# TENTH AMENDMENT TO
# COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT
# and
# HFA PARTICIPATION AGREEMENT

This Tenth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the "Tenth Amendment") is entered into as of the date set forth on Schedule A attached hereto as the Tenth 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 together with the Original HPA as amended thereby, by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment, and Eighth 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 Tenth 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 Tenth 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 Tenth Amendment. All references herein to the "HPA" shall mean the Current HPA, as further amended by this Tenth 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 Tenth 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 Tenth 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 Tenth 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 Tenth Amendment and any other closing documentation delivered to

Treasury in connection with this Tenth 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 Tenth Amendment and any other closing documentation delivered to Treasury in connection with this Tenth Amendment, and to perform its obligations hereunder and thereunder.

**3. Miscellaneous**

A. The recitals set forth at the beginning of this Tenth 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 Tenth 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 Tenth 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 Tenth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

**HFA**:

CALIFORNIA HOUSING FINANCE AGENCY

By: /s/ Claudia Cappio
Name: Claudia Cappio
Title: Executive Director

**TREASURY**:

UNITED STATES DEPARTMENT OF THE TREASURY

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

**ELIGIBLE ENTITY**:

CALHFA MORTGAGE ASSISTANCE CORPORATION

By: /s/ Diane M. Richardson
Name: Diane M. Richardson
Title: President

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

**HFA:**

CALIFORNIA HOUSING FINANCE AGENCY

By: _____
Name:
Title:

**TREASURY:**

UNITED STATES DEPARTMENT OF THE TREASURY

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

**ELIGIBLE ENTITY:**

CALHFA MORTGAGE ASSISTANCE CORPORATION

By: _____
Name:
Title:

## EXHIBITS AND SCHEDULES

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

## SCHEDULE A

## BASIC INFORMATION

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| Eligible Entity Information: | |
| Name of the Eligible Entity: | CalHFA Mortgage Assistance Corporation |
| Corporate or other organizational form: | Nonprofit Public Benefit Corporation |
| Jurisdiction of organization: | California |
| Notice Information: | |
| HFA Information: | |
| Name of HFA: | California Housing Finance Agency |
| Organizational form: | Agency of the State of California |
| Date of Application: | April 16, 2010 |
| Date of Action Plan: | September 1, 2010 |
| Notice Information: | |
| Program Participation Cap: | $1,975,334,096.00 |
| Portion of Program Participation Cap Representing Original HHF Funds: | $ 699,600,000.00 |
| Portion of Program Participation Cap Representing Unemployment HHF Funds: | $ 476,257,070.00 |
| Permitted Expenses: | $ 148,150,057.20 |
| Closing Date: | June 23, 2010 |
| First Amendment Date: | September 23, 2010 |
| Second Amendment Date: | September 29, 2010 |
| Third Amendment Date: | December 16, 2010 |
| Fourth Amendment Date: | March 31, 2011 |

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| Fifth Amendment Date: | August 3, 2011 |
| Sixth Amendment Date: | October 28, 2011 |
| Seventh Amendment Date: | May 3, 2012 |
| Eighth Amendment Date: | July 17, 2012 |
| Ninth Amendment Date: | December 14, 2012 |
| Tenth Amendment Date: | June 6, 2013 |
| Eligible Entity Depository Account Information: | See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program. |

## SCHEDULE B

## SERVICE SCHEDULES

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

## SCHEDULE B-1

**California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")**

**UNEMPLOYMENT MORTGAGE ASSISTANCE PROGRAM**

**Summary Guidelines**

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| **1. Program Overview** | The Unemployment Mortgage Assistance Program ("UMA") is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible California homeowners who wish to remain in their homes, but have suffered a loss of income due to unemployment.<br><br>CalHFA MAC is partnering with financial institutions to directly provide program funds to subsidize an eligible homeowner's mortgage payments.<br><br>UMA provides mortgage payment assistance equal to the lesser of $3,000 per month or 100% of the PITI (principal, interest, tax, insurance) and any escrowed homeowner's association dues or assessments, for up to twelve (12) months, with the purpose of preventing avoidable foreclosures until such time that the homeowner retains employment sufficient to meet the demands of satisfying their regular mortgage payment. |
| **2. Program Goals** | UMA's goal is to help homeowners remain in their homes and prevent avoidable foreclosures despite loss of income due to unemployment.<br><br>The UMA will minimize past due payments, and provide a homeowner with additional time to find alternate employment and replace income needed to make their mortgage payment.<br><br>UMA was designed to assist homeowners who are currently receiving California Employment Development Department unemployment benefits.<br><br>UMA was designed to complement other loss mitigation programs, including increasing a homeowner's eligibility for an extended written forbearance plan and/or loan modification. |
| **3. Target Population / Areas** | UMA is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties. |
| **4. Program** | $874,995,915.28 |

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| **Allocation (Excluding Administrative Expenses)** | |
| **5. Borrower Eligibility Criteria** | • Homeowner must qualify as a low-to-moderate income household, as follows:<br>  o Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in the county where homeowner resides.<br>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.<br>• Homeowners who have recently encountered a financial hardship due to underemployment or unemployment, including those whose unemployment hardship is related to their military service.<br>• Homeowner's total monthly first-lien mortgage payment PITI and escrowed association fees (principal, interest, taxes, and insurance, as applicable) must exceed 31 percent of the homeowner's gross monthly household income, including unemployment benefits.<br>• Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.<br>• Homeowner must be currently receiving California Employment Development Department unemployment benefits.<br>• Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner's hardship documentation.<br>• Loans in foreclosure at the time of homeowner request for assistance are not eligible.<br>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.<br>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation. |
| **6. Property / Loan Eligibility Criteria** | • Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.<br>• The property securing the mortgage loan must not be abandoned, vacant or condemned. |

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| | • The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien. |
| **7. Program Exclusions** | • A Notice of Default ("NOD") has been recorded on the subject property as of the date of request for assistance or at the time homeowner requested HAMP UP forbearance from their servicer.<br>• Homeowner in an "active" bankruptcy is ineligible for program assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge".<br>• Loan is in foreclosure as evidenced by a recorded NOD.<br>• Homeowner's "hardship" is a result of voluntary resignation of employment.<br>• Homeowner in an active HAMP trial modification is not eligible for UMA consideration unless the trial is cancelled.<br>• Homeowner becomes re-employed at any time during the UMA benefit period.<br>• The homeowner is not eligible for unemployment benefits from the California Employment Development Department.<br>• Homeowner is actively being reviewed for TAP benefits. |
| **8. Structure of Assistance** | CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the total reduced PITI and any escrowed homeowner's association dues or assessments, and equal to the total amount of HHF unemployment assistance. At the conclusion of (3) three years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.<br><br>After December 31, 2017, any remaining or returned funds will be returned to Treasury. |
| **9. Per Household Assistance** | Up to $36,000 per household in total (average funding of $16,820.07), equaling the lesser of $3,000 per month or 100% of PITI and any escrowed homeowner's association dues or assessments (and in all cases, subject to the HHF program maximum benefit cap of $100,000 with respect to monies previously received under other HHF programs, if any). |
| **10. Duration of Assistance** | Homeowner participation in UMA is limited to twelve (12) months maximum. |

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| **11. Estimated Number of Participating Households** | Approximately 52,021. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $16,820.07. |
| **12. Program Inception /Duration** | The statewide launch of UMA was January 10, 2011 and it will continue up to five (5) years or until funding is fully reserved. |
| **13. Program Interactions with Other HFA/Programs** | UMA will serve as a gateway to homeowner programs aimed at reinstatement and principal reduction, as permitted by program guidelines. |
| **14. Program Interactions with HAMP** | This benefit may precede or extend HAMP, including HAMP UP, for temporary unemployment assistance which when combined may provide assistance for more than one year. HAMP UP currently offers a minimum of twelve months' forbearance for some homeowners. |
| **15. Program Leverage with Other Financial Resources** | Upon completion of all UMA benefit assistance payments and based on homeowner need, the servicer agrees to consider an extension of unemployment forbearance plan (such as HAMP UP or other proprietary program) or other foreclosure prevention program, as applicable and per investor guidelines.<br><br>CalHFA MAC will request that the loan servicer waive fees (e.g., NSF and late charges). |
| **16. Qualify as an Unemployment Program** | ☑ Yes ☐ No |

## SCHEDULE B-2

**California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")**

## MORTGAGE REINSTATEMENT ASSISTANCE PROGRAM

### Summary Guidelines

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| **1. Program Overview** | The Mortgage Reinstatement Assistance Program ("MRAP") is one of CalHFA MAC's federally-funded programs developed to provide temporary financial assistance to eligible homeowners who wish to remain in their homes, but are in imminent danger of losing their home to foreclosure.<br><br>MRAP provides funds to assist income-qualified homeowners to help them cure their delinquent first mortgage loan arrearages, which may also include payments needed to reinstate their loans from foreclosure. |
| **2. Program Goals** | The MRAP will prevent avoidable foreclosures by helping homeowners reinstate their past due first mortgage loans.<br><br>MRAP will also mitigate the need for large reinstatement dollars to be capitalized with remaining loan balance, and thus, broaden the population of homeowners who qualify for modification. |
| **3. Target Population / Areas** | MRAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties. |
| **4. Program Allocation (Excluding Administrative Expenses)** | $159,400,000.00 |
| **5. Borrower Eligibility Criteria** | • Homeowner must qualify as a low-to-moderate income household, as follows:<br>  o Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in the county where homeowner resides.<br>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.<br>• Homeowners who have recently encountered a financial hardship due to their military service are eligible. |

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| | • Homeowner has adequate income to sustain reinstated first-lien mortgage loan, per CalHFA MAC approved investor guidelines.<br>• Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.<br>• Mortgage loan is delinquent as substantiated by homeowner's hardship documentation. Loans in foreclosure are eligible.<br>• If the reinstatement assistance is combined with a loan modification, the homeowner's modified monthly mortgage payment ratio must be reduced to at least 38% of the gross household income (excluding unemployment benefits) to meet the definition of an affordable payment.<br>• On a case by case basis, CalHFA MAC reserves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.<br>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.<br>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation. |
| **6. Property / Loan Eligibility Criteria** | • Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.<br>• The property securing the mortgage loan must not be abandoned, vacant or condemned.<br>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien. |
| **7. Program Exclusions** | • Homeowner in an "active" bankruptcy is ineligible for MRAP assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge".<br>• MRAP benefit assistance request for reinstatement with a first-lien PITI and any escrowed homeowner's association dues or assessments, payment of greater than 38% of the homeowner's gross monthly household income, excluding unemployment benefits will be considered unaffordable and is excluded from MRAP reinstatement benefit assistance |

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| | unless that assistance is combined with a loan modification.<br>• Loan is less than two (2) payments past due as of the date of request for assistance. |
| **8. Structure of Assistance** | CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (3) three years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.<br><br>After December 31, 2017, any remaining or returned funds will be returned to Treasury. |
| **9. Per Household Assistance** | Up to $25,000 per household in total (average funding of $18,052.46) for PITI and any escrowed homeowner's association dues or assessments, arrearages (and in all cases, subject to the HHF program maximum benefit cap of $100,000 with respect to monies previously received under other HHF programs, if any). |
| **10. Duration of Assistance** | Available on a one-time only basis, per household. |
| **11. Estimated Number of Participating Households** | Approximately 8,830. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an average funding of $18,052.46. |
| **12. Program Inception / Duration** | The statewide launch of MRAP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved. |
| **13. Program Interactions with Other HFA Programs** | MRAP will serve as a gateway to other loss mitigation programs, including loan modification which may include principal reduction, including other HHF programs and the Principal Reduction Program. |
| **14. Program Interactions with HAMP** | MRAP will serve as a gateway to HAMP which may include principal reduction of homeowner's mortgage. |

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| **15. Program Leverage with Other Financial Resources** | CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees for all payments funded with MRAP benefits. |
| **16. Qualify as an Unemployment Program** | ☐ Yes ☑ No |

## SCHEDULE B-3

**California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")**

**PRINCIPAL REDUCTION PROGRAM**

**Summary Guidelines**

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| **1. Program Overview** | The Principal Reduction Program ("PRP") is one of CalHFA MAC's federally-funded programs developed with a goal to provide capital to homeowners that have suffered a hardship to reduce the outstanding principal balances of qualifying properties with negative equity.<br><br>PRP will provide monies to reduce the principal balance of the first mortgage through a loan recast or in conjunction with a loan modification that includes a rate reduction, each with the purpose of establishing an appropriate level of debt for eligible homeowners with qualifying properties. |
| **2. Program Goals** | The PRP will reduce the principal balances of underwater mortgages in cooperation with participating lenders. Such lenders will recast eligible loans or provide a loan modification that includes a rate reduction, in each case to provide an incentive for qualifying homeowners to remain in their homes during this period of steep declines in value.<br><br>A reduction in principal through PRP, by way of either a loan recast or loan modification, will achieve desired income ratios and affordability for a homeowner with respect to their existing mortgage. |
| **3. Target Population / Areas** | PRP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties. |
| **4. Program Allocation (Excluding Administrative Expenses)** | $772,197,793.52 |
| **5. Borrower Eligibility Criteria** | • Homeowner must qualify as a low-to-moderate income household, as follows:<br>  o Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and Community Development), for a family of four, in |

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| | the county where homeowner resides.<br>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.<br>• Homeowners who have recently encountered a financial hardship due to their military service are eligible.<br>• Homeowner has adequate income to sustain modified mortgage payments per CalHFA MAC approved investor guidelines.<br>• Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.<br>• Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner's hardship documentation. Loans in foreclosure are eligible.<br>• The homeowner's modified monthly mortgage payment ratio must be reduced to at least 38% of the gross household income (excluding unemployment benefits) to meet the definition of an affordable payment. On a case-by-case basis, CalHFA MAC reserves the right to review and approve investor program guidelines that utilize affordable mortgage definitions greater than 38%.<br>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come/first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.<br>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation. |
| **6. Property / Loan Eligibility Criteria** | • Property is encumbered by a first-lien mortgage loan that was originated on or before January 1, 2010.<br>• Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.<br>• The property securing the mortgage loan must not be abandoned, vacant or condemned.<br>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien.<br>• PRP funds may be used in conjunction with a loan recast or a loan modification that includes a rate reduction to achieve long term sustainability for the homeowner. Loan |

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| | modifications that include PRP assistance must include a rate reduction and may or may not include an adjustment to term or additional forbearance to achieve affordability. |
| **7. Program Exclusions** | • Homeowner in an "active" bankruptcy is ineligible for assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge".<br>• Homeowner fails to satisfy lender underwriting guidelines.<br>• Loan to value (LTV) of less than 105%.<br>• A loan recast or loan modification that would result in a post-modified LTV of greater than 140%.<br>• Homeowner's pre-modified total monthly first-lien mortgage payment PITI and escrowed association fees (principal, interest, taxes, and insurance, as applicable) is less than 31 percent of the homeowner's gross monthly household income, excluding unemployment benefits as determined by CalHFA MAC at the time of a homeowner's application for assistance. Unemployment benefits may not be used to qualify for PRP assistance. |
| **8. Structure of Assistance** | In the event that CalHFA MAC receives less than 100% match by the lender/servicer, CalHFA MAC will structure the assistance as a non-recourse, non-interest bearing subordinate loan in favor of the Eligible Entity (CalHFA MAC) secured by a junior lien recorded against the property in the amount of the HHF assistance. At the conclusion of (5) five years, the subordinate loan will be released. Loan funds will only be repaid to Eligible Entity (CalHFA MAC) in the event of a sale or a refinance that includes cash out with sufficient net equity proceeds prior to forgiveness. Recovered funds will be recycled in order to provide additional program assistance until December 31, 2017, at which time any recovered funds will be returned to Treasury.<br><br>If the lender/servicer matches the assistance in an amount equal to or greater than 100% of the PRP assistance provided to the homeowner, then the assistance is not required to be structured as a loan to the homeowner.<br><br>After December 31, 2017, any remaining or returned funds will be returned to Treasury. |
| **9. Per Household Assistance** | Up to $100,000 per household (average funding of $86,029.41), less program monies previously received under other HHF programs. |
| **10. Duration of Assistance** | In most cases, assistance will be available to households on a one-time only basis; provided, however, CalHFA MAC reserves the right to provide additional PRP benefits (not exceed the maximum program assistance amount per household) to previous PRP recipients if the homeowner has suffered a subsequent, valid |

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| | hardship. |
| **11. Estimated Number of Participating Households** | Approximately 8,976. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000, with an average funding of $86,029.41. |
| **12. Program Inception / Duration** | The statewide launch of PRP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved. |
| **13. Program Interactions with Other HFA Programs** | PRP may be used in conjunction with MRAP aimed at reinstatement. |
| **14. Program Interactions with HAMP** | PRP may work in conjunction with a HAMP modification to help eligible homeowners achieve desired income ratios and affordability. PRP may also be combined or used in conjunction with the HAMP Principal Reduction Alternative (PRA). PRP funds are not eligible in any combination to qualify for HAMP PRA investor incentive compensation. |
| **15. Program Leverage with Other Financial Resources** | The goal of the program is for the applicable servicer/lender to leverage PRP funds as necessary by providing a loan modification that includes a rate reduction or loan recast to help establish an appropriate level of first mortgage debt for homeowners with qualifying properties.<br><br>CalHFA MAC will require that the servicer waive all accrued and unpaid late charges and NSF fees at the time the modification agreement is completed. CalHFA MAC will require the servicer to waive any associated recast fee. |
| **16. Qualify as an Unemployment Program** | ☐ Yes ☑ No |

## SCHEDULE B-4

**California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")**

**THE TRANSITION ASSISTANCE PROGRAM**

**Summary Guidelines**

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| **1. Program Overview** | The Transition Assistance Program ("TAP") is one of CalHFA MAC's federally-funded programs developed to provide eligible homeowners with transition assistance when it is determined that they can no longer afford their home.<br><br>TAP will be used in conjunction with short sale and deed-in-lieu programs to help homeowners make a smooth transition to housing. Homeowners will be required to occupy and maintain the property until the home is sold or returned to the lender as negotiated.<br><br>Program funds will be available on a one-time only basis up to $5,000 per household and can be used or layered with other CalHFA MAC HHF programs. Funds will be sent to the servicer or homeowner after or in connection with the short sale or deed-in-lieu of foreclosure closing. Funds are intended to help the homeowner secure new housing (e.g., rent, moving expenses, and security deposits) and will also be available for transition assistance counseling services. |
| **2. Program Goals** | CalHFA MAC envisions that these monies would be used to complement other federal or lender programs designed specifically to stabilize communities by providing assistance to homeowners who have suffered a financial hardship and as a result are no longer financially able to afford their mortgage payments. |
| **3. Target Population / Areas** | TAP is designed to target low-to-moderate income homeowners and address the needs of a homeowner's specific situation in lieu of targeting certain regions or counties. |
| **4. Program Allocation (Excluding Administrative Expenses)** | $2,300,000.00 |
| **5. Borrower Eligibility Criteria** | • Homeowner must qualify as a low-to-moderate income household, as follows:<br>  o Low-to-moderate income of 120% or less of the HCD Area Median Income (as defined by the California State Department of Housing and |

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| | Community Development), for a family of four, in the county where homeowner resides.<br>• Homeowner must complete and sign a Hardship Affidavit / 3rd Party Authorization to document the reason for the hardship.<br>• Homeowners who have recently encountered a financial hardship due to their military service are eligible.<br>• Homeowner must agree to provide all necessary documentation to satisfy program guidelines established by CalHFA MAC.<br>• Mortgage loan is delinquent or at risk of imminent default as substantiated by homeowner's hardship documentation. Loans in foreclosure are eligible.<br>• General program eligibility is determined by CalHFA MAC, the housing counselor or servicer based on information received from the homeowner. Program-specific eligibility is determined by CalHFA MAC on a first-come/, first-approved basis until program funds and funding reserves have been exhausted. Loan servicer will implement the HHF program based on participation agreement terms and conditions.<br>• Funding allocation will be tracked, monitored and performed by CalHFA MAC in a centralized processing operation. |
| **6. Property / Loan Eligibility Criteria** | • Current unpaid principal balance ("UPB") of the first-lien mortgage loan is not greater than $729,750.<br>• The property securing the mortgage loan must not be abandoned, vacant or condemned.<br>• The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and it must be their primary residence. Mobile homes are eligible if they are permanently affixed to the real property that is secured by the first lien. |
| **7. Program Exclusions** | • Homeowner in an "active" bankruptcy is ineligible for TAP assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge". |
| **8. Structure of Assistance** | TAP assistance will not be structured as a loan.<br><br>After December 31, 2017, any remaining or returned funds will be returned to Treasury. |
| **9. Per Household Assistance** | Up to $5,000 per household (average funding of $5,000.00). |
| **10. Duration of Assistance** | Available on a one-time only basis, per household. |
| **11. Estimated Number of** | Approximately 460. This figure is based on loans with unpaid principal balances ranging from $200,000 to $400,000 with an |

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| **Participating Households** | average funding of $5,000.00. |
| **12. Program Inception /Duration** | The statewide launch of TAP was February 7, 2011 and it will continue up to five (5) years or until funding is fully reserved. |
| **13. Program Leverage with Other HFA Programs** | TAP benefits may be available to the homeowner even if UMA, MRAP and/or PRP benefits have been utilized, subject to the HHF program maximum benefit cap of $100,000. |
| **14. Program Interactions with HAMP** | TAP complements HAMP and HAFA. The funds will leverage monies being made available through HAFA. Servicer is required to follow HAFA guidelines for allowable costs. In cases where the servicer has approved the homeowner for a HAFA transaction, TAP dollars will be limited to $2,000 in order to maintain the $5,000 HHF program maximum per household. |
| **15. Program Leverage with Other Financial Resources** | None. |
| **16. Qualify as an Unemployment Program** | ☐ Yes ☑ No |

## SCHEDULE B-5

**California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")**

**Community HousingWorks**
**C2MPRP: Community 2nd Mortgage Principal Reduction Program**

**Summary Guidelines**

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| **1. Program Overview** | The Community 2nd Mortgage Principal Reduction Program (Community 2nd Mortgage PRP, or C2MPRP) is offered through a CalHFA federally-funded Hardest Hit Fund program through a contract between CalHFA MAC and Community HousingWorks. Community HousingWorks will administer this program.<br><br>C2MPRP will provide capital on 40/60 matching basis with participating nonprofit, credit union and lenders, to reduce the outstanding principal balances of subordinate second mortgages, as well as providing relief for a subordinate lien on a short sale on a 40/60 matching basis for qualifying properties with negative equity exceeding 107% CLTV. The lenders who will participate in this program are nonprofit lenders, credit unions and lenders with qualifying subordinate liens. These lenders provided "amortizing seconds" home buyers throughout California. Participation in this program is Statewide. C2MPRP will provide monies to reduce the principal balance on a 40/60 matching basis for the purposes of establishing an appropriate level of debt for eligible borrowers with qualifying properties. For example, if the subordinate debt to be extinguished is $50,000, the C2MPRP program will provide up to 40% of that amount or $20,000 and the participating lender/investor would forgive 60% or $30,000. A reduction in principal through C2MPRP can achieve desired income ratios and affordability for a borrower on the existing mortgage loans or can be used in conjunction with a loan modification. Lenders holding subordinate liens in the State of California may find that their clients' only option to avoid foreclosure is a short sale. The C2MPRP program can provide subordinate lien holders a 40/60 matching incentive for the subordinate lien holder to facilitate a short sale in order to avoid foreclosure. The principal reduction will be 40% of the principal balance and the lender will accept the 60% reduction. For example if the total principal balance is $50,000, the C2MPRP program can provide $20,000 to subordinate lien holders if they will accept the principal reduction of $30,000 in order to accept the short sale. The total amount of principal that can be paid out on all |

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| | liens is $50,000. |
| **2. Program Goals** | The goal of this program is to reduce foreclosures by reducing principal balances, on qualified amortizing subordinate debt, to those market levels needed to prevent avoidable foreclosures and promote sustainable homeownership.<br><br>There are situations where a short sale is the only solution to avoiding foreclosure; by providing matching funds this will incent the subordinate lien holders, who in many cases are only able to recover a $1,000 or less in a short sale, to accept the transaction and allow the sale to go through. |
| **3. Target Population / Areas** | This program will be offered on a statewide basis. |
| **4. Program Allocation (Excluding Admin Expenses)** | $9,245,330.00. |
| **5. Borrower Eligibility Criteria** | • Borrower earns 120% AMI or less, as defined by the county they reside in.<br>• Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship.<br>• Hardship is defined as economic hardship, which occurs when a household is unable to pay reasonable basic living expenses. The determination of a reasonable amount for basic living expenses will be made by the Underwriter and will vary according to the unique circumstances of every individual household.<br>• Borrower has adequate income to sustain modified mortgage payments defined as a housing debt-to-income ratio of no more than 38% (first lien only), excluding temporary income such as unemployment or temporary disability payments.<br>• In the case of a short sale request, homeowner must be able to verify that they have a hardship that does not permit them to make their monthly mortgage payments or they meet the GSE standard short sale requirements.<br>• Borrower has completed level 2 counseling with a HUD-approved agency. Payment for counseling services will not be paid out of Hardest Hit funds |

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| | • Borrower is able to satisfy program guidelines.<br>• The first or second subordinate mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications. |
| **6. Property/Loan Eligibility Criteria** | • The property is encumbered by a first lien conventional loan<br>• Property must be single family residential 1-4 units, condominium, or cooperative.<br>• The total mortgage indebtedness cannot exceed the GSE conforming limit of $729,750.<br>• The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair.<br>• The subject property is the borrower's principal residence and the property is located in California.<br>• HELOCs with required monthly payments (amortized or interest only) may be considered. Documentation that these loans have been closed and reconveyed if C2MPRP assistance is provided will be required. |
| **7. Program Exclusions** | • Borrower's property is subject to a foreclosure trustee sale (does not apply to short sale requests).<br>• Hardship caused by voluntary resignation of employment.<br>• Second mortgages eligible for 2MP or 2LP.<br>• Borrower fails to satisfy underwriting guidelines.<br>• Homeowner in an "active" bankruptcy is ineligible for assistance consideration. Homeowners who have previously filed bankruptcy are eligible for consideration with proof of court order "Dismissal" or "Discharge". |
| **8. Structure of Assistance** | The assistance will not be structured as a loan since there will always be at least a 40/60 match from the lender. |
| **9. Per Household Assistance** | The lower of 2 limiting guidelines:<br>Maximum of $50,000; or amount which, with the match, lowers CLTV to107%.<br>It is expected that the average assistance will be approximately $25,000. |
| **10. Duration of** | The assistance will be a onetime payment. |

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| **Assistance** | |
| **11. Estimated Number of Participating Households** | Approximately 370 |
| **12. Program Inception/ Duration** | The Program will launch within 90 days of Treasury approval and will be available for approximately 2-3 years, until funds are exhausted. Any funds remaining on hand on December 31, 2017 will be returned to Treasury. |
| **13. Program Interactions with Other HFA Programs** | C2MPRP cannot be utilized with other Keep Your Home California programs except for the Unemployment Mortgage Assistance program. Recipients of the C2MPRP program shall be notified in writing that their participation in that program will disqualify them from participating in any other Keep Your Home California program except the Unemployment Mortgage Assistance Program. |
| **14. Program Interactions with HAMP** | C2MPRP complements and leverages HAMP 1st mortgage modifications since reduction or elimination of the 2nd liens will enable many borrowers to qualify for a HAMP modification. |
| **15. Program Leverage with Other Financial Resources** | Participating lenders will be required to write down 60% of the overall principal reduction (in the case of a short sale, lender will forgive debt up to 60%) calculated and approved by C2MPRP Underwriting, and C2MPRP shall pay the lender the remaining 40% as a subsidy. The lender will provide modification of the Note to reflect 100% of the overall principal reduction. |
| **16. Qualify as an Unemployment Program** | ☐ Yes ☑ No |

## SCHEDULE B-6

**California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")**

**Los Angeles Housing Department ("LAHD")**
**Principal Reduction Program**

**Summary Guidelines**

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| **1. Program Overview** | LAHD will contract with CalHFA MAC to offer the Los Angeles Mortgage Modification Program (the "Program") through CalHFA MAC's Innovation Fund. This Program will target those neighborhoods most impacted by foreclosures and sub-prime lending in the City. Working with local community-based partners, the Program will enable eligible homeowners in Neighborhood Stabilization Program targeted neighborhoods to receive sustainable loan modifications with permanent principal reduction. Program funds will be used to compensate lenders for forgiven principal on proprietary (non-HAMP) loan modifications. For loans over 180 days past due, the payout will be $0.06 for each $1.00 of principal forgiveness. For loans up to 180 days past due, the equivalent payment will be the following payouts for each $1.00 of principal forgiveness:<br><br>(LTV, CLTV) 105% - 115%: $0.21<br>(LTV, CLTV) 115% - 140%: $0.15<br>(LTV, CLTV) > 140%: $0.10<br><br>Any changes to the payment structure authorized by the Home Affordable Modification Program Principal Reduction Alternative Program, including subsequent amendments to Supplemental Directive 10-05 may also apply to this Program.<br><br>In certain circumstances, if necessary to prevent a foreclosure, additional assistance may be provided to enable a loan modification after the lender demonstrates that the additional assistance is needed to qualify the borrower for the modification. In no instance will the assistance exceed $50,000 or 50% of the total amount of forgiven principal, whichever is less. |
| **2. Program Goals** | Leverage existing neighborhood stabilization efforts in the City by targeting at-risk borrowers in those neighborhoods most impacted by foreclosures and providing sustainable loan modifications with affordable payments that include permanent principal reduction consistent with the guidelines outlined herein. The Program goals |

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| | include maximizing leverage (City grant/Amount of Principal Write down) at 21%, with a Loan to Value/Combined Loan to Value (LTV, CLTV) ranging from 105% to 125%. |
| **3. Target Population / Areas** | Eligible homeowners at risk of foreclosure with income less than 120% AMI residing in neighborhoods most impacted by foreclosure and sub-prime lending as designated through the Neighborhood Stabilization Program (NSP), including all NSP1, NSP2, and NSP3 target areas funded by the U.S. Department of Housing & Urban Development (HUD) within the City of Los Angeles. |
| **4. Program Allocation (Excluding Administrative Expenses)** | $ 4,500,000.00 |
| **5. Borrower Eligibility Criteria** | • Borrower's household income must be at or below 120% of Area Median Income.<br>• Borrower must be currently paying more than 31% of verified monthly housing income toward their first and subordinate mortgage payments (principal, interest, taxes, insurance and association dues, if applicable).<br>• Borrower must complete and sign a Hardship Affidavit documenting the reason for the financial hardship. |
| **6. Property / Loan Eligibility Criteria** | • Borrower must own and occupy the property and it must be their primary residence.<br>• Property must be located in designated NSP areas in the City of Los Angeles.<br>• Current unpaid principal balance of the first lien mortgage loan is not greater than $729,750. |
| **7. Program Exclusions** | • Borrower owns other real property. |
| **8. Structure of Assistance** | • The assistance will not be structured as a loan since there will always be at least a 1 to 1 match from the lender.<br>• Borrower receives a fixed rate loan on the modified 1st mortgage.<br>• Borrower's housing payment must be affordable.<br>• Loan to Value/Combined Loan to Value (LTV, CLTV) cannot be less than 105% if the post-mod DTI is 31% or greater and cannot be less than 115% if the post-mod DTI is less than 31%. |
| **9. Per Household Assistance** | Estimated average assistance per household is $27,000 with a maximum amount of assistance of $50,000. |

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| **10. Duration of Assistance** | One time payment. |
| **11. Estimated Number of Participating Households** | 166 based on $27,000 estimated average assistance per household. |
| **12. Program Inception / Duration** | The Program is planned to begin providing assistance in the fourth quarter of 2011 with duration of approximately 24 months from initial funding. |
| **13. Program Interactions with Other HFA Programs** | None; a homeowner cannot receive benefits under this Program and CalHFA MAC's Keep Your Home California (HFA Hardest Hit Programs). |
| **14. Program Interactions with HAMP** | None. Only borrowers that do not qualify for HAMP will be eligible for this Program. |
| **15. Program Leverage with Other Financial Resources** | This Program will require lender matching as described above. |
| **16. Qualify as an Unemployment Program** | ☐ Yes ☑ No |

# SCHEDULE B-7

## California Housing Finance Agency Mortgage Assistance Corporation ("CalHFA MAC")

## NeighborWorks® Sacramento Short Sale Gateway Program

## Summary Guidelines

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| **1. Program Overview** | The Short Sale Gateway Program (the "Program") provides an avenue for homeowners who have exhausted options to modify loans to remain in their homes through a short sale coupled with a lease-purchase agreement between the homeowner and NeighborWorks® Sacramento ("NWS"). This will give the homeowner the possibility of returning to homeownership at the conclusion of a successful predetermined lease period.<br><br>HHF assistance is structured in the form of a payment to the existing lender to enable a short sale (the "Program Payment"), which allows the purchase of the property by Neighbor Works® Sacramento at the then current market value, funded by a new mortgage loan obtained by NWS, and the lease of the property back to the original homeowner/borrower. The borrower will be eligible to execute a lease purchase agreement that will allow the borrower to purchase the property at the end of the lease period. To accomplish the purchase transaction, the borrower will assume the mortgage at the conclusion of the lease period at its then-current unpaid principal balance.<br><br>The Program Payment will be twenty percent of the negative equity, not to exceed $45,000. Sales proceeds paid by NWS plus the Program Payment to lender will never exceed 80% of unpaid principal balance. Property value will be determined by Broker Price Opinion. The portion of the sales price paid by NWS must not exceed the value established by the Broker Price Opinion. NeighborWorks® Sacramento will receive an activity delivery fee of $5,000 per unit at the closing of the short sale transaction. The Program Payment and activity delivery fee will be paid from HHF funds by CalHFA MAC to NWS. Funds used for the remainder of the sales proceeds will come from separate financing sources or NWS cash on hand. |

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| | If a borrower does not successfully complete the lease period, the home will be sold by NWS. Profits in excess of costs to NWS will be returned to CalHFA MAC for use in other Hardest Hit Fund programs or to be returned to the Department of Treasury. All transactions must be closed prior to December 21, 2017. Unspent funds as of December 31, 2017 and funds recaptured from sales upon lease termination after December 31, 2017 will be returned to the Department of Treasury. |
| **2. Program Goals** | The Program will, in cooperation with participating lenders, provide an option for borrowers to remain in their homes after efforts to modify loans have been exhausted.<br><br>The Program goals are to prevent dislocation of households, prevent the creation of vacant units and return borrowers to successful homeownership. |
| **3. Target Population/Areas** | The Program is designed to target low-to-moderate income homeowners who have exhausted loan modification options and address the needs of a borrower's specific situation in lieu of targeting certain regions or counties. |
| **4. Program Allocation (Excluding Administrative Expenses)** | $4,545,000.00 |
| **5. Borrower Eligibility Criteria** | ▪ Low-to-moderate income limitation of 120% or less of Area Median Income based upon the county where borrower resides.<br>▪ Borrower must complete and sign a Hardship Affidavit and document the reason for the hardship.<br>▪ Borrower has adequate income to sustain lease to purchase rental payments. Borrower's maximum housing debt to income ratios: 38% at time of lease execution, 38% at time of purchase. Borrower's maximum total debt to income ratios: 50% at time of lease execution, 41% at time of purchase.<br>▪ The mortgage loan is delinquent or the servicer receives documentation from the borrower that substantiates an imminent default that meets hardship qualifications.<br>▪ Borrower must demonstrate that she/he has sought |

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| | alternative loan modification and home preservation options and has not received a favorable response.<br>▪ In order to regain homeownership the borrower must meet established underwriting standards of lease-purchase mortgage by the end of the specified lease period. |
| **6. Property/Loan Eligibility Criteria** | ▪ The property is encumbered by a first lien mortgage loan.<br>▪ The total unpaid principal balance cannot exceed the GSE conforming limit of $729,750.<br>▪ The property securing the mortgage loan must not be abandoned, vacant, condemned or in a serious state of disrepair.<br>▪ The applicant must own and occupy the single family, 1-4 unit home (an attached or detached house or a condominium unit) located in California and must currently reside in the home as their primary residence. |
| **7. Program Exclusions** | ▪ Hardship caused by voluntary resignation of employment.<br>▪ Borrower fails to satisfy lender underwriting guidelines. |
| **8. Structure of Assistance** | Assistance will not be structured in the form of a loan. |
| **9. Per Household Assistance** | Up to $50,000 inclusive of activity delivery fee. |
| **10. Duration of Assistance** | HHF funds will be a one time payment to lender/servicer and NWS. |
| **11. Estimated Number of Participating Households** | 91 |
| **12. Program Inception/ Duration** | The Program will be available to clients within 90 days of approval and it is estimated that funds will be exhausted in three years. |
| **13. Program Interactions with Other HFA** | This Program may not be used in conjunction with other CalHFA programs and is meant to be used as a last effort to |

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| **Programs** | avoid foreclosure and displacement.<br><br>Borrowers participating in this Program are not eligible for participation in HAFA. |
| **14. Program Interactions with HAMP** | This Program may be used only after efforts to achieve successful modification under HAMP have been exhausted. |
| **15. Program Leverage with Other Financial Resources** | The applicable servicer/lender will match Program funds more than dollar-for-dollar. The matching funds will come in the form of unpaid principal balance forgiven by the lender in the short sale process.<br><br>Program funds will be leveraged with private funds from NWS. The property purchase amount, less the Program Payment will be provided by NWS via cash and mortgage financing. |
| **16. Qualify as an Unemployment Program** | ☐ Yes ☑ No |

## SCHEDULE C

### Permitted Administrative Expenses

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| ***One-time / Start-Up Expenses:*** | |
| Initial Personnel | $534,394.39 |
| Building, Equipment, Technology | $131,240.82 |
| Professional Services | $4,565,316.00 |
| Supplies / Miscellaneous | $33,650.00 |
| Marketing /Communications | $213,217.36 |
| Travel | $85,000.00 |
| Website development /Translation | $0.00 |
| Contingency | $2,129,073.80 |
| **Subtotal** | **$7,691,892.37** |
| | |
| ***Operating / Administrative Expenses:*** | |
| Salaries | $56,846,522.70 |
| Professional Services (Legal, Compliance, Audit, Monitoring) | $17,419,051.90 |
| Travel | $726,830.13 |
| Buildings, Leases & Equipment | $2,179,641.01 |
| Information Technology & Communications | $7,403,818.75 |
| Office Supplies/Postage and Delivery/Subscriptions | $1,208,153.66 |
| Risk Management/ Insurance | $109,552.50 |
| Training | |
| Marketing/PR | $12,320,000.00 |
| Miscellaneous | $2,309,648.91 |
| **Subtotal** | **$100,523,219.56** |
| | |
| ***Transaction Related Expenses:*** | |
| Recording Fees | $4,672,957.80 |
| Wire Transfer Fees | $393,000.00 |
| ***Counseling Expenses*** | |
| File Intake | $30,000,000.00 |
| Decision Costs | $4,868,987.47 |
| Successful File | |
| Key Business Partners On-Going | |

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| **Subtotal** | **$39,934,945.27** |
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| **Grand Total** | **$148,150,057.20** |
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| **% of Total Award** | **7.50%** |
| **Award Amount** | **$1,975,334,096.00** |
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