

BANK OF THE SIERRA SELECTS PHH MORTGAGE AS STRATEGIC PARTNER FOR RETAIL MORTGAGE

Porterville, CA – June, 02 2008 – Bank of the Sierra, a wholly owned subsidiary of Sierra Bancorp (NASDAQ: BSRR) today announced that it has selected PHH Mortgage, a subsidiary of PHH Corporation (NYSE: PHH), as a strategic partner for its mortgage loan origination and servicing business.

James C. Holly, Bank of the Sierra President and CEO stated, “Partnering with PHH will allow us to offer our customers faster approvals, streamlined documentation requirements, and 24-7 access to their loan processing status. Holly continued, “Bank of the Sierra has also arranged for PHH Mortgage to private-label service all the loans originated through the new platform, regardless of asset disposition.”

"PHH Mortgage is honored and excited to provide Bank of the Sierra with a fully integrated, end-to-end, mortgage platform," said Bob Andwood, senior vice president, private label solutions. "Our platform helps Bank of the Sierra offer a best in class mortgage program consistent with its customer value proposition as well as position it for long term competitive success."

About Sierra Bancorp

Sierra Bancorp is the holding company for Bank of the Sierra (www.bankofthesierra.com) which is the largest independent bank headquartered in the South San Joaquin Valley. The Company has \$1.2 billion in total assets and maintains 21 branch offices, an agricultural credit center, an SBA center, and an online “virtual” branch. In its May 2008 edition, US Banker magazine ranked Sierra Bancorp as the 6th best performing publicly-traded mid-tier bank in the nation based on three-year average return on equity

About PHH Mortgage

PHH is the industry’s leading provider of private label outsourcing. A subsidiary of PHH Corporation (NYSE: PHH), PHH Mortgage provides mortgage services to financial institutions, real estate brokers, affinity groups, credit unions, corporations, and government agencies.

About PHH Corporation

Headquartered in Mount Laurel, New Jersey, PHH Corporation is a leading outsource provider of mortgage and vehicle fleet management services. Its subsidiary PHH Mortgage is one of the top ten retail originators of residential mortgages in the United States¹, and its subsidiary, PHH Arval, is a leading fleet management services provider in the United States and Canada. For additional information about the company and its subsidiaries please visit our website at www.phh.com.

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