

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

This Eleventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Eleventh Amendment") is entered into as of the date set forth on Schedule A attached hereto as the Eleventh Amendment Date (the "Amendment Date"), by and among the United States Department of the Treasury ("Treasury"), the undersigned party designated as HFA whose description is set forth in Schedule A attached hereto (for convenience, a "state housing finance agency" or "HFA") and the undersigned institution designated by HFA to participate in the program described below ("Eligible Entity").

Recitals

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

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

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

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

Agreement

1. Amendments

A. Definitions. All references in the Current HPA to the “Agreement” shall mean the Current HPA, as further amended by this Eleventh Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Eleventh Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Eleventh Amendment.

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

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

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

2. Representations, Warranties and Covenants

A. HFA and Eligible Entity. HFA and Eligible Entity, each for itself, make the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of HFA and Eligible Entity, each as to itself. In the event that any of the representations or warranties made herein cease to be true and correct or HFA or Eligible Entity breaches any of its covenants made herein, HFA or Eligible Entity, as the case may be, agrees to notify Treasury immediately and the same shall constitute an Event of Default under the HPA.

(1) HFA and Eligible Entity each hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of HFA or Eligible Entity, as applicable, contained in the HPA are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of HFA or Eligible Entity, as applicable, contained in the HPA shall remain in full force and effect and neither HFA, nor Eligible Entity is in breach of any such covenant.

(2) Eligible Entity has the full corporate power and authority to enter into, execute, and deliver this Eleventh Amendment and any other closing documentation delivered to Treasury in connection with this Eleventh Amendment, and to perform its obligations hereunder and thereunder.

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

3. Miscellaneous

A. The recitals set forth at the beginning of this Eleventh Amendment are true and accurate and are incorporated herein by this reference.

B. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the HPA.

C. Any provision of the HPA that is determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the HPA, and no such prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

D. This Eleventh Amendment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic copies of this Eleventh Amendment shall be treated as originals for all purposes.

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

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

HFA:

STATE OF ARIZONA, ARIZONA
DEPARTMENT OF HOUSING

By: /s/ Michael Traylor
Name: Michael Traylor
Title: Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

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

ELIGIBLE ENTITY:

ARIZONA HOME FORECLOSURE
PREVENTION FUNDING CORPORATION

By: /s/ Michael Traylor
Name: Michael Traylor
Title: Chairman

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

HFA:

STATE OF ARIZONA, ARIZONA
DEPARTMENT OF HOUSING


By: _____

Name: Michael Traylor
Title: Director

TREASURY:

UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____


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

ELIGIBLE ENTITY:

ARIZONA HOME FORECLOSURE
PREVENTION FUNDING CORPORATION

By: _____

Name: Michael Traylor
Title: Chairman

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:	Arizona Home Foreclosure Prevention Funding Corporation
Corporate or other organizational form:	Arizona Non-Profit corporation
Jurisdiction of organization:	Arizona domiciliary
Notice Information:	

HFA Information:

Name of HFA:	State of Arizona, Arizona Department of Housing
Organizational form:	Constituent Department of the State of Arizona
Date of Application:	April 16, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	

<u>Program Participation Cap:</u>	\$267,766,006.00
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<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	\$125,100,000.00
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<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	N/A
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<u>Permitted Expenses:</u>	\$34,864,954.00
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<u>Closing Date:</u>	June 23, 2010
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<u>First Amendment Date:</u>	September 23, 2010
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<u>Second Amendment Date:</u>	September 29, 2010
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<u>Third Amendment Date:</u>	December 16, 2010
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<u>Fourth Amendment Date:</u>	January 26, 2011
<u>Fifth Amendment Date:</u>	March 31, 2011
<u>Sixth Amendment Date:</u>	May 25, 2011
<u>Seventh Amendment Date:</u>	August 31, 2011
<u>Eighth Amendment Date:</u>	March 29, 2012
<u>Ninth Amendment Date:</u>	July 17, 2012
<u>Tenth Amendment Date:</u>	August 24, 2012
<u>Eleventh Amendment Date:</u>	June 6, 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

SAVEMYHOMEAZ Principal Reduction Assistance Summary Guidelines

1. Program Overview	<p>Principal Reduction Assistance is being administered by the Arizona Department of Housing (“ADOH”) on behalf of the Arizona Home Foreclosure Prevention Funding Corporation (“AHFPFC”). Efforts may include principal reduction, interest rate reduction, and/or term extension to achieve a permanent modification of a borrower’s primary mortgage. Borrowers who are suffering an approved hardship may be eligible for principal reduction assistance, provided they have: (a) principal outstanding mortgage balance(s) exceeding 120% of the present market value of their residence, or (b) at least \$20,000 in negative equity.</p> <p>Depending on the agreement with the servicer, one of two methods will be used to reduce the principal balance of a borrower’s primary mortgage:</p> <ul style="list-style-type: none">• An up-front forgivable loan of up to \$100,000 may be made to eligible borrowers; or• Up to \$100,000 in assistance may be provided over a three-year period. <p>A borrower’s primary mortgage lender may agree to make a matching reduction to the principal balance of the primary loan.</p> <p>The structure of these two types of assistance is further discussed in Section 8.</p>
2. Program Goals	<p>The central goal of Principal Reduction Assistance is to help homeowners avoid foreclosure by permanently modifying a borrower’s primary mortgage to achieve a monthly payment that does not exceed 31% of the borrower’s monthly income and/or reduces a borrower’s negative equity position.</p>
3. Target Population/Areas	<p>The targeted populations are households whose income does not exceed 150% of Area Median Income (“AMI”). Each household will be evaluated to determine an affordable and sustainable monthly mortgage payment according to such household’s gross monthly income. Affordability for Home Affordable Refinance Program (“HARP”) structured assistance is determined by the lender’s approval of the transaction, otherwise it is 31% of the household’s monthly gross income.</p>

	<p>It is projected that Component assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p>Maricopa County: 79% of program funds Pima County: 9% of program funds Pinal County: 9% of program funds All other areas: 3% of program funds</p>
4. Program Allocation (Excluding Administrative Expenses)	\$119,818,609
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • Eligible financial hardship. Eligible financial hardships include reduced income due to under employment, medical condition divorce or death. Negative equity is considered an eligible financial hardship with respect to forbearance or HARP 2.0 as well as other refinance related principal reductions. • Property must be borrower's primary residence. • For forbearance assistance, borrower must be in good standing with their modification. • 150% of AMI maximum household income. • Depending on the agreement with the servicer, the eligibility will either be determined through an application process and application evaluation by ADOH and approved counselors or may be determined through an application evaluation by the servicer and ADOH. • Requests for Mortgage Assistance ("RMA") with hardship and Dodd Frank Certification.
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Property must be owner-occupied. • Outstanding mortgage amount must be no greater than \$500,000. • Depending on the agreement with the servicer, mortgage may be required to be a minimum of seven (7) days prior to the scheduled date of a trustee's sale with respect to borrower's residence. • Loan to value greater than 120% or at least \$20,000 negative equity. • Single-family dwelling (1 to 4 units). • Affordability for HARP structured assistance is determined by the lender's approval of the transaction, otherwise it is 31% of the household's monthly gross income.
7. Program	<ul style="list-style-type: none"> • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price.

Exclusions	<ul style="list-style-type: none"> • Assistance of \$10,000 or less. • The principal reduction contribution may not exceed the lesser of: (a) the maximum household assistance of \$100,000 or (b) the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value. • Properties that have an outstanding mortgage(s) in an amount greater than \$500,000.
8. Structure of Assistance	<p>Depending on the agreement with the servicer, the structure of assistance may be provided in one of the following ways:</p> <ul style="list-style-type: none"> • Principal Reduction Assistance may provide an up-front, forgivable loan of up to \$100,000 to eligible borrowers. Notes evidencing these loans will be for a term of five (5) years in favor of the Eligible Entity and placed on the property as a junior lien. A forgiveness clause will extinguish the loan amount at the end of five (5) years, provided the consumer has satisfied all terms of the loan. The terms of these loans will be zero-interest, zero-payment for the duration of the loan. The assistance loan will be considered satisfied upon expiration of five-year term and ADOH will release the lien connected with the note. These loans will be utilized to reduce a portion of the principal on the first mortgage loan, the amount of which may be matched by the primary lender/servicer. During the term of the assistance loan, it will be "due on sale", if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may 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 Component will be reutilized to assist additional homeowners. • Assistance of up to \$100,000 may be provided as a one-time installment or in equal installments over a three-year period, at months thirteen (13), twenty-five (25) and thirty-seven (37), provided the homeowner continues to make current mortgage payments. In the case of assistance paid out in equal installments over a three-year period, assistance will be matched dollar for dollar and, as a result, a loan will not be required in favor of the Eligible Entity and no junior lien will be placed on the property. • HARP or other approved refinances are eligible for up to \$100,000 as a one-time forgivable loan evidenced by a promissory note with a five-year term. The principal

	<p>reduction contribution may not exceed the lesser of: (a) the maximum household assistance of \$100,000 or (b) the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value.</p> <ul style="list-style-type: none"> • Forbearance assistance will extinguish existing or newly approved forbearance balances. Eligible forbearance will include any forbearance structured through the Home Affordable Modification Program ("HAMP"), proprietary or other loan modification. The assistance may not exceed the lesser of: (a) the maximum household assistance of \$100,000 or (b) the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value. • All remaining funds including those that were recycled into the SAVEOURHOMEAZ program will be returned to Treasury after December 31, 2017.
9. Per Household Assistance	<ul style="list-style-type: none"> • \$100,000 is the Maximum Amount of Assistance. • \$60,000 is the Estimated Median Amount of Assistance. • The principal reduction contribution must be no greater than the lesser of: (a) the maximum household assistance of \$100,000 or (b) the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value.
10. Duration of Assistance	Permanent modification assistance will be disbursed in full at the initial completion of the modification agreement.
11. Estimated Number of Participating Households	It is anticipated that Principal Reduction Assistance will assist a minimum of 1,849 households in avoiding imminent foreclosures.
12. Program Inception/Duration	This program component began in September 2010 and it is projected that assistance will be expended by December 31, 2017.
13. Program Interactions with Other Programs (e.g. other HFA programs)	Borrowers may participate in other components, as long as the total assistance does not exceed the lesser of: (a) the maximum household assistance of \$100,000 or (b) the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value.
14. Program Interactions with HAMP	ADOH's program may interact with aspects of the Making Home Affordable Program ("MHA") as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers who are eligible for HAMP or other MHA options.

	In some cases, the assistance the ADOH provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that Troubled Asset Relief Program funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	In order to leverage the funds, ADOH will attempt to have the lender/servicer match any principal reduction provided through the Principal Reduction Assistance component.
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SERVICE SCHEDULE B-2

SAVEMYHOMEAZ Second Mortgage Assistance Component Summary Guidelines

1. Program Overview	Under the Second Mortgage Assistance Component, assistance will be provided to eliminate second mortgages on eligible transactions to modify the terms of primary loans or to enable a short sale.
2. Program Goals	The goals of the Second Mortgage Assistance Component are to help homeowners avoid foreclosure by eliminating a second mortgage if necessary to modify the terms of the primary loan, achieve affordability and to reduce the likelihood that a borrower will re-default under its primary loan as a result of the burden of a second mortgage.
3. Target Population/Areas	<p>The targeted populations are households whose income does not exceed 150% of AMI.</p> <p>It is projected that Component assistance will be provided to targeted areas according to the following breakdown of counties. These projections are based on population, delinquent loans and pending foreclosures in these areas.</p> <p>Maricopa County: 75% of program funds Pima County: 8% of program funds Pinal County: 9% of program funds All other areas: 8% of program funds</p>
4. Program Allocation (Excluding Administrative Expenses)	\$8,962,911
5. Borrower Eligibility Criteria	<ul style="list-style-type: none">• Eligible financial hardship. Eligible financial hardships include (a) reduced income due to under employment, medical condition, divorce or death or (b) negative equity.• Property must be borrower's primary residence (single-family dwelling (1 to 4 units)).• 150% of AMI maximum household income.• Requests for Mortgage Assistance ("RMA") with hardship and Dodd Frank Certification.• Affordability for HARP structured assistance is determined by the lender's approval of the transaction, otherwise it is 31% of the household's monthly gross income.
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none">• Property must be owner-occupied.• Outstanding mortgage amount must be no greater than

	<p>\$500,000.</p> <ul style="list-style-type: none"> • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for Component assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Single-family dwelling (1 to 4 units).
7. Program Exclusions	<ul style="list-style-type: none"> • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price. • The assistance may not exceed the lesser of: (a) \$60,000 or (b) the amount necessary to bring the outstanding mortgage balance to 100% of the property's fair market value. • Properties that have an outstanding mortgage(s) in an amount greater than \$500,000.
8. Structure of Assistance	<ul style="list-style-type: none"> • The Second Mortgage Assistance Component will provide up-front, forgivable, loans to eligible borrowers. Notes on the forgivable loans will be for a term of five (5) years in favor of the Eligible Entity and placed on the property as a junior lien. A forgiveness clause will extinguish the loan amount at the end of five (5) years, provided the consumer has satisfied all terms of the loan. The terms of the loan are zero-interest, zero-payment for the duration of the loan. The assistance loan will be considered satisfied upon expiration of five-year term and ADOH will release the second lien connected with the note. These loans will be utilized to reduce a portion of the principal on the existing second mortgage and the remaining balance will be extinguished by the lender/servicer, if the assistance is less than the outstanding principal balance due. During the term of the assistance loan, it will be "due on sale", if the home has increased in equity. If the home has not increased in equity to the degree necessary to repay the note, all or a portion of the note may be forgiven as not to create additional hardships on the borrower/seller at the time of closing. • Second Mortgage Assistance provided as a part of a Home Affordable Refinance Program ("HARP") or other approved refinance will be provided as a one-time forgivable loan evidenced by a promissory note with a five-year term. If coupled with Principal Reduction Assistance on a first mortgage the amount of the promissory note will be for the combined total of all assistance under both components. • Any loan proceeds that are returned to the Component will

	be reutilized to assist additional homeowners. All remaining funds including those that were recycled into the SAVEOURHOMEAZ program will be returned to Treasury after December 31, 2017.
9. Per Household Assistance	<ul style="list-style-type: none"> • A maximum of \$60,000. • Up to \$100,000 maximum for all components combined. • The average anticipated assistance is \$50,000.
10. Duration of Assistance	Second mortgage assistance will be disbursed in full in a one-time payment contingent upon the closing of the transaction.
11. Estimated Number of Participating Households	It is anticipated that the Second Mortgage Assistance Component will assist a minimum of 180 households.
12. Program Inception/Duration	This program component began in September 2010 and it is projected that assistance will be expended by December 31, 2017.
13. Program Interactions with Other Programs (e.g. other HFA programs)	ADOH will, on behalf of an approved seller, attempt to extinguish the second mortgage as part of a short sale that is part of the short sale assistance component. Assistance is capped at \$8,500 when combined with the short sale component. Assistance is capped at \$100,000 across all programs and/or components.
14. Program Interactions with HAMP	ADOH's program may interact with aspects of the Making Home Affordable Program ("MHA") as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the ADOH provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	N/A
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SERVICE SCHEDULE B-3

SAVEMYHOMEAZ

**Unemployment/Underemployment/Reinstatement Mortgage Assistance Component
Summary Guidelines**

1. Program Overview	<p>The Unemployment/Underemployment/Reinstatement Mortgage Assistance Component will provide mortgage relief for qualified unemployed and underemployed borrowers.</p> <p>ADOH may, on behalf of the eligible borrower, bring the first mortgage current by curing all past due payments, accrued interest and legal fees. Additional benefits may consist of a full monthly mortgage payment to the servicer until the applicable program cap is reached or the borrower becomes sufficiently employed and is able to sustain the payment at 31% of gross monthly income.</p> <p>The borrower will be required to pay a portion of the mortgage payment to ADOH in the amount of 31% of household monthly gross income, excluding unemployment benefits.</p> <p>ADOH will be responsible for ongoing monitoring of borrowers to ensure continued eligibility if receiving monthly assistance.</p>
2. Program Goals	<p>This Component will provide assistance for a set period of time and/or maximum dollar amount. The purpose of the Component is to assist borrowers until they can obtain sufficient income to resume scheduled mortgage payments or qualify for a modified mortgage payment.</p> <ul style="list-style-type: none">• Sustain the unemployed/underemployed borrower's monthly mortgage payment until the borrower can or the maximum assistance has been provided.• Maintain the borrower's contribution towards its monthly mortgage payment at 31% of his or her current gross monthly income for the duration of the assistance, excluding unemployment benefits.
3. Target Population/Area	<p>The target population includes eligible homeowners whose hardship is caused by unemployment or underemployment.</p>
4. Program Allocation (Excluding Administrative)	<p>\$100,782,837</p>

Expenses)	
5. Borrower Eligibility Criteria	<p>General Requirements:</p> <ul style="list-style-type: none"> • One or more of the responsible borrowers must be unemployed/underemployed. • Borrowers must participate in quarterly (face-to-face when possible) continued eligibility validation. • Borrower must occupy the subject property as his or her primary residence during the assistance disbursement period. • 150% of AMI maximum household income. • Requests for Mortgage Assistance (“RMA”) with hardship and Dodd Frank Certification. <p>Additional Unemployment Requirements:</p> <ul style="list-style-type: none"> • If the eligible borrower is unemployed, the borrower must provide proof he or she applied for unemployment benefits and was approved or denied (UB107, UB100, Claim status report) for reasons identified as acceptable within the Component’s guidelines. <p>Additional Underemployment Requirements</p> <ul style="list-style-type: none"> • If the eligible borrower is underemployed, the borrower must provide documentation of a significant reduction of income due to circumstances outside of his or her control resulting in a housing payment greater than 31% of his or her monthly gross income. <p>Additional Requirements for Borrowers Receiving Reinstatement Assistance:</p> <ol style="list-style-type: none"> 1. Borrower must demonstrate that the hardship caused by unemployment or underemployment has passed. For example, one of the borrowers was unemployed and now the same borrower is employed, eliminating the hardship. 2. There must be a correlation between the qualified hardship and the delinquency in the mortgage payments. 3. Borrowers must demonstrate that they now have the ability to afford the contractual payments. Affordability is defined as the payment being at or under 31% of documented gross income, when combined with other assistance.
6. Property/Loan	<ul style="list-style-type: none"> • Outstanding mortgage amount must be no greater than

Eligibility Criteria	<p>\$500,000.</p> <ul style="list-style-type: none"> • Property must be owner-occupied. • Mortgage(s) must be delinquent by at least two (2) payments; provided, however, in the case of a borrower that is current or has only one payment due and unpaid by the end of the month in which it is due, and makes application for Component assistance, such borrower will be evaluated to determine if it is at risk of imminent default. • Component payments must go toward a first mortgage. • Single-family dwelling (1 to 4 units).
7. Program Exclusions	<ul style="list-style-type: none"> • Eligible Unemployed/Underemployed/Reinstated Borrower(s) whose current first mortgage PITI payment is greater than the program maximum of \$2,000 or the program maximum plus the Borrower's 31% contribution of monthly gross income, excluding unemployment benefits. • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price. • Properties that have an outstanding mortgage(s) in an amount greater than \$500,000.
8. Structure of Assistance	<p>ADOH will execute and record a non-recourse, non-interest bearing forgivable note of no more than five (5) years in duration, secured by a junior lien on the property. The note amount will be forgiven at the completion of the loan term. If the borrower refinances or sells the property within the forgivable period, payment will be required if there is sufficient equity to repay.</p> <p>All remaining funds including those, if any, that were recycled into the SAVEOURHOMEAZ program will be returned to Treasury after December 31, 2017.</p>
9. Per Household Assistance	<p>Servicers have no responsibility for monitoring individual program participation and are not required to refund payments received that exceed individual program caps.</p> <ul style="list-style-type: none"> • Maximum monthly mortgage assistance of \$2,000, for a maximum of twenty-four (24) months. Upfront reinstatement assistance required by servicers in order for the homeowner to participate in UMA will be limited to twelve (12) months of monthly mortgage payment assistance in order for the homeowner to have available at least twelve (12) months of monthly mortgage payment assistance. • Like UMA, reinstatement assistance will be limited to a cap of \$48,000.

	<ul style="list-style-type: none"> Homeowners who graduate from the UMA program may also receive principal reduction assistance and/or second mortgage assistance to mitigate negative equity, up to the \$100,000 limit per household for all total combined assistance. Homeowners are considered to have “graduated” when their monthly mortgage payment becomes affordable to them, <i>i.e.</i>, 31% of documented monthly gross income.
10. Duration of Assistance	<p>Servicers have no responsibility for monitoring payment duration.</p> <ul style="list-style-type: none"> Up to twenty-four (24) months’ of mortgage payment assistance. Benefits may be provided for up to two (2) months post re-employment, provided the twenty-four (24) months’ maximum of mortgage payment assistance has not been met.
11. Estimated Number of Participating Households	It is anticipated that the unemployment/underemployment mortgage assistance component will assist a minimum of 4,140 households.
12. Program Inception/Duration	<ul style="list-style-type: none"> This program component began in March 2011 and assistance is expected to be expended by December 31, 2017. All funds still available after December 31, 2017 will be returned to Treasury.
13. Program Interactions with Other Programs (e.g. other HFA Programs)	Borrowers may participate in other components, as long as the total assistance is less than the total program cap (\$100,000).
14. Program Interactions with HAMP	ADOH’s program may interact with aspects of the Making Home Affordable Program (“MHA”) as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the ADOH provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial	Servicers will not charge administrative fees (e.g., NSF, late charges) in any month where a full contract payment is made.

Resources	If the loan is reinstated or modified following ADOH mortgage assistance, servicers will waive all administrative fees accrued since the beginning of the delinquency.
16. Qualify as an Unemployment Program	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SERVICE SCHEDULE B-4

SAVEMYHOMEAZ Short Sale Assistance Component Summary Guidelines

1. Program Overview	<p>Short sale assistance will provide the eligible seller the funds needed to relocate or secure a lease option purchase agreement on the property when a short sale has been approved by the homeowner's servicer. It will provide much needed enhancements to the short sale process for qualified sellers.</p> <p>ADOH is responsible for screening sellers to determine program eligibility and providing confirmation to the seller and servicer/lender that it intends to provide assistance to the seller.</p> <p>Servicers may refer potentially eligible sellers to ADOH.</p> <p>Depending on the agreement with the servicer and or purchaser of the subject property, one of two methods will be used to provide short sale assistance:</p> <ul style="list-style-type: none">• Assistance may be provided in order to facilitate the short sale.• Assistance may be provided in order to facilitate a short sale lease option transaction. <p>The structure of these two types of assistance is further discussed in Section 8.</p> <p>ADOH may provide funds directly to the homeowner as a part of the short sale closing/funding process but not prior to closing.</p>
2. Program Goals	Short sale assistance was designed to help stabilize communities by providing assistance to consumers in unrecoverable situations to transition from homeownership to renting as well as enhance the marketability of short sale properties and accelerate the stabilization of property value.
3. Target Population/Area	The targeted populations are households whose income does not exceed 150% of Area Median Income ("AMI").
4. Program Allocation (Excluding Administrative	\$3,336,695

Expenses)	
5. Borrower Eligibility Criteria	<ul style="list-style-type: none"> • Lender-approved short sale. • Purchase and Sale Agreement. • Requests for Mortgage Assistance (“RMA”) with hardship and Dodd Frank Certification.
6. Property/Loan Eligibility Criteria	<ul style="list-style-type: none"> • Property must have been owner-occupied within the last 12 months. • Outstanding mortgage amount must be no greater than \$500,000. • Single-family dwelling (1 to 4 units)
7. Program Exclusions	<ul style="list-style-type: none"> • Property located outside of Arizona. • Properties that have an outstanding mortgage(s) in excess of 150% of the purchase price. • Sellers who apply for assistance after the short sale has been completed. • Sellers who are executing a “strategic default” (determination made through program underwriting guidelines). • Properties that have an outstanding mortgage(s) in an amount greater than \$500,000.
8. Structure of Assistance	<p>Assistance under this component will be structured as a one-time payment to the appropriate party.</p> <p>When provided to facilitate a short sale, assistance may be structured in the following manner:</p> <ul style="list-style-type: none"> • Transition assistance may be available to the seller. • Seller-paid closing cost assistance on behalf of the buyer when applicable. • Assistance to extinguish junior liens when applicable. <p>When provided to facilitate a short sale with a lease purchase option, assistance may be structured in the following manner:</p> <ul style="list-style-type: none"> • Lease Purchase Option (LPO) for the subject property between the seller and the buyer. • Transaction fee paid to the buyer on behalf of the seller. • Property maintenance cash reserve payment paid to the buyer on behalf of the seller. • Financial assistance when the sales price exceeds 80% of the Broker Price Opinion (BPO) used to determine the sales price. These funds will be paid directly to the

	current lender to satisfy the short sale pay-off balance as part of the short sale closing process.
9. Per Household Assistance	<ul style="list-style-type: none"> • Maximum assistance for short sale assistance shall be \$25,000, in accordance with program guidelines. • Maximum assistance for short sale assistance with a lease purchase option shall be \$66,000, in accordance with program guidelines, including when combined with other programs.
10. Duration of Assistance	Program is a one-time payment per seller household, made upon close of escrow on the short sale.
11. Estimated Number of Participating Households	Based on ADOH eligibility criteria and available funding, we expect to provide assistance to a minimum of 338 households.
12. Program Inception/Duration	This program component began in June 2011 and it is projected that assistance will be expended by December 31, 2017. All funds still available after December 31, 2017 will be returned to Treasury.
13. Program Interactions with Other Programs (e.g. other HFA Programs)	Borrowers may participate in other components, as long as the total assistance does not exceed the short sale assistance component cap. Sellers participating in Home Affordable Foreclosure Alternative ("HAFA") Assistance may receive up to \$1,500 for relocation assistance.
14. Program Interactions with HAMP	ADOH's program may interact with aspects of the Making Home Affordable Program ("MHA") as ADOH tries to leverage the resources provided by the MHA programs to expand the pool of borrowers that are eligible for HAMP or other MHA options. In some cases, the assistance the ADOH provides under HHF can supplement and extend assistance provided through MHA. To maximize the effectiveness of our foreclosure mitigation efforts, servicers should use reasonable efforts to ensure that TARP funds are used efficiently and that HHF programs complement MHA programs.
15. Program Leverage with Other Financial Resources	Short sale assistance may be combined with lease purchase options funded by a third party.
16. Qualify as an Unemployment Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SCHEDULE C

PERMITTED EXPENSES

	Arizona
Program Duration (years)	
<i>One-time / Start-Up Expenses:</i>	
Initial Personnel	\$59,470.00
Building, Equipment, Technology	\$6,379.00
Professional Services	\$57,650.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$126.00
Travel	\$1,877.00
Website development /Translation	\$67,147.00
Contingency	\$0.00
Subtotal	\$192,649.00
<i>Operating / Administrative Expenses:</i>	
Salaries	\$9,086,947.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$601,962.00
Travel	\$106,905.00
Buildings, Leases & Equipment	\$678,720.00
Information Technology & Communications	\$300,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$100,000.00
Risk Management/ Insurance	\$0.00
Training	\$4,000.00
Marketing/PR	\$1,800,000.00
Miscellaneous	\$666,087.00
Subtotal	\$13,344,621.00
Transaction Related Expenses:	
Recording Fees	\$8,063,860.00
Wire Transfer Fees	\$0.00
Counseling Expenses	
File Intake	\$0.00
Decision Costs	\$0.00
Successful File	\$0.00
Key Business Partners On-Going	\$13,263,824.00
Subtotal	\$21,327,684.00
Grand Total	\$34,864,954.00
% of Total Award	13.02%
Award Amount	\$267,766,006