

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

This Eleventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Eleventh Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Eleventh 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”), and as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fourth Amendment”), and 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 together with the Original HPA as amended thereby and by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, Eighth Amendment and Ninth Amendment, 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 Eleventh 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 Eleventh 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 Eleventh Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Eleventh 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 Eleventh 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 Eleventh 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 Eleventh 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 Eleventh Amendment and any other closing documentation delivered to Treasury in connection with this Eleventh 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 Eleventh Amendment and any other closing documentation delivered to Treasury in connection with this Eleventh Amendment, and to perform its obligations hereunder and thereunder.

**3. Miscellaneous**

A. The recitals set forth at the beginning of this Eleventh 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 Eleventh 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 Eleventh 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 Eleventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

**HFA:**

OREGON HOUSING AND COMMUNITY  
SERVICES

By: /s/ Margaret S. Van Vliet  
Name: Margaret S. Van Vliet  
Title: Director

**TREASURY:**

UNITED STATES DEPARTMENT OF THE  
TREASURY

By: \_\_\_\_\_  
Name: Timothy G. Massad  
Title: Assistant Secretary for  
Financial Stability

**ELIGIBLE ENTITY:**

OREGON AFFORDABLE HOUSING  
ASSISTANCE CORPORATION

By: /s/ Diana Koppes  
Name: Diana Koppes  
Title: President

By: /s/ Julie Cody  
Name: Julie Cody  
Title: Treasurer

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

**HFA:**

**OREGON HOUSING AND COMMUNITY  
SERVICES**


By: \_\_\_\_\_

Name: Margaret S. Van Vliet  
Title: Director

**TREASURY:**

**UNITED STATES DEPARTMENT OF THE  
TREASURY**

By: \_\_\_\_\_

  
Name: Timothy G. Massad  
Title: Assistant Secretary for  
Financial Stability

**ELIGIBLE ENTITY:**

**OREGON AFFORDABLE HOUSING  
ASSISTANCE CORPORATION**

By: \_\_\_\_\_

Name: Diana Koppes  
Title: President

By: \_\_\_\_\_

Name: Julie Cody  
Title: Treasurer

## **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: Oregon Affordable Housing Assistance Corporation

Corporate or other organizational form: Nonprofit corporation

Jurisdiction of organization: Oregon

Notice Information:

**HFA Information:**

Name of HFA: Oregon Housing and Community Services

Organizational form: A department of the State of Oregon under the laws of the State of Oregon

Date of Application: June 1, 2010

Date of Action Plan: September 1, 2010

Notice Information:

**Program Participation Cap:** \$220,042,786.00

**Portion of Program Participation Cap  
Representing Original HHF Funds:** \$88,000,000.00

<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$49,294,215.00
<u>Permitted Expenses:</u>	\$35,207,199.00
<u>Closing Date:</u>	August 3, 2010
<u>First Amendment Date:</u>	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>	May 25, 2011
<u>Sixth Amendment Date:</u>	September 28, 2011
<u>Seventh Amendment Date:</u>	December 8, 2011
<u>Eighth Amendment Date:</u>	March 29, 2012
<u>Ninth Amendment Date:</u>	July 17, 2012
<u>Tenth Amendment Date:</u>	February 6, 2013
<u>Eleventh Amendment Date:</u>	April 25, 2013
<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.

**SERVICE SCHEDULE B-1**

**Oregon Affordable Housing Assistance Corporation  
Loan Modification Assistance Program  
Summary Guidelines**

<b>1. Program Overview</b>	<p>The Loan Modification Assistance Program will provide funds to assist financially distressed borrowers in achieving modification of their home loans.</p> <p>Under the Program, a one-time contribution of funds will be made to a homeowner's lender/servicer to be used to fill a financial gap that limits a homeowner's eligibility for a loan modification. Funds may be used to reduce the outstanding principal balance, pay delinquent escrow or arrearages, or strategically apply resources to ensure a net present value test is positive. Modification must result in a loan to value ratio of no more than 125 percent, a total debt-to-income equal to or less than 50 percent, and a mortgage payment (including principal, interest, taxes, and insurance) of no more than 31 percent of a homeowner's income. The Program is designed to work with both HAMP and non-HAMP modifications.</p>
<b>2. Program Goals</b>	<p>To provide a quick infusion of funds that will allow for a successful loan modification. Without these additional funds, homeowners would be ineligible for modification.</p>
<b>3. Target Population/ Areas</b>	<p>The Program will be available in all counties in Oregon to households with incomes equal to or less than 120 percent of state median income. The substantial majority of funding (80 percent) will be provided to those counties identified as hardest hit (20).</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$500,000</p>
<b>5. Borrower Eligibility Criteria</b>	<p>The homeowner must have a current household income equal to or less than 120 percent of state median income. A homeowner who has a loan financed in whole or in part by bonds that are tax-exempt under IRC section 143 is presumed to satisfy income limits.</p> <p>The homeowner's current first-lien mortgage must have originated before January 1, 2009.</p> <p>Homeowner must have either been denied for, or must be in the process of receiving, a loan modification.</p> <p>The homeowner must complete and sign a financial hardship</p>

	<p>affidavit attesting to the prior loss of income or other applicable financial hardship.</p> <p>The homeowner cannot own other residential real property.</p> <p>The homeowner, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Modification must result in a loan-to-value ratio of no more than 125 percent.</p>
<b>6. Property/Loan Eligibility Criteria</b>	<p>The subject property must be an owner-occupied, primary residence and be located in Oregon. Manufactured homes are eligible only if the structure is recorded in the county's deed records.</p> <p>The unpaid principal balance of the homeowner's first-lien mortgage cannot exceed \$729,750.</p> <p>The homeowner cannot own other residential real property.</p>
<b>7. Program Exclusions</b>	Owners of second homes or investment properties.
<b>8. Structure of Assistance</b>	<p>Funding from the Program will be structured as a five-year non-recourse, zero-percent forgivable, non-amortizing loan for which a second lien will be recorded against the property. Twenty percent of the loan will be forgiven for each year it is outstanding. If property is sold or refinanced prior to the loan termination date, funds will be recovered should sufficient equity be available from the transaction. 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>
<b>9. Per Household Assistance</b>	Maximum is \$10,000.
<b>10. Duration of Assistance</b>	One-time payment on behalf of borrower to lender/servicer.
<b>11. Estimated Number of Participating Households</b>	An estimated 1,050 homeowners will receive assistance.
<b>12. Program Inception/Duration</b>	It is anticipated that the Program will begin in June 2013 and will last 12 months.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	None.
<b>14. Program Interactions with HAMP</b>	The Program will only function directly with the existing HAMP program or other modification programs offered by servicers and/or lenders. The Program is not anticipated to work with the

	other Hardest Hit Fund programs; however, it will work with non-HAMP modification programs offered through lenders/servicers. In those cases, Program funds will be used when an investment of \$10,000 or less will facilitate a successful loan modification.
<b>15. Program Leverage with Other Financial Resources</b>	Servicers will not charge administrative fees and waive all administrative fees accrued prior to modification.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## **SERVICE SCHEDULE B-2**

### **Oregon Affordable Housing Assistance Corporation Mortgage Payment Assistance Program Summary Guidelines**

<b>1. Program Overview</b>	<p><b>This schedule applies to applications initiated after the effective date of the Sixth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement.</b></p> <p>The Mortgage Payment Assistance Program will provide up to 12 months' of mortgage payment assistance or \$20,000, whichever is used first. This temporary assistance will be provided on behalf of homeowners who are receiving unemployment insurance benefits.</p> <p>The state's foreclosure counseling network will serve as the administrative entry point for application processing.</p> <p>Oregon Affordable Housing Assistance Corporation (OAHAC) will, on behalf of an eligible borrower, make a full monthly payment to the servicer until the applicable program cap is reached, or until the borrower has become re-employed. In order to receive such monthly assistance payments, eligible borrowers must sign an affidavit certifying their continued eligibility at least quarterly.</p>
<b>2. Program Goals</b>	<p>The assistance provided by the Mortgage Payment Assistance Program will allow qualified borrowers to search for work or obtain job training without fear of losing their home. The purpose of this program is to assist borrowers until they can obtain sufficient income to resume scheduled mortgage payments or qualify for a modified mortgage payment.</p>
<b>3. Target Population/ Areas</b>	<p>The Program will be available to homeowners receiving unemployment insurance benefits at the time of initial application.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	<p>\$126,000,000.00</p>
<b>5. Borrower Eligibility Criteria</b>	<p>The borrower must be receiving unemployment insurance benefits at time of initial application.</p> <p>The borrower must complete and sign a financial hardship affidavit attesting to the prior loss of income or other applicable financial hardship.</p>

	The borrower, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.
<b>6. Property/Loan Eligibility Criteria</b>	<p>The subject property must be a one-unit, single-family, owner-occupied, primary residence and be located in Oregon.</p> <p>The unpaid principal balance of the borrower's first-lien mortgage cannot exceed the Federal Housing Administration loan limit, as effective on November 18, 2011, for the county in which the subject property is located.</p>
<b>7. Program Exclusions</b>	<p>The borrower cannot be in active bankruptcy.</p> <p>The borrower's first-lien mortgage cannot be a home equity line of credit, land sale contract, or otherwise privately financed mortgage.</p> <p>The borrower cannot own other residential real property.</p> <p>The subject property cannot be a condominium or townhome.</p>
<b>8. Structure of Assistance</b>	The Program is envisioned as a revolving fund. The Program will make a five-year, non-recourse, zero-percent, forgivable, non-amortizing loan for which a junior lien will be recorded against the property. Twenty percent of the loan will be forgiven for each year the loan is outstanding. If the property is sold or refinanced prior to the loan termination date, the Program will recover funds should sufficient equity be available from the transaction. The Program will recycle recovered funds in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.
<b>9. Per Household Assistance</b>	Maximum benefit is \$20,000 per borrower.
<b>10. Duration of Assistance</b>	12 months.
<b>11. Estimated Number of Participating Households</b>	At a minimum, this program will help 8,250 homeowners.
<b>12. Program Inception/Duration</b>	The Program began in December 2010 and is expected to last 36 months.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	Some borrowers may have loans funded by Oregon Housing and Community Services and will also be eligible for the Loan Preservation Program.
<b>14. Program Interactions with HAMP</b>	HHF Funds will generally be utilized prior to the UP forbearance described in Supplemental Directive 10-04 and/or GSE forbearance programs, unless the borrower has already received forbearance under those programs. When appropriate, however,

	<p>servicers should provide UP or other forbearance to eligible borrowers who are being evaluated for Mortgage Payment Assistance by OAHAC.</p> <p>If borrowers are considering HAMP as an option, they must be evaluated for HAMP at the earlier of reemployment or expiration of HFA mortgage assistance benefits.</p>
<b>15. Program Leverage with Other Financial Resources</b>	Servicers will not charge administrative fees (e.g., NSF, late charges) in any month where a full contract payment is made. If the loan is reinstated or modified following HFA mortgage assistance, servicers will waive all administrative fees accrued since the beginning of the delinquency.
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### **SERVICE SCHEDULE B-3**

#### **Oregon Affordable Housing Assistance Corporation Loan Preservation Assistance Program Summary Guidelines**

<b>1. Program Overview</b>	<p>The Loan Preservation Assistance Program is intended to help homeowners preserve and/or maintain their existing mortgage and eliminate immediate risk of foreclosure. Funds provided through this Program will be provided to lenders/servicers to bring a delinquent borrower current. Eligibility will be determined by staff representing the OAHAC.</p> <p>There are two tiers of benefit provided under the Program:</p> <p>(A) Reinstatement Benefit: For homeowners who, at any time, receive funding under the Mortgage Payment Assistance program.</p> <p>(B) Preservation Benefit: For homeowners who can demonstrate the ability to sustain their loan payments.</p> <p>Homeowners may decline the Reinstatement Benefit in order to be considered for the Preservation Benefit, but homeowners cannot receive funding under both the Reinstatement and Preservation benefits.</p>
<b>2. Program Goals</b>	To bring delinquent mortgages current. The program will preserve and/or maintain an existing mortgage and reduce the risk of imminent foreclosure.
<b>3. Target Population/ Areas</b>	The program will be available in all counties of Oregon for homeowners with an arrearage.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$36,335,587.00
<b>5. Borrower Eligibility Criteria</b>	<p><u>Reinstatement Benefit:</u></p> <p>The borrower must have been approved under the Mortgage Payment Assistance program, subject to certain limitations in the program guidelines.</p> <p><u>Preservation Benefit:</u></p> <p>The borrower must demonstrate a gross monthly income-to-PITIA ratio not to exceed 45 percent.</p> <p>The borrower must complete and sign a financial hardship affidavit attesting to the prior loss of income or other applicable financial hardship.</p> <p>The borrower, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years,</p>

	of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.
<b>6. Property/Loan Eligibility Criteria</b>	<p><u>Preservation Benefit:</u></p> <p>The subject property must be a one-unit, single-family, owner-occupied, primary residence and be located in Oregon. The unpaid principal balance of the borrower's first-lien mortgage cannot exceed the Federal Housing Administration loan limit, as effective on November 18, 2011, for the county in which the subject property is located.</p>
<b>7. Program Exclusions</b>	<p>The borrower cannot be in active bankruptcy.</p> <p>The borrower's first-lien mortgage cannot be a home equity line of credit, land sale contract, or otherwise privately financed mortgage.</p> <p>The borrower cannot own other residential real property.</p> <p>The subject property cannot be a condominium or townhome.</p>
<b>8. Structure of Assistance</b>	<p>The Program is envisioned as a revolving fund. The Program will make a five-year, non-recourse, zero-percent, forgivable, non-amortizing loan for which a junior lien will be recorded against the property. Twenty percent of the loan will be forgiven for each year the loan is outstanding. If the property is sold or refinanced prior to the loan termination date, the Program will recover funds should sufficient equity be available from the transaction. The Program will recycle recovered funds in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.</p>
<b>9. Per Household Assistance</b>	<p><u>Reinstatement Benefit:</u></p> <p>A maximum of \$10,000, subject to certain limitations in the program guidelines.</p> <p><u>Preservation Benefit:</u></p> <p>A maximum of \$25,000 per borrower, subject to certain limitations in the program guidelines.</p>
<b>10. Duration of Assistance</b>	Assistance is a one-time payment.
<b>11. Estimated Number of Participating Households</b>	It is estimated that 4,000 homeowners will receive assistance.
<b>12. Program Inception/Duration</b>	The Program began in May 2012 and is expected to last 24 months, but may extend beyond 24 months where both funding and need exists.

<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	The Program's Reinstatement Benefit will operate in conjunction with the Mortgage Payment Assistance program.
<b>14. Program Interactions with HAMP</b>	This Program would incentivize recipients to enter loan modification programs such as HAMP and may interact with both new and existing HAMP programs.
<b>15. Program Leverage with Other Financial Resources</b>	If the loan is reinstated, servicers will waive all administrative fees accrued since the beginning of the delinquency.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**SERVICE SCHEDULE B-4**

**Oregon Affordable Housing Assistance Corporation  
Transition Assistance Program  
Summary Guidelines**

**The Program was unfunded as of December 8, 2011.**

## SERVICE SCHEDULE B-5

### **Oregon Affordable Housing Assistance Corporation Loan Refinancing Assistance Pilot Project Summary Guidelines**

<b>1. Program Overview</b>	<p>The Loan Refinancing Assistance Pilot Project will target five Oregon counties hit hard by the housing crisis to provide assistance to homeowners with negative equity mortgages, who have recovered from unemployment, underemployment or financial distress and show the capability to pay a mortgage payment based on a principal amount reflective of the current market value of the home. There are two structures that will be utilized to accomplish the refinance, depending on restrictions affecting the loan holder.</p> <p>Loan Purchase Structure: Under the Loan Purchase Structure, OAHAC, after review and approval by Oregon Housing and Community Services (OHCS), will provide funding for the purchase of loans on behalf of homeowners. All as part of one concurrent and seamless transaction, the loan will be purchased in accordance with a funding agreement with OAHAC, for a price that is at or below the current appraised value and at least 10 percent below the current unpaid principal balance of the loan. A new, affordable loan based on a principal amount equal to or lesser than the home's current appraised value will be originated.</p> <p>Short Sale Structure: The Short Sale Structure will be utilized in the event the holder of the loan is subject to certain restrictions, operationally and/or legally, with respect to a loan sale transaction. In this scenario, OAHAC will utilize its contractor, Further 2 Development LLC ("Further"), to facilitate a short sale. All as part of one concurrent and seamless transaction, the home will be sold to Further for a price that is at or below the current appraised value and at least 10% below the current unpaid principal balance of the loan. Title to the home will be transferred to Further and then back to the homeowner through a newly originated affordable loan for the homeowner at a principal amount equal to or lesser than the home's current appraised value. That new loan will be assigned to OHCS, in accordance with a funding agreement with OAHAC.</p> <p>The end result will be the same under either structure: the homeowner remains in the home with a new, affordable loan.</p>
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<b>2. Program Goals</b>	The Loan Refinancing Assistance Pilot Project's goals are to assist homeowners escape negative equity situations, help to slow the ongoing decline in property value, and provide approved homeowners with reliable, affordable, sustainable mortgages.
<b>3. Target Population/ Areas</b>	The Program will be available in five Oregon counties (Crook, Deschutes, Jackson, Jefferson, and Josephine) and focus exclusively on homeowners who have recovered from a financial hardship, are saddled with negative equity mortgages, and demonstrate the capability to pay a loan refinanced to an amount that is equal to or less than the home's current value.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$12,000,000.00
<b>5. Borrower Eligibility Criteria</b>	<p>The borrower must have a current household income equal to or less than 150 percent of state median income. A borrower who has a loan financed in whole or in part by bonds that are tax exempt under IRC section 143 is presumed to satisfy income limits.</p> <p>The borrower must demonstrate the ability to meet standard payment ratios for at least the home's current appraised value.</p> <p>The borrower must complete and sign a financial hardship affidavit attesting to the prior loss of income or other applicable financial hardship.</p> <p>The borrower, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p>

<p><b>6. Property/Loan Eligibility Criteria</b></p>	<p>The subject property must be an owner-occupied, primary residence and be located in Oregon.</p> <p>The subject property must be a one-unit, single-family residence or a condominium which is warrantable or on the FHA eligibility list.</p> <p>The unpaid principal balance of the borrower's first-lien mortgage cannot exceed \$499,000.</p> <p>Loans must be purchased at or below appraised market value of the home.</p> <p>The new loan cannot have a debt-to-income ratio in which PITIA is greater than 35 percent of total income and total household debt is greater than 45 percent of total income. Exceptions to the maximum debt-to-income ratio may be considered based on the borrower's creditworthiness.</p> <p>Loans can only be purchased if the lender/servicer has discounted the price of the loan by at least 10 percent of the current unpaid principal balance.</p>
<p><b>7. Program Exclusions</b></p>	<p>The borrower cannot be in active bankruptcy.</p> <p>The borrower's first-lien mortgage cannot be a home equity line of credit, third party contract, or other private party loan.</p> <p>The borrower cannot own other residential real property.</p> <p>Employees of contractor Further.</p>
<p><b>8. Structure of Assistance</b></p>	<p>The new mortgage will be for a term of 30 years, carry a fixed interest rate (to be set by OAHAC and applied uniformly for all borrowers) and the loan amount will be set at an amount equal to or less than the current appraised value of the home.</p> <p>The Pilot is envisioned as a revolving fund and OHCS, OAHAC, Further or another approved entity may arrange for take-out financing or sell the loan and revolve the funding directly back to OAHAC until December 31, 2017, for the purpose of funding other Loan Refinance Assistance Pilot Project transactions. All repayments and profits after December 31, 2017, if any, will be returned to Treasury.</p>
<p><b>9. Per Household Assistance</b></p>	<p>We anticipate revolving funds in order to achieve an average per household assistance amount of approximately \$30,000 by December 2017. The per transaction cost will be higher as it does not account for the revolving of the program funds.</p>

<b>10. Duration of Assistance</b>	<p>Assistance will be provided in a one-time transaction to close the new affordable loan with high touch servicing.</p> <p>Any required counseling will be provided by HUD approved agencies using non-HHF resources.</p>
<b>11. Estimated Number of Participating Households</b>	OAHAC anticipates helping approximately 330 homeowners.
<b>12. Program Inception/ Duration</b>	The program began in October 2011 and is expected to last until December 2017.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	None.
<b>14. Program Interactions with HAMP</b>	None.
<b>15. Program Leverage with Other Financial Resources</b>	It is expected that this HHF investment will leverage \$50 million in permanent mortgages. Additionally, gains realized through third-party mortgage refinancing or secondary mortgage market loan sales due to discounts received at the time of transaction will be reinvested to grow the size of the revolving fund throughout the program period.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## **SERVICE SCHEDULE B-6**

### **Oregon Affordable Housing Assistance Corporation Rebuilding American Homeownership Assistance Pilot Project Summary Guidelines**

<b>1. Program Overview</b>	<p>The Program will provide funds to assist homeowners who are in a negative equity position with their existing loans.</p> <p>Under the Program, funds will be provided at closing to be used to fund a new mortgage.</p>
<b>2. Program Goals</b>	<p>To allow homeowners to refinance into a new loan that will permit the homeowner to rebuild equity in their home faster than their existing mortgage loan(s) currently allow, or to lower their monthly payment amount.</p>
<b>3. Target Population/ Areas</b>	<p>The Program will be available in Multnomah County.</p>
<b>4. Program Allocation (Including Administrative Expenses)</b>	<p>\$10,000,000</p>
<b>5. Borrower Eligibility Criteria</b>	<p>The borrower must demonstrate a gross monthly income-to-PITIA ratio not to exceed 45 percent.</p> <p>The borrower must complete and sign a financial hardship affidavit attesting to the prior loss of income or other applicable financial hardship.</p> <p>The homeowner, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>The borrower must meet certain creditworthiness standards as defined in program guidelines.</p>

<b>6. Property/Loan Eligibility Criteria</b>	<p>The subject property must be a one-unit, single-family, owner-occupied, primary residence and be located in Oregon.</p> <p>The unpaid principal balance of all of the borrower's mortgage liens cannot exceed \$250,000.</p> <p>The borrower must not have any payment 30 days late or more within the past 6 months on each existing mortgage lien.</p> <p>The borrower must not have more than one payment 30–59 days late within the past 12 months on each existing mortgage lien.</p> <p>The borrower must have a combined loan-to-value ratio between 105% and 125%.</p> <p>The borrower must not have any payment 60 days or more late within the past 12 months on each existing mortgage lien.</p> <p>The interest rate of the borrower's first-lien mortgage must meet certain standards as defined in program guidelines.</p>
<b>7. Program Exclusions</b>	<p>The borrower cannot be in active bankruptcy.</p> <p>The borrower cannot have any home equity line of credit.</p> <p>The borrower cannot own other residential real property.</p> <p>The borrower's first-lien mortgage cannot be owned or guaranteed by Freddie Mac or Fannie Mae.</p> <p>The borrower cannot have received assistance under any other Oregon HHF program.</p>
<b>8. Structure of Assistance</b>	<p>The Program is envisioned to fund a new loan to the homeowner without providing any principal reduction or principal forgiveness. The loans would be securitized or sold no later than December 2017.</p> <p>Funding from the Program will be structured in one of two ways:</p> <ul style="list-style-type: none"> <li>• a new 15-year loan at 4%</li> <li>• a new 30-year loan at 5%</li> </ul> <p>It is the expectation that OHCS will sell or refinance these loans at some point before December, 2017. OHCS will work with Treasury to determine the appropriate disposition for these loans before that date. The Program may recycle recovered funds in order to provide additional program assistance until December 31,</p>

	2017, at which time any recovered funds will be returned to Treasury. Recovered funds may also be used to cover costs associated with the management of the portfolio until December 31, 2017.
<b>9. Per Household Assistance</b>	The initial average household assistance amount is estimated to be \$200,000. Following repayment, refinance; or sale of the portfolio, including interest received on the portfolio; estimated household assistance amount could be as low as \$5,000 to \$15,000. Revolving the portfolio at a favorable price before December 2017 will provide program funds that may be revolved to help additional homeowners.
<b>10. Duration of Assistance</b>	Assistance will be provided in a one-time transaction to close the new affordable loan.
<b>11. Estimated Number of Participating Households</b>	It is estimated that 50 homeowners will receive assistance. If the portfolio could be revolved at a favorable price before December 2017, program funds could be revolved to help additional homeowners
<b>12. Program Inception/ Duration</b>	The Program is estimated to begin in April 2013 and is expected to last until June 2015.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	None.
<b>14. Program Interactions with HAMP</b>	None.
<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 C

### PERMITTED EXPENSES

	Oregon
<b>One-time / Start-Up Expenses:</b>	
Initial Personnel	\$201,240.00
Building, Equipment, Technology	\$92,706.00
Professional Services	\$220,969.00
Supplies / Miscellaneous	\$27,551.00
Marketing /Communications	\$105,268.00
Travel	\$20,000.00
Website development /Translation	\$25,000.00
Contingency	\$25,000.00
<b>Subtotal</b>	<b>\$717,734.00</b>
<b>Operating / Administrative Expenses:</b>	
Salaries	\$9,930,786.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$6,340,751.00
Travel	\$68,981.00
Buildings, Leases & Equipment	\$367,315.00
Information Technology & Communications	\$1,040,945.00
Office Supplies/Postage and Delivery/Subscriptions	\$175,467.00
Risk Management/ Insurance	\$148,133.00
Training	\$117,346.00
Marketing/PR	\$327,672.00
Miscellaneous	\$125,803.00
<b>Subtotal</b>	<b>\$18,643,199.00</b>
<b>Transaction Related Expenses:</b>	
Recording Fees	\$2,163,134.00
Wire Transfer Fees	\$46,613.00
<b>Counseling Expenses</b>	
File Intake	\$0.00
Decision Costs	\$0.00
Successful File	\$13,636,519.00
Key Business Partners On-Going	\$0.00
<b>Subtotal</b>	<b>\$15,846,266.00</b>
<b>Grand Total</b>	<b>\$35,207,199.00</b>
<b>% of Total Award</b>	<b>16.00%</b>
<b>Award Amount</b>	<b>\$220,042,786.00</b>