

**TWELFTH AMENDMENT TO  
COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT  
and  
HFA PARTICIPATION AGREEMENT**

This Twelfth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Twelfth Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Twelfth Amendment Date (the “Amendment Date”), by and among the United States Department of the Treasury (“Treasury”), the undersigned party designated as HFA whose description is set forth in Schedule A attached hereto (for convenience, a “state housing finance agency” or “HFA”) and the undersigned institution designated by HFA to participate in the program described below (“Eligible Entity”).

**Recitals**

WHEREAS, Treasury, HFA and Eligible Entity entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Original HPA”) dated as of the Closing Date, as previously amended by that certain First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “First Amendment”), as further amended by that certain Second Amendment to Commitment to Purchase Financial instrument and HFA Participation Agreement (the “Second Amendment”), as further amended by that certain Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Third Amendment”), as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fourth Amendment”), as further amended by that certain Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fifth Amendment”), as further amended by that certain Sixth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Sixth Amendment”), as further amended by that certain Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Seventh Amendment”), as further amended by that certain Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Eighth Amendment”), as further amended by that certain Ninth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Ninth Amendment”), and as further amended by that certain Tenth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Tenth Amendment”), and as further amended by that certain Eleventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Eleventh Amendment”); and together with the Original HPA as amended thereby, by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment, Ninth Amendment and Tenth Amendment to the “Current HPA”), dated as of their respective dates as set forth on Schedule A attached hereto, in connection with Treasury’s federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the “HHF Program”), which was established pursuant to the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time (“EESA”);

WHEREAS, HFA and Eligible Entity submitted a request to Treasury to make certain revisions to their Service Schedules and Permitted Expenses, as applicable, and Treasury has agreed to the same;

WHEREAS, HFA, Eligible Entity and Treasury wish to enter into this Twelfth Amendment to document all approved modifications to the Service Schedules and Permitted Expenses, as applicable;

Accordingly, in consideration of the representations, warranties, and mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Treasury, HFA and Eligible Entity agree as follows.

## **Agreement**

### **1. Amendments**

A. Definitions. All references in the Current HPA to the “Agreement” shall mean the Current HPA, as further amended by this Twelfth Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Twelfth Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Twelfth Amendment.

B. Schedule A. Schedule A attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule A attached to this Twelfth Amendment.

C. Schedule B. Schedule B attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule B attached to this Twelfth Amendment.

D. Schedule C. Schedule C attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule C attached to this Twelfth Amendment.

### **2. Representations, Warranties and Covenants**

A. HFA and Eligible Entity. HFA and Eligible Entity, each for itself, make the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of HFA and Eligible Entity, each as to itself. In the event that any of the representations or warranties made herein cease to be true and correct or HFA or Eligible Entity breaches any of its covenants made herein, HFA or Eligible Entity, as the case may be, agrees to notify Treasury immediately and the same shall constitute an Event of Default under the HPA.

(1) HFA and Eligible Entity each hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of HFA or Eligible Entity, as applicable, contained in the HPA are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of HFA or Eligible Entity, as applicable, contained in the HPA shall remain in full force and effect and neither HFA, nor Eligible Entity is in breach of any such covenant.

(2) Eligible Entity has the full corporate power and authority to enter into, execute, and deliver this Twelfth Amendment and any other closing documentation delivered to Treasury in connection with this Twelfth Amendment, and to perform its obligations hereunder and thereunder.

(3) HFA has the full legal power and authority to enter into, execute, and deliver this Twelfth Amendment and any other closing documentation delivered to Treasury in connection with this Twelfth Amendment, and to perform its obligations hereunder and thereunder.

**3. Miscellaneous**

A. The recitals set forth at the beginning of this Twelfth Amendment are true and accurate and are incorporated herein by this reference.

B. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the HPA.

C. Any provision of the HPA that is determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the HPA, and no such prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

D. This Twelfth Amendment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic copies of this Twelfth Amendment shall be treated as originals for all purposes.

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**In Witness Whereof**, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Twelfth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

**HFA:**

CALIFORNIA HOUSING FINANCE  
AGENCY

By: /s/ Claudia Cappio  
Name: Claudia Cappio  
Title: Executive Director

**TREASURY:**

UNITED STATES DEPARTMENT OF THE  
TREASURY

By: \_\_\_\_\_  
Name: Timothy J. Bowler  
Title: Acting Assistant Secretary for  
Financial Stability

**ELIGIBLE ENTITY:**

CALHFA MORTGAGE ASSISTANCE  
CORPORATION

By: /s/ Diane Richardson  
Name: Diane Richardson  
Title: President

## EXHIBITS AND SCHEDULES

Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses

### SCHEDULE A

#### BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity: CalHFA Mortgage Assistance  
Corporation

Corporate or other organizational form: Nonprofit Public Benefit Corporation

Jurisdiction of organization: California

Notice Information:

HFA Information:

Name of HFA: California Housing Finance Agency

Organizational form: Agency of the State of California

Date of Application: April 16, 2010

Date of Action Plan: September 1, 2010

Notice Information:

Program Participation Cap: \$1,975,334,096.00

Portion of Program Participation Cap  
Representing Original HHF Funds: \$ 699,600,000.00

Portion of Program Participation Cap  
Representing Unemployment HHF Funds: \$ 476,257,070.00

Permitted Expenses: \$ 148,150,057.20

Closing Date: June 23, 2010

First Amendment Date: September 23, 2010

<u>Second Amendment Date:</u>	September 29, 2010
<u>Third Amendment Date:</u>	December 16, 2010
<u>Fourth Amendment Date:</u>	March 31, 2011
<u>Fifth Amendment Date:</u>	August 3, 2011
<u>Sixth Amendment Date:</u>	October 28, 2011
<u>Seventh Amendment Date:</u>	May 3, 2012
<u>Eighth Amendment Date:</u>	July 17, 2012
<u>Ninth Amendment Date:</u>	December 14, 2012
<u>Tenth Amendment Date:</u>	June 6, 2013
<u>Eleventh Amendment Date:</u>	September 20, 2013
<u>Twelfth Amendment Date:</u>	February 27, 2014
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

## **SCHEDULE B**

### **SERVICE SCHEDULES**

The Service Schedules attached as Schedule B to the Current HPA are hereby deleted in their entirety and replaced with the attached Service Schedules (numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. seq.), which collectively comprise Schedule B to the HPA.

**SCHEDULE B-1**

**California Housing Finance Agency Mortgage Assistance Corporation (“CalHFA MAC”)**

**UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>The Unemployment Mortgage Assistance Program (“UMA”) is one of CalHFA MAC’s federally-funded programs developed to provide temporary financial assistance to eligible California homeowners who wish to remain in their homes, but have suffered a loss of income due to unemployment or underemployment.</p> <p>CalHFA MAC is partnering with financial institutions to directly provide program funds to subsidize an eligible homeowner’s mortgage payments.</p> <p>UMA provides mortgage payment assistance equal to the lesser of \$3,000 per month or 100% of the PITI (principal, interest, tax, insurance) and any escrowed homeowner’s association dues or assessments, for up to twelve (12) months, with the purpose of preventing avoidable foreclosures until such time that the homeowner retains employment sufficient to meet the demands of satisfying their regular mortgage payment.</p>
<b>2. Program Goals</b>	<p>UMA’s goal is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment or underemployment.</p> <p>The UMA will minimize past due payments, and provide a homeowner with additional time to find alternate employment and replace income needed to make their mortgage payment.</p> <p>UMA was designed to assist homeowners who are currently receiving California Employment Development Department unemployment benefits, and includes homeowners whose unemployment benefits lapsed or expired within 30 days of the request for UMA assistance.</p> <p>UMA was designed to complement other loss mitigation programs, including increasing a homeowner’s eligibility for an extended written forbearance plan and/or loan modification.</p>
<b>3. Target Population / Areas</b>	<p>UMA is designed to target low-to-moderate income homeowners and address the needs of a homeowner’s specific situation in lieu of targeting certain regions or counties.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$715,595,915.28</p>



<p><b>5. Borrower Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Homeowner qualifies as low-to-moderate income based on per-household income thresholds set forth in the county in which the homeowner resides. Income thresholds are as posted on the Keep Your Home California website.</li> <li>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.</li> <li>• Homeowners who have recently encountered a financial hardship due to underemployment or unemployment, including those whose unemployment hardship is related to their military service.</li> <li>• Homeowner’s total monthly first-lien mortgage payment PITI (principal, interest, taxes, and insurance, as applicable) and escrowed association fees must exceed 31 percent of the homeowner’s gross monthly household income, excluding unemployment benefits.</li> <li>• Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.</li> <li>• Homeowner must be currently receiving California Employment Development Department unemployment benefits, and includes homeowners whose unemployment benefits lapsed or expired within 30 days of the request for UMA assistance.</li> <li>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.</li> <li>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Current, unpaid principal balance (“UPB”) (includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage loan is not greater than \$729,750.</li> <li>• The property securing the mortgage loan must not be abandoned, vacant or condemned.</li> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• A Notice of Default (“NOD”) has been recorded on the subject property more than 60 days prior to the date of request for UMA assistance.</li> <li>• Homeowner in an “active” bankruptcy is ineligible for program assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order “Dismissal” or “Discharge”.</li> </ul>

	<ul style="list-style-type: none"> <li>• Homeowner’s “hardship” is a result of voluntary resignation of employment.</li> <li>• Homeowner in an active HAMP trial modification is not eligible for UMA consideration unless the trial is cancelled.</li> <li>• Homeowner becomes fully employed at any time during the UMA benefit period.</li> <li>• Homeowner is actively being reviewed for TAP benefits.</li> <li>• Property is subject to a first priority lien securing a Home Equity Line of Credit (“HELOC”).</li> </ul>
<b>8. Structure of Assistance</b>	<p>CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the total reduced PITI and any escrowed homeowner’s association dues or assessments, and equal to the total amount of HHF unemployment assistance. At the conclusion of (3) three years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.</p> <p>After December 31, 2017, any remaining or returned funds will be returned to Treasury.</p>
<b>9. Per Household Assistance</b>	Up to \$36,000 per household in total (average funding of \$17,367.95), equaling the lesser of \$3,000 per month or 100% of PITI and any escrowed homeowner’s association dues or assessments (and in all cases, subject to the HHF program maximum benefit cap of \$100,000 with respect to monies previously received under other HHF programs, if any).
<b>10. Duration of Assistance</b>	Homeowner participation in UMA is limited to twelve (12) months maximum.
<b>11. Estimated Number of Participating Households</b>	Approximately 41,202. This figure is based on loans with unpaid principal balances ranging from \$200,000 to \$400,000 with an average funding of \$17,367.95.
<b>12. Program Inception /Duration</b>	The statewide launch of UMA was January 10, 2011 and it will continue up to five (5) years or until funding is fully reserved.
<b>13. Program Interactions with Other HFA/Programs</b>	UMA will serve as a gateway to homeowner programs aimed at reinstatement and principal reduction, as permitted by program guidelines.
<b>14. Program Interactions with HAMP</b>	This benefit may precede or extend HAMP, including HAMP UP, for temporary unemployment assistance which when combined may provide assistance for more than one year. HAMP UP currently offers a minimum of twelve months’ forbearance for some homeowners.
<b>15. Program Leverage with Other Financial</b>	Upon completion of all UMA benefit assistance payments and based on homeowner need, the servicer agrees to consider an extension of unemployment forbearance plan (such as HAMP UP or other proprietary

<b>Resources</b>	program) or other foreclosure prevention program, as applicable and per investor guidelines.  CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges).
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## SCHEDULE B-2

### California Housing Finance Agency Mortgage Assistance Corporation (“CalHFA MAC”)

#### MORTGAGE REINSTATEMENT ASSISTANCE PROGRAM

##### Summary Guidelines

<b>1. Program Overview</b>	<p>The Mortgage Reinstatement Assistance Program (“MRAP”) is one of CalHFA MAC’s federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes, but are in imminent danger of losing their home to foreclosure.</p> <p>MRAP provides funds to assist income-qualified homeowners to help them cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure.</p>
<b>2. Program Goals</b>	<p>The MRAP will prevent avoidable foreclosures by helping homeowners reinstate their past due first mortgage loans.</p> <p>MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of homeowners who qualify for modification.</p>
<b>3. Target Population / Areas</b>	<p>MRAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner’s specific situation in lieu of targeting certain regions or counties.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$165,900,000.00</p>
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Homeowner qualifies as low-to-moderate income based on per-household income thresholds set forth in the county in which the homeowner resides. Income thresholds are as posted on the Keep Your Home California website.</li><li>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.</li><li>• Homeowners who have recently encountered a financial hardship due to their military service are eligible.</li><li>• Homeowner has adequate income to sustain reinstated first- lien mortgage loan, per CalHFA MAC approved investor guidelines.</li><li>• Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.</li><li>• Mortgage loan is delinquent as substantiated by homeowner’s hardship documentation. The delinquency and the total amount required to cure the delinquency is verified with the servicer. Loans in foreclosure are eligible.</li></ul>

	<ul style="list-style-type: none"> <li>• The homeowner’s first-lien PITI, and any escrowed homeowner’s association dues or assessments, payment must be a maximum of 38% of the gross household income excluding temporary income (e.g., unemployment or short-term disability benefits) to meet the definition of an affordable payment. Reinstatement assistance may be combined with a loan modification (that meets the CalHFA MAC modification and program guidelines) in order to achieve the definition of an affordable payment.</li> <li>• On a case by case basis, CalHFA MAC reserves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.</li> <li>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.</li> <li>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Current, unpaid principal balance (“UPB”) (includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage loan is not greater than \$729,750.</li> <li>• The property securing the mortgage loan must not be abandoned, vacant or condemned.</li> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Homeowner in an “active” bankruptcy is ineligible for MRAP assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order “Dismissal” or “Discharge”.</li> <li>• MRAP benefit assistance request for reinstatement with a first-lien PITI and any escrowed homeowner’s association dues or assessments, payment of greater than 38% of the homeowner’s gross monthly household income, excluding temporary income (e.g., unemployment or short-term disability benefits) will be considered unaffordable and is excluded from MRAP reinstatement benefit assistance unless that assistance is combined with a loan modification (that meets CalHFA MAC modification and program guidelines).</li> <li>• Loan is less than two (2) payments past due as of the date of request for assistance.</li> <li>• Property is subject to a first priority lien securing a Home Equity</li> </ul>

	Line of Credit ("HELOC").
<b>8. Structure of Assistance</b>	<p>CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (3) three years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.</p> <p>After December 31, 2017, any remaining or returned funds will be returned to Treasury.</p>
<b>9. Per Household Assistance</b>	Up to \$25,000 per household in total (average funding of \$18,052.46) for PITI and any escrowed homeowner's association dues or assessments, arrearages (and in all cases, subject to the HHF program maximum benefit cap of \$100,000 with respect to monies previously received under other HHF programs, if any).
<b>10. Duration of Assistance</b>	Available on a one-time only basis, per household.
<b>11. Estimated Number of Participating Households</b>	Approximately 9,190. This figure is based on loans with unpaid principal balances ranging from \$200,000 to \$400,000 with an average funding of \$18,052.46.
<b>12. Program Inception / Duration</b>	The statewide launch of MRAP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved.
<b>13. Program Interactions with Other HFA Programs</b>	MRAP will serve as a gateway to other loss mitigation programs, including loan modification which may include principal reduction, including other HHF programs and the Principal Reduction Program.
<b>14. Program Interactions with HAMP</b>	MRAP will serve as a gateway to HAMP which may include principal reduction of homeowner's mortgage.
<b>15. Program Leverage with Other Financial Resources</b>	CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with MRAP benefits.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### SCHEDULE B-3

#### California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")

#### PRINCIPAL REDUCTION PROGRAM

#### Summary Guidelines

<b>1. Program Overview</b>	<p>The Principal Reduction Program ("PRP") is one of CalHFA MAC's federally-funded programs developed with a goal to provide capital to homeowners that have suffered a hardship to reduce the outstanding principal balances of qualifying properties with negative equity.</p> <p>PRP will provide monies to reduce the principal balance of the first mortgage with a loan recast, a loan modification, or a reduction or elimination of an existing non-interest bearing forbearance, each with the purpose of establishing an appropriate level of debt for eligible homeowners with qualifying properties.</p>
<b>2. Program Goals</b>	<p>The PRP will reduce the principal balances of underwater mortgages in cooperation with participating lenders. Such lenders will recast eligible loans, provide a loan modification or reduce or eliminate an existing non-interest bearing forbearance to help qualifying homeowners stay in their homes.</p> <p>A principal curtailment through PRP will achieve desired income ratios, payment affordability and establish an appropriate level of debt for a homeowner with respect to their existing mortgage per program guidelines.</p>
<b>3. Target Population / Areas</b>	<p>PRP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$931,442,793.52</p>
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Homeowner qualifies as low-to-moderate income based on per-household income thresholds set forth in the county in which the homeowner resides. Income thresholds are as posted on the Keep Your Home California website.</li><li>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.</li><li>• Homeowners who have recently encountered a financial hardship due to their military service are eligible.</li><li>• Homeowner has adequate income to sustain modified mortgage payments per CalHFA MAC approved investor guidelines.</li><li>• Homeowner must agree to provide all necessary documentation</li></ul>

	<p>to satisfy program guidelines established by CalHFA MAC.</p> <ul style="list-style-type: none"> <li>• Mortgage loan must be delinquent or meet the CalHFA MAC definition of imminent default as substantiated by homeowner’s hardship documentation. The delinquency and the total amount required to cure the delinquency is verified with the servicer. Loans in foreclosure are eligible.</li> <li>• A pre-assistance loan to value of greater than 140% is considered a hardship indicative of imminent default.</li> <li>• The homeowner’s post-assistance monthly mortgage payment ratio must be no greater than 38% of the gross household income, excluding temporary income (e.g., unemployment or short-term disability benefits), to meet the definition of an affordable payment. On a case-by-case basis, CalHFA MAC reserves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.</li> <li>• A loan modification, when combined with principal reduction assistance, must meet the CalHFA MAC modification and program guidelines.</li> <li>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.</li> <li>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.</li> </ul>
<p><b>6. Property / Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Current, unpaid principal balance (“UPB”) (includes the interest-bearing unpaid principal balance and any existing non-interest forbearance balance) of the first-lien mortgage loan is not greater than \$729,750.</li> <li>• The property securing the mortgage loan must not be abandoned, vacant or condemned.</li> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.</li> <li>• PRP funds may be used with a loan recast, a loan modification or a reduction or elimination of an existing non-interest bearing forbearance to achieve long term sustainability for the homeowner. Loan modifications that include PRP assistance may or may not include a rate reduction, an adjustment to term or additional forbearance to achieve affordability. PRP funds may be used to reduce or eliminate a non-interest bearing forbearance that was an outcome of a prior loan modification.</li> </ul>



<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Homeowner in an “active” bankruptcy is ineligible for assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order “Dismissal” or “Discharge”.</li> <li>• Homeowner fails to satisfy lender underwriting guidelines.</li> <li>• Any principal reduction received under PRP results in a post-assistance loan to value ratio (“LTV”) of less than 105% or greater than 140%.</li> <li>• Homeowner’s pre-assistance total monthly first-lien mortgage payment PITI (principal, interest, taxes, and insurance) and escrowed association fees, as applicable, calculated on the current UPB, including outstanding non-interest bearing forbearance amounts, is less than 31 percent of the homeowner’s gross monthly household income, excluding temporary income (e.g., unemployment and short-term disability benefits), as determined by CalHFA MAC at the time of a homeowner’s application for assistance.</li> <li>• Property is subject to a first priority lien securing a Home Equity Line of Credit (“HELOC”).</li> </ul>
<p><b>8. Structure of Assistance</b></p>	<p>In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (5) five years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.</p> <p>If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the PRP assistance provided to the homeowner, then the assistance is not required to be structured as a loan to the homeowner.</p> <p>After December 31, 2017, any remaining or returned funds will be returned to Treasury.</p>
<p><b>9. Per Household Assistance</b></p>	<p>Up to \$100,000 per household (average funding of \$67,191.88), less program monies previously received under other HHF programs.</p>
<p><b>10. Duration of Assistance</b></p>	<p>In most cases, assistance will be available to households on a one-time only basis; provided, however, CalHFA MAC reserves the right to provide additional PRP benefits (not exceed the maximum program assistance amount per household) to previous PRP recipients if the homeowner has suffered a subsequent, valid hardship.</p>
<p><b>11. Estimated Number of Participating</b></p>	<p>Approximately 13,862. This figure is based on loans with unpaid principal balances ranging from \$200,000 to \$400,000, with an average funding of</p>

<b>Households</b>	\$67,191.88.
<b>12. Program Inception / Duration</b>	The statewide launch of PRP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved.
<b>13. Program Interactions with Other HFA Programs</b>	PRP may be used in conjunction with MRAP aimed at reinstatement.
<b>14. Program Interactions with HAMP</b>	PRP may work in conjunction with a HAMP modification to help eligible homeowners achieve desired income ratios, payment affordability and establish an appropriate level of debt. PRP may be used to reduce or eliminate an existing non-interest bearing forbearance balance from a previous HAMP loan modification. Additional PRP assistance may be available (in addition to the reduction or elimination of the non-interest bearing forbearance) only when the HAMP loan has lost its good standing status. PRP may also be combined or used in conjunction with the HAMP Principal Reduction Alternative (PRA). PRP funds are not eligible in any combination to qualify for HAMP PRA investor incentive compensation.
<b>15. Program Leverage with Other Financial Resources</b>	<p>The goal of the program is for the applicable servicer/lender to leverage PRP funds by providing a loan recast, a loan modification or reduction or elimination of existing non-interest bearing forbearance to help establish an appropriate level of first mortgage debt for homeowners with qualifying properties.</p> <p>CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees at the time the modification agreement is completed. CalHFA MAC will require the servicer to waive any associated recast fee.</p>
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**SCHEDULE B-4**

**California Housing Finance Agency Mortgage Assistance Corporation (“CalHFA MAC”)**

**THE TRANSITION ASSISTANCE PROGRAM**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>The Transition Assistance Program (“TAP”) is one of CalHFA MAC’s federally-funded programs developed to provide eligible homeowners with transition assistance when it is determined that they can no longer afford their home.</p> <p>TAP will be used in conjunction with short sale and deed-in-lieu programs to help homeowners make a smooth transition to housing. Homeowners will be required to occupy and maintain the property until the home is sold or returned to the lender as negotiated.</p> <p>Program funds will be available on a one-time only basis up to \$5,000 per household and can be used or layered with other CalHFA MAC HHF programs. Funds will be sent to the homeowner after the short sale or deed-in-lieu of foreclosure closing. Funds are intended to help the homeowner secure new housing (e.g., rent, moving expenses, and security deposits) and will also be available for transition assistance counseling services.</p>
<b>2. Program Goals</b>	<p>CalHFA MAC envisions that these monies would be used to complement other federal or lender programs designed specifically to stabilize communities by providing assistance to homeowners who have suffered a financial hardship and as a result are no longer financially able to afford their mortgage payments.</p>
<b>3. Target Population / Areas</b>	<p>TAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner’s specific situation in lieu of targeting certain regions or counties.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$5,000,000.00</p>
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Homeowner qualifies as low-to-moderate income based on per-household income thresholds set forth in the county in which the homeowner resides. Income thresholds are as posted on the Keep Your Home California website.</li><li>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.</li><li>• Homeowners who have recently encountered a financial hardship due to their military service are eligible.</li><li>• Homeowner must agree to provide all necessary documentation to</li></ul>

	<p>satisfy program guidelines established by CalHFA MAC.</p> <ul style="list-style-type: none"> <li>• Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner’s hardship documentation. Loans in foreclosure are eligible.</li> <li>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.</li> <li>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation.</li> </ul>
<b>6. Property / Loan Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>• Current, unpaid principal balance (“UPB”) (includes the interest-bearing unpaid principal balance and any existing non-interest bearing forbearance balance) of the first-lien mortgage loan is not greater than \$729,750.</li> <li>• The property securing the mortgage loan must not be abandoned, vacant or condemned.</li> <li>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.</li> </ul>
<b>7. Program Exclusions</b>	<ul style="list-style-type: none"> <li>• Homeowner in an “active” bankruptcy is ineligible for TAP assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order “Dismissal” or “Discharge”.</li> <li>• Property is subject to a first priority lien securing a Home Equity Line of Credit (“HELOC”).</li> </ul>
<b>8. Structure of Assistance</b>	<p>TAP assistance will not be structured as a loan.</p> <p>After December 31, 2017, any remaining or returned funds will be returned to Treasury.</p>
<b>9. Per Household Assistance</b>	Up to \$5,000 per household (average funding of \$5,000.00).
<b>10. Duration of Assistance</b>	Available on a one-time only basis, per household.
<b>11. Estimated Number of Participating Households</b>	Approximately 1,000. This figure is based on loans with unpaid principal balances ranging from \$200,000 to \$400,000 with an average funding of \$5,000.00.
<b>12. Program Inception /Duration</b>	The statewide launch of TAP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved.
<b>13. Program Leverage with Other HFA Programs</b>	TAP benefits may be available to the homeowner even if UMA, MRAP and/or PRP benefits have been utilized, subject to the HHF program maximum benefit cap of \$100,000.
<b>14. Program Interactions</b>	TAP complements HAMP and HAFA. The funds will leverage monies being

<b>with HAMP</b>	made available through HAFA. Servicer is required to follow HAFA guidelines for allowable costs. In cases where the servicer has approved the homeowner for a HAFA transaction, TAP dollars will be limited to \$2,000 in order to maintain the \$5,000 HHF program maximum per household.
<b>15. Program Leverage with Other Financial Resources</b>	None.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Schedule B-5

**California Housing Finance Agency Mortgage Assistance Corporation (“CalHFA MAC”)**

**Community HousingWorks  
C2MPRP: Community 2<sup>nd</sup> Mortgage Principal Reduction Program**

**Summary Guidelines**

<p><b>1. Program Overview</b></p>	<p>The Community 2nd Mortgage Principal Reduction Program (Community 2nd Mortgage PRP, or C2MPRP) is offered through a CalHFA federally-funded Hardest Hit Fund program through a contract between CalHFA MAC and Community HousingWorks. Community HousingWorks will administer this program.</p> <p>C2MPRP will provide capital on 40/60 matching basis with participating nonprofit, credit union and lenders, to reduce the outstanding principal balances of subordinate second mortgages, as well as providing relief for a subordinate lien on a short sale on a 40/60 matching basis for qualifying properties with negative equity exceeding 107% CLTV. The lenders who will participate in this program are nonprofit lenders, credit unions and lenders with qualifying subordinate liens. These lenders provided “amortizing seconds” home buyers throughout California. Participation in this program is Statewide. C2MPRP will provide monies to reduce the principal balance on a 40/60 matching basis for the purposes of establishing an appropriate level of debt for eligible borrowers with qualifying properties. For example, if the subordinate debt to be extinguished is \$50,000, the C2MPRP program will provide up to 40% of that amount or \$20,000 and the participating lender/investor would forgive 60% or \$30,000. A reduction in principal through C2MPRP can achieve desired income ratios and affordability for a borrower on the existing mortgage loans or can be used in conjunction with a loan modification. Lenders holding subordinate liens in the State of California may find that their clients’ only option to avoid foreclosure is a short sale. The C2MPRP program can provide subordinate lien holders a 40/60 matching incentive for the subordinate lien holder to facilitate a short sale in order to avoid foreclosure. The principal reduction will be 40% of the principal balance and the lender will accept the 60% reduction. For example if the total principal balance is \$50,000, the C2MPRP program can provide \$20,000 to subordinate lien holders if they will accept the principal reduction of \$30,000 in order to accept the short sale. The total amount of principal that can be paid out on all liens is \$50,000.</p>
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<b>2. Program Goals</b>	<p>The goal of this program is to reduce foreclosures by reducing principal balances, on qualified amortizing subordinate debt, to those market levels needed to prevent avoidable foreclosures and promote sustainable homeownership.</p> <p>There are situations where a short sale is the only solution to avoiding foreclosure; by providing matching funds this will incent the subordinate lien holders, who in many cases are only able to recover a \$1,000 or less in a short sale, to accept the transaction and allow the sale to go through.</p>
<b>3. Target Population / Areas</b>	<p>This program will be offered on a statewide basis.</p>
<b>4. Program Allocation (Excluding Admin Expenses)</b>	<p>\$9,245,330.00.</p>
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>• Borrower earns 120% AMI or less, as defined by the county they reside in.</li> <li>• Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship.</li> <li>• Hardship is defined as economic hardship, which occurs when a household is unable to pay reasonable basic living expenses. The determination of a reasonable amount for basic living expenses will be made by the Underwriter and will vary according to the unique circumstances of every individual household.</li> <li>• Borrower has adequate income to sustain modified mortgage payments defined as a housing debt-to-income ratio of no more than 38% (first lien only), excluding temporary income such as unemployment or temporary disability payments.</li> <li>• In the case of a short sale request, homeowner must be able to verify that they have a hardship that does not permit them to make their monthly mortgage payments or they meet the GSE standard short sale requirements.</li> <li>• Borrower has completed level 2 counseling with a HUD-approved agency. Payment for counseling services will not be paid out of Hardest Hit funds</li> <li>• Borrower is able to satisfy program guidelines.</li> <li>• The first or second subordinate mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications.</li> </ul>
<b>6. Property/Loan</b>	<ul style="list-style-type: none"> <li>• The property is encumbered by a first lien conventional loan</li> </ul>

<b>Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>• Property must be single family residential 1-4 units, condominium, or cooperative.</li> <li>• The total mortgage indebtedness cannot exceed the GSE conforming limit of \$729,750.</li> <li>• The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair.</li> <li>• The subject property is the borrower’s principal residence and the property is located in California.</li> <li>• HELOCs with required monthly payments (amortized or interest only) may be considered. Documentation that these loans have been closed and reconveyed if C2MPRP assistance is provided will be required.</li> </ul>
<b>7. Program Exclusions</b>	<ul style="list-style-type: none"> <li>• Borrower’s property is subject to a foreclosure trustee sale (does not apply to short sale requests).</li> <li>• Hardship caused by voluntary resignation of employment.</li> <li>• Second mortgages eligible for 2MP or 2LP.</li> <li>• Borrower fails to satisfy underwriting guidelines.</li> <li>• Homeowner in an “active” bankruptcy is ineligible for assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order “Dismissal” or “Discharge”.</li> </ul>
<b>8. Structure of Assistance</b>	The assistance will not be structured as a loan since there will always be at least a 40/60 match from the lender.
<b>9. Per Household Assistance</b>	<p>The lower of 2 limiting guidelines:</p> <p>Maximum of \$50,000; or amount which, with the match, lowers CLTV to 107%.</p> <p>It is expected that the average assistance will be approximately \$25,000.</p>
<b>10. Duration of Assistance</b>	The assistance will be a onetime payment.
<b>11. Estimated Number of Participating Households</b>	Approximately 370
<b>12. Program Inception/ Duration</b>	The Program will launch within 90 days of Treasury approval and will be available for approximately 2-3 years, until funds are exhausted. Any funds remaining on hand on December 31, 2017 will be returned to Treasury.



<b>13. Program Interactions with Other HFA Programs</b>	C2MPRP cannot be utilized with other Keep Your Home California programs except for the Unemployment Mortgage Assistance program. Recipients of the C2MPRP program shall be notified in writing that their participation in that program will disqualify them from participating in any other Keep Your Home California program except the Unemployment Mortgage Assistance Program.
<b>14. Program Interactions with HAMP</b>	C2MPRP complements and leverages HAMP 1 <sup>st</sup> mortgage modifications since reduction or elimination of the 2 <sup>nd</sup> liens will enable many borrowers to qualify for a HAMP modification.
<b>15. Program Leverage with Other Financial Resources</b>	Participating lenders will be required to write down 60% of the overall principal reduction (in the case of a short sale, lender will forgive debt up to 60%) calculated and approved by C2MPRP Underwriting, and C2MPRP shall pay the lender the remaining 40% as a subsidy. The lender will provide modification of the Note to reflect 100% of the overall principal reduction.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**SCHEDULE B-6**

**California Housing Finance Agency Mortgage Assistance Corporation (“CalHFA MAC”)**

**Los Angeles Housing Department (“LAHD”)  
Principal Reduction Program**

**Summary Guidelines**

**Program was unfunded as of February 27, 2014.**

**SCHEDULE B-7**

**California Housing Finance Agency Mortgage Assistance Corporation  
("CalHFA MAC")**

**NeighborWorks® Sacramento  
Short Sale Gateway Program**

**Program was unfunded as of September 20, 2013.**

**SCHEDULE C**

**Permitted Administrative Expenses**

	California
<b><i>One-time / Start-Up Expenses:</i></b>	
Initial Personnel	\$534,394.39
Building, Equipment, Technology	\$131,240.82
Professional Services	\$4,565,316.00
Supplies / Miscellaneous	\$33,650.00
Marketing /Communications	\$213,217.36
Travel	\$85,000.00
Website development /Translation	
Contingency	\$2,129,073.80
<b>Subtotal</b>	<b>\$7,691,892.37</b>
<b><i>Operating / Administrative Expenses:</i></b>	
Salaries	\$56,846,522.70
Professional Services (Legal, Compliance, Audit, Monitoring)	\$16,964,051.90
Travel	\$726,830.13
Buildings, Leases & Equipment	\$2,179,641.01
Information Technology & Communications	\$7,403,818.75
Office Supplies/Postage and Delivery/Subscriptions	\$1,208,153.66
Risk Management/ Insurance	\$109,552.50
Training	\$0.00
Marketing/PR	\$12,320,000.00
Miscellaneous	\$2,764,648.91
<b>Subtotal</b>	<b>\$100,523,219.56</b>
<b><i>Transaction Related Expenses:</i></b>	
Recording Fees	\$4,672,957.80
Wire Transfer Fees	\$393,000.00
<b><i>Counseling Expenses</i></b>	<b>\$34,868,987.47</b>
File Intake	\$30,000,000.00
Decision Costs	\$4,868,987.47
Successful File	\$0.00
Key Business Partners On-Going	\$0.00
<b>Subtotal</b>	<b>\$39,934,945.27</b>
<b>Grand Total</b>	<b>\$148,150,057.20</b>
<b>% of Total Award</b>	<b>7.50%</b>
<b>Award Amount</b>	<b>\$1,975,334,096.00</b>