

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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NEW CENTURY FINANCIAL CORP

CIK: **1036075** | IRS No.: **330683629** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **6162** Mortgage bankers & loan correspondents

Mailing Address
*18400 VON KARMAN
SUITE 1000
IRVINE CA 92612*

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SUITE 1000
IRVINE CA 92612
9494407030*

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **December 29, 2003**

NEW CENTURY FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-22633
(Commission File
Number)

33-0683629
(IRS Employer
Identification No.)

18400 Von Karman Avenue, Suite 1000, Irvine, California
(Address of Principal Executive Offices)

92612
(Zip Code)

Registrant's telephone number, including area code: **(949) 440-7030**

Former name or former address, if changed since last report: **N/A**

ITEM 5. OTHER EVENTS

New Century Mortgage Corporation (“NCMC”), a wholly-owned subsidiary of New Century Financial Corporation (the “Company”), NC Capital Corporation, a wholly-owned subsidiary of NCMC (“NCCC”), and New Century Funding SB-1, a wholly-owned subsidiary of NCMC (“NC SB-1”), entered into amendments to several of the Company’s credit facilities to extend the terms of those credit facilities as follows:

Salomon/Citigroup Warehouse Facility. Amendment Number Four to the Master Repurchase Agreement, dated as of December 29, 2003, between NC SB-1 and Citigroup Global Markets Realty Corp., as successor to Salomon Brothers Realty Corp. (“Citigroup”), which extended the expiration date of that facility to March 31, 2004. The amendment is filed as Exhibit 10.1 to this Current Report and is incorporated herein by reference.

Salomon/Citigroup Aggregation Facility. Amendment Number Four to the Letter Agreement, dated as of December 29, 2003, among NCMC, NCCC and Citigroup, which extended the expiration date of that facility to March 31, 2004. The amendment is filed as Exhibit 10.2 to this Current Report and is incorporated herein by reference.

Salomon/Citigroup Loan Agreement for Delinquent and Problem Loans. Amendment Number Six to the Master Loan and Security Agreement, dated as of December 29, 2003, among NCMC, NCCC and Citigroup, which extended the expiration date of that facility to December 31, 2004. The amendment is filed as Exhibit 10.3 to this Current Report and is incorporated herein by reference.

Morgan Stanley Warehouse and Aggregation Facility. Amendment No. 3 to the Amended and Restated Master Loan and Security Agreement, dated as of January 13, 2004, among NCCC, NCMC and Morgan Stanley Mortgage Capital Inc., which extended the term of that facility to January 30, 2004. The amendment is filed as Exhibit 10.4 to this Current Report and is incorporated herein by reference.

ITEM 7. EXHIBITS

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	Amendment Number Four to the Master Repurchase Agreement, dated as of December 29, 2003, between New Century Funding SB-1 and Citigroup Global Markets Realty Corp., as successor to Salomon Brothers Realty Corp.
10.2	Amendment Number Four to the Letter Agreement, dated as of December 29, 2003, among New Century Mortgage Corporation, NC Capital Corporation and Citigroup Global Markets Realty Corp., as successor to Salomon Brothers Realty Corp.

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- 10.3 Amendment Number Six to the Master Loan and Security Agreement, dated as of December 29, 2003, among New Century Mortgage Corporation, NC Capital Corporation and Citigroup Global Markets Realty Corp., as successor to Salomon Brothers Realty Corp.
- 10.4 Amendment No. 3 to the Amended and Restated Master Loan and Security Agreement, dated as of January 13, 2004, among NC Capital Corporation, New Century Mortgage Corporation and Morgan Stanley Mortgage Capital Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEW CENTURY FINANCIAL CORPORATION

January 14, 2004

By: /s/ ROBERT K. COLE

Robert K. Cole
Chairman and Chief Executive Officer

EXHIBIT INDEX

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10.2	Amendment Number Four to the Letter Agreement, dated as of December 29, 2003, among New Century Mortgage Corporation, NC Capital Corporation and Citigroup Global Markets Realty Corp., as successor to Salomon Brothers Realty Corp.
10.3	Amendment Number Six to the Master Loan and Security Agreement, dated as of December 29, 2003, among New Century Mortgage Corporation, NC Capital Corporation and Citigroup Global Markets Realty Corp., as successor to Salomon Brothers Realty Corp.
10.4	Amendment No. 3 to the Amended and Restated Master Loan and Security Agreement, dated as of January 13, 2004, among NC Capital Corporation, New Century Mortgage Corporation and Morgan Stanley Mortgage Capital Inc.

AMENDMENT NUMBER FOUR

to the

Master Repurchase Agreement

dated as of May 30, 2002

by and between

NEW CENTURY FUNDING SB-1, a Delaware statutory trust

and

CITIGROUP GLOBAL MARKETS REALTY CORP.

(as successor to SALOMON BROTHERS REALTY CORP.)

This AMENDMENT NUMBER FOUR (this "Amendment") is made this 29th day of December, 2003, by and between NEW CENTURY FUNDING SB-1, a Delaware statutory trust, having an address at c/o Christiana Bank & Trust Company, 1314 King Street, Wilmington, Delaware, 19801 (the "Seller") and CITIGROUP GLOBAL MARKETS REALTY CORP. (as successor to SALOMON BROTHERS REALTY CORP.), having an address at 390 Greenwich Street, New York, New York 10013 (the "Buyer") to the MASTER REPURCHASE AGREEMENT, dated as of May 30, 2002, between the Seller and the Buyer, as amended pursuant to Amendment Number One, dated December 23, 2002, Amendment Number Two, dated May 13, 2003 and Amendment Number Three, dated September 16, 2003 (the "Master Repurchase Agreement").

RECITALS

WHEREAS, the Seller has requested that Buyer agree to amend the Master Repurchase Agreement to extend the term thereof as set forth below and the Buyer has agreed to such request.

WHEREAS, as of the date of this Amendment, the Seller represents to the Buyer that it is in compliance with all of the representations and warranties and all of the affirmative and negative covenants set forth in the Master Repurchase Agreement and the Letter Agreement, dated as of May 30, 2002, between the Seller and the Buyer (the "Letter Agreement") and not in default under the Master Repurchase Agreement or the Letter Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Effective as of December 29, 2003, Section 27 of the Master Repurchase Agreement is hereby amended by substituting "March 31, 2004" for "December 31, 2003" in clause (i) thereof.

SECTION 2. Representations. In order to induce the Buyer to execute and deliver this Amendment, the Seller hereby represents to the Buyer that as of the date hereof, after giving effect to this Amendment, the Seller is in full compliance with all of

the terms and conditions of the Master Repurchase Agreement and the Letter Agreement and no Default, Event of Default or Material Adverse Change has occurred under the Master Repurchase Agreement.

SECTION 3. Limited Effect. This Amendment shall become effective upon the execution hereof by the parties hereto. Except as expressly amended and modified by this Amendment, the Master Repurchase Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in the Master Repurchase Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Master Repurchase Agreement, any reference in any of such items to the Master Repurchase Agreement being sufficient to refer to the Master Repurchase Agreement as amended hereby.

SECTION 4. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 5. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Buyer and the Seller have caused this Amendment to be executed and delivered by their duly authorized officers as of the day and year first above written.

CITIGROUP GLOBAL MARKETS REALTY CORP.

/s/ EVAN J. MITNICK

By:

Name:

Evan J. Mitnick

Title:

Director

NEW CENTURY FUNDING SB-1

By: Christiana Bank & Trust Company, not in
its individual capacity but solely as owner
trustee

By:

/s/ JAMES M. YOUNG

Name:

James M. Young

Title:

Assistant Vice President

The undersigned Guarantors under the Guaranty and Pledge Agreement dated as of May 30, 2002, hereby acknowledges and agrees to the amendment and modification to the Master Repurchase Agreement made pursuant to this Amendment.

NEW CENTURY MORTGAGE CORPORATION

By: /s/ PATRICK FLANAGAN

Name:

Patrick Flanagan

Title:

President

NEW CENTURY FINANCIAL CORPORATION

By: /s/ PATRICK FLANAGAN

Name: Patrick Flanagan

Title:
President

AMENDMENT NUMBER FOUR
to the
Letter Agreement
dated as of January 1, 2002
by and among
NEW CENTURY MORTGAGE CORPORATION
NC CAPITAL CORPORATION
and
CITIGROUP GLOBAL MARKETS REALTY CORP.
(as successor to SALOMON BROTHERS REALTY CORP.)

This AMENDMENT NUMBER FOUR (this "Amendment") is made this 29th day of December, 2003, among NEW CENTURY MORTGAGE CORPORATION, having an address at 18400 Von Karman, Irvine, California 92612 ("New Century"), NC CAPITAL CORPORATION, having an address at 18400 Von Karman, Irvine, California 92612 ("NCCC") and CITIGROUP GLOBAL MARKETS REALTY CORP. (as successor to SALOMON BROTHERS REALTY CORP.), having an address at 390 Greenwich Street, New York, New York 10013 ("Citigroup") to the LETTER AGREEMENT, dated as of January 1, 2002, among New Century, NCCC and Citigroup, as amended pursuant to Amendment Number One, dated December 23, 2002, Amendment Number Two, dated April 30, 2003 and Amendment Number Three, dated September 16, 2003 (the "Letter Agreement").

RECITALS

WHEREAS, New Century and NCCC have requested that Citigroup agree to amend the Letter Agreement to extend the term thereof as more expressly set forth below and Citigroup has agreed to such request.

WHEREAS, as of the date of this Amendment, each of New Century and NCCC represents to Citigroup that it is in compliance with all of the representations and warranties and all of the affirmative and negative covenants set forth in the Letter Agreement and the Purchase and Sale Agreement, dated as of January 1, 2002, among NCCC, New Century and Citigroup (the "Purchase and Sale Agreement") and is not in default under the Letter Agreement or the Purchase and Sale Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Effective as of December 29, 2003, Paragraph 1(a) of the Letter Agreement is hereby amended by replacing the two occurrences of "December 31, 2003" with "March 31, 2004".

SECTION 2. Fees and Expenses. NCCC agrees to pay to Citigroup all fees and out of pocket expenses incurred by Citigroup in connection with this

Amendment (including all reasonable fees and out of pocket costs and expenses of Citigroup' s legal counsel incurred in connection with this Amendment), in accordance with Paragraph 5(i) of the Letter Agreement.

SECTION 3. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Letter Agreement.

SECTION 4. Representations. In order to induce Citigroup to execute and deliver this Amendment, NCCC and New Century hereby represent to Citigroup that as of the date hereof, after giving effect to this Amendment, each of NCCC and New Century is in full compliance with all of the terms and conditions of the Letter Agreement and the Purchase and Sale Agreement and no Termination Event or material adverse change has occurred under the Letter Agreement and no Seller default or Seller Event of Default has occurred under the Purchase and Sale Agreement.

SECTION 5. Limited Effect. This Amendment shall become effective upon the execution hereof by the parties hereto. Except as expressly amended and modified by this Amendment, the Letter Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in the Letter Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Letter Agreement, any reference in any of such items to the Letter Agreement being sufficient to refer to the Letter Agreement as amended hereby.

SECTION 6. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 7. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, NCCC, New Century and Citigroup have caused this Amendment to be executed and delivered by their duly authorized officers as of the day and year first above written.

CITIGROUP GLOBAL MARKETS REALTY CORP.

/s/ EVAN J. MITNICK

By:

Name: Evan J. Mitnick

Title: Director

NC CAPITAL CORPORATION

/s/ KEVIN CLOYD

By:

Name: Kevin Cloyd

Title: President

NEW CENTURY MORTGAGE CORPORATION

/s/ KEVIN CLOYD

By:

Name: Kevin Cloyd

Title: Senior Vice President

The undersigned Guarantor under the Limited Guaranty dated as of January 1, 2002, hereby acknowledges and agrees to the amendment and modification to the Letter Agreement made pursuant to this Amendment.

NEW CENTURY MORTGAGE CORPORATION

/s/ KEVIN CLOYD

By:

Name: Kevin Cloyd

Title: Senior Vice President

AMENDMENT NUMBER SIX
to the
Master Loan and Security Agreement
dated as of April 1, 2000
by and among
NEW CENTURY MORTGAGE CORPORATION
NC CAPITAL CORPORATION
and
CITIGROUP GLOBAL MARKETS REALTY CORP.
(as successor to SALOMON BROTHERS REALTY CORP.)

This AMENDMENT NUMBER SIX (this "Amendment") is made this 29th day of December, 2003, among NEW CENTURY MORTGAGE CORPORATION, having an address at 18400 Von Karman, Irvine, California 92612 (the "Servicer"), NC CAPITAL CORPORATION, having an address at 18400 Von Karman, Irvine, California 92612 (the "Borrower") and CITIGROUP GLOBAL MARKETS REALTY CORP. (as successor to SALOMON BROTHERS REALTY CORP.), having an address at 390 Greenwich Street, New York, New York 10013 (the "Lender") to the MASTER LOAN AND SECURITY AGREEMENT, dated as of April 1, 2000, among the Lender, the Servicer and the Borrower (as previously amended and supplemented, the "Loan Agreement").

RECITALS

WHEREAS, the Borrower has requested that the Lender agree to amend the Loan Agreement to extend the term thereof as more expressly set forth below and the Lender has agreed to such request.

WHEREAS, as of the date of this Amendment, each of the Borrower and the Servicer represents to the Lender that it is in compliance with all of the representations and warranties and all of the affirmative and negative covenants set forth in the Loan Agreement and is not in default under the Loan Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Effective as of December 29, 2003, Section 1 of the Loan Agreement is hereby amended by deleting the definition of "Maturity Date" and replacing it with the following:

"Maturity Date" shall mean December 31, 2004 or such earlier date on which this Loan Agreement shall terminate in accordance with the provisions hereof or by operation of law."

SECTION 2. Fees and Expenses. The Borrower agrees to pay to the Lender all fees and out of pocket expenses incurred by the Lender in connection with this Amendment (including all reasonable fees and out of pocket costs and expenses of the Lender's legal counsel incurred in connection with this Amendment), in accordance with Section 11.03(b) of the Loan Agreement.

SECTION 3. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

SECTION 4. Representations. In order to induce the Lender to execute and deliver this Amendment, each of the Borrower and the Servicer hereby represents to the Lender that as of the date hereof, after giving effect to this Amendment, each of the Borrower and the Servicer is in full compliance with all of the terms and conditions of the Loan Agreement and no Default or Event of Default has occurred under the Loan Agreement.

SECTION 5. Limited Effect. This Amendment shall become effective upon the satisfaction by the Borrower of the conditions precedent set forth in Section 5 of the Loan Agreement. Except as expressly amended and modified by this Amendment, the Loan Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in the Loan Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Loan Agreement, any reference in any of such items to the Loan Agreement being sufficient to refer to the Loan Agreement as amended hereby.

SECTION 6. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 7. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Lender, the Borrower and the Servicer have caused this Amendment to be executed and delivered by their duly authorized officers as of the day and year first above written.

CITIGROUP GLOBAL MARKETS REALTY CORP.

By: /s/ EVAN J. MITNICK

Name: Evan J. Mitnick

Title: Director

NC CAPITAL CORPORATION

By: /s/ KEVIN CLOYD

Name: Kevin Cloyd

Title: President

NEW CENTURY MORTGAGE CORPORATION

By: /s/ KEVIN CLOYD

Name: Kevin Cloyd

Title: Senior Vice President

**AMENDMENT NO. 3 TO THE
AMENDED AND RESTATED MASTER LOAN AND SECURITY AGREEMENT**

AMENDMENT NO. 3, dated as of January 13, 2004 (this "Amendment"), to the Amended and Restated Master Loan and Security Agreement, dated as of June 20, 2003 (as amended or otherwise modified prior to the date hereof, the "Existing Loan Agreement"; as amended hereby and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Loan Agreement") by and among NC CAPITAL CORPORATION, a California corporation ("NC Capital"), NEW CENTURY MORTGAGE CORPORATION, a California corporation ("New Century" and together with NC Capital, each a "Borrower" and collectively, the "Borrowers"), and MORGAN STANLEY MORTGAGE CAPITAL INC., a New York corporation (the "Lender"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Existing Loan Agreement.

RECITALS

The Borrowers and the Lender are parties to the Existing Loan Agreement.

Pursuant to the New Century Guaranty, New Century Financial Corporation, a Delaware corporation (the "Guarantor"), has unconditionally and absolutely guaranteed to the Lender and its successors and assigns the full and prompt payment of all amounts due and owing by the Borrowers under the Loan Agreement, as and when they shall become due thereunder.

The Borrowers, the Guarantor and the Lender have agreed, subject to the terms and conditions of this Amendment, to extend the Termination Date from January 13, 2004 to January 30, 2004.

Accordingly, the Borrowers and the Lender hereby agree, in consideration of the mutual premises and mutual obligations set forth herein, that the Existing Loan Agreement is hereby amended as follows:

SECTION 1. Amendment. The definition of "Termination Date" set forth in Section 1.1 of the Existing Loan Agreement is hereby deleted in its entirety and the following new definition is inserted in lieu thereof:

"Termination Date" shall mean January 30, 2004 or such earlier date on which this Loan Agreement shall terminate in accordance with the provisions hereof or by operation of law.

SECTION 2. Conditions Precedent. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the following conditions precedent shall have been satisfied:

2.01 Delivered Documents. On the Amendment Effective Date, the Lender shall have received the following documents, each of which shall be satisfactory to the Lender in form and substance:

(a) Amendment. This Amendment, executed and delivered by a duly authorized officer of each of the Borrowers and acknowledged and agreed to by a duly authorized officer of the Guarantor; and

(b) Other Documents. Such other documents as the Lender or counsel to the Lender may reasonably request.

2.02 No Default. On the Amendment Effective Date and on the date set forth above, (i) each of the Borrowers shall be in compliance in all material respects with the terms and provisions set forth in the Existing Loan Agreement on its part to be observed or performed, (ii) the representations and warranties made and restated by each Borrower pursuant to Section 3 of this Amendment shall be true and complete in all material respects on and as of such date with the same force and effect as if made on and as of such date, and (iii) no Default or Event of Default shall have occurred and be continuing on such date.

SECTION 3. Representations and Warranties. Each Borrower hereby represents and warrants to the Lender that it is in compliance in all material respects with the terms and provisions set forth in the Loan Documents on its part to be observed or performed, and that no Default or Event of Default has occurred and is continuing, and hereby confirms and reaffirms the representations and warranties contained in Section 6 of the Loan Agreement.

SECTION 4. Limited Effect. Except as expressly amended, waived or modified by this Amendment, the Existing Loan Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms; provided, however, that reference therein and herein to the "Loan Documents" shall be deemed to include, in any event, (i) the Existing Loan Agreement, (ii) Amendment No. 1 to the Amended and Restated Master Loan and Security Agreement, dated as of September 15, 2003, (iii) Amendment No. 2 to the Amended and Restated Master Loan and Security Agreement, dated as of December 11, 2003, (iv) this Amendment, (v) the Note, (vi) the Custodial Agreement, (vii) the Control Agreement and (viii) the New Century Guaranty. Each reference to the Loan Agreement in any of the Loan Documents shall be deemed to be a reference to the Loan Agreement as amended hereby.

SECTION 5. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The executed signature pages for this Amendment may be delivered by facsimile transmission (or telecopier), which shall be effective between the parties and shall have the same force and effect as the execution and delivery of original signature pages.

SECTION 6. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BORROWERS

NC CAPITAL CORPORATION

By: /s/ PATRICK FLANAGAN _____

Name: Patrick Flanagan

Title: Chief Executive Officer

NEW CENTURY MORTGAGE CORPORATION

By: /s/ PATRICK FLANAGAN _____

Name: Patrick Flanagan

Title: President

LENDER

MORGAN STANLEY MORTGAGE CAPITAL INC.

By: /s/ PAUL NAJARIAN _____

Name: Paul Najarian

Title: Vice President

Acknowledged and agreed to:

GUARANTOR

NEW CENTURY FINANCIAL CORPORATION

By: /s/ PATRICK FLANAGAN _____

Name: Patrick Flanagan

Title: Executive Vice President