

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

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

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

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

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

## **Agreement**

### **1. Amendments**

- A. Definitions. All references in the Current HPA to the “Agreement” shall mean the Current HPA, as further amended by this Eighth Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Eighth Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Eighth 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 Eighth 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 Eighth Amendment.
- D. Schedule C. Schedule C attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule C attached to this Eighth 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 Eighth Amendment and any other closing documentation delivered to Treasury in connection with this Eighth 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 Eighth Amendment and any other closing documentation delivered to Treasury in

connection with this Eighth Amendment, and to perform its obligations hereunder and thereunder.

**3. Miscellaneous**

A. The recitals set forth at the beginning of this Eighth 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 Eighth 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 Eighth Amendment shall be treated as originals for all purposes.

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE  
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**In Witness Whereof**, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

**HFA:**

FLORIDA HOUSING FINANCE  
CORPORATION

By: /s/ Stephen P. Auger  
Name: Stephen P. Auger  
Title: Executive Director

**TREASURY:**

UNITED STATES DEPARTMENT OF THE  
TREASURY

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

**ELIGIBLE ENTITY:**

FLORIDA HOUSING FINANCE  
CORPORATION

By: /s/ Stephen P. Auger  
Name: Stephen P. Auger  
Title: Executive Director

## **EXHIBITS AND SCHEDULES**

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

**SCHEDULE A**  
**BASIC INFORMATION**

**Eligible Entity Information:**

Name of the Eligible Entity:	Florida Housing Finance Corporation <sup>1</sup>
Corporate or other organizational form:	a public corporation and a public body corporate and politic, established and existing under the Florida Housing Finance Corporation Act, as amended, Chapter 420, Part V, Florida Statutes.
Jurisdiction of organization:	Florida
Notice Information:	

**HFA Information:**

Name of HFA:	Florida Housing Finance Corporation <sup>1</sup>
Organizational form:	a public corporation and a public body corporate and politic, established and existing under the Florida Housing Finance Corporation Act, as amended, Chapter 420m, Part V, Florida Statutes.
Date of Application:	April 16, 2010
Date of Action Plan:	September 1, 2010

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<sup>1</sup> References in the Agreement to the term “HFA” shall mean the Florida Housing Finance Corporation, in its capacity as HFA as such term is used in the Agreement; and references in the Agreement to the term “Eligible Entity” shall mean the Florida Housing Finance Corporation, 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, annual audited financial statements shall be due no later than one hundred eighty (180) day’s after the end of Florida Housing Finance Corporation’s fiscal year, and (B) for purposes of Section 7 thereof, the powers and authority of Florida Housing Finance Corporation shall be governed by and construed in accordance with the laws of the State of Florida.

Notice Information:	Same as notice information for Eligible Entity.
<u>Program Participation Cap:</u>	\$1,057,839,136.00
<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	\$418,000,000.00
<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$238,864,755.00
<u>Permitted Expenses:</u>	\$105,431,750.00
<u>Closing Date:</u>	June 23, 2010
<u>First Amendment Date:</u>	September 23, 2010
<u>Second Amendment Date:</u>	September 29, 2010
<u>Third Amendment Date:</u>	December 16, 2010
<u>Fourth Amendment Date:</u>	March 31, 2011
<u>Fifth Amendment Date:</u>	May 30, 2012
<u>Sixth Amendment Date:</u>	September 28, 2012
<u>Seventh Amendment Date:</u>	April 25, 2013
<u>Eighth Amendment Date:</u>	September 20, 2013
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

**SCHEDULE B**

**SERVICE SCHEDULES**

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



## **SERVICE SCHEDULE B-1**

### **Florida Hardest Hit Fund Unemployment Mortgage Assistance Program Summary Guidelines**

<b>1. Program Overview</b>	<p>The Unemployment Mortgage Assistance Program (“UMAP” or the “Program”) focuses on the creation of a sustainable solution to keep Florida unemployed or substantially underemployed homeowners in their current homes by helping those who are struggling to make their current mortgage payments because of hardships sustained since purchasing the home. The Florida Housing Finance Corporation (“Florida Housing”) will use HHHF funds to pay up to twelve (12) months’ of a portion of the mortgage payments on behalf of a qualified homeowner based on the criteria and requirements of each servicer. HHHF funds will be used to pay, directly to the first mortgage loan servicer, the monthly mortgage payment (principal and interest plus any required escrow payments, such as taxes and insurance) required under the first mortgage loan. This will provide a reasonable period of time for homeowners to become re-employed at a salary that is sufficient for them to either resume making full mortgage payments or qualify for a mortgage modification that will lower the payments on the mortgage to an affordable level.</p>
<b>2. Program Goals</b>	<ul style="list-style-type: none"><li>• Preserving homeownership.</li><li>• Protecting home values.</li></ul>
<b>3. Target Population/ Areas</b>	<p>To determine geographic targeting for HHHF funding, Florida Housing carried out an analysis of data, relying on data similar to that used by Treasury to allocate funding, to determine the hardest hit areas of the state. Florida Housing evaluated three measures across all sixty-seven Florida counties – housing price decline from peak prices, unemployment rate and seriously delinquent mortgage loans – and then combined ratios for each to create an allocation methodology that will guide how funding is geographically targeted. The majority of the HHHF funds will be allocated to those counties that were determined to be hardest hit, although there will be funds available to all sixty-seven counties.</p>
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$303,259,247
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Borrower must be a legal U.S. citizen or lawful permanent resident.</li><li>• At least one borrower must be able to document that he or she</li></ul>

	<p>is unemployed or substantially underemployed and must provide a financial hardship affidavit. A borrower and/or co-borrower who suffers a hardship that has resulted in a loss of income of at least 10% will be considered “substantially underemployed”.</p> <ul style="list-style-type: none"> <li>• The maximum household income level for participation will be 140% of the Area Median Income (AMI).</li> <li>• The total housing expense (PITIA) must exceed 31% of the total gross income of the household.</li> <li>• Borrowers who have unencumbered liquid assets or cash reserves (not including retirement or qualified education plans) equal to or exceeding three times the total monthly mortgage payment (including tax and insurance payments) or \$5,000, whichever is greater, must first use those assets above such amount towards mortgage payments before being eligible for HHF funds.</li> </ul>
<p><b>6. Property/Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• The property must be a single-family home, a condominium unit, a townhome, a manufactured or mobile home on foundation permanently affixed to real estate owned by the borrower, or a two-four family dwelling unit of which one unit is occupied by the mortgagor as his or her principal residence.</li> <li>• The property must be the borrower’s principal residence, be located in Florida, and not be abandoned, vacant or condemned.</li> <li>• The outstanding principal balance of the first mortgage must be \$400,000 or less at the time of application, regardless of number of dwelling units.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Applicants who have voluntarily left work without good cause attributable to their employing unit or have been discharged by the employing unit for misconduct connected with his or her work, based on a finding by the Department of Economic Opportunity.</li> <li>• Bankruptcies that have not been discharged or dismissed.</li> <li>• The borrower may not have an ownership interest in more than one property other than his or her primary residence.</li> <li>• The servicer is not required to accept mortgage assistance</li> </ul>

	<p>payments if a notice of trustee/sheriff sale has been recorded and the trustee/sheriff sale is scheduled less than seven days from date the servicer is notified of borrower approval by the HFA.</p> <ul style="list-style-type: none"> <li>• Condominium units where financial reporting for the condominium association, pursuant to s. 718.111(13), F.S., for the most recent two years are not provided by the applicant.</li> </ul>
<p><b>8. Structure of Assistance</b></p>	<p>HHF funds under UMAP will be made available to homeowners in the form of a zero-percent interest, non-recourse, forgivable loan. This loan will be evidenced by a note and mortgage in favor of Florida Housing. The HHF loan is forgivable and will be for a period of five and a half (5.5) years. The first 20% of the loan will be forgiven eighteen (18) months after the loan closing. The remainder of the loan will be forgiven 20% per year annually thereafter.</p> <p>If the homeowner sells the home during any part of the loan term, the remaining principal balance will be due to Florida Housing in the event there are sufficient equity proceeds from the sale. If there is not enough equity in the home to repay the entire amount due, Florida Housing will forgive the excess portion or all of the remaining principal balance so as to not create additional hardships on the seller at closing. Any loans repaid will be recycled back into the Program and used to provide assistance to additional homeowners for the duration of the Program up to December 31, 2017. After December 31, 2017, all funds remaining or received shall be returned to Treasury.</p>
<p><b>9. Per Household Assistance</b></p>	<p>Estimated Median Amount Mortgage Payments - \$12,000 Maximum Amount – \$24,000</p> <p>Borrowers who have previously received HHF assistance and were not involuntarily terminated and borrowers who are currently receiving HHF assistance and remain in good standing are eligible for the additional assistance being offered under the changes to the UMAP and MLRP programs, but only to the extent that the total of the HHF assistance received does not exceed the following limits:</p> <ul style="list-style-type: none"> <li>• UMAP – 12 months or \$24,000, whichever comes first</li> <li>• MLRP with UMAP – maximum of \$18,000 towards reinstatement</li> <li>• MLRP only – maximum of \$25,000 towards reinstatement</li> </ul>
<p><b>10. Duration of Assistance</b></p>	<p>The homeowner can receive up to twelve (12) months' of</p>

	monthly mortgage payments from Florida Housing.
<b>11. Estimated Number of Participating Households</b>	Florida Housing anticipates that this strategy will be able to serve approximately 25,000 homeowners in the aggregate between UMAP and MLRP and over a five-year period.
<b>12. Program Inception/ Duration</b>	The Program commenced in June 2012. It is anticipated that this strategy will last for up to five years.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	This Program will interact with the Mortgage Loan Reinstatement Program (“MLRP”). Borrowers who qualify for UMAP will have arrearages on their first mortgage reinstated up front in an amount not to exceed \$18,000. The maximum amount of combined UMAP and MLRP assistance is \$42,000.
<b>14. Program Interactions with HAMP</b>	HHF funds would be utilized prior to the HAMP forbearance described in Supplemental Directive 10-04. Implementing the Program in this order is the most beneficial to the customer and investor since payments would continue to be made instead of capitalized and no late charges or adverse credit reporting would occur. If the borrower has already been through an UP forbearance before applying for this Program, then this Program may follow UP.
<b>15. Program Leverage with Other Financial Resources</b>	<p>Many servicers have in-house mortgage modification products that can be used in conjunction with this Program. Florida Housing will work with servicers to determine how these programs may best be combined.</p> <p>Servicers will not charge administrative fees (e.g., NSF, late charges) in any month where a full contract payment is made. If the loan is reinstated or modified following HFA mortgage assistance, servicers will waive all administrative fees accrued since the beginning of the delinquency.</p>
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## SERVICE SCHEDULE B-2

### **Florida Hardest Hit Fund Mortgage Loan Reinstatement Program Summary Guidelines**

<b>1. Program Overview</b>	The Mortgage Loan Reinstatement Program (“MLRP” or the “Program”) focuses on the creation of a sustainable solution to keep Florida homeowners in their current homes by helping those who have fallen behind on their mortgage payments because of financial hardship sustained since purchasing the home as a result of unemployment or substantial underemployment. HHF funds will be used to pay, directly to the first mortgage loan servicer, payments which include items such as principal and interest plus any required escrow payments (such as taxes and insurance), late fees and insufficient fund fees.
<b>2. Program Goals</b>	<ul style="list-style-type: none"><li>• Preserving homeownership.</li><li>• Protecting home values.</li></ul>
<b>3. Target Population/ Areas</b>	To determine geographic targeting for HHF funding, the Florida Housing Finance Corporation (“Florida Housing”) carried out an analysis of data, relying on data similar to that used by Treasury to allocate funding, to determine the hardest hit areas of the state. Florida Housing evaluated three measures across all sixty-seven Florida counties – housing price decline from peak prices, unemployment rate and seriously delinquent mortgage loans – and then combined ratios for each to create an allocation methodology that will guide how funding is geographically targeted. The majority of the HHF funds will be allocated to those counties that were determined to be hardest hit, although there will be funds available to all sixty-seven counties.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$224,148,139
<b>5. Borrower Eligibility Criteria</b>	<ul style="list-style-type: none"><li>• Borrower must be a legal U.S. citizen or lawful permanent resident.</li><li>• At least one borrower must be able to document that he or she is unemployed or substantially underemployed and must provide a financial hardship affidavit. A borrower and/or co-borrower who suffers a hardship that has resulted in a loss of income of at least 10% will be considered “substantially underemployed”.</li><li>• The maximum household income level for participation will be 140% of the Area Median Income (AMI).</li></ul>

	<ul style="list-style-type: none"> <li>• For MLRP-only applicants, the total housing expense (PITIA) must be less than 31% of the total gross income of the household unless the applicant can show that he or she has recovered from the hardship and is no longer “substantially underemployed”.</li> <li>• Borrowers who have unencumbered liquid assets or cash reserves (not including retirement or qualified education plans) equal to or exceeding three times the total monthly mortgage payment (including tax and insurance payments) or \$5,000, whichever is greater, must first use those assets above such amount towards reinstatement before being eligible for HHF funds.</li> </ul>
<p><b>6. Property/Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• The property must be a single-family home, a condominium unit, a townhome, a manufactured or mobile home on foundation permanently affixed to real estate owned by the borrower, or a two-four family dwelling unit of which one unit is occupied by the mortgagor as his or her principal residence.</li> <li>• The property must be the borrower’s principal residence, be located in Florida, and not be abandoned, vacant or condemned.</li> <li>• The outstanding principal balance of the first mortgage must be \$400,000 or less at the time of application, regardless of number of dwelling units.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Applicants who have voluntarily left work without good cause attributable to his or her employing unit or has been discharged by the employing unit for misconduct connected with his or her work, based on a finding by the Department of Economic Opportunity.</li> <li>• Bankruptcies that have not been discharged or dismissed.</li> <li>• The borrower may not have an ownership interest in more than one property other than his or her primary residence.</li> <li>• The servicer is not required to accept mortgage assistance payments if a notice of trustee/sheriff sale has been recorded and the trustee/sheriff sale is scheduled less than seven days from date the servicer is notified of borrower approval by the HFA.</li> </ul>

	<ul style="list-style-type: none"> <li>Condominium units where financial reporting for the condominium association, pursuant to s. 718.111(13), F.S., for the most recent two years are not provided by the applicant.</li> </ul>
<b>8. Structure of Assistance</b>	<p>HHF funds under the Mortgage Loan Reinstatement Program will be made available to homeowners in the form of a zero-percent interest, non-recourse, forgivable loan. This loan will be evidenced by a note and mortgage in favor of Florida Housing. The HHF loan is forgivable and will be for a period of five and a half (5.5) years. The first 20% of the loan will be forgiven eighteen (18) months after the loan closing. The remainder of the loan will be forgiven 20% per year annually thereafter.</p> <p>If the homeowner sells the home during any part of the loan term, the remaining principal balance will be due to Florida Housing in the event there are sufficient equity proceeds from the sale. If there is not enough equity in the home to repay the entire amount due, Florida Housing will forgive the excess portion or all of the remaining principal balance so as to not create additional hardships on the seller at closing. Any loans repaid will be recycled back into the Program and used to provide assistance to additional homeowners for the duration of the Program up to December 31, 2017. After December 31, 2017, all funds remaining or received shall be returned to Treasury.</p>
<b>9. Per Household Assistance</b>	<p>Estimated Median Amount Mortgage Payments - \$9,000  Maximum Amount – \$18,000 for those using both UMAP and MLRP; \$25,000 for those needing MLRP only.</p> <p>Borrowers who have previously received HHF assistance and were not involuntarily terminated and borrowers who are currently receiving HHF assistance and remain in good standing, are eligible for the additional assistance being offered under the changes to the UMAP and MLRP programs, but only to the extent that the total of the HHF assistance received does not exceed the following limits:</p> <ul style="list-style-type: none"> <li>UMAP – 12 months or \$24,000, whichever comes first</li> <li>MLRP with UMAP – maximum of \$18,000 towards reinstatement</li> <li>MLRP only – maximum of \$25,000 towards reinstatement</li> </ul>
<b>10. Duration of Assistance</b>	Assistance is provided as a one-time payment.
<b>11. Estimated Number of Participating Households</b>	Florida Housing anticipates that this strategy will be able to serve approximately 25,000 homeowners in the aggregate between UMAP and MLRP over a five year period.
<b>12. Program Inception/ Duration</b>	The Program commenced in June 2012. It is anticipated that this Program will last for up to five years.

<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	<p>This Program will interact with the Unemployment Mortgage Assistance Program (“UMAP”). Borrowers who qualify for UMAP will have arrearages on their first mortgage reinstated up front in an amount not to exceed \$18,000. The maximum amount of combined UMAP and MLRP assistance is \$42,000.</p>
<b>14. Program Interactions with HAMP</b>	<p>HHF funds would be utilized prior to the HAMP forbearance described in Supplemental Directive 10-04. Implementing the Program in this order is the most beneficial to the customer and investor since payments would continue to be made instead of capitalized and no late charges or adverse credit reporting would occur. If the borrower has already been through an UP forbearance before applying for this Program, then this Program may follow UP.</p>
<b>15. Program Leverage with Other Financial Resources</b>	<p>Many servicers have in-house mortgage modification products that can be used in conjunction with this Program. Florida Housing will work with servicers to determine how these programs may best be combined.</p> <p>Servicers will not charge administrative fees (e.g., NSF, late charges) in any month where a full contract payment is made. If the loan is reinstated or modified following HFA mortgage assistance, servicers will waive all administrative fees accrued since the beginning of the delinquency.</p>
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



**SERVICE SCHEDULE B-3**

**Florida Hardest Hit Fund**

**Modification Enabling Pilot Program (MEP)**

**Summary Guidelines**

<p><b>1. Program Overview</b></p>	<p>This Modification Enabling Pilot Program (“MEP”) is being administered by the Florida Housing Finance Corporation (“Florida Housing”) in partnership with National Community Capital LLC (“NCC”). Funding under this Program is designed to provide directed assistance to eligible borrowers under the NCC ReStart Program with the intent to permanently modify and reduce the borrower’s loan amount to an affordable level to achieve a monthly total housing payment that does not exceed 35% of the borrower’s monthly income. Borrowers meeting the eligibility requirements described in Section 5 below may be eligible for MEP assistance through the NCC ReStart Program.</p> <p>Eligible loan pools under MEP include only loans in Florida sold under the Department of Housing and Urban Development’s (“HUD”) Distressed Asset Stabilization Program (“DASP”) in calendar years 2012 and in 2013 that are purchased by NCC.</p> <p>The Florida Housing agreement with the NCC ReStart Program will be used to enable and facilitate permanent modifications by advancing a forgivable loan to eligible borrowers in an amount not to exceed \$50,000.00 to enable a loan modification to occur immediately. MEP funding may not be used to reduce the principal balance of an eligible borrower’s mortgage loan below 100% of the current market value of the property. However, the NCC ReStart Program may reduce the principal amount of an eligible borrower’s mortgage loan below 100% of the property’s current market value to achieve a permanently modified mortgage loan as long as NCC uses its own capital and not MEP funding. As the funding formula for the maximum amount MEP assistance expressly states, a floor of 100% of the property’s current market value assures that MEP’s assistance is limited to funding principal reduction for eligible borrowers only down to 100% of the property’s current market value.</p> <p>Consistent with the terms of MEP, the NCC ReStart Program may permanently modify and reduce the existing first mortgage loan to an amount with a net present value does not exceed the lesser of:</p> <ul style="list-style-type: none"><li>• A loan amount equal to 100% of the current market value of the property; or</li><li>• A loan amount with a net present value (using 30 year amortization at an interest rate equal to 300 basis points above the 30 year FHA rate as quoted by Wells Fargo Mortgage) results in a monthly total housing payment that does not exceed 35% of the</li></ul>
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	<p>borrower's adjusted gross monthly income.</p> <p>In order to make the mortgage payments affordable to the borrower, a MEP forgivable second mortgage loan of up to \$50,000.00 will be made to eligible borrowers to fund a modification of the mortgage loan amount to an amount equal to 100% of the current market value (or as close to 100% of the current market value as the \$50,000.00 in MEP assistance will permit and as long as the reduced mortgage loan amount results in a total housing payment not greater than 35% of the borrower's adjusted gross monthly income).</p> <p>There is a required dollar-for-dollar private capital match under the NCC Program. As a result of this private capital match, the final amount of MEP assistance will be determined by (i) subtracting the current market value of the property from borrower's UPB multiplied by 50% or (ii) \$50,000, whichever is less.</p> <p>The structure of the MEP assistance is described in Section 8.</p>
<p><b>2. Program Goals</b></p>	<p>The central goal of MEP is to help homeowners avoid foreclosure by permanently modifying a borrower's primary mortgage to achieve a monthly total housing payment that does not exceed 35% of the borrower's adjusted gross monthly income.</p> <p>MEP aspires to achieve a 75% success rate in loans assisted under the Program that continue to make on-time monthly payments for at least twenty-four (24) months after the permanent modification occurred.</p>
<p><b>3. Target Population/Areas</b></p>	<p>The targeted populations are households whose loans NCC is able to acquire under the HUD DASP sales in 2012 and 2013.</p>
<p><b>4. Program Allocation (Excluding Administrative Expenses)</b></p>	<p>\$50,000,000.00</p>
<p><b>5. Borrower Eligibility Criteria</b></p>	<p>Eligible borrowers under MEP must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Must be a legal U.S. Citizen or lawful permanent resident.</li> <li>• Must document adjusted household income that does not exceed 140% Area Median Income (AMI).</li> <li>• Must demonstrate an ability to maintain a financial obligation for the home based upon an affordable mortgage with a total monthly housing payment equal to or less than 35% of their gross monthly income.</li> <li>• Must meet the LTV requirements described in this Section.</li> </ul>

	<p>Borrowers with current UPB's equal to or greater than 105% of the property's current market value are eligible for MEP assistance if they meet one of the following financial hardships and provide a financial hardship affidavit.</p> <p>Eligible financial hardships include:</p> <ul style="list-style-type: none"> <li>• Reduced income due to changes in employment.</li> <li>• Medical condition(s).</li> <li>• Divorce.</li> <li>• Death.</li> </ul> <p>Borrowers that are unable to document any of these financial hardships may be eligible for MEP assistance if their current UPB is equal to or greater than 125% of the property's current market value.</p>
<p><b>6. Property/Loan Eligibility Criteria</b></p>	<ul style="list-style-type: none"> <li>• Property must be the borrower's principal residence, located in Florida and may not be abandoned, vacant or condemned.</li> <li>• The property must be a single family home, a condominium, a townhome, a manufactured or mobile home on foundation permanently affixed to real estate owned by the mortgagor, or a two-four family dwelling unit of which one unit is occupied by the mortgagor as their principal residence that is owner-occupied with a UPB equal to or less than \$400,000.00.</li> <li>• Mortgage must a distressed loan with a UPB that equals or exceeds the required percentages described in Section 5 above. Market value will be established by a FIRREA-compliant appraisal completed by an appraiser licensed and in good standing under Chapter 475 of the Florida statutes for NCC at the time the appraisal is performed.</li> </ul>
<p><b>7. Program Exclusions</b></p>	<ul style="list-style-type: none"> <li>• Borrower's whose current loan-to-value is less than 105% of the property's current market value.</li> <li>• Borrowers who are in an active Chapter 7 bankruptcy.</li> </ul>
<p><b>8. Structure of Assistance</b></p>	<p>The structure of assistance will be provided as an up-front, forgivable loan to eligible borrowers for up to \$50,000.00 depending upon individual circumstances. The note evidencing the second mortgage loan will carry the following terms:</p> <ul style="list-style-type: none"> <li>• Zero-percent (0%) interest, zero-payment loan</li> <li>• Five-year term in favor of Florida Housing with a pro rata 20% forgiveness of the original second mortgage loan amount on each annual anniversary date. The note will be extinguished on the fifth (5<sup>th</sup>) anniversary date providing the borrower has satisfied all terms of the loan.</li> </ul> <p>If a property is sold on or before the end of the five-year term, the loan is "due on sale" and any net proceeds due to Florida Housing after reducing</p>

	<p>the sales price by:</p> <ul style="list-style-type: none"> <li>○ usual and customary costs of sale and attorney’s fees;</li> <li>○ taxes and any other payments due to federal, state and local governmental entities; and</li> <li>○ satisfaction of the first mortgage loan amount due NCC Program and it’s successors and assigns.</li> </ul> <p>If there are insufficient or no net proceeds available after reducing the sale amount by the above items, all or a portion of the note will be forgiven as not to create additional hardships on the borrower/seller at the time of closing. Any loan proceeds that are returned to the Program would be reutilized to assist additional homeowners. All funds recycled into the Program will be returned to Treasury after December 31, 2017.</p>
<b>9. Per Household Assistance</b>	\$50,000.00 is the maximum amount of assistance. \$33,333.33 is the estimated median amount of assistance.
<b>10. Duration of Assistance</b>	MEP assistance will be disbursed in full upon the loan closing for qualified applicants by NCC ReStart Program.
<b>11. Estimated Number of Participating Households</b>	It is anticipated that the MEP will assist a minimum of 1,500 households in avoiding imminent foreclosures.
<b>12. Program Inception/Duration</b>	This Program component will begin in May 2013 and it is projected that assistance will be expended over a two-year period of time. However, repayment of assistance may extend this time frame up to five additional years.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	MEP will interact with Florida Housing’s Mortgage Loan Reinstatement Program (“MLRP”) and Unemployment Mortgage Assistance Program (“UMAP”) in the following manner. At the time NCC assessed the borrower for eligibility under MEP, if it finds that the borrower is not eligible for MEP it will then assess whether the borrower is eligible for MLRP or UMAP assistance. If the borrower is eligible for either MLRP or UMAP, the application and approval process will be completed in the manner prescribed by Florida Housing. Borrowers may receive assistance from more than one of these programs as long as the total combined assistance does not exceed \$50,000.00.
<b>14. Program Interactions with HAMP</b>	None.
<b>15. Program Leverage with Other Financial Resources</b>	As the NCC ReStart Program will reduce the existing first mortgage loan in accordance with the MEP there will be a minimum 1:1 private capital leveraged match. However, as the NCC ReStart Program will likely fund with private capital additional principal reductions for eligible borrowers below 100% of the property’s current market value in order to achieve a

	principal reduction it is expected that the leveraged match will be closer to 3 to 1. Lender match amounts shall be documented at the time of closing of the modification.
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No MEP assistance qualifies as an unemployment program when the NCC ReStart Program modifies loans and provides assistance to borrowers meeting the Section 5 financial hardship criteria relating to borrowers whose incomes have been reduced due to changes in their employment.

**SERVICE SCHEDULE B-4**  
**Florida Hardest Hit Fund**  
**Principal Reduction (PR) Program**  
**Summary Guidelines**

<p><b>1. Program Overview</b></p>	<p>The Principal Reduction (“PR”) Program is designed to assist severely underwater, low-to-moderate income homeowners who have been consistently “current” on their mortgage payments by providing Hardest Hit Funds to reduce the amount of their outstanding principal loan balance to an amount as close to 100% LTV as possible and reduce their monthly mortgage payment. By bringing such a program online in 2013, we will be assisting the homeowners who have stayed in their homes, remained committed to their neighborhoods and honored their obligation to make their mortgage payments. Most strategic defaulters have already abandoned their homes and, as home prices have now mostly stabilized throughout the state, there is less of a danger that home values will decline further after Hardest Hit Funds are made available to the homeowners.</p>
<p><b>2. Program Goals</b></p>	<p>The goal of PR is to assist severely underwater homeowners who have been honoring their promise to make their mortgage payments by reducing the amount of the unpaid principal balance on their first mortgage to an amount that is in line with the current value of the property, subject to program limits.</p> <p>In addition, the program will also further assist these homeowners by recasting or refinancing their loan and thus reducing their monthly mortgage payment.</p>
<p><b>3. Target Population/Areas</b></p>	<p>Low-to-moderate income borrowers who are severely underwater (<math>\geq 125\%</math> LTV) and who have been “current” on their first mortgage payments for the past two years.</p>
<p><b>4. Program Allocation (Excluding Administrative Expenses)</b></p>	<p>\$350,000,000.00</p>
<p><b>5. Borrower Eligibility Criteria</b></p>	<p>Eligible borrowers under PR must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Must be a legal U.S. Citizen or lawful permanent resident.</li> <li>• Must document adjusted household income that does not exceed 140% Area Median Income (“AMI”).</li> <li>• Must have an Unpaid Principal Balance (“UPB”) on their first mortgage loan that does not exceed \$350,000.</li> <li>• Must have a Loan-to-Value (“LTV”) ratio on their first mortgage loan of 125% or greater.</li> <li>• Must show that they have remained “current” on their payments</li> </ul>

	<p>on their first mortgage loan, meaning that they cannot have been 60 days or more late on their payments within the last two years.</p>
<b>6. Property/Loan Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>• Property must be the borrower’s principal residence, located in Florida and may not be abandoned, vacant or condemned.</li> <li>• The property must be a single family home, a condominium, a townhome, a manufactured or mobile home on foundation permanently affixed to real estate owned by the mortgagor, or a two-four family dwelling unit of which one unit is occupied by the mortgagor as their principal residence.</li> <li>• The homeowner must have acquired the property prior to January 1, 2010.</li> <li>• The servicer must agree to recast the borrower’s first mortgage loan unless such loan is in a GNMA security (i.e. is an FHA, VA or USDA-RD loan). For GNMA-secured loans, the borrower is required to refinance the loan within 180 days from the date that the principal reduction payment is made on their behalf.</li> <li>• The borrower’s first mortgage loan must be with a regulated financial institution.</li> </ul>
<b>7. Program Exclusions</b>	<ul style="list-style-type: none"> <li>• Borrowers who have a subordinate lien that is in foreclosure.</li> <li>• Borrowers with bankruptcies that have not been discharged or dismissed.</li> <li>• Dodd-Frank exclusion for having been convicted of a mortgage-related felony in the past ten years.</li> </ul>
<b>8. Structure of Assistance</b>	<p>The structure of assistance will be provided as an up-front, forgivable loan to eligible borrowers for up to \$50,000.00. The note evidencing this mortgage loan will carry the following terms:</p> <ul style="list-style-type: none"> <li>• Zero-percent (0%) interest, zero-payment loan;</li> <li>• Five-year term with a pro rata 20% forgiveness of the original mortgage loan amount on each annual anniversary date. The note will be forgiven on the fifth (5<sup>th</sup>) anniversary date providing the borrower has satisfied all terms of the loan. <u>Exception:</u> for GNMA-secured loans, if the borrower fails to refinance the loan within 180 days from the date that the principal reduction payment is made on their behalf, then the loan will only be forgiven 100% at the end of the fifth year (no incremental forgiveness).</li> </ul> <p>If a property is sold on or before the end of the five-year term, the loan is “due on sale” and any net proceeds are due to satisfy the amount of the loan that has not been forgiven.</p> <p>If there are insufficient or no net proceeds available, all or a portion of the note will be forgiven as not to create additional hardships on the</p>

	borrower/seller at the time of closing. Any loan proceeds that are returned to the Program would be reutilized to assist additional homeowners. All funds recycled into the Program will be returned to Treasury after December 31, 2017.
<b>9. Per Household Assistance</b>	Up to \$50,000.00 or the amount necessary to reduce the UPB on the first mortgage loan to 100% LTV, whichever is less. If the household has received HHF assistance under any other HHF program, the maximum amount of all assistance may not exceed \$50,000. The minimum amount of assistance needed must equal or exceed \$5,000.
<b>10. Duration of Assistance</b>	PR assistance will be disbursed in full to the borrower's servicer upon loan closing and agreement of the servicer to accept the PR funds.
<b>11. Estimated Number of Participating Households</b>	It is anticipated that the PR Program will assist approximately 10,000 households.
<b>12. Program Inception/Duration</b>	The PR Program will begin in August 2013 and it is projected that assistance will be expended over a two-year period of time. However, repayment of assistance may extend this time frame up to five additional years.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	The PR Program will most likely not interact with Florida's other current HHF programs. If the household has received HHF assistance under any other HHF Program, the maximum amount of all assistance may not exceed \$50,000.
<b>14. Program Interactions with HAMP</b>	None.
<b>15. Program Leverage with Other Financial Resources</b>	Servicers will be required to recast a borrower's first mortgage loan, except if the loan is in a GNMA security (i.e. FHA, VA or USDA-RD loans). Borrowers with GNMA-secured loans will be required to execute a streamline (or equivalent) refinance to receive the benefit of incremental forgiveness of the HHF loan. Both the recast and the refinance will result in a lower monthly mortgage payment for the borrower.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



**SERVICE SCHEDULE B-5**

**Florida Hardest Hit Fund**

**Elderly Mortgage Assistance Program (Elmore)**

**Summary Guidelines**

<b>1. Program Overview</b>	<p>The Elderly Mortgage Assistance Program (“Elmore”) is designed to assist senior homeowners in Florida who are facing foreclosure due to the inability to pay their property taxes, homeowners’ insurance and homeowners’ and/or condo association dues (“Property Charges”) now that the senior homeowners have been paid all the equity that they were due under the terms of their Home Equity Conversion Mortgage (HECM), as well as other types of “Reverse Mortgages”.</p> <p>The Florida Housing Finance Corporation (“Florida Housing”) will use HHF funds to provide an up-front, forgivable loan to eligible borrowers to be used to (i) repay the amounts advanced on their behalf by their mortgage loan servicer for the payment of Property Charges and (ii) pay the anticipated amount of upcoming Property Charges for a set period of time or until they recover from the hardship.</p>
<b>2. Program Goals</b>	The goal of the Elmore Program is to help senior homeowners remain in their homes.
<b>3. Target Population/Areas</b>	Low-to-moderate income senior Reverse Mortgage borrowers who have suffered a hardship that has resulted in the inability to repay the amounts advanced on their behalf by their mortgage loan servicer for the payment of Property Charges.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$25,000,000.00
<b>5. Borrower Eligibility Criteria</b>	<p>Eligible borrowers under Elmore must meet the following criteria:</p> <ul style="list-style-type: none"><li>• Must be a legal U.S. Citizen or lawful permanent resident.</li><li>• Must document adjusted household income that does not exceed 140% Area Median Income (“AMI”).</li><li>• Must have suffered a hardship that has resulted in the inability to repay the amounts advanced on their behalf by their mortgage loan servicer for the payment of Property Charges. Such hardships may include:<ul style="list-style-type: none"><li>○ Medical expenses;</li><li>○ Home repairs for systems or appliances or due to a natural disaster (fire, hurricane, etc.);</li><li>○ Reduction in household income;</li><li>○ Unemployment or underemployment;</li><li>○ Divorce;</li></ul></li></ul>

	<ul style="list-style-type: none"> <li>○ Disability and the resulting expenses for specialized equipment, care or retrofitting for the home; and</li> <li>○ Victimization by burglary, fraud or financial exploitation.</li> <li>● Must show a reasonable likelihood of recovering from the hardship so as to afford the Property Charges on an ongoing basis using methods of analysis specified in the program guidelines.</li> </ul>
<b>6. Property/Loan Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>● Property must be the borrower’s principal residence, located in Florida and may not be abandoned, vacant or condemned.</li> <li>● The property must be currently subject to a reverse mortgage.</li> <li>● The borrower’s Reverse Mortgage must be serviced by a HUD-approved HECM servicer or a regulated financial institution.</li> </ul>
<b>7. Program Exclusions</b>	<ul style="list-style-type: none"> <li>● Borrowers who have a subordinate lien that is in foreclosure.</li> <li>● Borrowers with bankruptcies that have not been discharged or dismissed.</li> <li>● Dodd-Frank exclusion for having been convicted of a mortgage-related felony in the past ten years.</li> </ul>
<b>8. Structure of Assistance</b>	<p>The structure of assistance will be provided as an up-front, forgivable loan to eligible borrowers for up to \$25,000 depending upon individual circumstances. The note evidencing the subordinate mortgage loan will carry the following terms:</p> <ul style="list-style-type: none"> <li>● Zero-percent (0%) interest, zero-payment loan;</li> <li>● Two-year term with a pro rata 50% forgiveness of the original mortgage loan amount on each annual anniversary date. The note will be forgiven on the second (2<sup>nd</sup>) anniversary date providing the borrower has satisfied all terms of the loan.</li> </ul> <p>If a property is sold on or before the end of the two-year term, the loan is “due on sale” and any net proceeds are due to satisfy the amount of the loan that has not been forgiven.</p> <p>If there are insufficient or no net proceeds available, all or a portion of the note will be forgiven so as not to create additional hardships on the borrower/seller at the time of closing. Any loan proceeds that are returned to the Program would be reutilized to assist additional homeowners. All funds recycled into the Program and not later expended will be returned to Treasury after December 31, 2017.</p>
<b>9. Per Household Assistance</b>	<p>The lesser of \$25,000.00 or the amount necessary to (i) repay the amounts advanced on the borrower’s behalf by its mortgage loan servicer for the payment of Property Charges and (ii) pay anticipated Property Charges for up to twelve (12) months or until recovery from the hardship. If the household has received HHF assistance under any other HHF program, the maximum amount of all assistance may not exceed \$50,000.</p>
<b>10. Duration of</b>	<p>Assistance will be disbursed in full to the borrower’s servicer upon loan</p>

<b>Assistance</b>	closing and agreement of the servicer to accept the HHF funds.
<b>11. Estimated Number of Participating Households</b>	It is anticipated that the Elmore Program will assist approximately 2,500 senior households in Florida who are delinquent under the terms of their reverse mortgage.
<b>12. Program Inception/Duration</b>	The Elmore Program will begin in October 2013 and it is projected that assistance will be expended over a two-year period of time.
<b>13. Program Interactions with Other Programs (e.g. other HFA programs)</b>	The Elmore Program will most likely not interact with Florida's other current HHF programs.
<b>14. Program Interactions with HAMP</b>	None.
<b>15. Program Leverage with Other Financial Resources</b>	FHFC is partnering with the Florida Department of Elder Affairs, local Area Agencies on Aging, Fannie Mae, the National Council on Aging, Credability and others to coordinate the reinstatement that is being done through the Elmore Program with other available resources. Specifically, senior homeowners will be screened for eligibility for other assistance, such as assistance with the costs of food and medicine, to free up income that may be used towards future property tax and homeowners' insurance bills. This "benefits check-up" will show whether there is a reasonable likelihood that the senior homeowners will be able to afford their Property Charges on an ongoing basis.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**SCHEDULE C**  
**PERMITTED EXPENSES**

	Florida
<b><i>One-time / Start-Up Expenses:</i></b>	
Initial Personnel	\$0.00
Building, Equipment, Technology	\$20,750.00
Professional Services	\$50,000.00
Supplies / Miscellaneous	\$1,000.00
Marketing /Communications	\$10,000.00
Travel	\$20,000.00
Website development /Translation	\$183,500.00
Contingency	\$0.00
<b>Subtotal</b>	<b>\$285,250.00</b>
<b><i>Operating / Administrative Expenses:</i></b>	
Salaries	\$11,130,000.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$2,390,000.00
Travel	\$535,000.00
Buildings, Leases & Equipment	\$1,015,000.00
Information Technology & Communications	\$17,972,500.00
Office Supplies/Postage and Delivery/Subscriptions	\$1,115,000.00
Risk Management/ Insurance	\$140,000.00
Training	\$1,245,000.00
Marketing/PR	\$134,000.00
Miscellaneous	\$970,000.00
<b>Subtotal</b>	<b>\$36,646,500.00</b>
<b><i>Transaction Related Expenses:</i></b>	
Recording Fees	\$4,200,000.00
Wire Transfer Fees	\$600,000.00
<b><i>Counseling Expenses</i></b>	
File Intake	\$0.00
Decision Costs	\$22,500,000.00
Successful File	\$11,200,000.00
Key Business Partners On-Going	\$30,000,000.00
<b>Subtotal</b>	<b>\$68,500,000.00</b>
<b>Grand Total</b>	<b>\$105,431,750.00</b>
<b>% of Total Award</b>	<b>9.97%</b>
<b>Award Amount</b>	<b>\$1,057,839,136</b>