

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

This Ninth 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 Ninth 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:

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

- 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, C or F shall mean the Exhibit A or Schedules A, B, C 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 Ninth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

HFA:

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: /s/ Anthony L. Marchetta
Name: Anthony L. Marchetta
Title: Executive Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name: Mark McArdle
Title: Deputy Assistant Secretary for
Financial Stability

ELIGIBLE ENTITY:

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: /s/ Anthony L. Marchetta
Name: Anthony L. Marchetta
Title: Executive Director

EXHIBITS AND SCHEDULES

Exhibit A	Form of Amended and Restated Financial Instrument
Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses
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 28, 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:	New Jersey Housing and Mortgage Finance Agency ¹
Corporate or other organizational form:	body, politic and corporate of the State of New Jersey established and existing under the New Jersey Statutes Annotated (N.J.S.A.) § 55:14K et. seq.
Jurisdiction of organization:	New Jersey
Notice Information:	

HFA Information:

Name of HFA:	New Jersey Housing and Mortgage Finance Agency
Organizational form:	body, politic and corporate of the State of New Jersey established and existing under the New Jersey Statutes Annotated (N.J.S.A.) § 55:14 et. seq.
Date of Application:	September 1, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	

<u>Program Participation Cap:</u>	\$415,133,962.00
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Portion of Program Participation Cap <u>Representing Original HHF Funds:</u>	N/A
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Portion of Program Participation Cap <u>Representing Unemployment HHF Funds:</u>	\$112,200,637.00
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¹ References in the Agreement to the term "HFA" shall mean the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") 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 NJHMFA, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Rounds 1-4 Funding Allocation:</u>	\$300,548,144.00
<u>Round 5 Funding Allocation:</u>	\$114,585,818.00
<u>Permitted Expenses:</u>	\$45,029,990.00
<u>Closing Date:</u>	September 23, 2010
<u>First Amendment Date:</u>	September 29, 2010
<u>Second Amendment Date:</u>	December 16, 2010
<u>Third Amendment Date:</u>	August 31, 2011
<u>Fourth Amendment Date:</u>	January 25, 2012
<u>Fifth Amendment Date:</u>	August 24, 2012
<u>Sixth Amendment Date:</u>	October 30, 2013
<u>Seventh Amendment Date:</u>	April 11, 2014
<u>Eighth Amendment Date:</u>	May 21, 2015
<u>Ninth Amendment Date:</u>	June 28, 2016
<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

NEW JERSEY HOMEKEEPER PROGRAM (NJHK)

SUMMARY GUIDELINES

1. Program Overview	<p>The New Jersey Housing and Mortgage Finance Agency (“NJHMFA” or the “Agency”) has created the New Jersey HomeKeeper Program (NJHK).</p> <p>This program will provide 0% interest rate, deferred-payment mortgage loans to eligible homeowners who, through no fault of their own, are at risk of foreclosure due to recent unemployment, loss of/reduction in income or other demonstrated financial hardships including medical, divorce, disability or death. NJHK loan proceeds may be used to cover mortgage arrearages and/or an approved amount of homeowner monthly mortgage payments including principal and interest, property taxes, property insurance, mortgage insurance and, if applicable, homeowner association dues.</p> <p>The housing counseling agency shall recommend - and the NJHK staff shall review for approval – a plan of action for each homeowner that addresses the proposed use of NJHK mortgage loan proceeds for these key purposes:</p> <ul style="list-style-type: none">■ One-time payment to settle mortgage arrearages for homeowners who experienced lost income due to a qualified hardship, and have since recovered but need help to bring their mortgage current; and/or■ Payment of arrearages as needed and an approved amount of mortgage payment assistance . <p>The maximum NJHK mortgage loan amount shall be \$48,000. All loan proceeds shall be held in escrow by the NJHK and may be used to pay existing mortgage arrearages and/or an approved amount of the homeowner's existing mortgage payments each month. Existing mortgage payments include principal and interest, property taxes, homeowner insurance, mortgage insurance and homeowner association dues (if any).</p>
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2. Program Goals	The goal of the NJHK Program is to promote neighborhood stability in New Jersey communities by providing assistance with mortgage arrears and mortgage payments to eligible homeowners who, through no fault of their own, are in danger of foreclosure due to recent unemployment, loss of/reduction in income or other demonstrated financial hardships.
3. Target Population / Areas	The program will be offered statewide.
4. Program Allocation (Excluding Administrative Expenses)	\$352,815,202
5. Borrower Eligibility Criteria	<p>Eligible homeowners are not subject to maximum household income limits.</p> <p>Homeowners must be, through no fault of their own, in danger of foreclosure due to recent unemployment, loss of/reduction in income or other demonstrated financial hardships including medical, divorce, disability, or death. Underemployed homeowners must have experienced a loss of/reduction in income of at least 15%.</p> <p>In addition to meeting other program underwriting criteria, eligible homeowners:</p> <ul style="list-style-type: none"> ■ May be current on mortgage payments but are expected to become delinquent within a 90-day period due to loss of employment income OR may be 30 days or more delinquent on mortgage payments due to loss of employment income; ■ Must provide a financial Hardship Affidavit attesting to their inability to make mortgage payments. Loss of employment must be documented in accordance with program underwriting requirements, including evidence from the state unemployment office or, if unavailable, a notarized letter from the former employer indicating the unemployment or underemployment was not the fault of the borrower; ■ Must show evidence of having made payments on their first mortgage loans;

	<ul style="list-style-type: none"> ■ Must be paying, as a result of an income loss due to a qualified hardship, 25% or more the of gross household income each month to cover all existing mortgage payments (including principal and interest, property taxes, homeowners insurance, mortgage insurance and, if applicable, homeowner association fees); ■ Must participate and cooperate in sessions with an NJHK-approved housing counseling agency, which will help provide advice on all available programs and solutions for the homeowner, including the NJHK; and ■ Homeowner must document employment status on a regular basis for employment related hardships in accordance with program requirements. <p>NJHK assistance shall be provided on a first come, first served basis.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<p>The eligible homeowner must own and occupy a home located in New Jersey.</p> <p>The home must contain one or two dwelling units, be an attached or detached house a condominium unit or a manufactured home on a foundation permanently affixed to real property owned by the homeowner.</p> <p>At the time of application, the unpaid principal balance on existing mortgages on the home must not exceed \$429,619 for a one-unit dwelling or \$550,005 for a two unit dwelling.</p>
<p>7. Program Exclusions</p>	<p>Homeowners owning other residential real estate at the time of application are ineligible.</p> <p>Homeowner has liquid assets (excluding retirement assets and education savings plans) equal to or greater than the amount of Program assistance.</p> <p>Homeowner cannot be involved in an active or open bankruptcy.</p>
<p>8. Structure of Assistance</p>	<p>Program assistance will be provided to the homeowner in the form of a 0% interest rate, non-amortizing (no monthly</p>

	<p>payments), forgivable, subordinate 10-year loan. The loan will be non-recourse, secured by a mortgage that will be recorded and take a junior lien position on the home. After the fifth year of the closing date of the Program loan, the Program loan amount shall be forgiven at a rate of 20% per year, to be forgiven in full at the end of the tenth year.</p> <p>All or a portion of the unforgiven loan funds will be due and payable from net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if the borrower ceases to occupy the property as their primary residence prior to the end of the tenth year. If the property is sold and does not generate sufficient proceeds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.</p> <p>Any funds repaid to NJHMFA by recipients in accordance with established Program guidelines will be returned to the program in accordance with the Agreement.</p>
9. Per Household Assistance	The maximum amount of assistance under this program is \$48,000 per household, of which no more than \$36,000 may be for monthly payment assistance. The historical average NJHK mortgage loan amount per household is \$41,000.
10. Duration of Assistance	Each borrower may receive up to 12 months of monthly payment assistance. Any reinstatement/arrearage assistance will be a one-time payment.
11. Estimated Number of Participating Households	The estimated number of participating households is approximately 8,600 based on the historical average assistance loan amounts.
12. Program Inception / Duration	It is anticipated that the program will relaunch within 90 days of the Ninth Amendment Date. The program will continue until December 31, 2020 or until funding is fully reserved, whichever comes first.
13. Program Interactions with Other HFA Programs	<p>Homeowners shall be provided all available options for assistance during their sessions with participating housing counseling agencies.</p> <p>Eligible homeowners may benefit from other Agency Hardest Hit Fund programs provided the total benefit from all Hardest Hit Fund programs does not exceed \$98,000.</p>
14. Program Interactions with HAMP	Homeowners shall be provided all available options for assistance during their sessions with participating housing

	counseling agencies, including HAMP, as applicable.
15. Program Leverage with Other Financial Resources	None

SERVICE SCHEDULE B-2

NEW JERSEY HOME SAVER PROGRAM

Summary Guidelines

1. Program Overview	The New Jersey Housing and Mortgage Finance Agency (“NJHMFA” or the “Agency”) has created the New Jersey Home Saver Program (“HSP” or the “Program”). This program will leverage HSP funds to facilitate a refinance, recast, or permanent modification of the first mortgage loan through a principal reduction and/or reinstatement payment to bring the household monthly payment to an affordable level.
2. Program Goals	The goal of the Program is to achieve long-term mortgage sustainability by leveraging HSP funds to facilitate a first mortgage loan modification, recast, and/or refinance, thus reducing the likelihood of mortgage delinquency and/or default.
3. Target Population or Areas	The Program aims to serve homeowners throughout New Jersey.
4. Program Allocation (Excluding Administrative Expenses)	\$17,288,770
5. Borrower Eligibility Criteria	<p>Eligible homeowners must be at risk of foreclosure due to recent unemployment, loss of/reduction in income through no fault of their own, or other demonstrated financial hardships as defined in the Program guidelines. A pre-assistance LTV ratio of 115% or greater is considered a financial hardship indicative of imminent default. Homeowners will be required to provide a financial hardship affidavit with appropriate documentation on the cause of the hardship.</p> <p>Homeowner has a pre-assistance housing debt-to-income (“HDTI”) ratio greater than 38% of the gross household income and/or a pre-assistance loan-to-value (“LTV”) ratio greater than 115%. Homeowners with pre-assistance LTV ratios greater than 115% must have a pre-assistance HDTI of 28% or more.</p> <p>Homeowner has a post-assistance HDTI ratio no greater than 45% of the gross household income. On a case-by-case basis, NJHMFA reserves the right to review and approve homeowners whose investor program guidelines that utilize post-assistance</p>

	<p>HDTI ratios greater than 45%. In no case will a homeowner's post-assistance HDTI be reduced below 25%.</p> <p>Homeowner must own and occupy a one- to three-family residential property that is the homeowner's primary residence.</p> <p>Homeowner agrees to provide all necessary documentation to satisfy the Program guidelines within the timeframes established by the Agency.</p>
<p>6. Property / Loan Eligibility Criteria</p>	<p>Eligible property is the homeowner's primary residence located in New Jersey, and it must be a one- to three-family residential property. It must be attached or be a condominium unit. Manufactured homes are eligible if on a foundation permanently affixed to real property owned by the homeowner and secured by a real property first mortgage loan.</p> <p>At the time of application, the unpaid principal balance on existing mortgages on the home must not exceed \$429,619 for a one-unit dwelling or \$550,005 for a two-unit or three-unit dwelling.</p> <p>Homeowners must carry a first mortgage and if the homeowner's first mortgage is an interest-only or negative amortization mortgage, the homeowner can qualify for assistance under the Program only if the refinance, recast and/or permanent modification places them in a fully amortizing mortgage loan product.</p> <p>If the qualifying first lien mortgage is delinquent, the loan servicer must utilize the Program monies to bring the first lien mortgage loan current before applying Program monies to the homeowner's principal balance.</p> <p>The loan servicer will reduce the qualifying principal balance in conjunction with a loan refinance, recast or modification in the amount needed (up to the maximum per household assistance) to help the homeowner establish an appropriate level of affordability and/or mortgage debt. Such loan refinances, recasts or modifications must meet the Program guidelines.</p> <p>Loans in foreclosure may be eligible.</p>
<p>7. Program Exclusions</p>	<p>The homeowner cannot be involved in an active or open bankruptcy.</p>

	<p>The homeowner cannot own any other residential real property.</p> <p>Homeowner fails to satisfy lender underwriting guidelines.</p> <p>Homeowner has a post-assistance LTV ratio that is greater than 160% or less than 100%. The post-assistance LTV may only be less than 100% if it is necessary to get the homeowner to an affordable monthly payment. Under no circumstance can the post-assistance LTV be less than 80%.</p> <p>Homeowner has liquid assets (excluding retirement assets) equal to or greater than the amount of Program assistance.</p>
8. Structure of Assistance	<p>Program assistance will be provided to the homeowner in the form of a 0% interest rate, non-amortizing (no monthly payments), forgivable, subordinate 10-year loan. The loan will be non-recourse, secured by a mortgage that will be recorded and take a junior lien position on the home. After the fifth year of the closing date of the Program loan, the Program loan amount shall be forgiven at a rate of 20% per year, to be forgiven in full at the end of the tenth year.</p> <p>All or a portion of the unforgiven loan funds will be due and payable from net equity proceeds upon sale or transfer or refinance of the property (except for refinances for a lower rate and/or shorter term) or if the borrower ceases to occupy the property as their primary residence prior to the end of the tenth year. If the property is sold and does not generate sufficient proceeds to repay all or a portion of the loan, the portion of the loan remaining unpaid after the proceeds are applied will be forgiven.</p> <p>Any funds repaid to NJHMFA by recipients in accordance with established Program guidelines will be returned to the program in accordance with the Agreement.</p>
9. Per Household Assistance	The maximum assistance is \$50,000 per household.
10. Duration of Assistance	Assistance under HSP is intended to be a one-time payment to the servicer.
11. Estimated Number of Participating Households	345 households based on a maximum loan amount of \$50,000.

12. Program Inception/ Duration	The launch of the Program is expected to begin on or about June 1, 2015; the program will last until December 31, 2020 or until all funds are exhausted.
13. Program Interactions With Other Programs	Eligible homeowners may benefit from other Agency Hardest Hit Fund programs provided the total benefit from all Hardest Hit Fund programs does not exceed \$98,000.
14. Program Interactions With HAMP	The Program may work in conjunction with the federal Home Affordable Modification Program (“HAMP”) modification and other federal Making Home Affordable programs and servicer foreclosure prevention initiatives to help eligible homeowners achieve desired income ratios and affordability. In any of these programs, Program assistance may not be used to cover the applicable costs of investor or servicer incentive compensation.
15. Program Leverage With Other Financial Resources	The Program will require that the loan servicer waive all accrued and unpaid late charges and non-sufficient funds fees at the time the modification agreement is completed. The Program will require the loan servicer to waive any associated recast or modification fee.

SCHEDULE C

PERMITTED EXPENSES

	New Jersey
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$378,705.00
Building, Equipment, Technology	\$117,654.00
Professional Services	\$13,000.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$2,613.00
Travel	\$0.00
Website development /Translation	\$759.00
Contingency	\$767,259.00
Subtotal	\$1,279,990.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$13,350,000.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$4,000,000.00
Travel	\$25,000.00
Buildings, Leases & Equipment	\$750,000.00
Information Technology & Communications	\$2,500,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$125,000.00
Risk Management/ Insurance	\$.00
Training	\$100,000.00
Marketing/PR	\$300,000.00
Miscellaneous	\$1,000,000.00
Subtotal	\$22,150,000.00
<i>Transaction Related Expenses:</i>	
Recording Fees	\$5,000,000.00
Wire Transfer Fees	\$100,000.00
<i>Counseling Expenses</i>	
File Intake	\$15,000,000.00
Decision Costs	\$0.00
Successful File	\$0.00

Key Business Partners On-Going	\$1,500,000.00
Subtotal	\$21,600,000
Grand Total	\$45,029,990
% of Total Award	10.85%
Award Amount	\$415,133,962.00

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.