service and maintaining close investor relationships, Interactive Financial enables associates to build a solid foundation of quality loan products, assuring a competitive business that is well positioned for new market trends, including reverse mortgages, commercial mortgages and specialty programs. For more information, visit www.ifcbranch.com.

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