

**CHARTER OF THE
GOVERNANCE AND NOMINATING COMMITTEE
OF THE BOARD OF DIRECTORS OF
NEW CENTURY FINANCIAL CORPORATION**

I. Purpose and Authority

The Governance and Nominating Committee (the “**Committee**”) is designated by the Board of Directors (the “**Board**”) of New Century Financial Corporation (the “**Company**”) for the purpose of:

- (a) identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board;
- (b) recommending to the Board candidates to fill director vacancies;
- (c) recommending to the Board a slate of candidates to be nominated for election at the next annual meeting of stockholders;
- (d) developing and recommending to the Board a set of corporate governance principles applicable to the Company; and
- (e) overseeing the evaluation of the Board and management.

The Committee has the authority to retain and terminate, and secure from the Company funding for, any search firm to be used to identify director candidates, independent counsel and such other advisers as the Committee determines necessary or appropriate to carry out its responsibilities, and to approve the fees and other terms of retention of any such search firm, independent counsel and other advisers.

The Committee shall have the authority to delegate such of its responsibilities and duties to subcommittees as it deems appropriate.

II. Composition and Meetings

The Committee shall have at least three members (the “**Members**”) and shall be composed entirely of directors who are independent as required by the applicable rules of any market on which securities of the Company are listed for trading.

Members shall be appointed by, and serve at the pleasure of, the Board. The Board may designate one Member to serve as the Committee chair (the “**Chair**”). If no such person is so designated, the Committee may designate the Chair.

The Committee shall meet as frequently as circumstances dictate. In advance of the meetings, the Chair shall approve and cause to be distributed an agenda. A majority of

the Members shall constitute a quorum, and the action of a majority of the Members at a meeting at which a quorum is present will be the action of the Committee.

III. Responsibilities and Duties

1. The Committee shall (i) identify and evaluate individuals qualified to become members of the Board, consistent with criteria approved by the Board, (ii) recommend to the Board a slate of candidates to be nominated for election or reelection as directors at the annual meetings of stockholders to fill seats of those whose terms are expiring, and (iii) recommend to the Board candidates to fill any vacancies or newly created directorships that may occur between such meetings.
2. The Committee shall develop and recommend for adoption by the Board a set of corporate governance principles applicable to the Company, implement and disseminate the governance principles (working in coordination with the Chairman of the Board), periodically review and assess the governance principles and recommend modifications to the Board as appropriate.
3. The Committee shall evaluate and make recommendations to the Board regarding the assignment of directors to committees and the selection of committee chairs.
4. The Committee shall establish the criteria for an annual performance evaluation of the Board and its committees (including the Committee) and oversee the evaluation process.
5. The Committee shall oversee the orientation of new directors.
6. The Committee shall evaluate the size of the Board in light of changes in the size and complexity of the Company's business and recommend changes in the number of directors constituting the Board as appropriate.
7. The Committee shall consider and make recommendations to the Board regarding changes in the position of a director, retirement of a director and other board memberships by a director.
8. The Committee shall maintain minutes of its meetings and report to the Board regularly on activities of the Committee.
9. The Committee shall periodically review and reassess this Charter and, if appropriate, recommend changes to the Board.
10. The Committee shall perform such other duties and responsibilities as it deems necessary and appropriate to accomplish the foregoing or as may be assigned from time to time by the Board.