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 (this "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 set forth on Schedule A attached hereto, as previously amended by those certain Amendments to Commitment to Purchase Financial Instrument and HFA Participation Agreement dated as of their respective dates as set forth on Schedule A attached hereto (each, an "Amendment" and together with the Original HPA as amended thereby, the "Current HPA"), 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 (12 U.S.C. 5201 et seq.), as amended, and as the same may be amended from time to time ("EESA");

WHEREAS, on February 19, 2016 Treasury announced that it would (i) extend the HHF Program through 2020, and (ii) make $2 billion of additional assistance available under the HHF Program (the "Fifth Round Funding") to help prevent foreclosure and stabilize housing markets in certain states that had previously received HHF Program funding for such purposes; and

WHEREAS, Treasury, HFA and Eligible Entity wish to enter into this Amendment to memorialize the extension of the HHF Program, increase the amount of HHF Program funds available to Eligible Entity hereunder, and make certain other changes to the terms of the Current HPA and the Exhibits and Schedules attached thereto.

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. End of Term. The definition of End of Term in Section 2(A)(14) of the Current HPA is hereby deleted and replaced with the following:

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"End of Term" shall mean the last day of the calendar month in which the Eligible Entity makes the last disbursement of HHF Program funds in furtherance of the Services, which shall occur no later than December 31, 2021 (or such later date as Treasury may determine in its sole discretion with written notice to Eligible Entity and HFA). For the sake of clarity, Capital Draws shall not be permitted after the End of Term other than for payment of Permitted Expenses.

B. Bring Down Certificate. Section 2(A)(15) of the Current HPA is hereby amended by (i) striking "on each anniversary of the Effective Date during the Term (as defined below)" and replacing it with "on each anniversary of the Effective Date through September 30, 2016, and from and after October 1, 2016, no later than one hundred twenty (120) days after the end of each of their respective fiscal years", and (ii) by adding to the end "A final certification shall be delivered by each of HFA and Eligible Entity on the Final Repayment Date (as defined in the Financial Instrument)."

C. Program Participation Cap. Section 3(D) of the Current HPA is hereby deleted in its entirety and replaced with the following:

D. The value of this Agreement is limited to the amount set forth in Schedule A as the Program Participation Cap, as may be adjusted from time to time as set forth on Schedule F attached hereto (the "Program Participation Cap"). Notwithstanding anything to the contrary contained herein, the aggregate Purchase Price payable to Eligible Entity under this Agreement with respect to all Services described on the Service Schedules may not exceed the amount of the Program Participation Cap.

D. Performance Reports. Section 4(A) is hereby amended by (i) striking the third sentence and replacing it with "HFA shall submit the Performance Report to Treasury or its designee no later than forty-five (45) days after the end of each calendar quarter and otherwise as requested by Treasury. After Treasury has communicated in writing that the Performance Report is in a form acceptable to Treasury, HFA shall promptly post the Performance Report to its website"; and (ii) adding to the end "A final Performance Report shall be delivered no later than forty-five (45) days after the end of the calendar quarter in which the End of Term occurs."

E. Financial Reporting. Section 4(G) of the Current HPA is hereby deleted in its entirety and replaced with the following:

> G. Each of HFA and Eligible Entity shall provide annual audited financial statements to Treasury no later than one hundred twenty (120) days after the end of its respective fiscal year, commencing with the first fiscal year ending after the Effective Date, and concluding with the fiscal year in which the End of Term occurs. Eligible Entity shall provide quarterly unaudited financial statements 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 and concluding with the quarter in which the End of Term occurs.

F. Term. Section 5(A) of the Current HPA is hereby deleted in its entirety and replaced with the following:

> (A) The term of this Agreement ("Term") shall begin on the Effective Date and extend to the End of Term, or earlier termination of this Agreement by Treasury pursuant to the provisions hereof, or earlier suspension or termination of the Services by Treasury. Subject to the foregoing, new Services may be undertaken (e.g., approval of assistance actions with respect to unique homeowners or properties, including, where applicable, final underwriting decisions and payment schedules), through and including December 31, 2020 (or such later date as may be determined by Treasury in its sole discretion upon prior written notice to Eligible Entity). It is understood and agreed that certain administrative, monitoring, reporting, compliance and oversight obligations and requirements set forth in this Agreement and the Financial Instrument survive the expiration or termination of this Agreement or the End of Term, and that funds are to be reserved as set forth in Schedule C to pay for the cost of the same, through and including the Final Repayment Date.

G. Modifications.

(a) Section 9(A) of the Current HPA is hereby amended by inserting "and except as expressly set forth herein," after "Subject to Section 9.B.,"

(b) Section 9(B) of the Current HPA is hereby amended by adding the following at the end:

> Notwithstanding anything to the contrary contained herein, Treasury may approve revisions proposed by Eligible Entity and HFA to any Schedule or Exhibit attached hereto, by written notice to Eligible Entity and HFA, pursuant to a procedure established by Treasury in its sole discretion and provided to Eligible Entity and HFA. The applicable Schedule or Exhibit shall be deemed modified for all purposes hereunder as of the date such written notice is received pursuant to Section 8 hereof.

(c) Section 9(C) of the Current HPA is hereby amended by deleting the last sentence in its entirety.

H. Exhibit A. Exhibit A attached to the Current HPA is hereby deleted in its entirety and replaced with Exhibit A attached to this Amendment.

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

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

K. Reserved.

L. Schedule F. A new Schedule F is added to the Current HPA in the form attached to this Amendment as Schedule F.

M. Definitions. All references in the Current HPA to the "Agreement" shall mean the Current HPA, as further amended by this Amendment; all references in the Current HPA to the “Financial Instrument” shall mean the Amended and Restated Financial Instrument in the form attached to this Amendment as Exhibit A; and all references in the Current HPA to Exhibit A or Schedules A, B or F shall mean the Exhibit A or Schedules A, B or F attached to this Amendment. All references herein to the "HPA" shall mean the Current HPA, as further amended by this Amendment.

2. Substitution of Financial Instrument.

Eligible Entity shall deliver to Treasury on the date hereof an Amended and Restated Financial Instrument in the form attached to this Amendment as Exhibit A. By executing this Amendment, Treasury, HFA and Eligible Entity authorize The Bank of New York Mellon to cancel the Financial Instrument previously delivered under the Current HPA against delivery of such Amended and Restated Financial Instrument and direct The Bank of New York Mellon to return the cancelled Financial Instrument to (or at the direction of) the Eligible Entity.

3. 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 Amendment, the Amended and Restated Financial Instrument, and any other closing documentation delivered to Treasury in connection therewith, and to perform its obligations hereunder and thereunder.

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

4. Miscellaneous

A. The recitals set forth at the beginning of this 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 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 Amendment, the Amended and Restated Financial Instrument, and any other closing documentation delivered in connection therewith, 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 Twelfth 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: Deputy Assistant Secretary for Financial Stability

ELIGIBLE ENTITY:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

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

EXHIBITS AND SCHEDULES

Exhibit A	Form of Amended and Restated Financial Instrument
Schedule A	Basic Information
Schedule B	Service Schedules
Schedule F	HHF Fifth Round Funding Reallocation Model

EXHIBIT A

FORM OF AMENDED AND RESTATED FINANCIAL INSTRUMENT

This Amended and Restated Financial Instrument is delivered by the undersigned party ("Eligible Entity") as provided in Section 1 of the Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Commitment"), entered into as of the Effective Date, as modified by those certain Amendments to Commitment to Purchase Financial Instrument and HFA Participation Agreement dated as of the dates set forth on Schedule A to the Commitment (together, the "Agreement"), by and among the United States Department of the Treasury ("Treasury"), the party designated as HFA in the Commitment ("HFA") and Eligible Entity.

This Amended and Restated Financial Instrument is effective as of June 1, 2016. All of the capitalized terms that are used but not defined herein shall have the meanings ascribed to them in the Agreement.

Recitals

WHEREAS, Eligible Entity executed and delivered that certain Financial Instrument dated as of the Effective Date to Treasury ("Original Financial Instrument"); and

WHEREAS, Treasury and Eligible Entity desire to amend certain terms of the Original Financial Instrument regarding repayment of the Purchase Price in connection with the extension of the HHF Program through 2020 and availability of additional assistance under the HHF Program Fifth Round Funding; and

WHEREAS, Treasury and the Eligible Entity desire to restate and replace the Original Financial Instrument in its entirety.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Eligible Entity agrees as follows:

1. Eligible Entity Obligation; Purchase Price Consideration.

   (a) Eligible Entity shall perform all Services described in the Service Schedules in consideration for the Purchase Price described in subsection (b) below, in accordance with the terms and conditions of the Agreement, to the satisfaction of Treasury. The conditions precedent to the payment by Treasury of the Purchase Price with respect to the Services are set forth in Section 3(B) of the Agreement.

   (b) This Amended and Restated Financial Instrument is being purchased by Treasury pursuant to Section 3 of the Agreement through the payment by Treasury of various payments referred to collectively in the Agreement as the "Purchase Price". This Amended and Restated Financial Instrument is being purchased by Treasury in connection with Eligible Entity's participation in the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets program (the "HHF Program") created under the Emergency Economic Stabilization Act of

2008 (12 U.S.C. 5201 et seq.) as amended, as the same may be amended from time to time ("EESA").

2. Repayment of Purchase Price.

If a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services ("Repaid Funds"), and such repayment occurs on or before the Final Repayment Date (hereinafter defined), Eligible Entity shall deposit such Repaid Funds in the Depository Account and use such Repaid Funds to provide Services or to fund the Permitted Expenses to the extent the full amount as indicated on Schedule C to the Agreement has not been drawn from Treasury pursuant to Section 3(A) of the Agreement. Any Repaid Funds retained by Eligible Entity to fund Permitted Expenses shall correspondingly reduce the amount that Eligible Entity may draw from Treasury pursuant to Section 3(A) of the Agreement to fund Permitted Expenses.

For the sake of clarity, if a recipient of HHF Program funds repays any or all of the funds received from Eligible Entity in connection with the Services, and such repayment occurs after the Final Repayment Date, such repaid funds shall not be considered HHF Program funds.

3. Final Repayment. In the event Eligible Entity is holding any HHF Program funds, including, but not limited to, amounts reserved for payment of Permitted Expenses and Repaid Funds, as of the date that is ninety (90) days after the End of Term (the "Final Repayment Date"), all such funds shall be returned to Treasury or its designee prior to 1:00pm Eastern Time on the Final Repayment Date. For the sake of clarity, no Capital Draws will be permitted after the Final Repayment Date.

4. Security Interest. As security for the performance of the Services and the other obligations of Eligible Entity under the Agreement, as such obligations are evidenced in this Amended and Restated Financial Instrument, Eligible Entity has granted to Treasury a first lien priority security interest in the Depository Account and in any moneys, or investments, if any, held therein.

5. Representations, Warranties and Covenants. Eligible Entity represents and warrants that the representations and warranties set forth in the Agreement, on the date hereof, are, and on the date of each Capital Draw hereunder, shall be, true, correct, accurate and complete in all material respects. The truth and accuracy of such representations and warranties are continuing obligations of Eligible Entity. Additionally, all covenants of Eligible Entity set forth in Section 2 of the Agreement are incorporated herein by reference and Eligible Entity, on the date hereof, is not, and on the date of each Capital Draw hereunder, shall not be in breach of any such covenants. In the event that any of the representations or warranties made herein or in the Agreement cease to be true and correct, or the Eligible Entity breaches any of the covenants made herein or in the Agreement, Eligible Entity agrees to notify Treasury immediately and the same shall constitute an Event of Default hereunder.

6. Limitation of Liability

IN NO EVENT SHALL TREASURY, OR ITS OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO ELIGIBLE ENTITY WITH RESPECT TO THE SERVICES OR THE AGREEMENT, OR FOR ANY ACT OR OMISSION OCCURRING IN CONNECTION WITH THE FOREGOING, FOR ANY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO DIRECT DAMAGES, INDIRECT DAMAGES, LOST PROFITS, LOSS OF BUSINESS, OR OTHER INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY NATURE OR UNDER ANY LEGAL THEORY WHATSOEVER, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER OR NOT THE DAMAGES WERE REASONABLY FORESEEABLE; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT TREASURY'S OBLIGATION TO REMIT PURCHASE PRICE PAYMENTS TO ELIGIBLE ENTITY IN ACCORDANCE WITH THE AGREEMENT.

7. Indemnification

Eligible Entity agrees as set forth on Schedule E to the Agreement, which Schedule E is hereby incorporated into this Amended and Restated Financial Instrument by reference.

IN WITNESS WHEREOF, Eligible Entity hereby executes this Amended and Restated Financial Instrument on the date set forth below.

[INSERT FULL LEGAL NAME OF ELIGIBLE ENTITY]

By: ________________________________

Name: __________________________

Title: __________________________

Date: ____________ __, 2016

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:	

Program Participation Cap: $715,077,617.00

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, 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.

Portion of Program Participation Cap Representing Original HHF Funds:	N/A
Portion of Program Participation Cap Representing Unemployment HHF Funds:	$166,352,726.00
Rounds 1-4 Funding Allocation:	$445,603,557.00
Round 5 Funding Allocation:	$269,474,060.00
Permitted Expenses:	Amount on file with Treasury.
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
Twelfth Amendment Date:	June 1, 2016
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 a qualifying hardship in two ways: Monthly Mortgage Payment Assistance (MMPA) and Reinstatement Assistance. MMPA will be provided for up to 18 months to applicants approved prior to May 31, 2016 and up to 12 months for applicants approved after that date. Reinstatement Assistance will pay a homeowner's delinquent balance and other associated fees and costs. Borrowers may be eligible for Reinstatement Assistance combined with MMPA or Reinstatement Assistance as determined by housing debt-to-income (DTI) parameters. For MMPA, the Illinois Housing Development Authority (IHDA) will make full mortgage payments to the servicer on behalf of the borrower. Applicants approved prior to May 31, 2016 are required to contribute a partial mortgage payment to IHDA on a monthly basis. If borrowers regain employment and earn sufficient income to adequately afford their mortgage during the applicable term, borrowers will be transitioned from the Program. 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 a qualifying hardship with MMPA 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 one of the following qualifying hardships: unemployment, underemployment, divorce, death of a spouse or a medical condition; • 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 MMPA will be made available to eligible borrowers based on housing DTI 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, 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 term of the loan is ten years for applicants approved prior to May 31, 2016 and five years for applicants approved after that date. The loan is forgiven on a monthly pro rata basis over the last five years of the loan term. Any remaining funds will be returned to Treasury in accordance with the Agreement.
9. Per Household Assistance	The maximum amount of assistance per homeowner is $35,000.00.
10. Duration of Assistance	MMPA will be provided for up to 18 months for applicants approved prior to May 31, 2016 and up to 12 months for applicants approved after that date. Assistance will terminate after the maximum number of monthly payments has been reached, upon expending the maximum amount of assistance per household or if the borrower is determined to be no longer

	eligible for assistance.
11. Estimated Number of Participating Households	IHDA anticipates that 18,000 - 20,000 households will be assisted through the HHF HELP Program.
12. Program Inception / Duration	The Program launched in 2011 and closed in early 2016. IHDA will reopen the Program on or about August 1, 2016.
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. Any remaining funds will be returned to Treasury in accordance with the Agreement.
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 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 or are underwater on their mortgage(s).
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 140% of area median income.
4. Program Allocation (Excluding Administrative Expenses)	Program allocation amount on file with Treasury.
5. Borrower Eligibility Criteria	<u>Recast and Modification</u> • Current income at or below 140% of area median income; • Current housing DTI of 25% or higher; • Loan is delinquent or in imminent default (as defined in program guideliens); • 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; • Liquid assets cannot exceed program guidelines; • Must execute a Dodd-Frank affidavit.

	<u>Refinance</u> Borrowers must qualify for and otherwise meet all requirements for a first mortgage loan product originated by an Illinois Housing Development Authority (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: • Current income at or below 140% of area median income; • Credit score at or above 640; • Mortgage current/in good standing • Must execute a Dodd-Frank affidavit.
6. Property / Loan Eligibility Criteria	<u>Recast and Modification</u> • Owner-occupied and primary residence; • 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/recast places them in a fully amortizing product; and • Unpaid principal balance at application cannot exceed $500,000. <u>Refinance</u> • Single family attached or detached 1-2 unit; • 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; • Meet all applicable FHA, VA, USDA, Fannie Mae or Freddie Mac underwriting guidelines; • Post-assistance debt-to-income ratio must not exceed 45 percent; • Pre-assistance combined loan-to-value (CLTV) ratio must

	be greater than 110%; • Borrowers must exit with a fixed rate mortgage; • Borrowers must exit with an LTV of 90% or greater; 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	<u>Recast and Modification</u> 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 over the five-year term. <u>Refinance</u> Borrower's existing loan(s) will be refinanced into an IHDA fixed rate, 30-year mortgage. Assistance is structured as a one-time up-front installment evidenced by a promissory note with a three-year term. The assistance will be forgiven on a monthly pro-rata basis over the three-year term. Assistance is contingent upon eligibility for an IHDA-approved first mortgage. Any remaining funds will be returned to Treasury in accordance with the Agreement.
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 $85,000.00.
10. Duration of Assistance	Assistance under HPP is intended to be a one-time payment to the servicer or title company.
11. Estimated Number of Participating Households	Approximately 1,500 – 2,500 households.
12. Program Inception /	The Program launched in late 2012 and closed in early 2016. IHDA will reopen the Program within 90 days of the Twelfth

Duration	Amendment Date.
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.
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.

	For any requests submitted on or after January 15, 2016, properties must not be legally occupied at the time of any review or approval by the HFA or Eligible Entity (as applicable) for blight elimination activity.
6. Ownership/Loan Eligibility Criteria	Title to the property must be held by the applicable not-for-profit partner such that: (i) the loan can be modified or 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 will be recycled in accordance with the Agreement.
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 1,000 – 1,500. Program will be expanded if successful and funds are available.

12. Program Inception / Duration	The program launched in the Summer of 2015.
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 9,733 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, 2021.
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.

SCHEDULE F

HHF FIFTH ROUND FUNDING REALLOCATION MODEL

This Schedule F describes a uniform model (the "Reallocation Model") designed to maximize the utilization of the $2 billion made available under the HHF Program Fifth Round Funding. In general, the Reallocation Model reallocates unused Fifth Round funding to states participating in the HHF Program that meet certain defined criteria for utilization of HHF Program funds. The aggregate amount obligated under the Fifth Round Funding will not increase at any time.

I. Definitions

(a) "2016 Utilization Threshold" shall mean having Drawn at least 70% of the Rounds 1-4 Funding Allocation.

(b) "2017 Utilization Threshold" shall mean having Drawn at least 95% of the Rounds 1-4 Funding Allocation.

(c) "2018 Utilization Threshold" shall mean having Drawn at least 80% of the Program Participation Cap.

(d) "Annual Reallocation Amount" shall mean the aggregate amount, if any, by which the Program Participation Caps set forth in all HFA Participation Agreements are reduced pursuant to the Reallocation Model, as applied with respect to each Utilization Threshold.

(e) "Drawn" shall mean having made Capital Draws pursuant to Section 3(A) of the Agreement.

(f) "HFA Participation Agreements" shall mean, collectively, the Commitments to Purchase Financial Instrument and HFA Participation Agreements entered into by the States, as amended from time to time.

(g) "Population" shall mean the most recent *Annual Estimate of the Resident Population for a State* as determined by the United States Census Bureau from time to time.

(h) "Recipient State" shall mean each State that has achieved the Utilization Threshold for the applicable year, provided that such State is not then in default under its HFA Participation Agreement. Notwithstanding the foregoing, in the event a State declines an increase to its Program Participation Cap and Round 5 Funding Allocation for which it is eligible pursuant to this Schedule F, such State shall not be considered a Recipient State.

(i) "Rounds 1-4 Funding Allocation" is the amount set forth on Schedule A as "Rounds 1-4 Funding Allocation."

(j) "Round 5 Funding Allocation" is the amount set forth on Schedule A as "Round 5 Funding Allocation", as adjusted from time to time in accordance with this Schedule F.

(k) "Share of Annual Reallocation Amount" shall mean a Recipient State's share of the applicable Annual Reallocation Amount, as determined using the methodology described in Section IV below. If the Annual Reallocation Amount is zero, then the Share of Annual Reallocation Amount will be zero for the applicable year.

(l) "State" shall mean any or each of Alabama, Arizona, California, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Mississippi, New Jersey, Nevada, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Tennessee, and Washington, D.C.

(m) "Utilization Threshold" means each of the 2016 Utilization Threshold, the 2017 Utilization Threshold and the 2018 Utilization Threshold.

II. Reduction of Program Participation Cap and Round 5 Funding Allocation:

(a) If Eligible Entity does not achieve the 2016 Utilization Threshold on or before December 31, 2016, each of the Program Participation Cap and Round 5 Funding Allocation shall be reduced by an amount equal to 50% of the Round 5 Funding Allocation as of such date.

(b) If Eligible Entity does not achieve the 2017 Utilization Threshold on or before December 31, 2017, each of the Program Participation Cap and the Round 5 Funding Allocation shall be reduced by up to 100% of the Round 5 Funding Allocation as of such date.

(c) If Eligible Entity does not achieve the 2018 Utilization Threshold on or before December 31, 2018, each of the Program Participation Cap and Round 5 Funding Allocation shall be reduced by an amount equal to that portion of the Round 5 Funding Allocation which has not yet been Drawn nor obligated with respect to a unique homeowner or property as of such date.

III. Increase of Program Participation Cap and Round 5 Funding Allocation:

(a) If Eligible Entity achieves the 2016 Utilization Threshold on or before December 31, 2016, each of the Program Participation Cap and Round 5 Funding Allocation shall be increased by the State's Share of the Annual Reallocation Amount with respect to such date.

(b) If Eligible Entity achieves the 2017 Utilization Threshold on or before December 31, 2017, each of the Program Participation Cap and the Round 5 Funding Allocation shall be increased by the State's Share of the Annual Reallocation Amount with respect to such date.

(c) If Eligible Entity achieves the 2018 Utilization Threshold on or before December 31, 2018, each of the Program Participation Cap and Round 5 Funding Allocation shall be increased by the State's Share of the Annual Reallocation Amount with respect to such date.

IV. Methodology for Determining Recipient State's Share of Annual Reallocation Amount

If Eligible Entity has achieved the Utilization Threshold and the Annual Reallocation Amount is greater than zero for the applicable year, the Program Participation Cap and Round 5 Funding Allocation will be increased by an amount calculated as follows:

First, calculate the "Per Capita Amount" for each Recipient State. The Per Capita Amount shall be calculated as the Annual Reallocation Amount divided by the sum of the Population of all Recipient States.

Second, calculate the "Utilization Percentage" for each Recipient State.

The Utilization Percentage with respect to the 2016 Utilization Threshold and the 2017 Utilization Threshold shall be calculated as the lesser of (I) the ratio of (x) aggregate Capital Draws made by the Recipient State under its HFA Participation Agreement as of December 31, 2016 and December 31, 2017, respectively, to (y) the Recipient State's Rounds 1-4 Funding Allocation as of such dates, or (II) 100%.

The Utilization Percentage with respect to the 2018 Utilization Threshold shall be calculated as the ratio of (x) aggregate Capital Draws made by the Recipient State under its HFA Participation Agreement as of December 31, 2018, to (y) such Recipient State's Program Participation Cap as of such date.

Third, calculate a "Utilization Score" for each Recipient State by standardizing the Utilization Percentages using the z-score methodology, a standard statistical standardization procedure. The Utilization Score for each Recipient State is calculated as (I)(x) the Utilization Percentage for such Recipient State, less (y) the mean Utilization Percentage for all Recipient States ("Average"), divided by (II) the standard deviation of the Utilization Percentages for all Recipient States. If a Recipient State's Utilization Percentage is greater than the Average, the Utilization Score will be positive. If a Recipient State's Utilization Percentage is less than Average, the Utilization Score will be negative.

Fourth, calculate a "Need Factor" for each Recipient State. The Need Factor is a fixed dollar amount which will be multiplied by each Utilization Score to determine the dollar amount by which each Recipient State's Per Capita Amount will be adjusted. The Need Factor is calculated as the dollar amount that would result in the highest adjusted Per Capita Amount for a Recipient State being no more than three (3) times that of the lowest adjusted Per Capita Amount for a Recipient State (*i.e.*, a Min/Max Factor of 3).

Fifth, calculate an "Adjusted Per Capita Amount" for each Recipient State by adding to or subtracting from the Recipient State's Per Capita Amount the product of (x) the Need Factor and (y) the Recipient State's Utilization Score. Recipient States with positive Utilization Scores will have dollars added to the Recipient State's Per Capita Amount, and Recipient States with negative Utilization Scores will have dollars subtracted from the Recipient State's Per Capita Amount.

Sixth, calculate the "Share of the Annual Reallocation Amount" for each Recipient State by first multiplying the Recipient State's Adjusted Per Capita Amount by the Recipient State's

Population to arrive at a "Preliminary Share". The Preliminary Share for each Recipient State is then normalized to arrive at the Share of the Annual Reallocation Amount by multiplying (x) a ratio, the numerator of which is the Preliminary Share for such Recipient State and the denominator of which is the sum of the Preliminary Shares for all Recipient States, and (y) the Annual Reallocation Amount.

V. Notices; Modifications

(a) Treasury will notify Eligible Entity in writing of any adjustment to the Program Participation Cap and Round 5 Funding Allocation pursuant to this Schedule F. Related adjustments to program allocations and other amounts set forth in the Service Schedules, and Permitted Expenses set forth on Schedule C, shall be made as set forth in such written notice.

(b) For the avoidance of doubt, a written amendment to the Agreement shall not be required to effectuate an adjustment of the Program Participation Cap or Round 5 Funding Allocation pursuant to this Schedule F. The Program Participation Cap and Round 5 Funding Allocation set forth on Schedule A to the Agreement shall be deemed to be modified upon receipt of the written notice sent pursuant to Section V(a) above.

(c) Treasury reserves the right to unilaterally modify or supplement the terms and provisions of this Schedule F, at any time with prior written notice to the Eligible Entity.