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"), 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 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 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;

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 or B shall mean the Schedules A or B 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.

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.

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: /s/ Mary R. Kenney
Name: Mary R. Kenney
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE TREASURY

By: ________________________
Name: Mark McArdle
Title: Chief Homeownership Preservation Officer

ELIGIBLE ENTITY:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: /s/ Mary R. Kenney
Name: Mary R. Kenney
Title: Executive Director

<u>EXHIBITS AND SCHEDULES</u>

SCHEDULE A

BASIC INFORMATION

Eligible Entity Information:

Name of the Eligible Entity:	Illinois Housing Development Authority1
Corporate or other organizational form:	a body politic and corporate under the laws of the State of Illinois, pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended
Jurisdiction of organization:	Illinois
Notice Information:	

HFA Information:

Name of HFA:	Illinois Housing Development Authority[1]
Organizational form:	a body politic and corporate under the laws of the State of Illinois, pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended
Date of Application:	September 1, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	Same as notice information for Eligible Entity

Program Participation Cap: $445,603,557.00

Portion of Program Participation Cap

1 References in the Agreement to the term "HFA" shall mean the Illinois Housing Development Authority ("IHDA") in its capacity as an HFA as such term is used in the Agreement; references in the Agreement to the term "Eligible Entity" shall mean IHDA, in its capacity as Eligible Entity as such term is used in the Agreement. Notwithstanding anything to the contrary in the Agreement, (A) for purposes of Section 4(G) thereof, (i) annual audited financial statements shall be due no later than one hundred eighty (180) days after the end of IHDA's fiscal year, and (ii) quarterly financial statements shall be due no later than forty-five (45) days after the end of each quarter commencing with the first full quarter ending after the Effective Date; provided that for any quarter IHDA does not prepare unaudited financial statements for its internal use, or to be sent to a third party, such quarterly unaudited financial statement shall not be required and instead IHDA shall provide to Treasury, no later than forty-five (45) days after the end of each quarter commencing with the first full quarter ending after the Effective Date, summary expenses by category [*e.g.*, in-take partners, IHDA specific expenses (*e.g.* salaries), and last business day of the quarter's Depository Account bank statement, which information will allow Treasury to review and confirm the funds used for the Services and Permitted Expenses; (B) for purposes of Section 7 thereof, the powers and authority of IHDA shall be governed by and construed in accordance with the laws of the State of Illinois.

Representing Original HHF Funds:	N/A
Portion of Program Participation Cap Representing Unemployment HHF Funds:	$166,352,726.00
Permitted Expenses:	$64,207,357.00
Closing Date:	September 23, 2010
First Amendment Date:	September 29, 2010
Second Amendment Date:	December 16, 2010
Third Amendment Date:	May 11, 2011
Fourth Amendment Date:	August 3, 2011
Fifth Amendment Date:	January 25, 2012
Sixth Amendment Date:	August 24, 2012
Seventh Amendment Date:	September 28, 2012
Eighth Amendment Date:	March 8, 2013
Ninth Amendment Date:	August 9, 2013
Tenth Amendment Date:	April 11, 2014
Eleventh Amendment Date:	July 30, 2015
Eligible Entity Depository Account Information:	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.

<u>SERVICE SCHEDULE B-1</u>

Illinois Housing Development Authority

Hardest Hit Fund Homeowner Emergency Loan Program (HHF HELP)

Summary Guidelines

1. Program Overview	Illinois' Homeowner Emergency Loan Program (HHF HELP or the Program) will assist homeowners who have experienced an income reduction due to unemployment or underemployment in two ways: Monthly Mortgage Payment Assistance and Reinstatement Assistance. Monthly Mortgage Payment Assistance will be provided for up to 18 months. Reinstatement Assistance will pay a homeowner's delinquent balance and other associated fees and costs. Borrowers may be eligible for Reinstatement Assistance combined with Monthly Mortgage Payment Assistance or Reinstatement Assistance as determined by first mortgage DTI program parameters. For Monthly Mortgage Payment Assistance, IHDA will make full mortgage payments to the servicer on behalf of the borrower while the household remains eligible for assistance. While full mortgage payments are made on their behalf, the borrower must contribute partial mortgage payments to IHDA on a monthly basis. Timely partial payments to IHDA are required for continued program assistance. After a maximum of 18 months of full mortgage payments, borrowers will resume making their mortgage payments independently. If borrowers regain employment and earn sufficient income to adequately afford their mortgage during the 18 months, borrowers will be transitioned from the Program. If the household maximum assistance level available is reached, IHDA will end assistance. Borrowers will be referred to the Program through the HHF HELP website and/or hotline, a housing counselor, or other entities. All client intakes of borrowers will be performed by IHDA approved intake agencies or IHDA staff. Intake agencies will screen applications and provide a full application package to IHDA for final approval.
2. Program Goal	The goal of the Program is to assist homeowners who have experienced an income reduction due to unemployment or underemployment with Monthly Mortgage Payment Assistance and Reinstatement Assistance that will allow them to pursue sustainable income and homeownership without the immediate

	threat of default or foreclosure.
3. Target Population / Areas	The Program aims to serve all areas of the State and all employment sectors as the foreclosure crisis and unemployment crisis in Illinois is diverse. Funds will only be available to households at or below the moderate income level for the State (120% of area median, as defined by HUD).
4. Program Allocation (Excluding Administrative Expenses)	Program allocation amount on file with Treasury.
5. Borrower Eligibility Criteria	Homeowners must meet the following program criteria: • Present income at or below 120% of area median; • Experienced a substantial reduction in income due to unemployment or underemployment event; • Certification that the loss of income was involuntary (hardship affidavit required); • Fee simple title ownership on a property not exceeding four units; • Liquid assets cannot exceed program guidelines; and • Reinstatement Assistance and Monthly Mortgage Payment Assistance will be made available to eligible borrowers based on first mortgage DTI program parameters.
6. Property / Loan Eligibility Criteria	Property criteria includes: • Property must be owner-occupied; • Property can be one, two, three, and four units; • Property must be the primary residence of the borrowers; and • Property types can include single-family homes, detached or attached houses, town homes, condos, mobile homes on permanent foundations recorded as real property. Loan criteria includes: • Loan must be secured by a first position lien; • Homeowners can have a maximum present mortgage amount of $500,000; and • Homeowners must carry a fixed rate mortgage or an adjustable rate mortgage.

7. Program Exclusions	• Homeowners with interest-only or negative amortization mortgages; • Assistance for subordinate mortgages; • Homeowners that own and/or are a party to mortgages on multiple residential properties; and • Applicants unable to substantiate past and current income or failing to provide required program documentation as requested.
8. Structure of Assistance	Assistance will be in the form of a non-recourse, non-amortizing, zero-percent interest, ten-year forgivable loan. The forgivable loan will be recorded as a subordinate lien and will only be repaid if net equity proceeds exist in the event of sale or refinance. Following the first five years, the forgivable loan will be forgiven on a monthly pro rata basis for the remaining five-year term. On or before December 31, 2017, any remaining funds will be returned to Treasury.
9. Per Household Assistance	The maximum amount of assistance per homeowner is \$35,000.00.
10. Duration of Assistance	Homeowners can receive assistance for a maximum of 18 months. Upon expending the maximum amount per household, assistance will terminate. If borrowers regain employment and earn sufficient income to adequately afford their mortgage during the 18 months, borrowers will be transitioned from the Program. Failure to make the partial monthly mortgage payment or any violation of program terms may terminate the homeowner's assistance.
11. Estimated Number of Participating Households	IHDA anticipates that 10,000 - 12,000 households will be assisted through the HHF HELP Program.
12. Program Inception / Duration	The statewide Program launch is currently operational. Implementation of \$35,000.00 per borrower allocation will begin approximately 30 - 90 days after the Eighth Amendment Date.
13. Program Interactions with Other HFA Programs	Households served under the National Foreclosure Mitigation Counseling (NFMC) Program may also be reviewed for HHF HELP eligibility.
14. Program Interactions with HAMP	Clients denied for a HAMP modification may be eligible for assistance through this Program. Intake agencies evaluating eligibility for clients may also review for possible HAMP eligibility. Clients eligible for forbearance under the HAMP

	Unemployment Program may be eligible for assistance through HHF HELP. HHF HELP may precede, follow, or run concurrently with the HAMP UP forbearance.
15. Program Leverage with Other Financial Resources	The Program requires no financial contribution from servicers or lenders, but they will be encouraged to waive fees as the HHF HELP Program provides direct benefit to their loan portfolio. IHDA will work to collaborate with servicers and lenders to effectively manage payments and information of the borrowers.

SERVICE SCHEDULE B-2
Illinois Housing Development Authority

Mercy Housing, Inc. Mortgage Resolution Fund Program (MRF)

Summary Guidelines

1. Program Overview	The Illinois Housing Development Authority (IHDA) will partner with MRF, LLC, a non-profit partnership formed by Mercy Portfolio Services; Mercy Housing, Inc.; Enterprise Community Partners, Inc.; the Housing Partnership Network; and the National Community Stabilization Trust, to use HHF funds to purchase delinquent loans in hardest-hit markets from lending institutions and capital markets trading desks at deeply discounted prices, modify such loans to an affordable level for the homeowner and then, assuming a successful trial modification period, rewrite the loan and if the market is amenable, sell the loan. Alternatively, MRF (or the Program) will provide households not eligible for modification with support through property disposition and transition to new housing and in certain limited circumstances the loan will have to be foreclosed. More specifically, the Mortgage Resolution Fund Program is designed to: 1) identify, source and perform loan level due diligence in order to purchase delinquent residential first mortgage loans from servicers/owners at a price consistent with the underlying property value and the mortgage's net present value; 2) upon purchase of the loan, offer qualifying homeowners an opportunity to enter a trial modification period where the loan will be restructured to achieve a front end debt ratio of not greater than 31 percent of the gross household income; 3) work with the qualifying household during the trial period to reduce their debt to achieve a total debt ratio no greater than 50% of the gross household income to strengthen the loan asset; 4) upon successful completion of the trial period, permanently modify the first mortgage by writing down the principal to an amount no less 75 percent and no greater than 95 percent of the current appraised value, with a monthly payment no greater than 31 percent of gross monthly income and a 30-year term and amortization; 5) structure a portion of the first mortgage amount equal to the

	difference between the market value of the property and the permanently modified loan amount, on a 0 percent, 10-year forgivable basis; 6) offer an alternative disposition to households with loans unable to be permanently modified; 7) secure title when owners, who are otherwise qualified to participate in the Program, walk away from the property or are uninterested in an alternative disposition; 8) secure title when owners/loans are not qualified to participate in the Program, in which event MRF, LLC will reimburse IHDA for any HHF monies expended with respect to that loan; 9) provide asset management of all homes owned until a final disposition is reached; and 10) provide compliance and reporting functions from both a loan and fund level.
2. Program Goal	The Program aims to keep families in their homes or provide families with support for an orderly property disposition and transition to new housing, which will help to stabilize neighborhoods and housing markets.
3. Target Population / Areas	The Program will be available in the six County Chicago-Metro areas, which includes Cook, DuPage, Kane, Kendall, Lake, and Will Counties, to low-to-moderate income households.
4. Program Allocation (Excluding Administrative Expenses)	Program allocation amount on file with Treasury.
5. Borrower Eligibility Criteria	Borrower circumstances will determine whether they are placed into one of three options: trial modification leading to permanent modification, alternative disposition or foreclosure. Specific eligibility criteria for each of the foregoing options are set forth in the MRF Program Guidelines. All borrowers will be required to sign a financial hardship affidavit.
6. Property / Loan Eligibility Criteria	The following waterfall process will be used to determine those loans eligible for purchase: Filter One: Geography

	• The census tracts within each eligible county will be analyzed and those that score between 12 and 19, as defined by HUD NSP2-CIS, will be eligible. • The selected census tracks will be evaluated and those with a USPS vacancy rate of 10 percent or less will be eligible. • The selected census tracks will be evaluated to determine market viability by analyzing sales data to determine (1) if the market has stabilized; (2) velocity and absorption rates; and, (3) purchase price ranges for the area. Filter Two: Loan Terms and Status • Owner-occupied, single family loans • Secured with an FHA/VA/USDA/Conventional/Sub-prime product *(no exclusions will be made because of interest rate, amortization period, credit, documentation, mortgage insurance, origination date, LTV)* • First lien position • Payment delinquency of 30 days or greater but prior to judgment • Property value equal to or less than $500,000 • Principal balance at or below what a borrower earning 120 percent of area median income can afford (assuming 30 year term, 5 percent rate)
7. Program Exclusions	Any loans to homeowners that do not meet above criteria.
8. Structure of Assistance	Structure a portion of the first mortgage amount equal to the difference between the market value of the property and the permanently modified loan amount, on a zero-percent, ten-year forgivable basis. Borrower payments made through the trial and permanent modification periods as well as any funds generated through the sale of the permanently modified loans, or sale or rental of properties, will be used to pay program costs, program fees and repay HHF. HHF monies returned to IHDA will undergo a close out review and, subject to IHDA's approval, will be returned to IHDA. On or before December 31, 2017, any remaining funds will be returned to Treasury.
9. Per Household Assistance	The maximum refinance amount will be equal to or less than $500,000. The median refinance amount is expected to be approximately $130,000.

10. Duration of Assistance	Duration of assistance will vary from borrower to borrower based on circumstances surrounding each and market conditions. However, all borrowers will be refinanced or transitioned to another managed option prior to the expiration of the Program in 2017 with exceptions permitted upon approval by MRF, LLC.
11. Estimated Number of Participating Households	Estimated number of households – 250 to 1,000
12. Program Inception / Duration	It is expected that the Program will begin approximately 120 days from the date of Treasury approval and the first loans will be purchased within approximately 60 days thereafter.
13. Program Interactions with Other HFA Programs	It is expected that certain MRF Trial Modification Program (TMP) ineligible loans (those with inadequate income to support the required minimum mortgage loan amount) will be eligible for IHDA's standard HHF program and will be referred to IHDA to submit an application and have eligibility determined.
14. Program Interactions with HAMP	It is expected that some of the delinquent mortgages purchased under this Program may have been unsuccessful under HAMP. No currently performing loans under the HAMP program will be eligible.
15. Program Leverage with Other Financial Resources	Loans will be purchased at a discount.

SERVICE SCHEDULE B-3
Illinois Housing Development Authority

Hardest Hit Fund Home Preservation Program (HPP)

Summary Guidelines

1. Program Overview	Illinois' Home Preservation Program (HPP or the Program) will leverage HHF dollars to facilitate a refinance, recast (for recast initial LTV must be 95% or higher), or permanent modification of the first mortgage through an escrow arrearage (including related fees and costs), principal reduction, and/or reinstatement payment to bring the household monthly payment to an affordable level (maximum housing DTI of 38%). A second lien payoff payment may also be provided to facilitate a first mortgage modification/recast/refinance. HPP will assist homeowners who are financially unable to make their mortgage payments due to a program-eligible hardship causing a decrease in income or an increase in expenses.
2. Program Goal	The goal of this Program is to facilitate long-term mortgage sustainability by leveraging HPP funds with a servicer-specific loan reinstatement, modification, recast, and/or refinance. This will reduce the likelihood of continued mortgage delinquency, re-default, or long-term unaffordability due to negative equity.
3. Target Population / Areas	The Program aims to serve all areas of Illinois. Funds will only be available to households at or below the moderate income level for the State (120% of area median, as defined by HUD).
4. Program Allocation (Excluding Administrative Expenses)	Program allocation amount on file with Treasury.
5. Borrower Eligibility Criteria	Homeowners must meet the following program criteria: • Present income at or below 120% of area median; • Current housing debt-to-income ratio of 25% or higher; • Loan is delinquent or in imminent default; • At least one person in the household must have consistent employment and/or income sources; • Hardship reason must be affirmed through a signed affidavit and conform to program guidelines; and • Liquid assets cannot exceed program guidelines.
6. Property / Loan	• Owner-occupied and primary residence;

Eligibility Criteria	• Properties can be up to four units; • Property types can include single-family homes, detached or attached houses, town homes, condos, mobile homes on permanent foundations recorded as real property; • Homeowners must carry a fixed rate mortgage or an adjustable rate mortgage; • Homeowners with interest-only or negative amortization mortgages can qualify if the modification/refinance places them in a fully amortizing product; and • Unpaid principal balance at application cannot exceed $500,000.
7. Program Exclusions	Applicants unable to substantiate current income or failing to provide required program documentation as requested.
8. Structure of Assistance	Assistance will be in the form of a non-amortizing, zero-percent interest, five-year forgivable loan. The forgivable loan will be recorded as a subordinate lien and will only be repaid if net equity proceeds exist in the event of sale or refinance. The loan will be forgiven on a monthly pro rata basis for the five-year term. On or before December 31, 2017, any remaining funds will be returned to Treasury.
9. Per Household Assistance	Eligible borrowers may receive up to $50,000.00, not including leveraged servicer dollars. If an applicant also receives or received assistance through Illinois' Hardest Hit Fund Program Homeowner Emergency Loan Program (HHF HELP), their maximum total assistance amount from HHF HELP and HPP cannot exceed $50,000.00.
10. Duration of Assistance	Assistance under HPP is intended to be a one-time payment to the servicer.
11. Estimated Number of Participating Households	Approximately 500 households. Program will be piloted with IHDA and expanded to other lenders if successful and funds are available.
12. Program Inception / Duration	It is estimated that HPP will begin approximately 120 days after approval.
13. Program Interactions with Other HFA Programs	Households served under the National Foreclosure Mitigation Counseling (NFMC) program may also be reviewed for HPP. Notes purchased through the Mortgage Resolution Fund Program (MRF) program are ineligible for HPP assistance.

14. Program Interactions with HAMP	Clients denied for HHF HELP or Making Home Affordable (MHA) programs may be eligible for assistance through this Program. Clients approved for any HAMP or HARP with or without investor match may be eligible. Intake agencies evaluating eligibility for clients may also review for possible eligibility in other programs.
15. Program Leverage with Other Financial Resources	The Program will disburse funds up to $50,000.00 if the lien holder agrees to a loan modification, refinance, recast, or principal reduction that shows direct benefit to the borrower.

SERVICE SCHEDULE B-4
Illinois Housing Development Authority

Hardest Hit Fund Blight Reduction Program (BRP)

Summary Guidelines

1. Program Overview	The purpose of the Hardest Hit Fund Blight Reduction Program ("BRP") is to decrease preventable foreclosures and stabilize neighborhoods by strategically targeting those residential areas with vacant and abandoned blighted residential properties in need of demolition and greening. The Illinois Housing Development Authority ("IHDA") will work with units of government and their not-for-profit partner(s) within the state of Illinois to implement the program.
2. Program Goal	The goal of BRP is to decrease preventable foreclosures through neighborhood stabilization achieved through the demolition and greening of vacant, abandoned and blighted residential properties throughout Illinois. Such vacant, abandoned and blighted residential properties will be returned to use through a process overseen by approved units of government and their not-for-profit partner(s). IHDA will work with units of government and their not-for-profit partner(s) to identify and track meaningful indicators of program effectiveness throughout the life of the program.
3. Target Population / Areas	BRP activity will be limited to targeted areas approved by IHDA that are part of a comprehensive local strategy to stabilize home values and prevent foreclosures. IHDA guidelines will ensure that demolition and greening will have a positive effect on preserving existing neighborhoods.
4. Program Allocation (Excluding Administrative Expenses)	Program allocation amount on file with Treasury
5. Property Eligibility Criteria	IHDA will determine property eligibility per program guidelines. 1-4 unit residential properties, that are located in Illinois: • determined to be vacant and abandoned, and • qualify for lawful demolition.
6. Ownership/Loan	Title to the property must be held by the applicable not-for-profit partner such that: (i) the loan can be modified or

Eligibility Criteria	extinguished and (ii) an enforceable lien can be placed on the property.
7. Program Exclusions	BRP funds cannot be used for the rehabilitation of existing residential structures, commercial structures, or properties listed on a national, state or local historic register.
8. Structure of Assistance	IHDA will determine project sites in direct consultation with the applicable not-for-profit partners. The applicable not-for-profit partners will be responsible for acquisition of the property (if necessary), demolition work and on-going property maintenance. Units of government and their not-for-profit partner(s) must submit in their application to IHDA for BRP funds, information including, but not limited to, the following: • A full and complete list of all properties the applicant seeks to make eligible; • Property ownership and/or acquisition information; • Pre-demolition inspection information, including, but not limited to any third party environmental inspection reports; • The post-demolition goal for each property; • Cost estimates and/or evidence of the expenditures on a per property basis including, but not limited to: (i) all eligible activities required to bring the property into compliance with program guidelines, (ii) removal of all debris, (iii) backfill of basements or cellars, and (iv) any necessary environmental remediation required by law; and • Any other miscellaneous information identified regarding the property (e.g., hazards, adverse findings, easements...etc.) Upon receipt of appropriate documentation confirming the completion of BRP activities, IHDA will provide Hardest Hit funding to the applicable partner after execution of a secured lien mortgage and note in favor of IHDA. The lien will be recorded in the public records and releases will be conducted by IHDA. The secured lien and notes will be structured as zero percent, non-amortizing loans, secured by a lien on the property. Loans will expire three years after their origination date ("Expiration Date"). Prior to the Expiration Date, loans will be forgiven at a rate of 33.3% per annum as long as covenants are met.

	In most cases, the outstanding loan balance will become due and payable if the property is sold, its title transferred, or it is used for an unauthorized purpose prior to the Expiration Date. However, in certain cases, special considerations may be made by IHDA to release or subordinate its lien prior to the Expiration Date based upon the merit of the request and the proposed positive impact to the community as set forth in the program guidelines. The method for calculating the outstanding balance will be determined based upon the time and method of transfer. The outstanding balance may include any and all net sale proceeds and/ or the full principal balance of the loan. Prior to the Expiration Date, all proceeds will be due and payable to IHDA. All proceeds returned to the IHDA from the BRP may be recycled until December 31, 2017; thereafter, the funds must be returned to Treasury.
9. Per Property Assistance	$35,000 (per unit maximum) which may include the following on a per unit basis (if applicable): • Acquisition (purchase price, lien extinguishment, legal costs) • Closing costs (if applicable, *i.e.,* title, recording and transfer fees) • Demolition • Lot treatment/greening • Maintenance ($3,000 flat fee) • Administrative expenses ($1,750)
10. Duration of Assistance	One time assistance per property.
11. Estimated Number of Properties	Approximately 50. Program will be expanded if successful and funds are available.
12. Program Inception / Duration	The program is expected to launch in the Summer of 2014.
13. Program Interactions with Other HFA Programs	BRP will complement existing efforts of Illinois' Abandoned Properties Residential Property Municipality Relief Fund.
14. Program Interactions with HAMP	None

15. Program Leverage with Other Financial Resources	None

SERVICE SCHEDULE B-5
Illinois Housing Development Authority

Hardest Hit Fund Down Payment Assistance Program (HHF DPA Program)

Summary Guidelines

1. Program Overview	The Down Payment Assistance (DPA) Program will provide an incentive to qualified homebuyers to purchase a primary residence in targeted areas in Illinois. Providing incentives to qualified homebuyers in housing markets that have been hardest hit by serious delinquency, negative equity, distressed sales, and foreclosures will strengthen demand in those areas, stabilize housing prices and prevent future foreclosures.
2. Program Goal	The goal of the DPA Program is to help homeowners avoid foreclosure by assisting in the stabilization of housing prices in targeted areas. IHDA will identify and track meaningful indicators of program effectiveness that will enable them to quantify the DPA Program's impact in the targeted areas.
3. Target Population / Areas	Areas identified in the DPA Program Guide including: Boone, Cook, DeKalb, Fulton, Kane, Marion, McHenry, St. Clair, Will and Winnebago counties. IHDA evaluated five housing market distress indicators across all Illinois counties: Negative Equity Share, 90-Day Delinquency Rates, Foreclosure Rates, REO Rates, and Short Sale Rates. These counties exceed the statewide average in four out of five housing market distress indicators and a minimum threshold origination volume was achieved in these counties in 2014.
4. Program Allocation (Excluding Administrative Expenses)	Program allocation amount on file with Treasury.
5. Borrower Eligibility Criteria	Borrowers must qualify for and meet all the requirements for a first mortgage loan product originated by an IHDA Loan Program participating lender. Eligible first mortgage loans are 30-year fixed-rate loans from, insured or guaranteed by the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), U.S. Department of Agriculture Rural Development (USDA), Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac). Additional borrower eligibility requirements include: • Present income at or below 140% of area median.

	• Must be first-time homebuyers. For purposes of the DPA Program, a first-time homebuyer is defined as someone who has not had an ownership interest in their primary residence in the past three years or qualifies under either a Veteran's Exception (as defined in the DPA Program Guide) or is purchasing a home in an Federally Designated Targeted Area (as defined in the DPA Program Guide). • Complete a pre-purchase homebuyer education course (as defined in the DPA Program Guide). • Credit score at or above 640. • Debt-to-income (back end) ratio of 45 percent or lower. • Execute a Dodd-Frank affidavit.
6. Property / Loan Eligibility Criteria	Property criteria includes: • Single family 1-2 unit (including a factory-made home which is permanently affixed to real property permitted for FHA, VA or USDA only; not permitted for HFA preferred conventional); • Condominium unit (FHA, VA, Fannie Mae or Freddie Mac approved); must be warrantable. • Planned Unit Development; • Property purchase price must be within IHDA county purchase price limits as set forth in the DPA Program Guide; • Must be owner occupied and borrower's primary residence; • Must be an existing residential dwelling (new construction excluded); and • Must be located in a DPA Program targeted area. Loan criteria includes: • Meet all applicable FHA, VA, USDA, Fannie Mae or Freddie Mac underwriting guidelines.
7. Program Exclusions	• Any second mortgage loans that do not meet the DPA Program eligibility requirements as set forth in the DPA Program Guide. • Non-purchase transactions.
8. Structure of Assistance	Assistance will be in the form of a non-amortizing, zero-percent interest, five-year forgivable loan. The forgivable loan will be evidenced by a note and a second mortgage in favor of IHDA. The loan will be recorded as a subordinate lien and will only be repaid in the event of a sale or refinance. The loan will be forgiven on a monthly pro rata basis for the five-year term.

	IHDA reserves the right to resubordinate the second mortgage as further detailed in the DPA program guide. In the event the property is refinanced or sold during any part of the loan term, the remaining balance of the loan will be due to IHDA. Remaining funds will be returned to Treasury.
9. Per Household Assistance	The fixed amount of assistance per homebuyer is $7,500.
10. Duration of Assistance	DPA Program funds will be used to reimburse the Master Servicer who purchases and pools all eligible loans from IHDA's participating lenders.
11. Estimated Number of Participating Households	IHDA anticipates that approximately 4,000 homebuyers will receive assistance.
12. Program Inception / Duration	The DPA Program will begin August 3, 2015 and funds will likely be utilized on or before December 31, 2017.
13. Program Interactions with Other HFA Programs	The DPA Program will utilize existing infrastructure of participating lenders who are already actively originating both IHDA's first mortgage and down payment assistance products. If the homebuyer has received HHF assistance under any other HHF program, the maximum amount of all HHF assistance may not exceed $57,500.
14. Program Interactions with HAMP	None.
15. Program Leverage with Other Financial Resources	IHDA has multiple secondary market executions including issuance of Tax-Exempt Bonds. In addition, funds may be leveraged by lenders using additional subsidy programs available.